

APPROVED ON APRIL 5, 2011

**CITIZENS ADVISORY COMMITTEE
PUBLIC HEARING AND MEETING**

FEBRUARY 10, 2011

**PORTSMOUTH CITY HALL
Planning Conference Room, 3rd Floor**

6:00 P.M.

Present: Chairperson Nancy Emerson, Vice Chairperson Dani Rooney, Bob Layton, Algene Bailey, Jean Pecunies, Constance Carmody, Lynne Langley

Absent: William Thorpe

Staff: David Moore, Community Development Director

Chairperson Emerson opened the meeting and moved on to the meeting minutes from the January 11, 2011. Ms. Carmody moved that the minutes be approved; Mr. Bailey seconded the motion and all voted in favor.

Chairperson Emerson then recognized David Moore who introduced a City Council referral to the Citizens Advisory Committee regarding the Portsmouth Housing Authority-owned family housing development known as Wamesit Place. Mr. Moore provided background on a 1989 loan made to the PHA to assist in acquiring the then privately-owned apartment complex. He then introduced Executive Director Joe Couture and Bill Shanahan of the Northern New England Housing Investment Fund to speak to the planned refinancing and major renovation of the development on Greenleaf Avenue.

In 1989, the City loaned \$300,000 in CDBG funds from the U.S. Department of Housing and Urban Development to the PHA to assist the agency in purchasing Ridgewood Apartments (now Wamesit Place). At this time, the PHA is working to secure financing for a major rehabilitation of the Wamesit Place apartments. Similar to the financing for the Cottage Senior Housing and Lafayette School Senior Apartments projects, a limited partnership entity will be created to facilitate the use of tax credits and the PHA will be the lead partner. This will effectively be a change in ownership since the 1989 City-PHA Agreement requires repayment of the loan to the CDBG Fund if the PHA's interest in the property is transferred in any fashion to any other entity. In its January 27th letter to the City Council, the PHA requested that the \$300,000 loan be assigned and assumed by the new entity that will own Wamesit Place and that the funds not be repaid at the loan closing that will finance the improvements.

The Committee discussed the proposal and its impact on the CDBG program's goal of maintaining quality affordable housing. The Committee agreed the 100 unit housing development is greatly in need of the significant interior and exterior upgrades proposed by the Housing Authority. In addition, the new financing associated with the renovation will ensure the affordability of these units for a period of 30 years. In exchange for agreeing to transfer the obligation, the Committee further discussed entering into a new agreement that would require that the original \$300,000 loaned to the PHA in 1989 accrue interest of 2% per annum from the date of the new agreement and be payable upon 30 years. The triggering of repayment prior to the 30 year term would be similar to the 1989 agreement, which requires repayment if the property is not maintained solely for rental to people who earn low or moderate incomes or the property is transferred to another entity. After the discussion, Bob Layton moved to recommend the City Council authorize the City Manager to take all necessary steps to transfer the existing \$300,000 loan to the new entity as proposed by the Housing Authority with the new loan terms described. Mr. Bailey seconded the motion; all voted in favor.

Chairperson Emerson then moved on to the next agenda item, which was discussion of FY 2011-2012 Annual Plan and Budget. Mr. Moore indicated that HUD had not provided the City with a budget figure for the new program year starting on July 1, 2011 and that the delay was due in part to no budget being adopted in Congress. He indicated that, once again, that cuts were proposed to the CDBG program. He indicated that staff was monitoring the budget developments and would report back as information becomes available.

Mr. Moore then updated the CAC on the implications of the Federal Safe Act which was addressed at the meeting on January 11th. He indicated that staff was amending the program documents for the Housing Rehabilitation Program to convert that program into a grant program.

Chairperson Emerson adjourned the meeting at 7:45 p.m.