

REPORT OF THE HUMAN AFFAIRS COMMITTEE

NOVEMBER 16, 2006

A meeting of the Human Affairs Committee was held Thursday, November 16, 2006 at 7:35 p.m. in the Aldermanic Chamber.

Chairman Marc W. Plamondon presided.

Members of the Committee present: Alderman-at-Large James R. Tollner, Vice Chair
Alderman Richard LaRose
Alderman David MacLaughlin

Members not in Attendance: Alderman Michael Tabacsko

Also in Attendance: Alderman-at-Large David W. Deane
Scott Slattery, Manager, Urban Programs

**MOTION BY ALDERMAN TOLLNER TO GO OUT OF THE REGULAR ORDER OF
BUSINESS TO TAKE UP NEW BUSINESS
MOTION CARRIED**

NEW BUSINESS – RESOLUTIONS

R-06-129

Endorsers: Alderman Marc W. Plamondon

**AUTHORIZING THE TRANSFER OF \$400 FROM ACCOUNT 374-07118-7223-7106
“CDBG FY06 POLICE ATHLETIC LEAGUE (PAL) - BUILDING RENOVATIONS” AND
\$1,653 FROM ACCOUNT 374-07990-7224-7106 “CDBG FY06 – CONTINGENCY” INTO
ACCOUNT 374-07118-02223-7107 “PAL BUILDING RENOVATIONS – FENCE
REPLACEMENT”**

MOTION BY ALDERMAN TOLLNER TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman LaRose

I did go and visit the site this morning, and the fence is sorely needed. It is a good use of the monies that are left over. Although we have to go into the CDBG contingency, it is well worth the effort.

Chairman Plamondon

I was out there about a month ago, and it is in dire need. In fact, it really is dangerous. Are there any questions from the committee?

MOTION CARRIED

R-06-122

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large James R. Tollner
Alderman Marc W. Plamondon
Alderman Richard LaRose
Alderman Michael J. Tabacsko
Alderman David MacLaughlin

RELATIVE TO THE ACCEPTANCE AND APPROPRIATION OF THE SUM OF \$4,000 FROM THE STATE OF NEW HAMPSHIRE, NH COUNCIL ON THE ARTS AND \$4,000 IN MATCHING FUNDS, INTO SPECIAL REVENUE ACCOUNT #373-7019 TO PROVIDE FUNDS TO CITY ARTS NASHUA, A NON-PROFIT ORGANIZATION, TO HIRE A PART-TIME DIRECTOR

MOTION BY ALDERMAN PLAMONDON TO AMEND R-06-122 BY CHANGING THE WORD “FIRE” TO “HIRE” IN THE BODY OF THE LANGUAGE
MOTION CARRIED

MOTION BY ALDERMAN PLAMONDON TO RECOMMEND FINAL PASSAGE AS AMENDED

ON THE QUESTION

Alderman Deane

Where are the matching funds coming from?

Alderman LaRose

This is what the legislation says – resolved by the Board of Aldermen of the City of Nashua that the City of Nashua and Economic Development Department are authorized to accept a sum of \$4,000 from the State of New Hampshire, NH State Council of the Arts into Special Revenue Account #373-7019 for the purpose of providing funds to the City Arts Nashua, a non-profit organization, to hire a part-time director. Matching funds will be provided by the NH Charitable Foundation \$2,500 and the City Arts Nashua \$1,500. I think the City Arts Nashua wasn't that in the 505 account in the budget?

Chairman Plamondon

I don't believe so.

Alderman LaRose

I recall seeing something about \$1,500. Unless the City Arts of Nashua – that is their own funds. That could be. We don't have anyone here from

Chairman Plamondon

Alderman Deane has the budget. Is there anything in the 505 account that you can see?

Alderman Deane

No. It is probably coming from some other funding source.

Alderman LaRose

I suspect it is their own funds that they generated. There is a non-profit organization. I suspect that may be where that \$1,500 comes from, and they probably got \$2,500 from the Council of the Arts.

Chairman Plamondon

The question is really the \$1,500 from City Arts Nashua. The legislation points to City Arts Nashua, a non-profit organization. That would lead me to believe it is coming from them.

Alderman Deane

My question has been answered. Thank you.

Chairman Plamondon

Is there any further discussion?

Alderman Tollner

I would ask the Chairman if he could look into it and provide us with either an e-mail or memo to close the loop on that – where the \$1,500 is coming from.

Chairman Plamondon

Okay. Any further discussion?

MOTION CARRIED

NEW BUSINESS – ORDINANCES – None

MOTION BY ALDERMAN TOLLNER TO RETURN TO THE REGULAR ORDER OF BUSINESS

MOTION CARRIED

COMMUNICATIONS

From: Scott Slattery, Manager, Urban Programs Department
Re: Home Investment Partnership Funds (HOME)

**MOTION BY ALDERMAN MACLAUGHLIN TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

Chairman Plamondon

I would like to ask Scott Slattery to come up. I would ask the committee if there are any questions regarding the HOME funds expenditures in '05/'06, the remaining dollars in the '07 - \$161,498 – if there are any questions on the application form.

Alderman LaRose

I am the one that precipitated the discussion at the last meeting. The reason I did it was I was wondering if there was a way that we could use these funds for larger families that are low-income families and have a hard time with rental units, etc. Rightly so we spend a lot of these monies for elderly housing and so called affordable housing, but the units that we seem to be building are two-bedroom units. If you have a family that is 3-4 or more children, and especially if you have a mixed group of children, you need a bedroom for Mom and Pop and you might need a couple of 3 bedrooms for the different children that you have. I am not advocating that each child has to have their own bedroom because I was brought up in a family of 5; there were 4 boys and 1 girl; and 4 boys slept in one bedroom and that was fine.

I guess my thoughts were is there a way that we can use these funds? I read the information, but I still need guidance from the professional people. Is there a way that we can either buy some existing large rental units and make them into affordable housing? I guess we need to find an organization that is willing to undertake this.

Scott Slattery

Alderman LaRose the short answer to your question is yes absolutely we can use these funds for that exact type of housing. The City itself doesn't develop any of the housing. We typically go through a non-profit organization and most likely our Community Housing Development Organization or CHDO, which is Neighborhood Housing Services of Greater Nashua. They or another organization such as them; Harbor Homes, Pastoral Care Center, Margarite's Place – typically develop the projects themselves. We're merely a funding source in this. However, that is just the affordable family rental housing piece of HOME Funds. HOME funds are very flexible in how you want to use them. The caveat with them is that you must use them to provide housing for what are traditionally low or moderate-income families. They don't discern two-bedroom, three-bedroom just for families.

Yes we can use that to purchase property, yes we can use it to develop and work with a non-profit to develop larger units. The requirement for HOME funds is that it has a period of affordability. If it is new construction, the period of affordability is 20 years so if we were to build

a new place, sell it to a low-income family that would need to remain affordable for 20 years. Just like this committee appropriated money for Harbor Homes a few weeks ago for their Veterans' Housing Project, because it is new construction, they are committed to keeping those units affordable for 20 years. If it is a re-hab job the period of affordability is smaller depending on how much money we spend and put into the project. Typically 5-year affordability period – so it has to be affordable for that many number of years.

We can also use HOME funds for tenant based rental assistance – very similar to a Section 8 voucher program that we can actually subsidize rent amounts for families renting housing here in Nashua. I don't think that is necessarily an avenue we want to pursue because there are lots of vouchers already out there both through the Housing Authority and through Harbor Homes, which has a mainstream voucher program.

I think your idea about purchasing property or working with a non-profit is a great idea. It would be absolutely eligible use of these funds and be a different way of going about it than what we traditionally have used these funds for in the past.

Alderman LaRose

I guess one question that I didn't pose or think of until you gave your answer – are you aware of whether there is a great need for this type of housing or is it low or marginal?

Scott Slattery

Absolutely there is a need for that. Typically you see lots of two-bedroom units being developed, but not larger units. I know for example through my years when I worked at the Nashua Housing Authority, larger units, especially through Section 8 program and through Public Housing, were always in demand. There is absolutely a need for that. I am sure if we talked to some of the organizations like Neighborhood Housing Services of Greater Nashua they could give us more hard data on number of large families on waiting lists throughout the city.

Alderman LaRose

Thank you.

Chairman Plamondon

On the eligibility, do we have numbers? One thing I read is like 90% of the benefited families must have incomes of no more than 60% of the HUD adjusted median family income for the area. Do we have a dollar range for that type of eligibility? It goes on rental projects of 5 or more assisted units – 20% of the units occupied with families with incomes that do not exceed 50% of the HUD adjusted median. Then it goes on – incomes of households receiving HUD assistance not to exceed 80% of the area median. Do we have what the area medians – is it Nashua, greater Nashua...

Scott Slattery

Yes we have that data down in my office. I could easily provide that data. It is based on family size and is broken down by census data. Nashua has its own figures. I am not sure the exact figures off the top of my head, but I can tell you that they are pretty generous allowances. A typical family of 3 or 4 living modest means if you will here in the City would probably qualify. We would have to look at their total income, but yes we have that data.

Chairman Plamondon

This would be just for Nashua right because you have to be an approved area, and Nashua just recently was approved for HOME funds.

Scott Slattery

Correct. Two years ago was when Nashua became a participating jurisdiction for HOME funds, and yes it would only apply to families that reside within the city.

Alderman Deane

It almost seemed like what Alderman LaRose was alluding to was the City purchasing buildings outright, refurbishing them, and renting them out is that – no...

Alderman LaRose

My idea was not that the City buy them, my idea was if we could find like Harbor Homes or the other organizations that were willing to undertake this type of a project – does it make sense for us to use these funds to do that. I agree – I am not looking for the City to go out and purchase property.

Alderman Deane

It always seems like the same organizations get all the money. Why is that?

Scott Slattery

When it comes to the HOME funds it is merely an application process. The HOME application process is open year round. Any organization can apply at any time. Typically what we see in Urban Programs more is organizations apply more for the CDBG funding because it does have less restrictions placed upon it such as affordability periods that I mentioned before for new construction or re-hab as well as all HOME dollars come with mortgages attached to them. For example when Harbor Homes got \$250,000 in HOME funds to finish their Spring Street homeless Veterans' project, the city attached a mortgage to that property. If they don't meet their affordability period the City can move in and either work with another organization to take over or work with some way of selling the property to recoup the money. Typically that money has to be paid back to HUD if these projects fail.

Additionally, Neighborhood Housing Services of Greater Nashua is our HUD identified Community Housing Development Organization or CHDO. In the regulations, it specifically stipulates that a certain percentage of all of our HOME funds have to go to our CHDO. If you look in the program rules that I did provide to the committee here tonight, you will see that is part of it. Any organization can apply.

Chairman Plamondon

I have had several meetings with Mr. Slattery and Sheila O'Riordan. This year we are planning on starting the CDBG process earlier than ever before. Part of that process is going to include an education process on the CDBG application to make sure that any and all organizations out there who are interested can come, learn about how to apply, and even the existing organizations that have been traditionally getting the money we want to make sure that we are adhering to the letter of the law – there is no other way to put it, and to make sure that these funds are available to everybody – to make sure we have a cross section. We are hoping to have a couple of education forums for the organizations as well as the committee.

That information will be forthcoming.

Scott Slattery

The CDBG process has begun. We already have the applications together and we have put out public notices that the applications are available for organizations to start. In addition to the technical assistance that my office will be providing any organization that is interested in applying and finding out more about the program, we have also built in approximately 3 weeks of time for site visits for any member of the Board of Aldermen and this committee that wants to go out and look at some of these organizations first hand. Typically when the CDBG process in almost every other community especially in communities across the State of New Hampshire these site visits are almost mandatory.

We want to try to provide as much information to the Board so that they can understand where the dollars are being spent.

Chairman Plamondon

We are kind of getting off the topic because the topic is HOME funds right now, but I would hope maybe for our next meeting can you do what you did here on HOME funds for CDBG funds, and we can elaborate in more detail on the process going forward.

Scott Slattery

It would be my pleasure.

Alderman Deane

Since you deviated from the original subject matter, I would like to put in a request for myself – I would like to know if the Community Development Director is anticipating lobbying more CDBG money for administrative costs or paying for positions anywhere within the department as was

done last year – when you come back. I don't expect you to answer that I am just wondering what sort of plan the Director may have in mind.

When you had talked about the City takes over projects that may or could fail or did fail – have we had any of those that you know of in the last 6-8 years, and if so where were they and how was it rectified, and what sort of contingency plan do you have in place to move in and deal with a situation like that if it ever occurs?

Chairman Plamondon

There are none that I can recall.

Scott Slattery

I can tell you that since we have been a HOME participating jurisdiction, which has only been two years – no there haven't been any. Prior to that, we were what is known as a sub-recipient of New Hampshire Housing Finance Authority who oversaw the HOME program for the area. The only knowledge I have of any project that ever had any type of failure, and I don't even think it was a HOME, was the original Clocke Tower project. I know that another organization came in, and they secured other funding. There wasn't any type of payback or any type of situation.

A contingency plan, a good example of something like this when this committee committed the \$250,000 to Harbor Homes Veterans' Fund, we also in our mortgage had a first right of refusal signed by Neighborhood Housing Services so if for whatever reason Harbor Homes was not able to meet their obligation under the program, Neighborhood Housing Services was prepared to step in and take over the project to avoid any type of failure. Having another organization behind it like that is a great kind of a plan to have in place.

The other HOME allocations that have been done have been to well established organizations here in the city; Harbor Homes, Margarite's Place, Nashua Pastoral Care. We don't anticipate it. We try to do as much due-diligence in the underwriting part of these types of projects to make sure that we don't have failure.

Chairman Plamondon

Didn't we have – I think it was two years ago – wasn't it Margarite's Place that had applied and was approved, but then backed down because the HOME funds had the restrictions as you noted earlier about the 20 years and so on?

Scott Slattery

My understanding is that they were not interested in having a mortgage attached to their property. What they did is they lobbied to have CDBG funds instead because they don't come with those types of restrictions.

Alderman Deane

I don't think many people are interested in having a mortgage attached to their property. I remember that specific case when they came back. Wasn't that money sent over to St. Casimir?

Chairman Plamondon

I believe it was.

Scott Slattery

My understanding was the money was re-programmed over to St. Casimir's.

Alderman Deane

Thank you.

Alderman Tollner

For the CDBG money when can they start submitting applications?

Scott Slattery

They can start submitting any time. The applications are available now. The due date is January 10th.

Alderman Tollner

You have to receive them by January 10?

Scott Slattery

Correct by January 10th.

Alderman Tollner

I had a couple of groups that last year went past the deadline.

Scott Slattery

That is why we tried to start it a little bit earlier this year. Also with me being new to the department I wanted to make sure that I built in enough time to get fully familiarized with the process so that we don't have a situation where an organization doesn't have the ability to apply.

Chairman Plamondon

That is exactly why what I mentioned earlier, we want to do the education thing, we want them to know the timetable that the City is working on, but we also want them to be familiar with the application form and help them fill it out so we will not have that happen this year. Really pushing heavily on this education piece this year.

Scott Slattery

If I may, I forgot to let folks know where they can get the application – I do have hard copies available here at the Community Development Division front desk. They are also available electronically through the city's web site under Community Development Division. It is my understanding too is there are some available through the Administrative Services Office. If not, anyone is welcome to call my office. The direct number is 589-3087. I would be happy to get them an application.

Chairman Plamondon

Is there anything else from the committee? Thank you.

UNFINISHED BUSINESS - None

PUBLIC COMMENT - None

DISCUSSION

Alderman Plamondon mentioned the CDBG contingency remains at \$135,716.24. Alderman Deane asked if that is the total amount from prior year as well. Alderman Plamondon stated that is remaining to date. Mr. Slattery stated it is all monies from previous years.

Alderman Deane asked what the total amount received and distributed this year was. Mr. Slattery stated it as a little over \$800,000. Alderman Deane asked if updates on the projects were available. Mr. Slattery remarked the Boys Club roof is complete. At last count there were close to 30 different projects associated with last years' allocations that are at various stages of completion. Alderman Plamondon questioned if the department was keeping pace with inspection of projects. Ms. Slattery responded yes. Alderman Deane requested receipt of an electronic copy of the Davis Bacon Act. The information will be sent to the entire committee.

ADJOURNMENT

**MOTION BY ALDERMAN TOLLNER TO ADJOURN
MOTION CARRIED**

The meeting was declared adjourned at 8:05 p.m.

Alderman David MacLaughlin
Committee Clerk