

AGENDA

COMMITTEE ON COMMUNITY IMPROVEMENT

January 13, 2009
Aldermen Garrity, Gatsas,
Shea, O'Neil, Smith

5:15 PM
Aldermanic Chambers
City Hall (3rd Floor)

1. Chairman Garrity calls the meeting to order.
2. The Clerk calls the roll.
3. Communication from James Burkush, Fire Chief, requesting that \$8,022.04 be taken out of CIP #411304 to purchase two Self Contained Breathing Apparatus (SCBA) units.
Gentlemen, what is your pleasure?
4. Discussion relative to CIP projects and project extensions.
(Note: The Board has requested that the Committee review the attached projects. Additional reports to be submitted by the Finance Department, the Economic Development Office and the CIP staff prior to the meeting.)
Gentlemen, what is your pleasure?

TABLED ITEMS

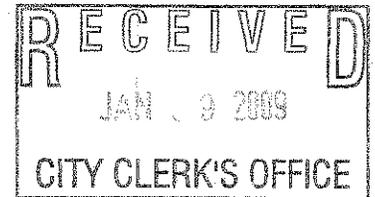
A motion is in order to remove any item from the table.

5. Report from Mayor's Housing Task Force.
(Note: Referred by the Board of Mayor and Aldermen 12/16/08; Awaiting additional information regarding HOME funds, tabled 1/06/09.)
6. Communication from Fred Rusczek, Executive Director of Child Health Services, requesting reconsideration of the Mayor's 12% budget cut of FY2009 CIP allocations to his agency.
(Note: Item was received and filed on 5/5/08 in CIP. At the 5/20/08 BMA meeting it was voted to move this item back to CIP. Tabled 8/4/08.)

7. Update from staff regarding potential opportunities for collaboration with the State of New Hampshire in connection with the impending move of the Manchester District Court, if available.
(Note: Additional report from Jay Minkarah regarding the property exchange attached from 7/21/08. Tabled 6/3/08)

8. If there is no further business a motion is in order to adjourn.

James A. Burkush
Chief of Department



City of Manchester
Fire Department

January 9, 2009

Michael Garrity, Chairman
Community Improvement Program
Manchester, New Hampshire 03101

Dear Alderman Garrity:

Recently the Board of Mayor and Alderman passed a "strategic study" for city wide needs, which negates the need to use the \$8,022.04 in CIP #411304 for design services.

We applied for an AFG grant for Self Contained Breathing Apparatus, which has not yet been awarded.

Our CIP #411709 and the AFG grant will not replace all our units. Can we use the \$8,022.04 in CIP #411304 to purchase 2 units?

Respectfully submitted,

James A. Burkush
Chief of Department

Freeman, Heather

From: Freeman, Heather
Sent: Friday, January 09, 2009 9:02 AM
To: Goucher, Pamela; Maranto, Samuel
Subject: Requests of the Committee on Finance

Please be advised that the Committee on Finance has requested that you provide the following for the next meeting of the Committee on Community improvement:

- Provide a list of all cash projects; original amounts, what has been spent and the current balances
- All CIP projects, balances and project status
- Breakdown of all requests made in the last 5 years for HOME funds and how much the city has provided per project
- List of what is included in the \$500,000 Homeland Security project

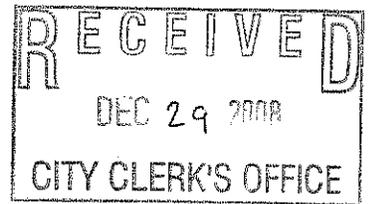
The Committee on Community Improvement will be meeting Tuesday, January 13, 2009 at 5:00pm. Please forward all material to the City Clerks office as soon as it is available.

Thank you,

Heather Freeman
Administrative Assistant III
Office of the City Clerk
T: (603) 624-6455 F: (603) 624 6481

4-1

MEMORANDUM

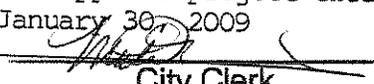


To: Committee on Community Improvement Program

From: Pamela H. Goucher
Interim Planning Director

Date: December 29, 2008

Subject: Project Extensions

In board of Mayor and Aldermen
Date: 1/06/09 On Motion of Ald. Garrity
Second by Ald. Shea
Voted to approve project extensions
 until January 30, 2009

 City Clerk

The following projects are requested to be extended until June 30, 2009:

<u>Year</u>	<u>Fund Type</u>	<u>Project #</u>	<u>Project Name/Department</u>	<u>Balance/Encumbrance</u>
2008	CDBG	212708	New Citizen Assimilation Initiatives-Planning	\$13,418.00
2008	State	214008	Cities Readiness Initiative-State	\$3,740.65
2008	State	214108	Naccho Accreditation Improvement-Health	\$ 2,499.26
2008	Federal	410008	Homeland Security Grant-Fire	\$ 500,000.00
2008	State	4100B8	Homeland Security Grant-Fire	\$ 1,515.99
2008	State	4100C8	Homeland Security Grant-Fire	\$ 35,000.00
2008	State	4100D8	Homeland Security Grant-Fire	\$ 811.00
2008	Cash	411708	Firesafe Intervention Program-OYS	\$ 2,099.30
2008	Cash	411808	Fire Ladder Truck Repair-Fire	\$ 4,505.56
2008	CDBG	511008	Martineau Park-Parks	\$78,125.79
2008	Cash	511208	Hazard Tree Removal-Parks	\$3,250.00
2008	Cash	511308	Millyard Maintenance-Parks	\$8,245.00
2008	Cash	511508	Weston Street Neighborhood Park-Parks	\$13,810.00
2008	Cash	511608	Veterans Park/Stanton Plaza-Parks	\$10,000.00
2008	CDBG	610408	Concentrated Code Enforcement-Building	\$43,400.00
2008	CDBG	611408	Manchester Micro Enterprise Program-MicroCredit	\$2,000.00
2008	CDBG	611608	Neighborhood Pride-Business Incentive-MEDO	\$125,000.00
2008	CDBG	710508	School Sidewalk Program-Highway	\$12,044.45
2008	Cash	710608	Annual Bridge Maintenance Program-Highway	\$20,000.00
2008	Cash	713408	Chronic Drain-Highway	\$17,115.15
2008	CDBG	810008	ADA Compliance-Planning	\$71,651.87
2008	CDBG	810108	Community Development Initiative-Planning	\$10,000.00
2008	Cash	810408	Municipal Deferred Maintenance-HFD	\$6,867.53
2008	State	810808	Vista Initiative Program-Health	\$ 187,303.11
2007	State	210607	School Based Dental Services-Health	\$ 9,994.67
2007	Cash	411807	Hazard Tree Removal-Parks	\$78.77
2007	State	412407	Public Safety Interoperability-Fire/Police	\$ 3,409.25
2007	State	412607	Security Fiber Connections Project-Fire	\$ 85,467.83
2007	Cash	510807	Park Improvement Program-Parks	\$17,495.20
2007	NHDOT	510907	Parks Improvement Project-Parks/Pisc. Trail	\$22,754.00

4-2

			Phase III	
2007	ST/FED	511407	Black Brook Dam Removal (Watershed Restoration) Project	\$46,120.14
2007	ST/FEMA	511607	Bass Island Flood Damage	\$8,889.22
2007	CDBG	611507	Revolving Loan Fund-MEDO	\$ 19,351.26
2007	CDBG	710807	School Sidewalk Program-Highway	\$81,896.52
2007	CDBG	710907	Annual Bridge Maintenance-Highway	\$65,770.51
2007	CDBG	711207	Downtown Miscellaneous Repairs-Highway	\$801.76
2007	CDBG	810707	Community Development Initiative-Planning	\$1,963.93
2007	Cash	810807	Master Plan Support-Planning	\$10,000.00
2007	CDBG	810807	Master Plan Support-Planning	\$43,125.71
2007	CDBG	810907	Neighborhood Revitalization/CBD Impr.- Planning	\$159,092.87
2006	Federal	410006	Mobile Data Terminal/AVL'S-Fire	\$ 1,726.47
2006	Cash	511306	Crystal Lake Master Plan-Parks	\$726.52
2006	CDBG	612406	Neighborhood Revitalization Program-MEDO	\$ 42,053.17
2006	Cash	711206	Campbell Street Traffic Study-Highway	\$5,703.86
2006	Cash	712706	Discretionary Sidewalk/Curb Program	\$15,740.87
2006	CDBG	810306	Economic Development/Master Plan- MEDO/Planning	\$1,578.44
2006	CDBG	810606	ADA Compliance-Planning	\$22,386.01
2003	Cash	411103	Hazardous Materials-Fire	\$ 2,780.30
2000	Other	650300	Hacket Hill Development-MEDO	\$ 430,781.80

In board of Mayor and Aldermen

Date: 12/16/08 On Motion of Ald. DeVries

Second by Ald. O'Neil

Voted Refer to Committee on Community
Improvement

City Clerk

1/6/09 tabled

Report of the Mayor's Task Force on Housing

December 2008

Task Force Members

Co-Chair – Frank C. Guinta; Mayor of Manchester

Co-Chair – Robert Tourigny; Executive Director; NeighborWorks Greater Manchester

David Cornell; Chairman; Assessors Office – City of Manchester

Ron Dupont; President; Red Oak Property Management

Mark Laliberte; Public Policy Advisor – Office of the Mayor

Nicholas Lazos, Esq.; Shareholder; Stebbins, Lazos and Van Der Beken, P.A.

Robert MacKenzie; Former Planning Director – City of Manchester

Sam Maranto; Planner; Planning Department – City of Manchester

William Sanders; Finance Officer; Finance Department – City of Manchester

Mike Skelton; Director of Economic Development and Advocacy;

Greater Manchester Chamber of Commerce

Linda Tremblay; Vice President; Citizens Bank

Table of Contents

Executive Summary.....	3
Process of the Task Force.....	4
Findings of the Task Force.....	6
Recommendations.....	11
Appendix 1 – Vital Statistics.....	13

Executive Summary

Since the beginning of 2007, it has become apparent that the U.S. housing market has been in decline, with foreclosures increasing and sale prices decreasing. The unpredictability of fuel prices – for both homes and vehicles – as well as dramatically increasing food prices has led to fundamental change in how people determine where they live. These factors do not just affect purchased homes, but rental properties as well.

Manchester is not immune to these factors. Even though the city and the region may be in a better position than many parts of the country, there is still a need for action. Statistics show foreclosure numbers not seen in this area since the real estate collapse of the early-1990s. However, with the sub-prime loan collapse and many more homeowners unable to afford their mortgages, there are ramifications that were not experienced back in 1991.

This has also affected the rental market. Up until 2006, rental prices have gone up, making it more difficult for many to afford safe and secure residences. Since the end of 2006, rental prices have stabilized, but with the added costs of food and other essentials, the burdens for these families continue to climb. In turn, this has affected rental property owners. Many owners of one or two multi-family properties, looking to take advantage of low vacancy rates and increasing rents, purchased these properties – many with less than ideal financial and credit situations. Variable interest rate mortgages dramatically adjusted upward from 2006 to today. Many property owners that purchased properties with little or no borrower equity – essentially 100 percent financing – are unable to support their mortgages from the current rental income.

When fuel costs went up, rental prices declined and those with adjustable rate mortgages saw their monthly payments go up, what once seemed sound became financially unmanageable. The result has been more foreclosures, softening rents, plummeting purchase prices and numerous voices on how to address this issue within the city.

This issue is not unique to Manchester or to New Hampshire – in fact, many other regions of the country are doing much worse. In many urban areas across the country, foreclosure rates are reaching highs not seen in decades. For example, Wayne County, Michigan (Detroit Metro) had a foreclosure rate of one house for every 169 in May 2008 – which does not include short sales, those that were currently in foreclosure proceedings or those recently purchased at auction or through bank sales. San Joaquin County in California (Stockton and Lodi) has a rate of one foreclosure for every 76 homes. To put this in perspective, Hillsborough County had one home foreclosure for every 711 homes (second to Merrimack County – one foreclosure for every 680 homes). While these numbers are not as bad as other areas, they still must be addressed as part of a comprehensive housing plan.

Beyond fuel prices and the collapse of the sub-prime mortgage market, there have been many variables that have led to the city's current state:

- Multi-family property transfers peaked in 2005 and 2006 (536 and 538 respectively)
- Multi-family sales prices peaked in 2005 and 2006 (\$269,899 for a two-family and \$330,062 for a three-family)
- Revaluation of tax assessments occurred in 2006
- Vacancy rates exceeding 5 percent in 2006 (for the first time since the 1990s)

In the face of these issues, Mayor Guinta convened a group of city staff and leading business and housing voices in the city to address these issues. This report will address how to utilize these future HOME funds with some general recommendation to address the current funding and others to address how to spend these dollars in the future. The report will also go into depth regarding the current housing and demographic statistics and how they affect Manchester, as well as areas of concern as expressed by members of the task force and other speakers to the committee.

Process of the Task Force

On April 23, 2008, Mayor Frank Guinta convened a group to come together with a written plan that accomplishes the following:

- How to utilize Community Improvement Funds in regards to housing and how those funds could be used in the best interest in the city
- Convince our partners that the goals established by this committee and its subsequent report are in the best interest of all involved
- Develop policies that are pro-active and anticipate issues, rather than react to current issues
- Look at a long-term strategy for this committee that goes beyond the issuing of this report

Mayor Guinta appointed Robert Tourigny, Executive Director of NeighborWorks Greater Manchester, as the co-chair of the committee.

The group met nine times before the issuing of this report – the first three of the meetings were held at Citizens Bank, while the subsequent six were held at City Hall. In addition to the members listed on the first page of this report, Meena Gyawali (formerly of the Planning Department, now of the Manchester Economic Development Office) participated in the final meetings. Many members made all nine meetings and none missed more than three meetings.

From the second meeting up until the seventh, task force members were asked to submit information regarding demographic information about the area, rental and mortgage statistics and any other numbers that may be helpful to the committee. Much of that information is incorporated in the findings and in the Appendix.

It was also important for the committee to hear from housing advocates and developers to get a sense of what they were seeing within the community. Their input proved valuable in the development of this report.

The following accepted invitations to speak with the committee (Brady-Sullivan was also invited to speak with the committee). Between the committee members and the invited speakers, the committee felt like a comprehensive cross-section of the community had been consulted for this report:

Dick Anagnost – The Anagnost Companies (manages more than 700 units)

Pierre Peloquin – Peloquin Realty (owns 300 units, manages an additional 415 units)

Mary Sliney – The Way Home (assists more than 1,000 households annually)

Richard Webster – Manchester Housing and Redevelopment Authority (manages 1,300 public housing units and administers 1,800 assistance vouchers)

Following the completion of this report's first draft by Mark Laliberte, Tourigny made technical changes and sent the report out to the task force. Once that was completed, the task force met to make sure the report was accurate. Tourigny and Mayor Guinta will present this report to the Committee of Capital Improvement in December 2008.

Findings of the Task Force

1. The City of Manchester has an increasing vacancy rate, particularly in the inner city

In conversations with various landowners within the city, most of them have seen their vacancy rates go above what they deem to be comfortable (somewhere between 3 to 7 percent, depending on who you ask). While many larger property managers are either at the high end of comfortable or at a vacancy rate that is slightly too high for their comfort level, it is apparent that smaller property-owners are seeing vacancy rates much higher than their property can support.

For example, Ron Dupont of Red Oak Realty stated at the May 21, 2008, meeting of the task force that the vacancy rate for many larger property owners that he surveyed was about 8.8 percent in May (2,551 rented units, 247 vacancies). This is above the 5 percent he states as ideal (allowing these owners to renovate and update properties when they are vacated). However, in what would be considered “urban” areas of the city, that vacancy rate was around 15 percent and up to 20 percent – which is much higher than comfortable. In addition, it is believed that due to the falling prices for multi-family properties and the increase in foreclosures of said properties, that the vacancy rate for properties owned by low-level investors is even higher.

To entice more people into units, many of the larger property owners are offering incentives such as free first-month of rent or free utilities (such as heat). In addition, many developers are looking outside of Manchester to build new properties. As stated by Dick Anagnost in his meeting with the committee, there is a scarce amount of land to build new housing in the city and he is actively looking at adjacent communities like Londonderry to build new housing stock.

2. Manchester’s rents are going down after a high in 2005

According to the New Hampshire Housing Finance Authority, the average rent in Manchester peaked at \$1,046 for the average two-bedroom home in 2005. Before this, rents saw a sharp spike from \$794 in 2000 to \$1,036 in 2004. After a slight decline in 2006, rents tumbled in 2007 to \$980 for the average two-bedroom. However, anecdotal data suggests that rents may be lower than this in 2008.

On the face, this is not be all bad news. Many social-service advocates have said that rents in Manchester were pricing out the average resident or family in the city. According to HUD, the median income in Manchester for a four-person family was \$50,404. If the average rent in Manchester was \$1,046 that same year, then 25 percent of a family’s income was going toward rent. However, considering that the income of a renter is likely going to be less than a homeowner, renters are likely spending more than 30 percent of their income on rent. Factor in fuel costs, which began going up in 2005, and these housing costs are unsustainable for many Manchester families.

3. The foreclosure rate in Manchester is as high as its been seen since the early-1990s

In numbers reported from real-data.com, the number of foreclosed properties in Manchester as of November 2008 is higher than at any time since the Web site started tracking numbers in 2000. Going back further, the Mortgage Bankers Association – cited in a June 2008 report by the Federal Bank of Boston – show that foreclosures have not been this high since 1993.

At that time, the state and city were still recovering from the federal takeover of five Manchester-based banks. There were 281 foreclosures that occurred in Manchester from January 2008 through November 21, compared to 705 foreclosures in this region. 40 percent of all foreclosures in the region occurred in the City of Manchester. Forty-six percent of all housing units in the region are in Manchester. In the first 11 months of 2008, there has been a 50 percent increase in the number of foreclosed properties versus the same time in 2007. These numbers are also verified by looking at the legal notices in the *New Hampshire Union Leader*, which has seen a profound increase in foreclosure notice listing in its pages since last year – the predominance of which are from Manchester and its surrounding communities.

In following up with the first two findings, many first-time property owners or those that own one or two properties found that the market forces that led to decreases in rent were counter to the investor's ability to pay the mortgage. Add to this the massive increase of fuel oil prices since 2006, which jumped to more than \$4.00/gallon in June 2008, and many property owners faced a dilemma: Pay the renters' heat as an incentive, which doubled in the past two years; or not offer free heat and face an enhanced risk of vacancy. This led to many investors losing their property or not investing in needed repairs to properties, making them run-down.

Many experts in the housing and real estate field believe that the bottom hasn't been reached in regards to foreclosures.

4. The number of Manchester residents considered low-income or lower-middle income has increased, while the overall population of Manchester has declined.

Certainly, the biggest surprise and the most important statistic that came out of the meetings is that the low-income population is rising in the city. Initial HUD data provided to the committee by the city planning office indicated an increase in the low-moderate income (LMI) population. The LMI population is defined as having income levels below 80 percent of the area median income. In 1990 42.6 percent of the city's population met the LMI criteria. In 2005, the LMI population rose to 49.9 percent. In 2007, the figure was at 52.2 percent of the population. Given the concern raised by this trend, the committee sought to fill in the gaps for the missing years as well as compare the trend to other cities. The statistic has proven to be difficult to gather and not readily available. Therefore, the committee elected to look at poverty data as a national standard with readily available information.

According to numbers provided to the committee by the Nashua Regional Planning Commission and the U.S. Department of the Census American Factfinder, Manchester is seeing an increase in families below poverty. This is counter to the trend in the state's second-largest city, Nashua.

Comparison of families below poverty between Manchester and Nashua

Families below poverty	1999/2000	%	2006	%	2007	%
Manchester	2,023	7.70%	2,416	9.80%	3,032	11.90%
Nashua	1,119	5.00%	1,130	5.30%	987	4.40%

Meanwhile, the population of Manchester has declined, albeit slightly. According to the New Hampshire Office of Energy and Planning, Manchester had a population of 109,364 as of July 1, 2006. However, on July 1, 2007, the population dropped to 108,580 – a decrease of 784 people or 0.7 percent. This is a reversal of the slow, consistent growth the city had seen since the 2000 U.S. Census report.

A tangible way to understand this number is to look at the waiting list for housing and vouchers at the Manchester Housing and Redevelopment Authority. As of July 2008, they had a waiting list of 9,600 applicants for housing subsidy. More importantly, the average applicant in 2008 the average income for residents within MHRA's properties had an adjusted median income that was 23 percent of median. In 2002, this number was 37 percent.

This may be one reason to explain why, despite rents going down and more landlords offering incentives to potential tenants, that the vacancy rate is rising. While rents may be decreasing, the cost of fuel and other goods and services have increased. The population that is leaving is often those that cannot afford to live in the city, and, according to the property owners that spoke to the committee, they are seeing more people living in each unit, essentially "doubling-up." This allows for more people to share the cost of expenses without having to pay separate rent.

5. Manchester provides much more of its share of "affordable" housing as compared to the surrounding communities.

According to a study by the Southern New Hampshire Planning Commission, Manchester and Derry are the only two communities within the commission's district to provide sufficient workforce housing. In its 2005 housing assessment for the region, SNHPC created a statistic called "fair share" housing, which is the amount of housing that should be available in communities for renters that are less than 80 percent of Area Median Income (AMI) and pay more than 30 percent of household income into housing.

The assessment looks at the 13 communities in the region consisting of Auburn, Bedford, Candia, Chester, Deerfield, Derry, Goffstown, Hooksett, Londonderry, Manchester, New Boston, Raymond, and Weare. According to the projections in the study, 13,106 housing units fall into the category of being affordable to renters below 80 percent of AMI. The assessment then spreads those units out throughout the region as a percentage of units in each town to demonstrate what the "Fair Share" should be. Manchester and Derry are the only jurisdictions which meet the "Fair Share" test. In fact, Manchester exceeds its fair share by more than 100 percent. Of the designated affordable units in the region, 34 percent should be Manchester's "Fair Share." In fact, the total for Manchester is 78 percent.

More detailed data from the study is available online at: http://snhpc.org/pdf/House_Assess.pdf

6. New laws in New Hampshire have put the spotlight of lead mitigation in Manchester – and the cost to address it.

In 2007, the New Hampshire Legislature passed and Gov. John Lynch signed Senate Bill 176. This new law was “relative to lead paint poisoning and establishing a commission to study the current childhood lead poisoning prevention law, policies, and standards.”

The new law does the following:

- Lowers the blood lead level that determines when a child is lead poisoned from 20 to 10 micrograms per deciliter of blood;
- Allows the commissioner of the department of health and human services to inspect other units of a multi-unit dwelling when a child has been found to be lead poisoned in one of the units;
- Extends the time that interim controls may be used as an alternative to lead hazard abatement under certain circumstances; and
- Establishes a commission to study the current childhood lead poisoning prevention law, policies, and standards

As expected, this is an issue of great importance to property owners. As stated by Dupont, “The cost to de-lead units can be debated. However, certainly most units that I have recently been made aware of (needing lead mitigation) are closer to \$25,000 per unit rather than the \$8,100 per unit that the City of Manchester states. If the average multi-unit in the city is 5 units and there are 100 cases of lead poisoning and the cost to remove lead is \$25,000 per unit the total cost of lead removal in Manchester alone will be approximately \$12.5 million a year.”

It should be noted that this is the experience of one developer in the city. The cost to remove or encapsulate lead in a property varies widely by property.

It should also be noted that Dupont praises Tim Soucy, the Director of the Health Department, for “making a great decision by sending the two immigrant agencies in the state a letter that directed them do all possible to find housing that was lead safe.”

According to the Manchester Health Department, there were seven instances of elevated lead levels in children in 2007. As of July 2008, there were nine cases.

7. The owners of many properties susceptible to becoming run-down or lost to foreclosure are not prepared to handle harsh winters or higher heating costs

Most dwelling units in Manchester are heated by oil or natural gas. Even with the recent slide of crude prices, this may still be a serious challenge for homeowners and renters in the City and will be a major factor in reducing the affordability of housing for many households.

Of particular concern will be the oncoming winter when the rate shock will be most intense. While the current prices have moderated, the long-term trend could continue upwards. This will be most felt in those older structures that tend to have inadequate insulation, outdated heating systems and are likely less energy efficient.

8. The overall housing issues that concern Manchester went beyond the scope of the task force, but its findings laid the groundwork for a committee that can address the issue.

The work of this committee was consistent and addressed numerous issues. However, its charge was to address specifically the issue that Mayor Guinta charged it to do, which was to determine how to spend HOME funds within CIP.

During the task force's meeting, it became apparent that the work of this group would be beneficial to a long-term study of housing and demographic trends and estimates for the city. It also became apparent that a group like this – consisting of staff, residents and business leaders – would be beneficial to the Board of Mayor and Aldermen as well as city staff, as it could provide comprehensive and Manchester-centric housing research for the city. Most information available to the city is either partial in its scope (i.e. refers to Hillsborough County or Southern New Hampshire); outdated (i.e. numbers come from Census 2000 or, like median income, updated less than yearly; or are difficult to obtain (i.e. Real-Data.com requires a subscription to obtain numbers about foreclosures). However, a committee like this with its blend of participants would be able to obtain the most up-to-date and drilled-down numbers.

Recommendations

1. Until the market dictates it, no CIP funds should go toward the new development of properties. That time does not appear to be in the near future.

As stated by developers, city staff and others, city funds would be most effective if directed to address the condition of existing housing stock in declining neighborhoods, as opposed to creation of new housing stock. While \$400,000 is not a lot of money, it can make a difference in addressing many of the redevelopment needs in the city and can often be leveraged with funds from other non-profits and private organizations (which is what was done in Rimmon Heights on the West Side). For the past several years, the city has taken an active position in supporting new housing development. It was agreed that the city should not discourage new development by the private development community; however, at this point it does not need to subsidize those units.

2. HOME funds should be utilized in “at risk” or “fire line” neighborhoods within the city to “stabilize” them.

These neighborhoods stand between blighted and more economically secure neighborhoods within the city. However, the task force would ask the Planning Department to determine what neighborhoods would fall under the classification of “at risk.”

3. In stabilizing these neighborhoods, the funds should be used in any combination of ways.

- Multi-family units to partake in weatherization or energy-efficiency rehabilitation;
- Healthy home projects, such as lead and asbestos mitigation
- Leveraging infrastructure improvements/neighborhood revitalization projects (i.e. Rimmon Heights)

The committee felt that addressing one of these three issues would provide the most impact for the city’s money. For example, some in the task force felt that there is need for assistance on energy efficiency improvements to existing housing stock such as insulation, weather-stripping and efficiency improvements to heating units. However, others believe that providing increased assistance to provide lead paint abatement is also an important public goal. Because of the new emphasis to address lead issues, there was a need to make sure money was available to fund existing or new lead abatement programs.

In addition, the task force believed that addressing the at-risk neighborhoods also meant addressing the infrastructure of these areas. Since the Planning Department already has a template for how to address this (Rimmon Heights) and the city has reached out to HUD to address these areas (Granite Square), it makes sense to continue these programs.

4. Manchester should develop a mechanism to utilize the U.S. Department of Housing and Urban Development's Neighborhood Stabilization and "\$1 Good Neighbor" Programs

At the end of September 2008, the U.S. Department of Housing and Urban Development released about \$4 billion in funds for hard-hit neighborhood nationwide. Neighborhood Stabilization Program (NSP) will provide emergency assistance to state and local governments in the redevelopment of neighborhoods experiencing decline due to high foreclosure rates and subprime mortgage-related problems. New Hampshire, through the Community Development Finance Authority, will be receiving \$19.6 million for this program.

The program is designed to help address foreclosure problems in certain neighborhoods in order to make them more stable, sustainable, and competitive. The final program plan needs to be approved by HUD, who has made a commitment to all states to do so by mid February 2009.

New Hampshire communities with the highest rates of foreclosures, highest rates of subprime loans, and the highest likelihood of future high rates of foreclosures have been identified as Tier 1 and Tier 2 groups and are eligible to apply for funds. Tier 1 communities include: Berlin, Derry, Manchester, Nashua, and Rochester; and Tier 2 includes: Barnstead, Claremont, Farmington, Franklin, Hillsborough, Laconia, Newport, Ossipee, Pittsfield, Raymond, Wakefield, and Whitefield.

It is anticipated that NSP funds will be available to assist communities to purchase foreclosed and abandoned properties in order to revitalize neighborhoods through a combination of rehabilitation, affordable housing, removal of blight, creation of green space, commercial use, or other need in the community.

In addition, the city was made aware of HUD's \$1 Good Neighbor Program, which provides municipalities the opportunity to purchase property that has been foreclosed for \$1 and to utilize it as they wish.

It is imperative that city staff and the affected housing agencies develop a mechanism for the city or other entity to rehabilitate properties or tear them down, when appropriate.

5. This committee should become a standing board, as stated by Section 3.13 of the Manchester Charter, and advise the Board of Mayor and Aldermen on an annual or as needed basis.

Longer term, there will be a need for a more comprehensive strategy to help the city address the major changes in its housing stock. While this committee was able to research many of the housing issues, and, if asked by Mayor Guinta, will continue to look into these, the process should be formalized. We believe that a standing committee that is responsible for reporting to the Board of Mayor and Aldermen on an annual (or as needed) basis will allow policymakers the ability to have up-to-date information to guide them in their decisions. This will also assure that there is a committee that eyes the housing trends as well as keeps the lines of communication open between the city, property owners, and housing advocates.

Appendix 1 – Vital Statistics

City of Manchester	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (1)	107,219	108,122	108,143	108,725	109,117	109,460	109,497	108,580	
Number of Housing Units (2)	46,117	46,068	46,271	46,927	47,326	47,884	48,232		
Median Income (3)	\$40,774					\$50,404			
Households Below 80% AMI (4)						49.9%		52.2%	
Households Below Poverty (9)	7.7%					9.5%	9.8%	11.9%	
Median Purchase Price (2)	\$125,933	\$146,000	\$174,897	\$194,500	\$221,000	\$224,000	\$226,000	\$223,000	
Average Sales Price (5)		\$148,472	\$177,194	\$183,582	\$211,753	\$215,937			
Number of Homes Sold (5)		1,152	1,119	1,477	1,467	806			
Foreclosures (6)	37	21	16	14	19	22	84	188	281
Median 2 BR Rent (2)	\$794	\$925	\$999	\$975	\$1,036	\$1,046	\$1,041	\$980	
Rental Vacancy Rate (2)	0.8%	0.5%	1.7%	2.0%	4.3%	4.2%	5.2%	5.5%	
SF Building Permits (2, 8)	126	79	161	161	148	147	54	61	12
MF Building Permits (2, 8)	50	124	495	238	410	201	159	15	1
Total Assessed Property Value (7)	\$3,831,804,250	\$5,155,060,466	\$5,131,073,404	\$5,182,805,100	\$5,277,932,600	\$5,342,561,400	\$9,589,899,446	\$9,631,808,500	
Total MF Property Transfers (7)	221	306	302	461	489	536	538	424	185
Avg. 2 Family Sales Price (7)	\$120,007	\$148,910	\$190,236	\$222,997	\$242,804	\$269,899	\$261,637	\$236,844	
Avg. 3 Family Sales Price (7)	\$129,092	\$165,364	\$243,778	\$273,671	\$317,034	\$330,624	\$315,628	\$281,834	
Avg. 4-8 Family sales Price (7)	\$141,391	\$201,462	\$318,231	\$362,453	\$394,041	\$413,648	\$414,142	\$351,964	

Data Source:

- (1) OEP SNHPC
- (2) NHHFA.ORG
- (3) NH.GOV
- (4) Manchester Planning Dept.
- (5) NNEREN.COM
- (6) Real-Data.com as of 11/21/08
- (7) Manchester Assessors Office
- (8) Manchester Building Dept
- (9) U.S. Census American Factfinder

Manchester Region	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population (1)	239,883	253,823	256,257	259,521	261,922	263,713	262,813		
Number of Housing Units (2)	96,868	97,868	98,991	100,534	101,840	103,409	104,443		
Median Income (3)	\$62,364	\$60,400	\$62,100	\$68,200	\$69,800	\$69,800	\$76,900	\$71,300	\$76,400
Households Below 80% AMI									
Median Purchase Price (2)	\$138,000	\$159,900	\$193,005	\$214,900	\$240,000	n/a	\$248,500	\$250,000	
Average Sales Price (5)		\$196,716	\$224,239	\$232,981	\$259,258	\$265,011			
Number of Homes Sold (5)		2,336	2,306	2,769	2,700	1,426			
Foreclosures (6)	86	57	41	52	49	72	222	463	705
Median 2 BR Rent (2)	\$799	\$943	\$1,003	\$984	\$1,036	\$1,046	\$1,041	\$1,005	
Rental Vacancy Rate (2)	3.1%	0.4%	1.7%	2.3%	4.5%	4.2%	4.9%	5.0%	
SF Building Permits (2)	1,101	958	984	854	842	552	460		
MF Building Permits (2)	219	143	542	432	686	466	387		

(1) OEP SNHPC

(2) NHHFA.ORG

(3) HUD Data

(5) NNEREN.COM

(6) Real-Data.com as of 11/21/08

5-14

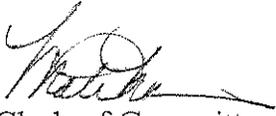
To the Board of Mayor and Aldermen of the City of Manchester:

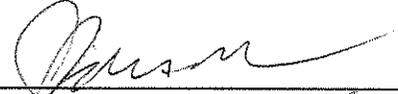
The Committee on Community Improvement respectfully advises, after due and careful consideration, that the communication from Fred Rusczek, Executive Director of Child Health Services, requesting reconsideration of the Mayor's 12% budget cut of FY2009 CIP allocations to his agency has been received and filed.

(Unanimous Vote)

Respectfully submitted,

May 20, 2008. In Board of Mayor and Aldermen.
On Motion of Alderman DeVries, duly seconded
by Alderman Lopez, voted to move item to CIP.


Clerk of Committee



5/5/08 R & F



EXECUTIVE DIRECTOR
Frederick A. Rusczek, MPH

April 23, 2008

MEDICAL DIRECTOR
Lisa DiBrigida, MD

Michael Garrity, Chair
Aldermanic CIP Committee
c/o City Clerk's Office
1 City Hall Plaza
Manchester, NH 03101

BOARD OF DIRECTORS
Steven Paris, MD
President
Norm Turcotte
Vice President
Barbara Labonte
Treasurer
Joanne Gustafson
Secretary
Joseph A. DiBrigida
Clerk

RE: Reduction in CIP funding for Child Health Services

Dear Alderman Garrity, and members of the Aldermanic CIP Committee:

In the Mayor's proposed FY 09 budget, the CIP allocation for Child Health Services was reduced by over 12 % from \$ 137,000 to \$ 120,000. I am writing to seek your reconsideration of this cut.

Child Health Services provides primary care and related health services to over 2,000 low income children in Manchester. In addition to traditional medical care, support services such as nutritional and social services, dental care, clinic visit transportation, and interpretation help ensure that children can grow up healthy. Because of Child Health Services, the Manchester Health Department was able to transition out of running well-child clinics about 15 years ago. At about that time, Child Health Services received additional support from the City to offset some of the diverted costs related to this transition. The children and families served by Child Health Services have benefited from City support since it was founded. This support has always been truly appreciated by this agency.

The need in Manchester continues to grow, with a significant increase in the number of children who meet the very low income guidelines that Child Health Services utilizes to gauge need for its services. We are finding that children have more complex needs today than what was typical a decade ago. As a result, the need for more comprehensive services for such children has increased at a time when the economy has caused a contraction in the private donor dollars available to Child Health Services to support such services.

We recognize that the City too is facing increased pressures related to growing needs and a weak economy. The low income families served by Child Health Services are in similar economic situations, and perhaps could even be hit the hardest in such times. It is for these reasons that we sought an increase in our CIP request this year. We ask the CIP Committee to consider at least restoring the CHS allocation to last year's funding level of \$ 137,000.

I would be most happy to answer any questions that you might have on the services provided by CHS and invite any member to call me at any time. Thank you.

Sincerely,

Frederick A. Rusczek, MPH
Executive Director

CC Frank Guinta, Mayor
Members, City of Manchester Board of Aldermen

Child Health Services (CHS), established in 1980, is a non-profit pediatric clinic providing comprehensive health care for children from families living in the Greater Manchester area who cannot afford to use the traditional health care system or cannot make it adapt to their needs.

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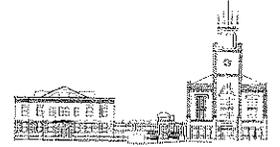
P H : 6 0 3 . 6 6 8 . 6 6 2 9  F X : 6 0 3 . 6 2 2 . 7 6 8 0

www.childhealthservices.org 6-2



CITY OF MANCHESTER

Office of the City Clerk



Carol A. Johnson
City Clerk

Matthew Normand
Deputy City Clerk

MEMORANDUM

TO: Committee on Community Improvement
Aldermen Garrity, Shea, O'Neil, Gatsas, Smith

FROM: Matthew Normand
Deputy City Clerk

DATE: July 21, 2008

RE: Hillsborough County Superior Court North Update

Please find the attached report from Jay Minkarah summarizing various meetings and discussions and updating the committee on the Hillsborough County Superior Court North facility.

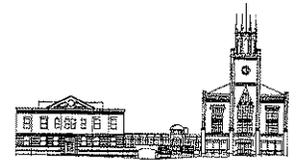
pc: Board of Mayor & Aldermen

Attachments



CITY OF MANCHESTER

Economic Development Office



July 21, 2008

Michael D. Garrity, Chairman
Committee on Community Improvement
One City Hall Plaza
Manchester, NH 03101

RE: Hillsborough County Superior Court North Update

Dear Chairman Garrity and Members of the Committee:

Since my last communication to the Committee of June 3, 2008 (copy attached), staff has continued to investigate the possibility of exchanging the existing Hillsborough County Superior Court facility at 300 Chestnut Street for the Pearl Street parking lot and exploring possible municipal uses for the building if an exchange were to be made.

On June 9, Pam Goucher, Sean Thomas, Kevin Sheppard and I toured the Superior Court Facility to gain a better understanding of the building's condition and its potential for conversion to alternative uses. Tim Clougherty and Police Chief Mara toured the building separately. On July 3, Pam Goucher, Deputy Chief Marc Lussier, Sean Thomas, Brandy Stanley, Tim Clougherty, Tom Arnold and I met to discuss issues surrounding the proposed property exchange. Our observations and conclusions summarized below.

With regard to the existing court facility, it is apparent that the building would have to be completely gutted and the interior rebuilt for any possible use because of the extent of the asbestos in the building and due to its overall condition. Further, the layout of the building, which appears suitable for its current use, may not be readily adaptable to other potential municipal uses. To properly evaluate the suitability of the building for alternative municipal uses, a thorough analysis of the building by appropriate professionals would need to be undertaken with respect to the specific space needs and facility requirements associated with each potential use. Funding for such analyses would be necessary if we were to continue to pursue municipal acquisition of the building. It should also be noted that the cost of building rehabilitation would vary considerably based on the use for which it would be put. A copy of a report prepared by Tim Clougherty summarizing certain observations related to the building is attached.

It has been noted that the existing Superior Court property may be encumbered by a reverter clause and that there may be deed restrictions that may limit the use or sale of the

building. The Pearl Street lot may also be encumbered by use or sale restrictions originating from the time when various parcels were assembled to create the lot. Further research into these issues will be required.

The potential impacts resulting from redevelopment of the Pearl Street lot into a Superior court facility were also addressed by the group. Currently there are 330 spaces at the Pearl Street Lot used by both permit and transient parkers. Occupancy rates are estimated at about 70%. The lot currently generates about \$315,000 in revenues at current rates which would, of course, be lost. An analysis conducted by Parking Manager Brandy Stanley indicated that if the lot were to be redeveloped for a new superior courthouse, there would be enough available parking spaces in the area to accommodate parkers displaced from the lot, but only if the court development were to include at least 130 parking spaces to accommodate court personnel on-site, and the City were to eliminate a travel lane and restripe Elm Street North of Bridge for angled parking on one side. In addition, parking spaces in the privately managed garage at Manchester Place would have to be made available. The introduction of angled spaces on Elm would generate approximately \$200,000 in additional revenues which would reduce the City's net revenue loss to \$115,000 per year.

Though on-site, on-street and private parking could be provided to meet the overall immediate needs of the area, a number of businesses and institutions would be impacted by loss of the Pearl Street lot because access and proximity to available spaces would change. Further, there would not be sufficient parking on jury selection days (every other Monday) when approximately 100 additional vehicles would need to be accommodated in the area. As a result, we anticipate that many vehicles would spill over into nearby residential blocks in the neighborhood which would necessitate the introduction of a residential parking program and time limit restrictions on residential streets.

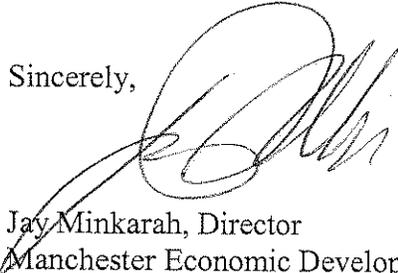
Over the past several weeks, we have remained in contact with Steve Lorentzen, Administrator of the State's Bureau of Court Facilities. Based on recent discussions with Mr. Lorentzen, we understand that they remain interested in the Pearl Street lot as a location for a new court facility; however, they already have legislative authority to rehabilitate the existing court facility and cannot delay moving forward on their work plan if they are to meet their timeline for project completion. As such, the state is proceeding with its original plan to renovate the existing Hillsborough County Superior Courthouse. Though they remain open to continuing a dialogue with the City to pursue a swap of the Pearl Street Lot, little time remains for an agreement with the City to be reached.

It is apparent that a number of issues remain to be addressed before the City would likely be ready to commit to a property exchange agreement with the state including identification of a suitable use for the building, funding, legal constraints and potential parking and land use impacts resulting from redevelopment of the Pearl Street Lot. The state on-the-other-hand, appears ready to move forward with rehabilitation of the existing court facility, apparently has the authorization and funding to do so and is working within a timeline (copy attached) that leaves little if any room for delay. As such, it seems unlikely that an intersection of interests will

occur at this juncture. Fortunately however, it is our understanding that the possibility of developing a new superior court facility outside of Manchester is no longer under consideration.

Should any further actions in pursuit of a possible exchange of the Pearl Street lot for the existing Hillsborough Superior Court North facility be desired, or if you have any additional questions or concerns regarding this matter, staff would be pleased to provide any assistance required.

Sincerely,



Jay Minkarah, Director
Manchester Economic Development Office

cc: Hon. Frank Guinta, Mayor
Sean Thomas, Office of the Mayor
David Mara, Chief of Police
Marc Lussier, Deputy Chief of Police
Pamela Goucher, Acting Planning & Community Development Director
Kevin Sheppard, Director of Public Works
Tim Clougherty, Deputy Director of Public Works
Tom Arnold, Deputy City Solicitor
Brandy Stanley, Parking Manager



CITY OF MANCHESTER
Economic Development Office

*Economic Development Office
Haddon I
Community Improvement Com
6/3/08*



tabled 6/3/08

June 3, 2008

Michael D. Garrity, Chairman
Committee on Community Improvement
One City Hall Plaza
Manchester, NH 03101

RE: Hillsborough County Superior Court North

Dear Chairman Garrity and Members of the Committee:

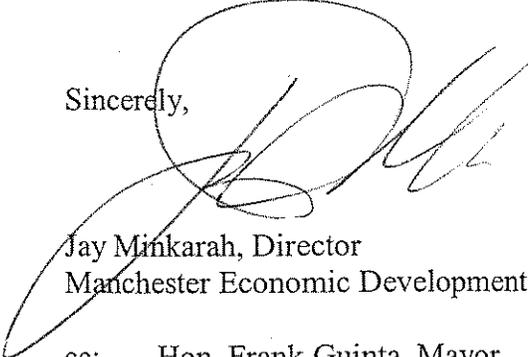
Due to the widespread presence of asbestos in the Superior Court Facility on Chestnut Street, it has been determined that the building must be vacated temporarily while remediation work is undertaken or the Court must be permanently relocated to a new facility. It is our understanding that a state-level committee has been reviewing alternatives and has determined that the preferred option is to relocate the Family Court to the District Court facility on Amherst Street and to temporarily relocate all other court functions to Hillsborough County South in Nashua for a period of fourteen to eighteen months while remediation work and a complete rehabilitation of the structure is undertaken. Other alternatives considered included development of a new Superior Court facility in Goffstown or elsewhere in Manchester.

Though it appears that rehabilitation of the existing facility is the favored alternative, interest has been shown in the possibility of developing a new Court facility on the City-Owned Pearl Street Lot, possibly through an exchange of properties for the Superior Court building. Steve Lorentzen, Administrator of the State's Bureau of Court Facilities, has visited the site and believes that it would be suitable. With regard to possible municipal uses of the existing Court facility, its rehabilitation and conversion into a new Police Station has been discussed along with other possible uses.

To pursue the possibility of swapping the Pearl Street Lot for the Superior Court Building, Mayor Guinta, Police Chief Mara, Tom Clark, Tom Arnold, Brandy Stanley and Jay Minkarah met with Steve Lorentzen and Michael Connor of the State Department of Administrative Services on Friday May 16, 2008. At that meeting, it was noted that the window of opportunity for gaining approval for a swap was small and that several issues would need to be addressed and approvals obtained. Key issues include value of the two properties, use restrictions and reverter clauses, costs, possible uses for the court building, parking impacts, and other issues.

Staff has since obtained an estimate for appraisals of the properties and a walk-through of the Superior Court facility has been scheduled for Monday, June 9. Mr. Lorentzen agreed to forward deed information to the City Solicitor's office for review. Staff continues to work with all parties on this issue. If you have any questions or concerns or require additional information, please feel to contact me at your convenience.

Sincerely,



Jay Minkarah, Director
Manchester Economic Development Office

cc: Hon. Frank Guinta, Mayor
Pamela Goucher

Glennon, Heather

From: Normand, Matthew
Sent: Thursday, May 29, 2008 8:17 AM
To: Goucher, Pamela; Minkarah, Jay; Guinta, Frank
Subject: Request of the Committee on Community Improvement - REMINDER

REMINDER

The Committee on Community Improvement will be meeting on Tuesday, June 3, 2008 at 5:30 p.m.

Matthew Normand
Deputy City Clerk
Office of the City Clerk
T:(603) 624-6455 F:(603) 624-6481
www.manchesternh.gov

From: Normand, Matthew
Sent: Monday, May 05, 2008 7:11 PM
To: Goucher, Pamela; Minkarah, Jay; Guinta, Frank
Subject: Request of the Committee on Community Improvement

Please be advised that the Committee on Community Improvement has requested that you pursue potential opportunities for a collaboration with the State of New Hampshire regarding the relocation of the Manchester District Court and the City's utilization of the present building on Amherst street to meet possible City needs and report to the Committee prior to the next meeting.

Matthew Normand
Deputy City Clerk
Office of the City Clerk

7-7

Rioux, Claire

From: Normand, Matthew
Sent: Monday, May 05, 2008 7:11 PM
To: Goucher, Pamela; Minkarah, Jay; Guinta, Frank
Subject: Request of the Committee on Community Improvement

Please be advised that the Committee on Community Improvement has requested that you pursue potential opportunities for a collaboration with the State of New Hampshire regarding the relocation of the Manchester District Court and the City's utilization of the present building on Amherst street to meet possible City needs and report to the Committee prior to the next meeting.

Matthew Normand
Deputy City Clerk
Office of the City Clerk

7-8

5/6/2008