COMMITTEE ON COMMUNITY IMPROVEMENT

November 24, 2009 **5:45 PM**

Chairman Garrity called the meeting to order.

The Clerk called the roll.

Present: Aldermen Garrity, Gatsas, Shea, O'Neil, Smith

Messrs: D. Mara, A. Thomas, M. Long, D. Anctil, K. Rhodes, T. Clougherty, S. Lewry, L. LaFreniere, R. Tourigny, K. Coffey

Chairman Garrity addressed item 3 of the agenda:

3. Discussion relative to the Weed 'n' Seed Program.
(Note: Communication from Chief Mara will be forwarded to the Committee, if available.)

Alderman O'Neil asked is there a need for money or not?

Mr. David Mara, Police Chief, replied in the past we would get funding for the Weed 'n' Seed program from the federal government. We applied for a Byrne Grant. We didn't get the grant this time. We wanted to continue Weed 'n' Seed because we think it is successful program and that is why we wrote this letter.

Alderman O'Neil stated if we go by Tim Soucy's letter you are looking for approximately $13,000. Is that correct, to keep the position going?

Ms. Anna Thomas, Deputy Public Health Director, replied that is for the Weed 'n' Seed coordinator position. There are other aspects of the budget that still need to be funded that we hoped to get through the Byrne Grant.

Alderman O'Neil asked there are still some opportunities for additional funding?

Ms. Thomas replied no, there is not. We are looking to fill that void here.

Alderman O'Neil asked has staff had the opportunity to look at this? Have you identified a funding source?

Mr. Mark Long, Law Enforcement Coordinator, replied we have not had any letters of communication yet, Alderman. I am unaware of how much they are looking for at this time.

Mr. Mara stated we have a break down of costs.

Alderman Garrity asked CIP staff doesn't have that?

Mr. Mara replied it was my understanding that they had that.

Alderman O'Neil asked how long do we have to identify the funding source?

Ms. Thomas replied at least through March for the coordinator position if we keep it full time. This is to fill us for the rest of the fiscal year.

Alderman O'Neil asked right now we are okay through March?

Ms. Thomas replied correct.

Alderman Gatsas stated Chief, correct me if I'm wrong, but I think all the Weed 'n' Seed money has gone directly to the state. Is that correct? Are these different funds?

Mr. Mara replied these are different funds.

Alderman Gatsas asked we have a lot of Weed 'n' Seed money in different places?

Mr. Mara replied no. The Weed 'n'Seed allotment always comes to the City.

Alderman Gatsas asked did it go to the state or is that a different program?

Mr. Mara replied no. I think you are referring to StreetSweeper.

Alderman Gatsas asked is there any way we can try to utilize what we have within our budget to get us to March or at least into the next fiscal year to see what we can find? Is it coming out of your budget or is that Health?

Mr. Mara replied this is one officer. One officer is typically funded for salary and benefits through the federal grant. I believe that runs out in March.

Alderman Gatsas asked so you would need April, May and June?

Mr. Mara replied for this fiscal year, yes.

Alderman Gatsas asked could we deal with it during the budget process? We can see how we are doing throughout the City in other revenue sources to see if we are saving money in open positions and then get you through the end of the year. If you come back to us it is obviously not something that is a necessity today.

Mr. Mara replied it is not pressing at this point.

Alderman Gatsas stated we will cover your back again, as we have said in the past. If you come back to us, we will certainly take care of it. Let's see where we are in March and where funds are falling throughout the City.

Alderman Garrity asked does that sound okay to the Committee?

Alderman O'Neil replied as long as the staff is comfortable with that. Are you both okay with that?

Mr. Mara replied yes.

Ms. Thomas replied I think so. We tried to go through the Byrne Grant so it would offset the cost to the City, but unfortunately, it was a very competitive process and we weren't successful so here we are.

Alderman O'Neil asked Mark, is your office okay with that?

Mr. Long replied yes, absolutely.

On motion of Alderman Gatsas, duly seconded by Alderman Shea, it was voted to receive and file this item.

Chairman Garrity addressed item 4 of the agenda:

4. Update from Dennis Anctil, Highway Department, on the status of the Elm Street/Gaslight District Project.

Mr. Denis Anctil, Highway Department, stated with me tonight is Ken Rhodes from CLD who will be updating the Committee on the status of that Gas Light District.

Mr. Ken Rhodes, CLD Consulting Engineers, stated we have been working with the Highway Department for a while on this. Again, as an overview, we have been working to put together a vision for this area of town. There were some preliminary designs put together. The initiative included a lot of property owners in the area and is the culmination of ideas as to how we could improve and extend the downtown improvement towards South Elm Street and in the Gas Light District. We want to try to utilize the area

for store frontage improvements along with street improvements and also create some parking. The exhibits that we have were produced by Randy Knowles. I gave you five handouts. The other side of the street would have parallel parking and the sidewalk panels on either side. In the Gas Light District itself, which is Old Granit Street to Elm Street to Auburn Street over to Canal Street, we looked at street scape improvements, parking and circulation. Essentially, the main improvements are on Depot Street and Franklin Street. Depot Street would be tuned into a one way westbound with diagonal parking on one side. As you turn the corner, you can also get diagonal parking one way on Franklin Street. The back alleyways, Elm Street West Back and the little alley down here, will be improved as pedestrian ways. This is a cobblestone way and that was thought to be decorative in that area. This would be a central focus of crosswalks in this area. At the Auburn Street boundary, we would attempt to have some diagonal parking. Along the way, you can also see that we took whatever opportunities were available, though limited, to put in street scaping along that area. Along the corridor of South Elm Street, in general, looking at the cross section, the sidewalks were generally thought to be improved. With this continuous area through here it was thought that diagonal and parallel parking with limited laneage could accomplish the initial tasks, do some traffic calming and generally extend the downtown district continually south, hopefully encouraging some of the warehouse development through here. We got to the point where we had put together some very preliminary costs on some of these alternatives. We went through the exercises of whether to work with Public Service to put underground utilities in this area. The issues related to underground utilities became extraordinarily expensive in both locations. To keep costs within talking range and practical, some of that would become opportunity driven and not part of our preliminary recommendations. This has been waiting around. We are aware that there have been some grant opportunities and general fund opportunities looked for, but the preliminary designs are showing the concepts and recommendations.

Alderman Gatsas stated the bump out that is on Auburn Street…when we look at designs they look nice on paper. When you effectually start driving them they are dangerous. I can tell you that the number of complaints that I have received in the last two weeks about going from two lanes to one lane and having a turning lane in the middle is crazy. Before you put up the reflectors on the bump out on Auburn Street, I almost went over them. I know it looks good and we were trying to enhance parking, but watching a car coming up Auburn Street looking to make that right on a red, the guy in the left hand turning lane thinking he could go straight, but has to go right, is looking to charge Elm Street to beat the other guy across…I'm not too sure of the configuration that we designed there makes a lot of sense for what we are trying to do throughout the whole City. I'm sure there are other Aldermen who have heard just as many complaints as I have. I think we need to relook at that and maybe change the bump out. When you have two lanes converging into one after Bridge Street with no bump out there is almost an opportunity for two cars to go. When the bump out is there, there is no opportunity. I would hope that we would relook at that. I'm not sure of a timeframe. Some people might want to go back to where we were. Again, I think that's a serious problem. The people

who drive on Elm Street…I'm not sure why we use the turning lanes to go to the left because there isn't much there.

Mr. Tim Clougherty, Facilities Director, stated we're aware of the concerns and the consternations that the bump out has created. The department continues to evaluate the situation. Right now, we're contemplating a tapered situation where we go from two lanes heading southerly, crossing Auburn Street and then taper over to one lane as you head further south onto Valley Street. I appreciate the concerns as well regarding the left turn lanes going to the east side of Elm Street. I agree that the use isn't as heavy right now as one would hope from an economic development standpoint. Thankfully, that is a matter of striping and not major reconstruction. If it is the will of the Committee and they are in agreement that we should eliminate that bump out and explore the two lanes to one lane taper option as we move south, we are prepared to do that diligently.

Alderman Gatsas asked what was the cost and what would the cost be to go back to what it was? Obviously, Rockwell is a major concern of development. I'm not too sure we would keep the configuration we have now. What would it cost to go back to where it was, having no tapered lanes? I think it is important to have two lanes leaving the City, especially with the events at the Verizon Center. You could probably deal with them coming into the City and parking, but once those events are done, I think those two lanes should be heading in a southerly direction, rather than in a northerly direction.

Mr. Clougherty asked continuing right through the intersection at Valley Street?

Alderman Gatsas replied correct.

Mr. Clougherty stated I don't have those numbers with me, but I would be happy to get them to you.

Alderman Shea stated my concern is the long range expense of this vis-à-vis other concerns, particularly my personal concerns for my ward. Could you give me the planning stage at this point? When do you hope to implement this? What are the designs in terms of cost analysis and things like that? Have you reached that stage yet?

Mr. Clougherty replied we have gone through some cost analysis and those numbers have been shared internally. We haven't really approached the subject of when it would be opportunistic to bring this forward. Obviously, as Alderman Gatsas mentioned, there has been discussion about the Rockwell site and potential development. It is up to the will of the Committee and the Aldermen to help us understanding how this melds into a Master Plan for that area.

Alderman Shea stated so at this point your answer is that you can't tell us what the cost analysis is. When would you be able to do that?

Mr. Rhodes replied it is difficult to know. We have gone through some of these initial scenarios and I am probably in a better position to say at this point, we would reserve the cost on this. It is not at a point where the Highway Department has told us they want to put it into the program. The numbers are long range and it doesn't fit into a program right now that we could either recommend or support. The only thing we do know is that the Economic Development Office has a grant out and the congressional representation has been looking for $1 million. If it comes forward, there are pieces of this that might work relatively well. Again, the implementation of this with the diagonal parking was something that came up pretty quickly. Alderman Gatsas was right and we know that that corner was getting to be problematic. There are a couple of technical changes. The signal heads are still there for two through lanes and you wouldn't do that in the final analysis at a particular point. It needs some adjustments as it is. If something comes forward for funding in a more specific manner, with the department, we would come back and work with you folks about how it should be implemented. I would be fully vetted through the design process.

Alderman Shea stated the two words that resonate with me are long range and grants. That's great. I'm not opposed to that, but where we are all vying for specific types of projects in our wards, from the constituency and business point of view and from a quality of life point of view, I'm sure that there will be concerns expressed by all of us. Long range, grants and congressional help are all fine.

Mr. Clougherty stated just to expand on that a little bit…in the economic times that we are in and with CIP coming up, everyone is aware of the tight fiscal constraints from departmental perspectives. There are certainly other priorities out there. I think we are looking at this document and plans that Ken and CLD have presented tonight as a Master Planning document to be enveloped with other economic opportunities in that area.

Mr. Rhodes stated one of the things the Highway Department and Economic Development said when we went forward was that we were going to get to a certain point and lay down a road map so that if something came up to suggest improvement projects, we wouldn't be starting from zero and we have something that shows that something has been thought through, even though not every detail has been worked out, but there is a tool for long range planning and chasing down opportunities as they come up.

Alderman Shea stated from the long range planning point of view that is acceptable to me and others on the Board.

Alderman O'Neil asked what is the framework? Is the scope of the project from Granite Street southerly to Auburn Street or is it bigger than that?

Mr. Rhodes replied the description of the Gas Light District has always been Old Granite Street to Auburn Street and Elm Street to Canal Street. The project area was extended down to Valley Street along Elm Street as part of the overall project. Internally, it has always been discussed as the district and the South Elm Street Extension.

Alderman O'Neil stated I voted against the approvals for the revamped parking from Auburn Street to Valley Street because we had not had this presentation. That was certainly presented to us as parking driven and not part of the Gas Light District Proposal so that's why I voted against that. I think we put the cart before the horse and it has created the issues that the Mayor-Elect has talked about. Going back, don't we end up having the same problems north of Granite Street all the way to Pleasant Street? You have two lanes in each direction. Why wouldn't we have expanded the scope to there? I don't think it needs to go any further than Pleasant Street.

Mr. Rhodes replied it has always been the general design parameter from our point of view that if you look at Granite Street you are going to go at least one major block in either direction to transition from almost a five lane section down to a three lane section. That area through Granite Street up to Merrimack Street where the downtown section starts was where all the turning and lane changes went in. As Alderman Gatsas said, there was a little more paint shown in that area instead of the one bump out. As far as those transitions went through there, we were trying to be a little less aggressive in those areas because of coming out of the main corridor off the bridge.

Alderman O'Neil stated it seems like we are leaving a block or two north of Granite Street unaddressed. It is two travel lanes in each direction so you go from one travel lane south of Granite Street to two travel lanes for two blocks and then it goes back down to one travel lane. I'm not looking for a debate, but it looks like it all has to tie together. I think you are right that the project you did many years ago started at Merrimack Street.

Mr. Rhodes stated I think there were some turning lanes to make that work at that point.

Alderman O'Neil stated this appears to be number of parking space driven. We're creating a lot of parking spaces, correct?

Mr. Rhodes replied yes. You get to up the parking count by about 30% along that stretch of South Elm Street. Right now it is four lanes with parallel parking on each side. You get about 60% more parking through there, which is analogous to what happened to the downtown district when we went to three lanes there.

Alderman O'Neil stated there is a cost to do that parking over and above the capital improvements on the street. We need to buy kiosks. Correct?

Mr. Rhodes replied I'm at the limit of my knowledge, but yes.

Alderman O'Neil stated I like the thought process, but as Alderman Shea said we have to prioritize.

Alderman Garrity stated this is still the early stages.

Alderman Smith stated we are definitely in the early stages. I have to agree with Alderman Gatsas that Auburn Street is a nightmare with the lanes changing. Who is going to be responsible for plowing? You have diagonal plowing, you lost a lane and the Verizon Center is having an event. What happens? Are we going to plow the cars into Elm Street? What is the situation going to be there?

Mr. Clougherty replied we would treat that area as we would other area north of Pleasant and Merrimack Streets where we have a similar situation. Our crews are working on the main thoroughfares and we also have other individuals working at the intersections. The Parking Division works to make sure the kiosks are accessible.

Alderman Smith asked whose responsibility will the parking spaces be along the west side of Elm Street from Auburn to Valley Street? Who is going to be responsible for plowing and clearing out, because we ran into the same problem last year with the Parking Division and Highway if you remember.

Mr. Clougherty replied I do. I believe that it would be the Highway Department's responsibility as it is further north.

Alderman Smith stated you are coming into a thoroughfare and you have an event after it has snowed six or eight inches. They might not be able to move their cars. With diagonal parking you are down to one lane.

Mr. Clougherty stated we understand that and we appreciate that. That is the same situation we have all around that downtown area. It is a challenge especially when we have to contemplate snow removal when the snow banks are getting that much larger and we don't have any place to push the snow.

Alderman Smith stated thank you. I know this is the early stages, but I hope all these problems get resolved.

Alderman Lopez stated I remember this from two years ago when Bob Mackenzie presented this plan on the Gas Light District. Personally, I think we are jumping the gun making the left and right hand turns beyond Auburn Street. There isn't that much traffic in between. They are trying to make this just like the center of town, but this is not the center of town. I think you need to reference this much better. I agree with Alderman Gatsas that you want two lanes going to the Queen City Bridge. This is going to tie everyone up. Down the road when the Gas Light District develops then that may be the

case for Rockwell, but as you pass Auburn Street, it should be two lanes. You can still have the diagonal parking going down there. I think that is the creation here. You made the left and right hand turns, but there aren't that many people turning. We're trying to make this the same as downtown, but I don't think it is the same.
Alderman Gatsas stated Mr. Rhodes, you gave us a percentage of 20% and 30%. Is that five or six spaces? We went from how many spaces to how many spaces? I'm talking about Auburn Street to Valley Street.

Mr. Rhodes replied I think you would be in the neighborhood of ten to twelve spaces from Auburn Street all the way to Valley Street. Right now, the plan shows 69 parallel parking spaces through that whole corridor. That goes up to about 111.

Alderman Gatsas asked so that is roughly 30 spaces?

Mr. Rhodes replied it is 42. The whole idea was continuing to look forward. There is the warehouse district along there that was going to develop the DuPont buildings. We kept those turning lanes. At least the plan was driven by creating on street parking bumped up relatively high. Again, once some of these things are better defined that may be when some of these things are more appropriate. We're looking at this as a Master Plan and implementing it in pieces. That is generally what has been described to us as well.

Alderman Garrity asked Tim, can you get those costs estimates for Alderman Gatsas so we can talk about it next month?

Alderman O'Neil stated based on your comment, this was parking driven.

Mr. Rhodes stated it was streetscape driven with the idea that you would draw the downtown improvements southbound towards the south end development that is going on right now to extend the downtown further. Yes, there was more parking because that was part of the downtown plan from over a decade ago.

On motion of Alderman Gatsas, duly seconded by Alderman Shea, it was voted that the Gas Light District proposal would present a cost at the next meeting to go back to the original set up.

Chairman Garrity addressed item 5 of the agenda:

5. Petition for layout and discontinuance of Barrister Lane, submitted by Chris Rice of Hillsborough County Superior Court.

On motion of Alderman O'Neil, duly seconded by Alderman Gatsas, it was voted that the petition be referred to a Road Hearing.

Chairman Garrity addressed item 6 of the agenda:

6. Petition for layout and discontinuance of Chalet Court, submitted by Howard Wheeler of the Manchester Parks and Recreation Department.

On motion of Alderman O'Neil, duly seconded by Alderman Smith, it was voted that the petition be referred to a Road Hearing.

Chairman Garrity addressed item 7 of the agenda:

7. Communication from Chuck DePrima, Acting Director of Parks, Recreation and Cemetery, requesting permission to execute the attached Gift Agreement between the City and the Manchester Historic Association.

On motion of Alderman O'Neil, duly seconded by Alderman Smith, it was voted that the request to execute the Gift Agreement be approved.

Chairman Garrity addressed item 8 of the agenda:

8. Communication from Stephanie Lewry, Executive Director of Intown Manchester, requesting funding for the installation of an electrical box related to the holiday "Boogie Lights".

On motion of Alderman Smith, duly seconded by Alderman O'Neil, it was voted to discuss this item.

Ms. Stephanie Lewry, Intown Manchester Director, asked are you all aware of what the Boogie Lights are?

Alderman Garrity asked are those the lights that are on Hanover and Elm Streets?

Ms. Lewry replied yes. They are a CIP funded project from about five years ago. They are colored light stick figures woven into fishing net. They hang across Hanover and Elm Streets. Through last year, the electricity came from the Amoskeag Light that is on the south side of Hanover Street at the corner of Hanover and Elm Streets. After our ice storm last year, we had some power outages. PSNH had to come and do some repairs. In fact, one repair wasn't enough so they had to do a second. After those repairs were made, PSNH informed us that we could not use the power from that Amoskeag pole any longer. In the meantime, right after those repairs were made, I submitted a request for payment of one of those repair bills and you approved that request. However, in June PSNH amicably resolved that and agreed to pay the bill themselves or at least not charge the City. In the

account, there was an amount of $664.82 that had been allocated, but not drawn. Now it is Christmas time and the solution to installing the Boogie Lights seems to be to have the power come from the opposite side of the street, actually inside of the building in which I work. Since I am on the first floor, there can be a wire that is drawn directly into my electrical box. My landlord is happy to allow this electrical work to be done and it was estimated that it would be no more than $880 to get it done. I looked at what you may or may not still have in that account allocated from last year's repair bill. I thought it may be possible with an additional $115 to get the job done so we can get the lights back up.

Alderman O'Neil asked you are saying that Public Service has written off the two charges?

Ms. Lewry replied yes.

Alderman O'Neil asked do we have a letter from them indicating that? I know we have copies of the bills in here.

Ms. Lewry replied I saw that there was a lot of research done on that with the copies of the bills and so forth and I do have a letter in my file that says that we do not have to pay that. That's why I never went to the City to get that money paid.

Alderman Garrity asked what are these two invoices? What are they for?

Ms. Lewry replied those were two invoices for repairs to the Amoskeag Light. They are in there because it is back up information for you to see that those invoices were there. Those financial issues have been resolved. Perhaps Mr. Sanders can make sure that $664 is still in the account allocated for PSNH payment, which had been approved. I'm asking for an additional $115 to be added to that so we can get the lights back up.

Alderman Shea asked assuming that this is approved this year, what about unintended costs for next year? In your discussion you were indicating that next year you will be all set and there won't be any additional costs. Would that be paid by Intown if there were or would you have to come back to the Board of Mayor and Aldermen to ask for additional funding?

Ms. Lewry replied the only thing that I can tell you is that we're trying to get an asset of the City back up and working for the holidays. It seems that with an additional $115, assuming that we still have the allocation of funding that was amicably resolved with PSNH and we no longer need it, I might be able to get this project accomplished.

Alderman Garrity stated we do have some money left in the account. She is going to be $115 short. You can't find $115 in your budget somewhere?

Ms. Lewry replied basically, no. I would like to not have to pull out of anything.

Alderman Garrity stated that would be my suggestion.

On motion of Alderman Gatsas, duly seconded by Alderman Shea, it was voted that the remaining balance in Intown's account would be used towards the installation of an electrical box, but the remainder would come out of Intown's budget.

Alderman Lopez stated I'll get you the $115.

Chairman Garrity addressed item 9 of the agenda:

9. Communication from Leon LaFreniere, Director of Planning & Community Development, requesting a funding commitment from the City for Phase II of the South Porter Street Project.

Mr. Leon LaFreniere, Director of Planning & Community Development, stated that has been withdrawn by MHRA.

Chairman Garrity addressed item 10 of the agenda:

10. Communication from Leon LaFreniere, Director of Planning & Community Development, in reference to the City funded Down Payment and Closing Cost Assistance Program.

On motion of Alderman O' Neil, duly seconded by Alderman Gatsas, it was voted to discuss this item.

Alderman Gatsas stated I guess we are in receipt of a letter from NeighborWorks that says and I will read from the paragraph, "As a housing provider, NWGM must adhere to fair housing and equal opportunity policies as well as the confidentiality of sensitive borrower information. If the City insists on changing our CIP contract to incorporate the new policy in this manner, NWGM will have to reconsider our ability to continue administering the program." I guess when we are talking about funds, I think this Board should at least have an understanding of where all funds are going no matter what project they are going to or how they are going to get there. I guess if you would like to come up and tell us what you would like to reconsider or if we should just take this as a termination and that you don't want to administer the funding of those projects, I think you should tell us that one way or the other.

Mr. Robert Tourigny, NeighborWorks of Greater Manchester, stated it wasn't meant to be a threat to take away the program. It was meant to be a sign that the qualification process of determining eligibility is based on income. It is not a credit driven loan product. It is a loan program that assists homebuyers that are earning less than 80% of the area median income and are residents of the City of Manchester. Those are really the only two underwriting criteria that we are charged with reviewing for our borrowers. We service, as you are an investor and we are the servicer of, a loan program that consists of over $1.4 million. This past summer, we had two requests come before the City to authorize short sales because of hardships that the borrowers were experiencing and I didn't want that to be a trigger to cause us to have to go back and change the entire program or the way the entire program works.

Alderman Gatsas stated I think you hit the nail on the head. You called yourself the administrator and we are the investor.

Mr. Tourigny replied correct.

Alderman Gatsas stated I think there are a lot of investors in the past few years that didn't know who their borrowers were and ran into some awful situations so I am just suggesting, not that we are doing the qualifying of any individual because that is not what we are here to do, but I think we as the investor should have the ability to see who those individuals are and what qualifications presumed that loan had gotten. I think that maybe the wording in your letter was a little inappropriate but that is okay and I can accept that. I just think that we as investors should have a very clear understanding where people's monies are going. If we have a fiduciary agreement that we are going to understand and make loans then certainly we should understand and see where those loans are going and how they are being documented.

Mr. Tourigny stated I guess my concern is how do we document that in advance of the loan closing or in advance of us originating the loan? Would we physically have to bring a loan request or application to this Committee for review and approval or is simply just having staff review our files or hand over an audit of our files?

Alderman Gatsas stated I think when you are talking about $4 million that is in this fund, I think certainly this Board should have the ability to review, whatever it wants to review for $4 million. It is taxpayers' money and certainly I have faith in the staff but I think that this Board should have the ability. I don't think you are going to come to us with a loan that needs a two day turn around. I would assume the application process where we meet once every other week, I think gives you enough ability to bring that forward and do it in a fashion that we can all make sure that there is light on the program.

Mr. Tourigny asked what information would we be conveying to the Committee, in this format, over public record? I guess that is my concern.

Alderman Gatsas stated if you can just tell us what your suggestion might be and bring it forward or bring us a couple of ideas on what we can do than maybe this Board can decide what they want to see and what they don't want to see because certainly I don't want to just see a name and see $200,000 and have no idea of what the credit rating of the individual is or anything else. I think certainly you are going to take that into consideration but I think that something should come forward when we are talking about a $4 million investment.

Mr. Tourigny replied yes, we have administered, I am going to say going back at least 15 years, a total of $1.4 million in loans. I think it is 90 or 91 loans total in the portfolio. The average down payment and closing cost assistance loan was around $20,000. Up until 2006 the instrument that we had in place for the City actually forgave that balance over time. Every year that the borrower, the owner, stayed in their home, of the $20,000, $2,000 was forgiven. Those loans were designed to be forgiven over a ten year period. We may come back to you with a short sale request or there may be a foreclosure on a loan that involves a loan balance that is lower than the original amount anyway because those balances are being forgiving. But since 2006 the instruments have been recorded so that the balance is not forgiven and that it is recaptured or due on sale. If there is ever a short sale request or a foreclosure on any one of those properties it would come back before the City to either authorize the short sale or not.

Chairman Garrity stated I have a suggestion, let's figure out what you guys want. Send your request to CIP staff and he can meet with NeighborWorks and come up with a happy medium. We have to go into non-public session, gentlemen, so we have to brief.

Alderman O'Neil stated Robert, you indicated in your opening paragraph that this was in response to a letter from Todd Fleming. I am not aware of the letter. Is that something Mr. Fleming can provide us?

Mr. Tourigny replied I received a letter acknowledging the action that the Board took back in August, I believe.

Alderman O'Neil replied this is going to tie into the whole discussion on the housing authority and all that. I am not sure that was our intent because otherwise that is all we are going to be dealing with are these projects. It is going to take up a majority of the night. We have never done that. I think we were just trying to get some overall information. I think we are going to be involved with every one of these projects and it's going to be a long night for the CIP Committee. I guess I would like to see Todd's letter and I think we have to get a hold on this policy that we have discussed. I am not sure if we have passed any changes or not. We have discussed changes.

Alderman Smith stated thank you, Mr. Chairman. What I am really concerned about is that there is no guarantee or insurances when we give this money out to these homeowners, that we will collect the money. If the market goes bad and the price goes down at re-evaluation, or whatever, then we are out that money. How can you justify that when you are trying to do low income housing when you can't get a guarantee from these people coming in? You fix them up with a home and they can't pay payments. Does anyone analyze this on a monthly basis or something because some of these people go two or three years without any payments?

Mr. Tourigny replied these are non-amortizing loans. There is no payment requirement to the City on these loans. The only….

Alderman Smith interjected in other words, it is a blanket loan from the City and if they don't pay it, they don't pay it?

Mr. Tourigny replied there is never a repayment requirement on these until they sell their house. They are non-amortizing deferred loans. They are due on sale.

Alderman Smith stated well if there is a foreclosure, they are not going to sell the house.

Mr. Tourigny replied correct. If their first mortgage lender forecloses on the property it results in a loss of that second mortgage to the City. That is the issue.

Alderman O'Neil asked Robert, are you the only agency doing these types of loans? Housing Authority wouldn't necessarily be doing these. Families in Transitions wouldn't necessarily be doing these.

Mr. Tourigny replied the only other similar instrument is the lead abatement loans that The Way Home might administer which is a second or third mortgage on the property, deferred, due on sale, non-amortizing.

Alderman O'Neil asked per Chairman Garrity's suggestion, might you come back to us with some suggestions on what might be appropriate?

Mr. Tourigny replied I would be glad to.

Alderman O'Neil asked how many of these loans are we talking about per year?

Mr. Tourigny replied about ten loans per year.

Alderman O'Neil stated I think that is separate from the discussion we had. The big projects are going to end up before here anyway. I am not sure the letter was reflective of what we were really looking for but can you make some suggestions and get back to the Committee.

Mr. Tourigny replied I would be glad to do that.

Alderman Shea stated Rob, positive and negative, since you program has been initiated, what would you compare the favorability versus the unfavorability? Would it be 70/30, 80/20, 90/10?

Mr. Tourigny replied very favorable. The success rate of the program has been phenomenal over the years.
Alderman Shea asked what is the percentage?

Mr. Tourigny replied out of the 91 loans, we have had five go bad. So that is about a 6% default rate.

Alderman Shea stated 6% versus 94% positive.

Mr. Tourigny replied I wish every loan program only had a six percent default rate right now. It is a difficult time.

Alderman Shea stated I just wanted to end with a positive note.

Mr. LaFreniere stated I think it would make sense for us to work with NeighborWorks and come back with a recommendation. However, I would point out to the Committee that there is one application that is currently pending and in the interim period perhaps action on that application may be appropriate or at least authorization to move forward with that application. I am not sure if Robert has more details on what the timelines are on that one.

Mr. Tourigny stated Kelly has the loan. It is a $20,000 second mortgage down payment, closing cost assistance loan associated with the property being purchased on Gold Street. Closing is scheduled for November 30, 2009. This was the practice that we were trying to avoid, having to come in and ask about specific individual borrowers.

Alderman Gatsas asked what is the address on Gold Street?

Mr. Kelly Coffey, Homeownership Director, replied it is 415 Gold Street.

Alderman Gatsas asked is that on the south side or the north side of the street?

Mr. Tourigny replied it is on the north side of Gold Street.

Chairman Garrity asked is that on the east or west side?

Mr. Tourigny replied it is on the west side of Beech Street, east of Bradley Court.

Alderman Lopez stated the point I want to make is that I sit on the Board of Directors for NeighborWorks. There is a contract that the City has with NeighborWorks to administer all of these programs. I would ask the Committee to continue to let him do this and at the same time provide you those suggestions that Alderman O'Neil had and also provide you with the contract. The City Solicitor can provide you with the contract. At the same time the Director could provide you with a complete list of Board of Directors and Trustees of NeighborWorks so that you know.

Chairman Garrity addressed item 11 of the agenda:

11. Communication from Leon LaFreniere, Director of Planning & Community Development, requesting that the Committee enter into a non-public session to discuss property acquisitions as part of the Neighborhood Stabilization Program.

On motion of Alderman Smith, duly seconded by Alderman O'Neil, it was voted to enter into non-public session.

A roll call was needed for the vote. Aldermen Garrity, Gatsas, Shea, O'Neil, and Smith voted yea. The motion passed.

TABLED ITEM

12. Discussion relative to CIP bond projects.
(Note: Report attached from William Sanders, Finance. Communication from Leon LaFreniere, Planning & Community Development, identifying the source of funding for Hackett Hill Development Project CIP # 650300. Report of the Committee on Joint School Buildings attached as per the Committee on 3/31/09. Communication from Pam Goucher, Planning & Community Development, with updated project balances on 4/10/09 and also identifying CIP Project #510807as available for transfer to contingency. Item tabled 2/17/09. Finance Officer to provide an update.)

This item remained on the table.

There being no further business, on motion of Alderman O'Neil, duly seconded by Alderman Gatsas, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee