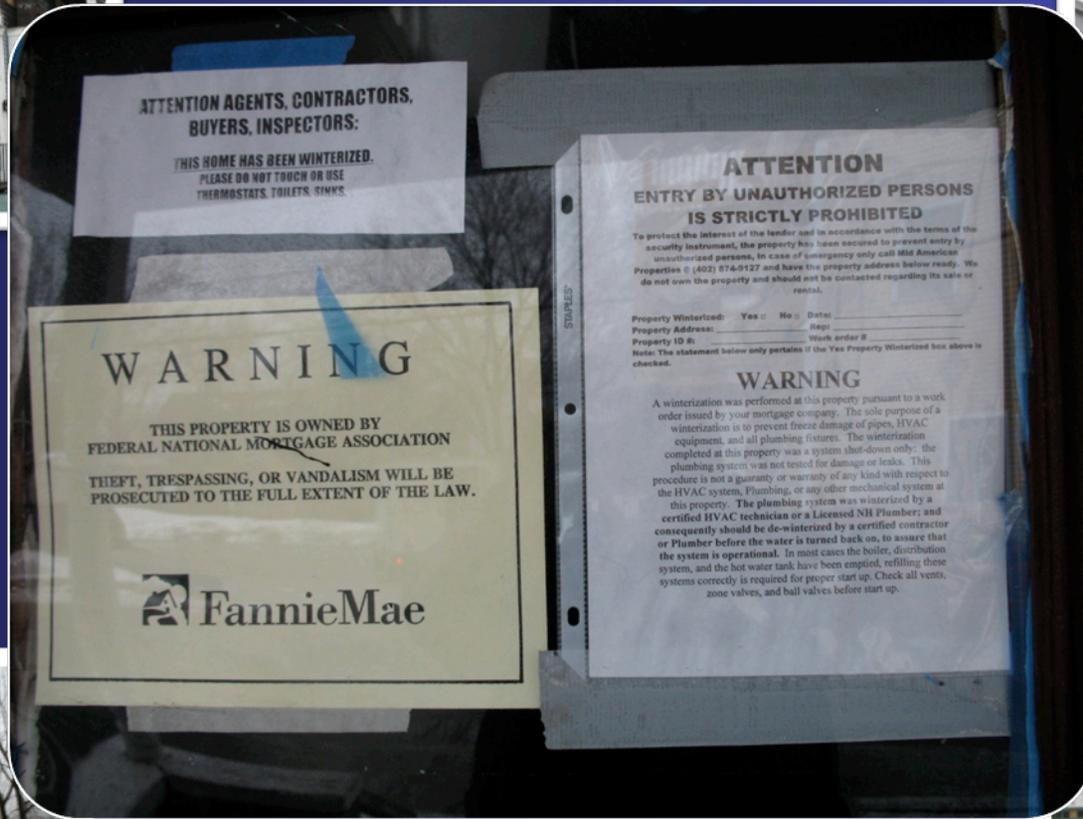


Neighborhood Stabilization Program



The Housing Partnership

Strengthening Communities with Quality Affordable Housing

THP 1555 Islington Street Portsmouth, NH 03801

Rochester, NH

"The Lilac City of New Hampshire"

What is the Neighborhood Stabilization Program?

The Neighborhood Stabilization Program (NSP) is a program created by the United States Congress under the Housing and Economic Recovery Act of 2008. NSP was established to provide emergency funding to state and local governments to assist in the redevelopment of neighborhoods experiencing decline due to high foreclosure rates and subprime mortgage-related problems.

Why did Rochester Apply?

The New Hampshire Community Development Finance Authority (CDFA) invited Rochester to apply for assistance consistent with a “comprehensive plan for the community’s vision of how it can make its neighborhoods not only more stable, but also more sustainable, competitive, and integrated into the overall metropolitan fabric, including access to transit, affordable housing, employers, and services.”

Why was Rochester Invited to Apply?

The CDFIA prioritized communities of greatest need using the following criteria:

- The number and percentage of home foreclosures
- The number and percentage of homes financed by a subprime mortgage
- Data indicating a municipality's likelihood of facing a significant rise in the rate of home foreclosures

Rochester, along with Berlin, Derry, Manchester, and Nashua were scored as the five communities with the greatest need using these criteria.

How will the Applications be Evaluated?

Project benefits

- Focused strategy for effective neighborhood stabilization
- Reduce risk for future vulnerability to foreclosures
- Leverage additional funding
- Demonstrate effective cooperation
- Provide sustained affordability
- Provide longest affordability period
- Minimize displacement

Applicant Capacity

- Knowledge and experience with CDBG or other HUD programs
- Experience in administering and delivering the specific activities
- Demonstrated history of quality projects on time and on budget

What are the Eligible Uses?

- Establish financing mechanisms for purchase and redevelopment of foreclosed properties
- Purchase and rehab residential properties in foreclosure
- Demolish blighted structures
- Redevelop demolished or vacant properties

What Uses do we Propose?

- **Establish financing mechanisms for purchase and redevelopment of foreclosed properties**
- **Purchase and rehab residential properties in foreclosure**
 - Demolish blighted structures
 - Redevelop demolished or vacant properties

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Incorporated in 1988

Developed 227
Units

Own and Manage
165 Units



Norton Street Revitalization
South Berwick, ME
20 Units



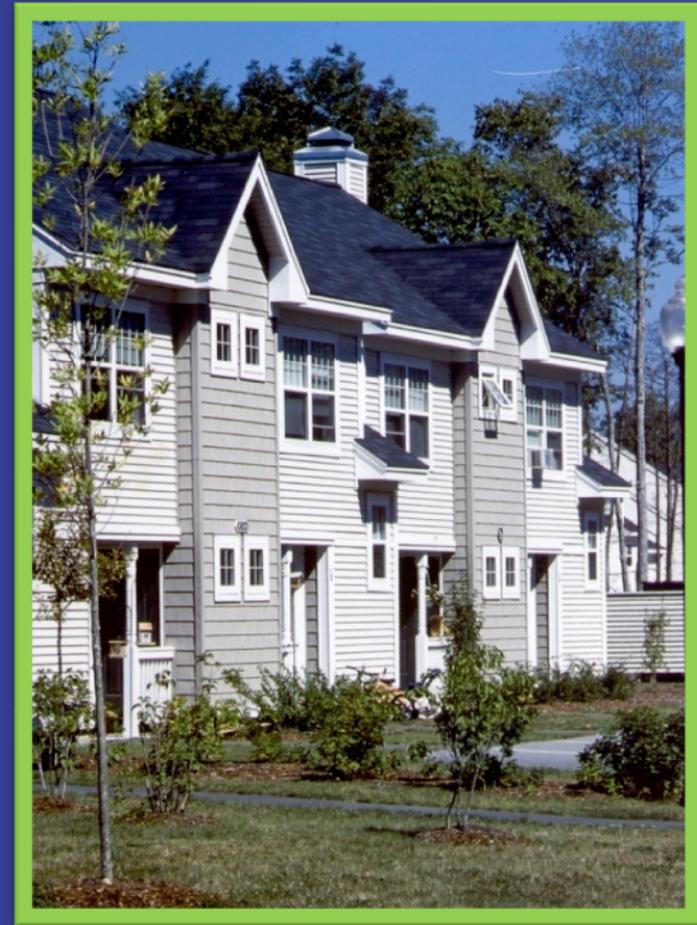
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Spring Street Farmington, NH
16 Units



Woodland Common Kittery, ME
65 Units

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The Parsonage

Rye, NH

8 Units



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RYE AIRFIELD

Retirement Community Development



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BETHESDA HOUSE

41 Units Family Housing Kennebunk, ME



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CURRENT UNITS IN ROCHESTER

Sunset Arms Apartments - 24 Units 63 Salmon Falls Road

Transitional Housing- 12 Units

29 Chestnut Street (next to the newly famous yellow house)

10 Harvard Street

34 and 69 Lafayette Street

Oakridge Condominium - 1 Unit



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Why the Lafayette/Pine/Maple Street Neighborhood?

Neighborhood Selection Criteria

Neighborhood in visible decline

Neighborhood with concentration of blighted buildings

Neighborhood generally recognized as problematic

Neighborhood with match between magnitude of problem and magnitude of resources

Neighborhood where City has an opportunity to maximize return on past and current investments

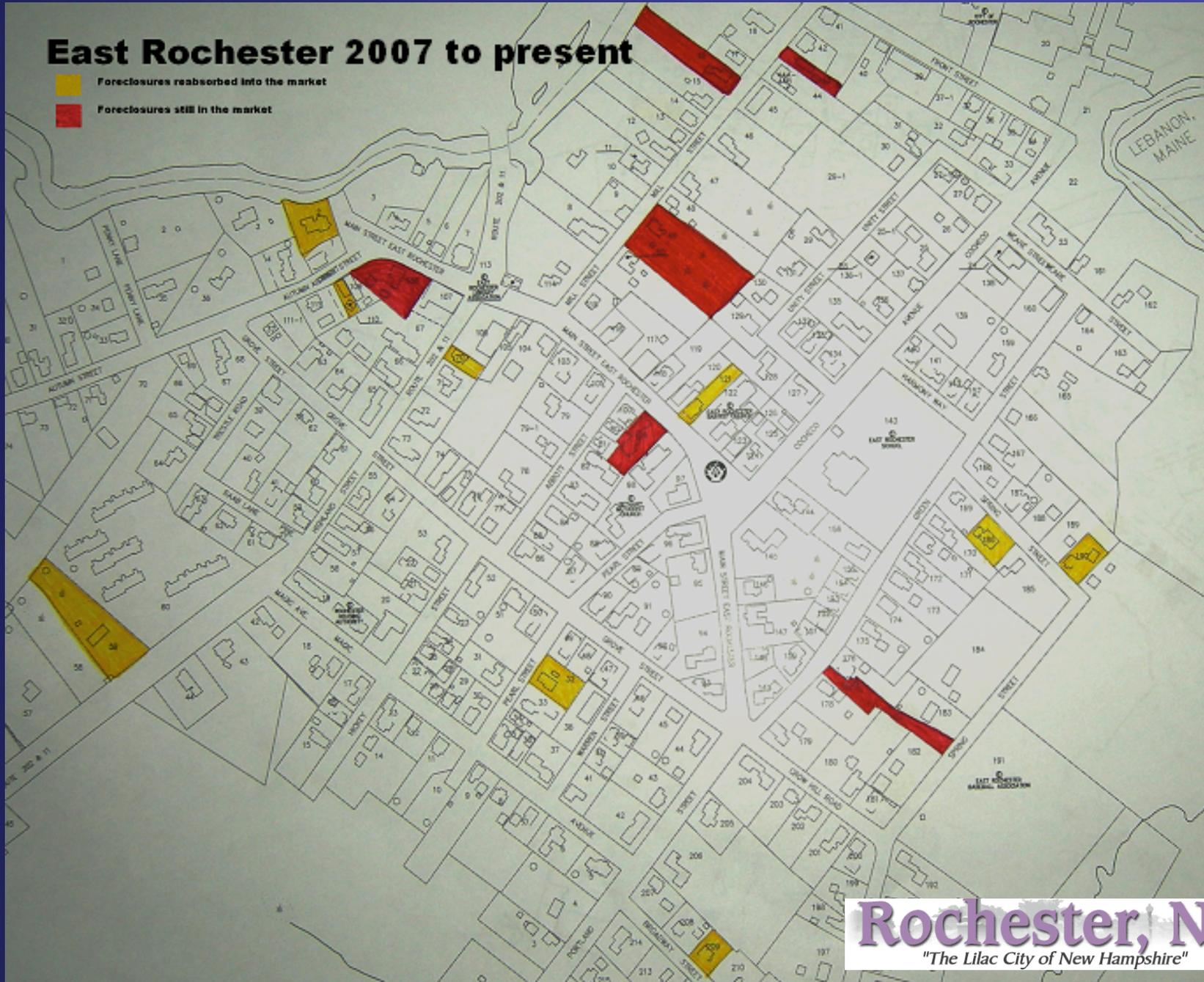


Lafayette/Pine/Maple Street Neighborhood consistent with criteria

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East Rochester 2007 to present

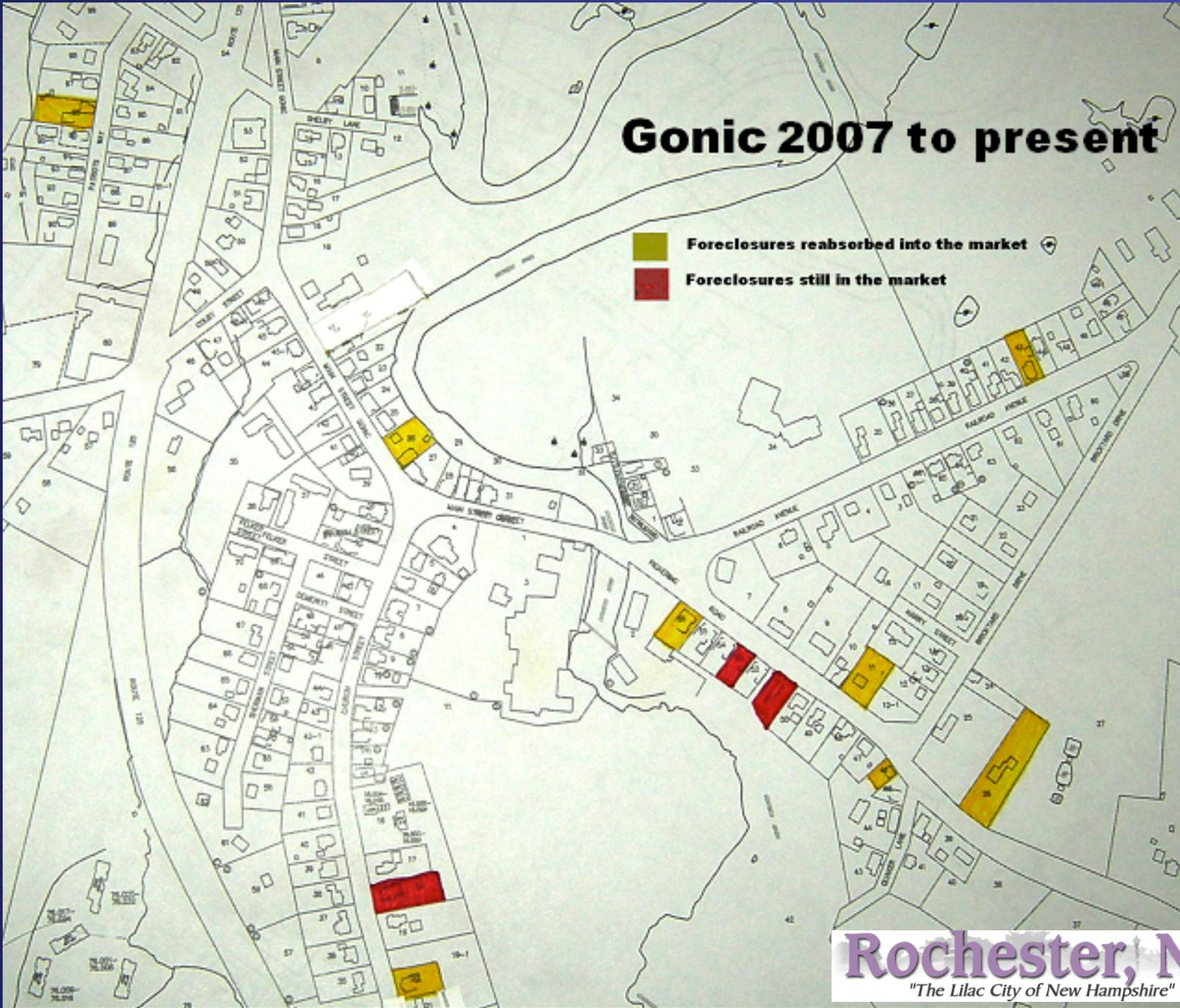
-  Foreclosures reabsorbed into the market
-  Foreclosures still in the market



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Gonic 2007 to present

-  Foreclosures reabsorbed into the market
-  Foreclosures still in the market



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Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program



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2007 TO CURRENT -- FORECLOSURE ACTIVITY

Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program



2007 TO CURRENT -- FORECLOSURES RESOLD

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CURRENT BANK--OWNED PROPERTIES

Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program



“WATCH LIST” (Empty and deteriorating)

Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program



2007 TO CURRENT - ALL ACTIVITY

Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program

Public Investments

Lafayette Street (water/sewer)- 1998 - **\$711,300** (city state)

Lafayette Sidewalks 1999- **\$200,000** (cdbg)

Maple St. Playground 2000 -**\$30,000** (cdbg)

Maple/Waldron (water/sewer)- 2004 **\$1.4 million** (city/state)

Maple Waldron Sidewalks - 2005 **\$77,000** (cdbg)

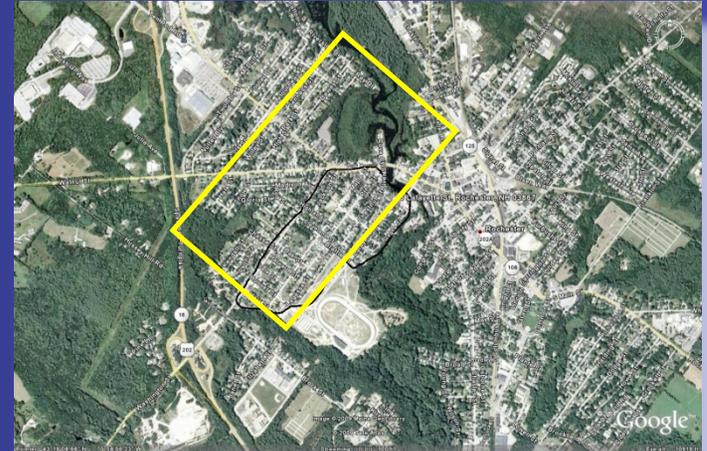
Washington/Brock intersection - 2008 **\$1.4 million** (city/state)

Washington St. Engineering **\$20,000** (cdbg)

The balance of the Washington Street project is estimated at **\$5 million** (pending-city/state))

The North Main Street bridge project is estimated at **\$1.9 million** - includes bridge aid \$
(Either 2009 or 2010-city/state)

The Riverwalk park under construction at River & Pine - **\$100,000** (city and cdbg and private)

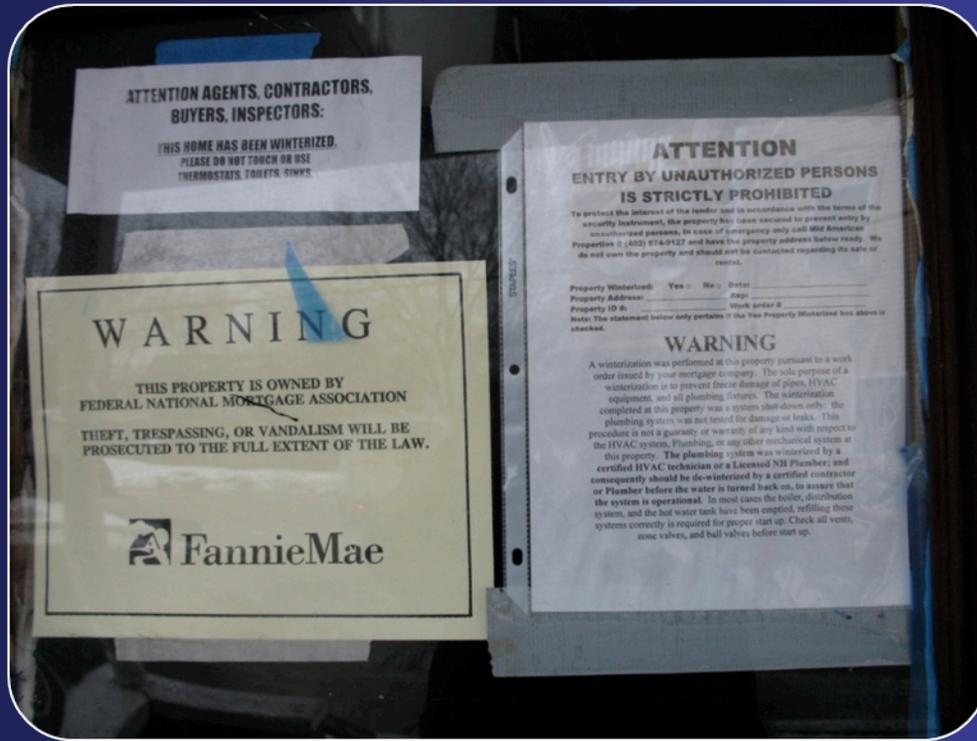


Past and Projected Public Investment Since 1998 = **10,838,300**

Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program

PROGRAM DESIGN



Neighborhood Monitoring For Foreclosure and Investment Activity

Acquisition of Lender- Owned Properties Within Target Area

Rehabilitation With Focus on Hazardous Material Removal, Green Building and Energy Efficiency

Transfer to Income Qualified FTHB and/or Renters

Long Term Monitoring of Affordability and Market Activity (no “windfall” profits)

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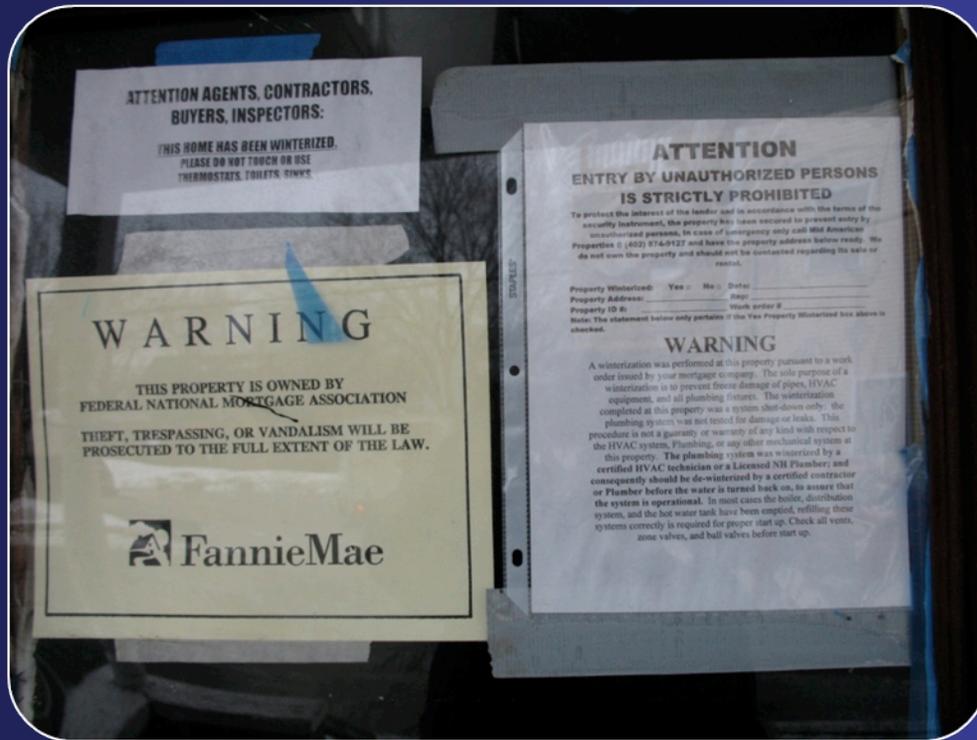
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Lafayette/Pine/Maple Street Neighborhood *Neighborhood Revitalization Program*

PROPERTY SELECTION CRITERIA



Properties Grouped by Lender-Owner Where Possible

Vacant Properties To Avoid Displacement

Properties in Clusters to Create Targeted Impact

Properties Located Closest to Downtown

Properties with largest potential impact on neighborhood

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Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program



PROGRAM METHODS

Use NSP to Negotiate With Lenders

Create model specs for all trades and a green building standards spec

Creation of FTHB Products to Facilitate Market

Leverage City expertise and local presence for program administration and monitoring of homebuyer covenants

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Neighborhood Revitalization Program



POTENTIAL LOCAL PARTNERS

Local Real Estate Community

Local Lenders for Construction
and Home Loans

Local Contractors

Habitat for Humanity

Rochester Housing Authority

Jordan Institute

Strafford County CAP
(weatherization resources)

New Hampshire Housing

Local Developers and Landlords

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Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program

GREEN BUILDING PRIORITIES

Comprehensive Property Audit

Evaluation of existing structure and code review

Structural soundness of frame and foundation

Moisture/ Water Control:

Roof system

Water damage

Drainage away from buildings – ground slope

Foundation/ Perimeter drains

Gutters/ Downspouts

If there is a basement, and if applicable: evaluation of the sump system

Code work:

Egress windows

Electrical systems

Plumbing systems

Other residential codes to meet Life Safety

Determination of hazardous materials:

Asbestos

Mold/ Moisture

Lead paint

Radon

Mitigation needed to abate or encapsulate

Analyze plumbing/ sewer gas



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Neighborhood Revitalization Program

GREEN BUILDING PRIORITIES

Comprehensive Property Audit cont.

Energy Audit and Renovation Strategies

Building Envelope

Insulation - Determine optimal system for specific building and conditions
Analyze exterior sheathing/ siding/ vapor barrier
Windows
Doors
Air Infiltration – A blower door test can be used in conjunction with an Infrared scan to analyze air movement/ infiltration. Caulk and seal to reduce infiltration as needed.

Heating/ AC

Determine optimal heating system, and if applicable AC system. [Possible shared system if properties are similar and adjacent]

Domestic Hot Water System

Determine optimal system [Considerations: localized instantaneous heaters, shorten pipe runs, insulate the pipes, etc.]

Plumbing - specify low-flow fixtures

Appliances – specify Energy Star fixtures

Lighting – specify Energy Star fixtures

Indoor Air Quality

Analyze air circulation in house. One example to look out for: make sure cellar pollutants do not infiltrate the living space. Provide moisture control in damp spaces (i.e.. exhaust fans in bathrooms and kitchens).



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Neighborhood Revitalization Program

GREEN BUILDING PRIORITIES

Sustainable Materials and Energy Efficiency

Specification of efficient, sustainable, and healthy products:

Use of recycled product for: Siding, insulation (i.e.. cellulose), finishes.

Encourage the use of local materials and sustainably harvested wood/ products.

Healthy products and materials that are Low-VOC (i.e.. paints, caulking, carpet, finishes)

Landscaping to be low-maintenance and drought resistant.

Renovation goals

Meet or exceed energy star ratings

Analyze pre- and post-renovation energy/water usage

[BTU/SF/Heating Degree Day]:

Heating costs

Domestic hot water

Electricity

Water usage [gallons/day]

Pass Blower door test

Infrared scan to meet insulation specifications,

used in conjunction with blower door test to analyze air movement/ infiltration

Improve indoor air quality

Create a durable building

Increase comfort

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Lafayette/Pine/Maple Street Neighborhood

Neighborhood Revitalization Program

PROGRAM GOALS

Physical Improvement of Worst Buildings To Complement Existing Assets

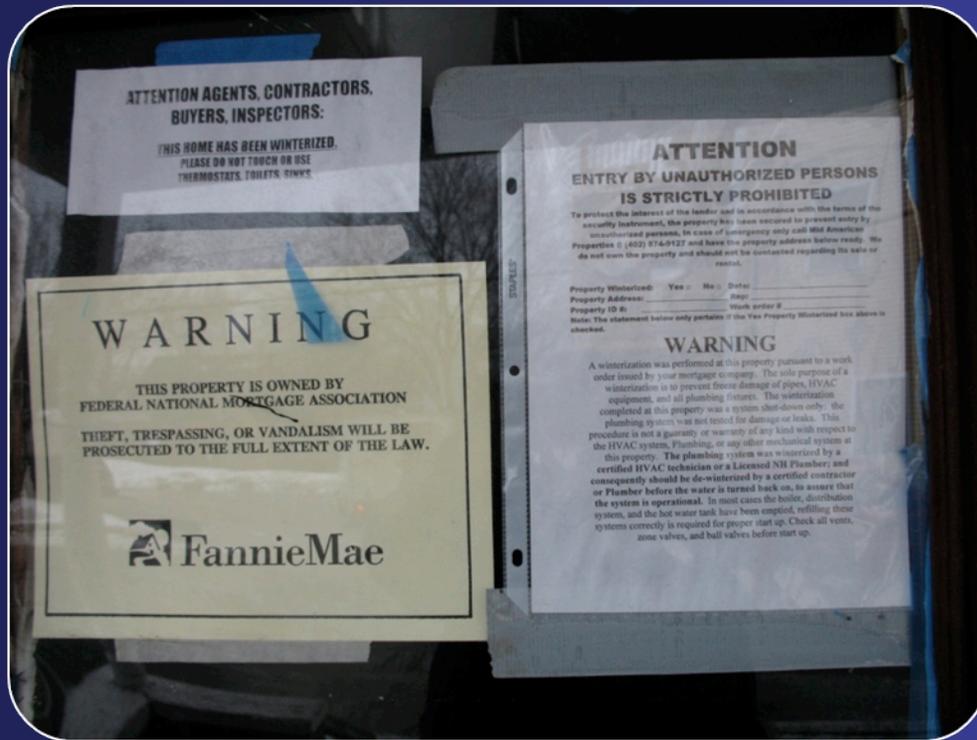
Increase Quality and Rate of Homeownership

Create Public/Private Model Of Neighborhood Stabilization

Stimulate Private Investment In Target Area

Demonstrate Marketability and Cost Effectiveness of Green Rehabilitation

Program Transparency



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Why a Partnership?

Gives City Control Over Funds

Plays to Expertise of Partners

City: Federal Program Administration

THP: Developer

Most Efficient Use of Grant Funds

Maximizes Competitiveness of Application

Neither City nor THP Interested in Implementing Entire Program Alone

City can Insure Program Transparency



Proposed

Rochester Responsibilities

- Grant Application & Admin
- Program Transparency
- Accountability

The Housing Partnership Responsibilities

- Property Purchase and Disposition
- Contracting for Rehabilitation
- Management of Rental Sites
- Other Support Services/Programs

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Proposed Budget

\$3,000,000	Purchase and Rehabilitation of the Properties
\$ 500,000	First Time Homebuyer Assistance Program
\$ 150,000	Administration, Monitoring and Marketing

Staffing Cost to Rochester?

NSP Administration Costs Paid for by NSP Grant = No New Cost to City

Funding for Part-time Staffing of Zoning and Conservation Functions for FY10 Proposed to Remain the Same as Now = No New Cost to City

(Same FY09 Funding Will Support New FY10 Part-Time Employee)

What Happens When Program Ends?

- If Economic Environment unchanged then return to FY09 staffing
- If Significant Workload Changes, Then I will Make Appropriate Recommendation to City Manager and Council

THANKS
QUESTIONS?