

# Minutes

## Prospect Park East River Road NRP - 2 Steering Committee Meeting of June 6, 2005 at Luxton Park

1. The meeting was called to order by Dick Poppele, co-chair of the Steering Committee, at 7:10 pm in the multi-purpose room at Luxton Park Community Center. There were 10 people present. (See attached sign in sheet and item 14.)
2. The purpose of the meeting was to go through the draft Action Plan and make any final changes or clarifications and to finalize the mailer and the ad for the SE Angle. The Somali translator was not present, so the two Somali members who came decided to leave.
3. Barb Lickness made a suggestion to change some of the numbering to minimize the number of plan modifications that might become necessary. The suggestion was adopted. She also made some suggestions in wording which were adopted.

Barb also said that the loan administrator should be carefully chosen – they often have significant amounts of funding from other sources. The administrator will take the applications, check the project plans, make sure the permits are obtained and that the contractor chosen is OK, inspect the work when completed and service (collect) the loans. The default rate for NRP loans has been <1%. Wording was added to state that funding in addition to NRP funds is expected.

4. Changes in the text of the plan were suggested by Dean Lund and Betts Zerby. The suggested changes are attached. The suggested change that prompted the most discussion was the maximum amount of the loan. One issue was the difference between maximum amount and typical amount, and whether the amount should be kept flexible (see also item 6 below).
5. There was some discussion on whether a low or zero interest rate should be charged. Barb Lickness pointed out that the interest rate could be decided later. Don Snyder would meet with the PPERRIA Board or a housing committee to develop program guidelines. It would be possible to have the interest rate graduated by income levels as some other neighborhoods have done. It was decided to use the wording “low interest” to retain flexibility. This would allow for a no interest loan, if decided upon. It was noted that the interest charged must be below bank rates or there would be no need for a program.

There was discussion on the meaning of the term “affordable housing” and the word was struck from Housing section 1.B. on deferred loans. Household income of less than 80% of MMI is specified for the program; that designation is defined and not subject to varying opinions as the word affordable might be.

Barb was asked if there is anything in the Plan that would not be OK with the Management Review Team or the City. She said there appear to be no problems.

6. There was a lot of discussion centered on whether to have a lower loan maximum and therefore reach more people or to have a higher maximum so that larger projects could be financed. Several people were concerned that given the small amount of money available in NRP 2, a \$7500 loan maximum might reach as few as 20 residents. It was felt that those who didn't get the money might be angry, bringing strife to the neighborhood. A \$4000 loan maximum would reach as few as 38 people. It was pointed out that a maximum is in fact a maximum, not the most common loan amount. The main question remained: whether the money

should be spread out as much as possible in the neighborhood or if it should be concentrated on the worst properties (which would be more expensive to repair). Which scenario is of the most benefit to the neighborhood?

Barb said that the maximum amount of the loan also does not have to be in the Action Plan but can be worked out later. However, if a maximum is set, a higher amount can be approved on a case by case basis in the event someone has a major emergency. Barb also reminded the group that there is a lot of money out there in other programs, so although it looks like there is only \$152,000, if other sources are accessed, there could be a lot more. One neighborhood quadrupled its money. The other available programs must be marketed to the neighborhood. She suggested a housing fair at which representatives from many programs including NRP, lending institutions, city and state programs, GMAC, etc. would be present to inform neighbors of the many options available to them. Statistics from an earlier meeting on the number of homes in the neighborhood at various values were reviewed. A lottery system to decide who gets the loans was also viewed by some as divisive. Barb stated the program should be advertised very well before accepting applications. It should be made clear when applications would be taken and then distribute the money on a first come first served basis to those who qualify under the program guidelines. The administrator would be responsible for distributing the money.

There was discussion on policy vs. management. Policy should be set in the Action Plan, and management left to the next process. The question was asked who would then decide the details. Barb said that PPERRIA is contracted with NRP to implement the Plan, and must do so according to the policy laid out in the Plan. There will need to be a housing committee, which will be open to all stakeholders, not just PPERRIA members. Barb said that other neighborhoods who had loan programs in NRP 1 or 2 left these details to be worked out later.

It was noted that the benefits of the program should be to the whole neighborhood, not to individuals. Since there is a small amount of money, care must be taken in how to allocate it. Some felt that it should only go to low income persons.

One person thought the committee was moving too fast towards a neighborhood meeting to approve an Action Plan, if this major policy item is not yet decided. Others noted that there have been bi-monthly meetings since October and much discussion and research. The decision to move ahead to a vote was made because the Pratt transition funding appeared to have wide support in the neighborhood and the need there is very time-sensitive. It was confirmed that an Early Access request for Pratt would be on the June 29 agenda.

The question remained: should this policy issue be decided now by the committee, with of course, the possibility that it could be changed at the neighborhood meeting, or should the committee present both strategies at that meeting and have the neighborhood vote for the one they prefer. Some felt that if the plan presented at the meeting is too general, it would not pass.

A motion was made to leave the loan amount maximum at \$7500. The question was called and the result was yes - 3; no - 5.

A motion was then made to adopt the changes suggested by Dean and Betts, with the additional changes already noted. These changes were designed to provide a maximum number of loans or grants to the most needy residents. The question was called and the vote was yes - 6; no - 1.

Steve Ficker asked that the Plan specifically allocate \$100,000 to build new affordable rental housing for people at the 30% MMI income level. A motion was made to amend the Action Plan draft to specify that \$100,000 be allocated specifically affordable rental housing. It was noted that support for affordable housing was currently stated in the housing objectives and strategies, and that this motion would leave only \$52,000 for the loan and grant parts of the program. Barb Lickness stated that city-wide, the average cost of a new affordable unit is \$269,000 for a 3 bedroom, approx. 1500 square foot unit, thus \$100,000 might not go very far in satisfying this objective. A vote was taken, with yes – 0 and no – 7.

7. There was discussion on Appendix B, which was revised by Dick Poppele with input from Steve Cross and Betts Zerby. A sentence stating that affordable housing was a priority in the neighborhood's NRP 1 plan was removed by consensus. Steve Ficker moved to add a phrase stating that the Bedford Town Homes project removed existing presumably affordable housing units. The motion failed on a yes – 2; no – 5 vote. A phrase was added to note that there were no affordable units in the Bedford Town Homes project. A motion to approve Appendix B as amended passed on a unanimous vote.

8. There was some discussion on the amounts of money allocated to various projects and it was noted that there were a couple of small errors which need to be corrected for the amounts to add up correctly. Steve Cross moved to approve the numbers as corrected, noting that someone would look through them carefully to find any other mistakes and correct them. The motion was seconded by Harrison Nelson and passed unanimously.

9. The SE Angle ad was approved with minor corrections.

10. The mailer was approved.

11. There was no time to approve the minutes of the last meeting so that will take place at the next meeting.

12. The next meeting will be on Monday, June 20 at 7:00 pm. The purpose will be to make final plans for the June 29 meeting.

13. The meeting was adjourned at 9:30 pm.

14. The meeting attendees were:

Dean Lund  
Betts Zerby  
Dick Poppele  
Andy Mickel  
Harrison Nelson  
Mary Alice Kopf  
Steve Cross  
Joyce Barta  
Barb Lickness  
Steve Ficker