**TOWN OF ORFORD**

Board of Selectmen

Meeting Minutes

April 6, 2016

MEMBERS PRESENT: Anne Duncan Cooley, John Adams, David Smith

OTHERS PRESENT: Tom Bubolz, Carl Schmidt, Mike Claflin, Bruce Schwaegler, Roger Hadlock, Robert Durfee, Tom Thomson, Ruth Hook, Ann Green, Eva Daniels, Peter Dooley, Olivia Beleau, Donna Lane, Cicely Richardson.

Cooley called meeting to order at 5:30 PM. She said that since she had been a longtime volunteer on the Orford Academy Task Force, although she had no conflict of interest, would recuse herself from the discussion.

Adams took over as chair and asked Olivia Beleau from AHEAD to do an introduction and background. Beleau said AHEAD was approached by the Task Force to look at doing senior housing at old Orford Academy. AHEAD has entered into 2-year Memorandum of Understanding with the Rivendell School District. The current idea is to do 20 units. AHEAD is looking for about 75% of the cost of renovating the building to be funded from NH Housing Finance Authority and a community development block grant (CDBG). Neighborworks America might also provide capital, and as might Federal Home Loan Bank of Boston. The goal would be to raise about 6 million dollars from some combination of these sources. A market study is currently being done. The timeline for raising funds would be through the Fall.

Mike Claflin, Executive Director of AHEAD, said his organization is a nonprofit specializing in affordable housing. They have applied for and received grant funding to do “due diligence”, architecture and engineering, to see if the Orford Academy proposal makes economic sense. The property would be partially lived in by lower income people and some of units would be market rate. It is very important that these properties be sustainable. It’s expensive to save a building like this. The facility needs to be self-supporting. Current study is to see if it makes economic sense and if the community has enough people interested in living there to make it viable.

Many properties like this include CDBG monies, which are a grant and don’t need to be repaid. These grants help proposal like this be sustainable by reducing debt. The CDGB process is very competitive. You submit the grant proposal and get ranked, and if the money is awarded, it’s subject to all the other pieces falling into place.

Donna Lane said CDBG is just one part of the project. The CDGB monies are HUD funds through the Community Development Finance Authority. Only a municipality can apply. The application would be for $500,000 and about $475,000 would be sub granted to AHEAD. The $25,000 is for a consultant to make sure all requirements are complied with. It means there is no cost to the town. Grafton County does these all the time, so they are a good resource for questions. Many communities want to know what the communities’ liability is. Grant is contingent on AHEAD providing affordable housing for 20 years. Worst case scenario is if that doesn’t happen there is a lien secured by the property. In 30 years she has never seen it happen. The payment comes out of property, wouldn’t come out of tax dollars.

Security instruments are set up to put this in order. Once the housing is provided for 20 years, it disappears.

Tom Thomson asked if the school owns the property, why doesn’t the school apply? Wouldn’t the taxpayer be on the hook?

Claflin replied that the payment comes from the project not from the town. The Town Attorney could look at this and give an opinion.

Dave Smith asked if there is precedent for this kind of situation. Mike said yes, and we could get examples from other towns in Grafton County.

Ann Green wondered what is meant by the money would come out of the project if there is default? She wondered if there should be a dialogue between the town and the school. Lane said probably 90% of CDBG grants are like this – for properties not owned by municipalities, for affordable housing and economic development. Municipalities don’t apply on properties they own – and said examples include day cares, senior housing etc.

Bruce Schwaegler asked if the Town has expenses before grant such as legal review, are those covered. Donna said probably no. Lane said Gardner Fulton is familiar with CDBG. Claflin said the expenses for the Town to get legal advice from the Town Attorney could probably be covered with some of the predevelopment grants. Mike said funds so far are for the community to figure out if this works. Claflin said that the grant could cover Town’s legal expenses.

Peter Dooley asked where the rest of the money would come from. Oliva said New Hampshire Housing Finance Authority and historic tax credits. Mike said the tax credit program from is from the IRS and is used to help fund affordable housing across the county. Investors with tax liabilities buy the credits and use them against their tax liability. The investor buys them through the tax credit program.

Peter asked how much is paid for the tax credits. Olivia said about 80% per dollar of tax credits is generally paid by investors.

Donna said an example of this approach is in Berlin with the Notre Dame School. AHEAD bought the school and did a financing package and did 33 units of housing there. Also in Berlin, another developer bought the Bartlett School, which will be 13 units of affordable housing. Municipalities use these CDBG grants do this all the time. Concord and other places use these every year. Haverhill Senior Center used CDBG. AHEAD is the predominant developer in the northern part of the State.

Mike says the state chose to fund affordable housing in the state through tax credits.

The Orford Academy would go on the tax rolls, and historically AHEAD pays payment in lieu of taxes based on an RSA. These payments are usually negotiated with the town. AHEAD has traditionally paid the “full boat” excluding school tax. None of AHEADS senior projects has any children living in them. AHEAD manages about 400 units, about 70% of them senior. There is an age restriction on all of the units of age 65 or over.

The HUD max is 1.5 people per bedroom. These are one bedroom units, might be some couples in them, not three people.

Eva asked how many projects have been completed. Mike said they own and manage 400 units of housing, all projects (16) have been completed and are still being managed. Newbury and Wells River are among the 3 senior projects that they manage. They also manage the Opera Building in Woodsville, and a senior project in Lisbon.

Olivia said Notre Dame was about 8 million dollars, and had CDBG funding.

Lane said part of the goal of CDGB is to take buildings that are falling down and preserve historic buildings. In order to apply for CDBG, a community must have a community and housing development plan, which is usually in the master plan. She handed out a “starter” community and housing development plan, which doesn’t cost anything. She read the one-page plan to the group. Some of the things included are already addressed in the master plan. She said it’s pretty generic. Also read another example plan that is a required document. Must provide for low and moderate income people. No additional obligations in these documents. Another no- relevant document is the uniform relocation act, but since nobody is being displaced it’s not applicable. It only applies to CDGB projects, not other town projects.

If town wants to go forward, they would need to have three consecutive hearings on the plans, one right after another, first the plans and then the grant application. The Town runs the hearings with AHEAD’s help. You have to do this before application goes in. Grant application is due the end of July. This coordinates with NHHFA grant cycle. Have to coordinate all grants to bring it together at the same time, and all funds have to be committed before construction starts. Funders coordinate on this.

CDBG funds are also available for other types of projects. Orford should keep this in mind. Lane says she works to protect municipalities. She has worked with Grafton County for almost 30 years. Julie Libby at county commissioner’s office would be good to talk to about this. County commissioners would also be good to talk to. The County is working on the Senior Center in Plymouth, for example.

Schwaegler asked if Grafton County would be an alternative to this. County can only apply for one. Communities should try local first because there is a line at the county. AHEAD is already in line for a drug and alcohol facility in Bethlehem.

Beleau said they are really trying to move forward so the building doesn’t deteriorate more as it sits. The sooner work starts the better.

If the application goes in in July, CDGB comes and does site visit (they are paying for some studies, so have already seen the building). They score the projects, and it’s very competitive. Would hear about grant in October. Lawyer would approve contract, and then to Governor and Council for approval. There is also a sub-recipient agreement with AHEAD. Consultant works for town.

Thomson asked if Davis-Bacon applies since it’s a government contract. Donna says yes, and highest required rate in Grafton county is about $12/hours. In Grafton county, unlike other parts of the state, for residential, rates are pretty low. Notre Dame had $5 of $8mil in local subcontractors. Contractors are bonded and are larger. HP Cummings Woodsville would be the contractor.

AHEAD got two awards for Notre Dame project. Dooley asked what next steps are over next few weeks. Donna said talk to the lawyers about CDBG – and honestly if there were a risk, municipalities wouldn’t do this and put taxpayers at risk. Donna can give us a list of municipalities to talk with to see how scary it is. Town does get some taxes from these projects and its low risk. CDBG encourages good projects that do good things.

Carl Schmidt said a community benefit is that seniors can stay in town. People from out of town could live there too. Schmidt said he went to senior lunch yesterday and some seniors came up to him to find out where to sign up. AHEAD said About 15 units will be affordable, about 5 will be for market rate.

For a single member household, the cutoff would be about $25,000 and rent would be $750 including heat.

Thomson said there are rentals open. Olivia said market study is in process.

(minutes taken by Anne Duncan Cooley)

**Anne Duncan Cooley**

Adams introduced Durfee. Cooley returned to discussion.

**Archertown Road Bridge at Jacobs Brook.**

Discussion of the current condition and the process for applying for NH Municipal Bridge Aid Program for the Archertown Bridge at Jacobs Brook was led by Robert Durfee of Dubois and King. He offered the following:

The Archertown Road Bridge at Jacobs Brook is currently listed in the State Bridge List as failing. It is not red listed at this time, which would require immediate action on the Towns part. The State estimate to fully replace and meet all current State design requirements for this the bridge is about $850,000 when funds would be available from the State. They estimate high because of the long time delay and for unexpected contingencies.

There are several required steps that need to be followed. First, NH DOT is formally notified that the Town has a bridge they want to place in the program, and has committed funds to repair/replace it. Next the State notifies the town to proceed to select an Engineering firm using the RFQ process. The Town then selects a firm to carry out the work from a minimum of three Request for Qualifications sent to area firms. The NH DOT will allow this process not to be followed if the Town has recently used a qualified engineering firm to construct a bridge and they were satisfied with the firm. That Town can then petition the NH DOT to use that firm without sending out RFQ.

After the Town selects an engineering firm that information is sent to NH DOT for approval. If approved the town contracts with the firm to obtain an estimate of cost for the study phase. Once the estimate for cost is obtained, the State reviews it and if approved then the Engineering firm may commence the Study Phase.

Study Phase. (Phase 1) The qualified firm reviews the site, meets with the Selectboard/local designers and creates a minimum of three alternatives for the bridge repair or replacement. This completes the Study Phase. Bills are submitted to NH DOT for approval. The State pays 80%, Town 20%. After the Study Phase comes (2) the final design phase where construction plans and drawings are completed. Once those are done the costs are submitted to the State for their review and approval. The final phase (3) is the construction phase where bids are requested to carry out the final designs. There may be a time delay before this is actually done. At any time, after any phase is complete, the process may be stopped without penalty form the State for not completing the entire project. It is recommended that the phase 2 final design phase be completed since that will establish the final expected costs for future budgets to be based on. Also for expensive bridges it allows some time to raise funds, several years if needed, before State money is available.

The current lead time once the Town completes the application process by submitting the request to be included in the Municipal Bridge Aid Program is 8 years, but this can change if more money is unexpectedly made available.

The Town of Orford at the Town Meeting March 2016, authorized and funded Phase 1, the Study phase ($50,000 max).

The State can be petitioned for a non-standard bridge, as narrow as twenty feet, the minimum for a “narrow” two lane bridge. This is about what the current bridge is. The State may also approve a narrower bridge from us because of the unique site locations such as we have: archeological ruins, old mill site, on one side and a local road, Dublin Road, immediately joining Archertown Road at the bridge.

Since the Town has input on the designs to be studied it may request from the Engineering firm that they study specific designs such as a “straddle” design as was used on the Grimes Road bridge where a new bridge is build over the old foundation leaving the old foundation as is and has a greater span so the existing abutters may be left in place, with new ones being place outboard from the existing ones. With this design there may not be need for expensive floodplain studies required by DES.

Robert Durfee indicated the states representative for the Municipal Bridge Aid program is Nancy Mayville, and she does travel to towns to discuss the program and bridge requirements, and funding for them.

The Selectboard thanked Robert Durfee for his through presentation about the process and sample forms at no cost to the Town.

The Selectboard will review the Towns Purchasing Policy to determine if it allows using the State’s format of accepting a previous engineering firm with out using the RFQ (Request for Qualification process).

**Calendar**

A list of activities, meetings and topics for discussion at regularly scheduled and “specially scheduled” Selectboard meetings was created and distributed to dates on the Calendar. A tentative annual calendar will be discussed at the next meeting.

Adjourned: 8:22 PM.

Second half of meeting recorded by, and respectfully submitted. by John Adams.

**John Adams**