

TOWN OF NEWPORT, NEW HAMPSHIRE
Board of Selectmen
Minutes for Meeting of August 26, 2019 6:30 pm
Scheduled Non-Public Session 7:30 pm
Regular Business Meeting, Municipal Building
15 Sunapee Street, Newport, NH 03773

SELECTMEN PRESENT: Jeffrey Kessler, Chairman; Todd Fratzel, Vice Chairman; Barry Connell, John Hooper II

SELECTMAN ABSENT: William Wilmot, Jr.

STAFF PRESENT: Hunter Rieseberg, Town Manager; Paul J. Brown, Finance Director

COMMUNITY MEMBERS PRESENT: Kathy Hubert, Bert Spaulding, Sr.

NCTV: Robert Merrill, John Lunn

Chairman Kessler reminded participants and the viewing public that the BOS would not have their next meeting until September 16, 2019 due to the Labor Day holiday.

CALL TO ORDER: Chairman Kessler called the meeting of the BOS to order at 6:30 p.m. followed by the Pledge of Allegiance.

AGENDA REVIEW: Accepted as presented.

MINUTES FROM PREVIOUS MEETING(S): Minutes of August 5, 2019: On a motion by Selectman Hooper, seconded by Selectman Connell; *the Board voted to approve the BOS minutes of the August 5, 2019 meeting as presented. The motion passed 4-0-0.*

NPS Minutes of August 5, 2019: On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted to approve the NPS minutes of the August 5, 2019 BOS meeting as presented. The motion passed 4-0-0.*

CONSENT AGENDA: On a motion by Selectman Fratzel, seconded by Selectman Hooper; *the Board voted to approve the Consent Agenda of August 26, 2019 as presented. The motion passed 4-0-0.*

OPEN FORUM: none

COMMUNICATIONS: Selectman Hooper said the Apple Pie Crafts Fair was incredible. 5,000 people attended the event. Due to traffic, he had to walk to the Common. The weather was great; it was good to see the large turnout and the activity in Newport.

Selectman Connell stated that Todd Cartier, interim Public Works Director, attended the last Conservation Commission meeting. Mr. Cartier came and spoke about different aspects of conservation and what was going on by the Town and listened to the Conservation Commission members (and their potential plans for the Gilman Pond watershed). He complimented Mr. Cartier on his representation, he did an excellent job.

Selectman Connell also complimented Chairman Kessler on his work on the Budget Advisory Committee (BAC).

Selectman Fratzel had nothing to share at this time.

Chairman Kessler concurred with Selectman Hooper on the Apple Pie Crafts Fair and Library Festival. He reported approximately 260 pies, the Library Cookie Walk and Trustee Luncheon and donuts by the Goshen Fire Department all sold out. The Newport Fire Department sold 800 BBQ chickens.

Town Manager Rieseberg had nothing to share at this time.

INFORMATIONAL: New England Family Housing-Kevin Lacasse: Mr. Kevin Lacasse introduced himself to the Board of Selectmen. Mr. Kevin Laccase, New England Family Housing, addressed the Board and stated that he was a developer. He was born and raised in NH.

He wanted to tell the BOS what has transpired at the Mill Project and ask for their support with the CDGB grant he will be pursuing through Sullivan County in January 2020.

Addressing the Board, Mr. Lacasse stated that Mr. Ron DeCola's LLC most recently had a mixed use concept; they would not be pursuing that because they had not received the tax credits necessary.

He explained that Mr. DeCola then investigated the Low Income Housing Tax Credit (LIHTC) program through NH Finance Authority. NH Finance Authority had contacted Mr. Lacasse because he developed buildings under their program.

The plan for the Mill will contain the following:

There will be 68 apartment units. The 48 units that Mr. DeCola had planned in the building (floorplans, etc.) will be what Mr. DeCola had originally planned. The exterior of the building will stay the same. The infrastructure from Mr. DeCola's original proposal will remain the same. It will basically stay the same, but without the commercial component in the building. His company will build a workforce housing project.

Mr. Lacasse stated there was concern as to the definition of workforce housing. He read aloud a prepared statement explaining workforce housing. "Workforce housing is for individuals who work but make too much money to qualify for public assistance. They don't earn enough to afford and live in a market rate unit plus food, transportation and living expenses."

His company is proposing a project in Newport that fits the need of many individuals in Newport.

The building units will be income tiered in this manner:

- 17 units would be market rate (25% of the apartments)
- 34 units would be 60% area median income (AMI)
- 10 units would be 50% AMI
- 7 units would be 30% AMI

It will be a mixed income building.

Mr. Lacasse told the BOS that NH has the lowest vacancy rate (rental) in the country. Sullivan County has the lowest vacancy rate in all of NH at less than 1%. He stressed that employers in Newport had job

vacancies that cannot be filled because potential employees cannot find a place to live (that they can afford).

His company has completed a 32 unit workforce housing project in Bristol, NH. He said that for the 32 units there had been 862 phone call inquires and 160 applications. Sullivan County's needs are greater than in Bristol.

Addressing the BOS he explained that Alliance Property Management was handling the management of the Franklin Mills project and would manage the Newport one as well. He discussed how many people the Town of Newport could expect to move into the Newport Mill. Using estimates from other projects done, they could expect:

- 68 units
- 111 total individuals
- 1.635 average persons per unit
- 28 total persons under the age of 18 (0-18 age range)
- 25% % of individuals under 18

Continuing, Mr. Lacasse stated that Town budgets are a local concern. Other towns showed that 51% of children moving into their other buildings were local residents, not from out-of-town. For Newport, the estimated number of additional children from out-of-town would be 14.

Mr. Lacasse briefly addressed the empty commercial space and apartments in the Dunkin Donuts building (Old Arlington Sample Building) and the potential foot traffic to downtown Newport gained through rental units in the Newport Mill.

Mr. Lacasse said the total project costs would be \$20,000,000 (acquisition, construction, engineering and soft costs).

Their company has found that if the present apartments in Newport were subpar than the tenants would "upgrade" to his new apartment building. Mr. Laccase said they have found that the apartment units his company has put in other communities impacted landlords and local apartments in their area in a positive way for the Town and tenants. If local landlords want to compete they have had to upgrade the standards of their units.

Mr. Lacasse stated he would answer any questions the BOS members had. He also reiterated that he was at the August 26, 2019 meeting to ask for their support with the CDGB grant New England Family Housing/Newport Mill will be pursuing through Sullivan County in January 2020.

Mr. Lacasse told them he was aware of some projects that Newport was going to try and get funding through CDGB grant funding. He assured them that his proposal would not interfere with the Town of Newport being awarded grant funding. He simply needed the BOS support.

Chairman Kessler asked Mr. Lacasse to explain to the Board what the requirements were in this program for maintenance of the building. Mr. Laccase stated there was very high scrutiny. He explained there were credentials for the management and listed the items that were monitored: annual inspections of the condition of the property, annual financial audits and interviewing applicants.

The first fifteen years the property is strictly monitored by NHFA and the tax credit investors.

The program they use is the Low Income Housing Tax Credit (LIHTC) program through NH Finance Authority along with CDBG and other financial sources. Each layer of financial support has its own rigorous standards and audits that they had to meet.

Chairman Kessler asked what happened if the property is not kept up, what penalties are involved. Mr. Lacasse stated if the property was not kept up, it would be taken from him and sold to someone who would maintain it to the standards that are required by the NHFA.

Continuing, Mr. Lacasse said NHFA came with a big stick and was not afraid to use it. If the property owner does not own up to their responsibilities, they lose the property.

Chairman Kessler asked the Board members if they had questions.

Selectman Fratzel stated he had questions and comments, all negative. Selectman Fratzel stated that 'Low Income Housing' has been renamed 'Workforce Housing' to sell it to the community.

He stated that the community was struggling with problems. These kinds of units come with problems. Additional Fire and EMS calls, Police calls. Selectman Fratzel stated that the increased number of children will not be great, but if local families moved in, the old apartment units will be vacant for new tenants; many with children. He had no doubt that it would put pressure on the Town services and school system.

Selectman Fratzel and Mr. Lacasse debated the logistics of the project. When asked, Mr. Lacasse answered the following questions:

1. How long the program would continue at the Mill. Mr. Laccase said the affordability part: 99 years. The tax credit investor is obligated for fifteen years but the compliance is for ninety nine years.
2. Mr. Laccase was asked if the number of units to percentages was set in stone (ex. 17 units at Market Rate); no additional units or fewer units could be rented at the Market Rate price. Mr. Laccase said that was correct.

For clarification, Mr. Lacasse explained HUD Housing versus the Workforce Housing he was proposing.

There was further general discussion on the pros and cons of the project.

Selectman Hooper addressed Mr. Lacasse and stated he would like more information. Tenants in the same building paying different rents raised questions for him. He said he would like to hear testimonies from Boards in the other towns Mr. Lacasse had put up buildings. Mr. Lacasse concurred with Selectman Hooper's request.

Mr. Lacasse addressed Selectman Hooper and the Board and stated he would give them a list of his other properties; he encouraged them to contact them and ask questions.

His company was also building workforce housing in Claremont, NH in the Goddard Block. The city welcomed his company and project. Selectman Fratzel stated that the Goddard Block was different, it had

been apartments; the city had shut them down. That project by New England Family Housing is upgrading existing apartments.

Selectman Fratzel asked what tax bracket the apartments would pay (to Claremont). He was told market rate. They had applied for 79-E.

There was a discussion on constructing workforce housing at the Mill now while the building is in excellent shape or waiting until after years of neglect or one year of the building being “cold”.

Selectman Connell said that his initial reaction was that it was a good thing for the Town. Upon hearing concerns from the other Selectmen, he thought there needed to be protection for the Town. Selectman Connell explained, reiterating concerns of other Selectmen. He then reiterated his initial reaction, that he would like to see a project and that the need for the middle strata of housing was real.

Chairman Kessler asked Mr. Lacasse when he would need to have an answer from the BOS. Mr. Lacasse was scheduled to go before the county in January 2020 for a CDGB grant. Mr. Lacasse said the sooner the better.

Selectman Connell asked Mr. Laccase if the number of units to percentages was set in stone (ex. 10 units at 50% AMI); no additional units could be rented at the 50% AMI price. Mr. Laccase said he was correct; those are the guidelines of NHFA. To further assure the BOS, Mr. Lacasse stated the Town had building inspectors who would oversee the construction; code regulations that would need to be met and other building regulations that the Town required them to meet. In addition, his investors, tax creditors and the New Hampshire Finance Authority (NHFA) had more stringent standards than the Town’s which they were required to meet. Selectman Connell addressed Mr. Lacasse and stated that there was a real need for housing in Newport and the Upper Valley. They held a discussion on the benefits of apartment units for both areas. Chairman Kessler suggested that the agenda item be tabled for three weeks until the next BOS meeting.

Finance Director Brown asked:

- ❖ If tenants were required to certify employment. He was told their employment and income was certified by a third party initially and then annually.
- ❖ If they lost employment, what was the process for them to be removed from the apartment? He asked if there was a grace period or eviction process. There was an eviction process.

Mr. John Lunn addressed the Chair and stated there were new teachers that come to the district that cannot find housing. They would be in this income range.

There was a general discussion on the Mill Project, economics and housing in Newport.

Mrs. Kathy Hubert addressed the BOS and stated she had looked over the numbers on the papers Mr. Lacasse had handed out. To be in the market rate an individual would have to earn over \$20.00/hr. Newport is a service economy: the bank and local store employees barely make \$15.00-\$20.00/hr. She addressed Mr. Lacasse and asked him to speak to the governor, because Newport needed affordable housing.

Mr. Bert Spaulding, Sr. addressed the BOS and reviewed different points made throughout the discussion. He asked for documentation to support Mr. Lacasse’s statements.

On a motion by Selectman Connell, seconded by Selectman Hooper, ***the Board voted to table the agenda item to the September 16, 2019 BOS meeting. The motion passed 4-0-0.***

Mr. Lacasse asked the Board what additional information they needed him to provide for the September 16, 2019 BOS meeting. Chairman Kessler requested a list of references from the other properties for them to check. Mr. Lacasse asked them to please talk to the other communities.

Mr. Lacasse asked Town Manager Rieseberg to send him information with additional questions the BOS would like covered. He thanked the Board members for their time.

The next agenda item was taken out of order to accommodate the participant.

State Budget: Mrs. Hubert addressed the Board and stated the state budget was in limbo. Rumor is that the state department heads are being asked to expect another three month continuance.

The biggest issue is the school issue. She explained the different aspects of the school finances that have created complications. There will be a hearing on August 29, 2019; if people cannot attend they can write a letter to their representative or the governor asking for disparity aid in this coming two-year budget. Mrs. Hubert stated the steps she and others will be taking if a budget is not voted on by December 2019 (“Education Only” bill).

After further discussion, Chairman Kessler and Mrs. Hubert said they would like to see some support from the local school board. She thanked the Board for their time.

Scheduled non-public session

Chairman Kessler closed the meeting to the public. On a motion by Selectman Fratzel, seconded by Selectman Hooper; ***the Board voted by roll call vote to enter into NPS pursuant to RSA 91-A:3 II (c) Litigation with Town Counsel at 7:34 p.m. The motion passed 4-0-0.***

The Selectboard exited non-public session at 8:22 pm.

On a motion by Selectman Fratzel, seconded by Selectman Connell; ***the Board voted to seal the non-public minutes pursuant to RSA 91-A:3 II (c) Litigation with Town Counsel. The motion passed 4-0-0.***

Selectboard Planning Retreat: After a short consultation, the Board members rescheduled their retreat to Thursday, September 12, 2019 at 4pm. Location will be in the Board of Selectmen’s Room.

Summer Project Updates: Town Manager Rieseberg gave the following updates:

- ❖ Main Street sidewalk reconstruction continues to be under way. The contractor is currently working on the sidewalk on North Main Street from Pearl Street to Oak Street. Completion is projected to be next week.
- ❖ The reconstruction of the District Courthouse sidewalk and courtyard work schedule is projected to possibly begin this week.
- ❖ The Oak Street Bridge deck will be poured on Thursday, August 29, 2019.
- ❖ First, Second, Third and Fourth Street is in its final phase of work.
- ❖ The Town has a quote and tentative work schedule (to start in October 2019) for the new roof on the police station.
- ❖ Painting/stripping of crosswalks is behind schedule due to the contractor. The Town has stepped in and is doing the stripping “in-house”. The Town crews are doing an excellent job.
- ❖ Opera House work will commence in September-October 2019. The following will be done in 2019: the restoration of the clock tower, the face of the clock and painting, making sure the clock is working, exploring having the bell chime work, painting the trim, reinstall the half round stain

glass windows in the building.

- ❖ Mason work has been done on the exterior of the Town Office and Fire Department buildings.

The Town office is starting to prepare for Budget Time and the next round of grant applications (January/July 2020).

ACTION ITEMS: Resignation-Mr. David Lain, Zoning Board of Adjustment: Selectman Fratzel made a motion *to accept the resignation of Mr. David Lain from the Zoning Board of Adjustment with regret.* It was seconded by Selectman Hooper. *The motion passed 4-0-0.*

Selectman Fratzel asked that a letter of appreciation be sent to Mr. Lain for his years of service to the Town.

Mr. Bert Spaulding, Sr. addressed the Board and stated that if the Alternates on the ZBA did not want to step up to a full member capacity, he would put his name in for consideration for appointment as a full member to the ZBA. Chairman Kessler thanked him for his offer.

On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted by roll call vote to enter into NPS pursuant to RSA 91-A:3 II (a)Personnel and (c) Reputation at 8:35 p.m. The motion passed 4-0-0.*

After a brief discussion, Chairman Kessler amended the original motion to (a) Personnel and (e) Pending Litigation.

On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted by roll call vote to enter into NPS pursuant to RSA 91-A:3 II (a)Personnel and (e)Pending Litigation at 8:36 p.m. The motion passed 4-0-0.*

Present were Selectboard members Jeffrey Kessler, Barry Connell, John Hooper and Todd Fratzel. Also in attendance were Town Manager Hunter Rieseberg, Finance Director Paul J. Brown and Mr. Allan Treadwell.

On a motion by Selectman Fratzel, seconded by Selectman Hooper; *the Board voted to exit the NPS at 10:29 p.m. The motion passed 4-0-0.*

On a motion by Selectman Connell, seconded by Selectman Fratzel; *the Board voted unanimously to adjourn at 10:30 p.m.*

Respectfully submitted,



Maura Stetson
Scribe

The next regular meeting of the Board of Selectmen is scheduled for September 16, 2019 at 6:30 p.m.

Approved on: September 16, 2019