

## Rochester to seek fed funds for neighborhood stabilization

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**ROCHESTER** — The City Council voted Tuesday night to authorize the application for federal grant money for the Neighborhood Stabilization project, which aims to rehabilitate areas of a community fallen into disrepair by foreclosures.

The council authorized the application following a public hearing on the project, during which some residents expressed concerns with the city getting involved in what appears to be a real estate venture.

Fred Leonard, a former past vice president of the Rochester Concerned Taxpayers Association, said he viewed the city's involvement as an attempt to increase government control and an example of the city trying to socially re-engineer a neighborhood. He also asked the council to show him where the city has experience in managing properties.

"Show me where they've done this before. I don't think they have," he said.

Lisa Stanley, who owns Wit Way Supply in Rochester, defended the project, saying the city's job is not to oversee construction, but to administer the funding to make the project happen. She said Leonard should talk with congressional authorities if he has a problem with how they are spending money.

Leonard also took issue with the city's relationship with **The Housing Partnership**, a Portsmouth development company that will oversee the project. Planning Director Kenn Ortmann said Tuesday night he's previously served on the company's board of trustees, which led Leonard to insinuate collusion that becomes apparent with the "peeling away of the layers of the onion."

City Manager John Scruton said Leonard's comments alleging Ortmann's personal bias were an "unjustified attack."

"The reputation of The Housing Partnership speaks for itself," Ortmann added.

Scruton confirmed Wednesday The Housing Partnership will be included in the application and is considered a crucial part of the project. He said some of the negativity displayed at the public hearing was due to a misunderstanding about the Housing Partnership's role.

The Housing Partnership will not be responsible for the actual construction, but will oversee the rehabilitation and manage rental properties until resale, he said.

"Comparing them to private developers of subdivisions is to miss the point that this is a manager of affordable housing properties, of which there are few options in the local area," he said.

Ortmann stressed the city would like to get qualified local contractors involved and a number of local contractors already contacted his office expressing interest in getting involved. However, the requirements for receiving the funds mandate a competitive bidding process that could bring in developers from farther away if they make lower bids than locals.

Ortmann, Housing Partnership Executive Director Marty Chapman and city community development specialist Ea Ksander collaborated on a PowerPoint presentation on the aims of the stabilization project Tuesday night. Chapman said they hope to create decent, affordable and safe workforce housing in the Rochester neighborhoods near the downtown that are known as blighted areas of the city.

The target area is around Lafayette Street and the surrounding neighborhood, which Ksander said is 56 square acres containing 700 households, one of the most densely populated areas of the city. She said they chose the area based on the concentration of foreclosures in the area and the belief that improvements there will be most beneficial to the city as a whole.

Ksander noted future stimulus funds could be used to look at other, smaller blighted neighborhoods in the city.

The project's long-term goal is to increase the number of owner-occupied residences in the area, which city officials hope will increase neighborhood pride and the investment community members have in maintaining properties. Currently, the Lafayette Street area contains numerous multiunit dwellings, often with four units to one building. Ortmann said one of the consequences of the project could be a reduction in the population density in that area.

Ortmann said Ward 4 Councilor Ray Lundborn, who is also a realtor with Coldwell Banker, suggested in discussions about the project that it would be "a challenge" to fill that neighborhood with owners who also occupy the homes.

Ward 1 councilor Ray Varney also wondered how the estimated \$3.5 million the city will receive for the project will be enough to rehabilitate approximately 15 foreclosed properties in the neighborhood.

Despite these lingering questions, with the council's approval, the city will now send its final application in for receiving the funds. Rochester will be competing with Berlin, Manchester, Derry and Nashua for the \$19.6 million in stimulus money from the U.S. Department of Housing and Urban Development.

The Community Development Finance Authority, which helped manage the preapplication process, will conduct site visits in June to determine which cities are in need of the most aid.