



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Dir. of Redevelopment, Downtown Services
& Special Projects

DATE: November 29, 2018

SUBJECT: Community Development Block Grant – 190 Manchester Street Manufactured
Housing Park

Recommendation:

1. Accept this report;
2. Set the attached resolution for public hearing on January 14, 2019, authorizing the City Manager to submit an application seeking up to \$500,000 in Community Development Block Grant (CDBG) Housing and Public Facility funds from the NH Community Development Finance Authority for infrastructure improvements at 190 Manchester Street Manufactured Housing Park, as well as to accept and appropriate such funds if awarded;
3. Set the attached resolution for public hearing on January 14, 2019, adopting the City's Anti-Displacement and Relocation Policy Statement and Procedures.

Background:

The New Hampshire Community Development Finance Authority (NHCDFA) is the State agency responsible for administering the US Department of Housing and Urban Development's (HUD) CDBG program in New Hampshire.

Each year, the NHCDFA usually holds two CDBG application rounds, typically in January and July, to support housing and public facility projects that primarily benefit low and moderate income individuals and households. The maximum grant amount is \$500,000 for these grant rounds. In addition, emergency grants are available on a year-round basis, as funds allow, on a first come - first served basis, in an amount up to \$500,000 per municipality annually. The NHCDFA also offers CDBG Feasibility/Planning grants up to \$12,000 per municipality annually. Only non-entitlement municipalities and counties may apply for CDBG funds; however, these political subdivisions may sub-grant CDBG funds to not-for-profit organizations.

The City is eligible to seek up to \$500,000 in CDBG funds during the upcoming grant round, which closes on January 31, 2019.

When applying for Community Development Block Grants, the City must, per CDBG rules, hold a public hearing prior to submitting its application, as well as adopt an Anti-Displacement and Relocation Policy (attached to this report). Also, in order to apply for these funds, the City must periodically readopt its Housing and Community Development Plan. This plan was last adopted by Resolution #8974 on January 9, 2017. Per CDBG rules, the plan is valid for a three year period and, therefore, does not need to be readopted in order to proceed with this application.

Discussion:

- 1) 190 Manchester Street Overview: The property is a manufactured housing park consisting of approximately 25 units, which was developed circa 1960. Residents of the park are predominantly low / moderate income.

Last summer, the park owner announced its intention to sell the property. Per State Law, the residents of the park are afforded 60 days to negotiate with the owner to acquire the property. Once the 60 day period has elapsed, the owner may sell the park on the open market. The owner has voluntarily extended the 60 day period through the end of January 2019.

Over the past several months, park residents have been working with ROC-NH on due diligence relative to formation of a manufactured housing park cooperative and acquisition of the property. ROC-NH is an affiliate of the New Hampshire Community Loan Fund, which provides technical assistance and financing to support the creation of resident owned manufactured housing park cooperatives. Since its creation in 1984, ROC-NH has helped create 127 resident owned communities throughout New Hampshire.

With assistance from ROC-NH, the residents of 190 Manchester Street have created a homeowner's association, negotiated a purchase and sales agreement to acquire the park, and have engaged a local engineering firm to conduct an infrastructure needs assessment for the property.

- 2) Anticipated Infrastructure Needs: As of the date of this report, the infrastructure needs assessment study was ongoing. However, based upon preliminary review, ROC-NH and the 190 Manchester Street residents believe the park requires significant infrastructure investments.

Specifically, the park is served by a community water system, as well as on-site "dry well" septic systems. The age and condition of these systems is currently unknown. However, anecdotal information suggests the water and septic systems are quite old, likely substandard, and fully depreciated. Therefore, subject to the results of the infrastructure assessment, the residents are interested in replacing these systems.

Water system replacement would likely entail wholesale replacement of current water mains and services.

For the septic system, existing dry well systems would be discontinued and a new community sewer system would be installed. This new system would be connected to the City system located in Manchester Street.

Preliminarily, and subject to completion of the ongoing infrastructure assessment, ROC-NH estimates that the cost of replacing infrastructure at the park will be approximately \$800,000.

- 3) Community Development Block Grant: ROC-NH has approached the City seeking Community Development Block Grant (CDBG) funds to support replacement of the park's current infrastructure. Subject to the completion of a formal income survey of park residents, the park is likely eligible for CDBG funds.

The City has long used its CDBG program to support affordable housing projects, including manufactured housing cooperatives. In 2011, the City secured \$500,000 to assist with a \$1.5 million infrastructure replacement at the Fisherville 107 Manufactured Housing Cooperative.

If awarded, CDBG funds would provide a net of \$475,000 to support infrastructure improvements (or approximately 60% of the preliminary \$800,000 estimated cost of the project). ROC-NH plans to pursue a loan for the remaining balance of project (\$300,000-\$400,000) with the City's Revolving Loan Fund program.

- 4) Community Development Advisory Committee Recommendation: Representatives of ROC-NH met with the City's Community Development Advisory Committee (CDAC) on November 28, 2018 to discuss funding needs for this project.

During the meeting, CDAC voted unanimously to recommend that the City Council authorize the City Manager to apply for CDBG funds to support this project.

CDAC also had preliminary discussions regarding Revolving Loan Fund program support for this project. CDAC indicated it was open to entertaining a formal loan application for the project. If approved, the loan would serve as matching funds for the CDBG application. ROC-NH plans to file a formal loan application with CDAC once the infrastructure assessment is completed in December. CDAC intends to review ROC-NH's loan application on or about January 23, 2019 in order to make a final decision prior to the CDBG application deadline.