



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Interim Deputy City Manager - Development

DATE: November 30, 2022

SUBJECT: Community Development Block Grant Application
Concord Coalition to End Homelessness / 6 South State Street

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on January 9, 2023 authorizing the City to apply for, accept, and appropriate up to \$500,000 of “Housing” Community Development Block Grants from the NH Community Development Finance Authority on behalf of the Concord Coalition to End Homelessness in support of acquisition and redevelopment of #6 South State Street.
3. Set the attached resolution readopting the City’s Anti-Displacement and Relocation Policy in support of the City’s Community Development Block Grant application behalf of the Concord Coalition to End Homelessness for public hearing on January 9, 2023.
4. Set the attached resolution readopting the City’s Housing and Community Development Plan for public hearing on January 9, 2023.

Background:

The New Hampshire Community Development Finance Authority (NHCDFFA) is the agency responsible for administering the US Department of Housing and Urban Development’s (USHUD) Community Development Block Grant (CDBG) program in New Hampshire.

Each year, the NHCDFFA holds two CDBG application rounds, typically in late January and July, to support housing and public facility projects that primarily benefit low- and moderate-income individuals and households. Types of CDBG grants available are as follows:

- Housing: This type of CDBG provides funding for the preservation and construction of affordable housing. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$500,000 annually.

- Public Facilities: This type of CDBG provides funding for the construction of public facilities, such as water and sewer infrastructure, as well as other types of facilities including daycares, homeless shelters, and soup kitchens. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$500,000 annually.

In addition to housing and public facilities, the NHCDFA also offers other types of Community Development Block Grants, as follows:

- Emergency Grants: These funds are available for projects to address emergencies and unanticipated events that have a serious and immediate threat to public health and safety, which primarily benefit low- and moderate-income people. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$500,000 annually. Applications are accepted on a first-come, first-served basis throughout the calendar year.
- Feasibility/Planning Grants: These funds are available to conduct needs assessments, income surveys, preliminary architectural and engineering designs, cost estimates, and market analyses for potential CDBG projects, which primarily benefit low- and moderate-income individuals. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$25,000 annually.
- Economic Development Grants: The City is also eligible to apply for up to \$500,000 annually to support economic development projects, which benefit low / moderate income persons. Such projects may include business loans, real estate development, infrastructure improvements, job training and similar activities. Applications are accepted on a first-come, first-served basis throughout the calendar year.

When applying for Community Development Block Grants, the City must, per CDBG rules, must hold a public hearing **prior** to submitting its application.

In addition, to be eligible for CDBG funds, the City must also adopt:

- 1) An Anti-Displacement and Relocation Policy, which establishes procedures the City – or its subgrantees – must adhere to when expending CDBG funds to support projects that may involve temporary or permanent displacement of residents or businesses. This document must be readopted by the City Council for each individual CDBG application.
- 2) A Housing and Community Development Plan. The purpose of this document, which is separate from the City’s Master Plan, is to affirm that the City’s goals relative to housing, economic development, and community development align with various NHCDFA and USHUD requirements associated with the CDBG program. This plan must be readopted every three years. The City, via Resolution #9264, last adopted this plan on January 13, 2020. Therefore, the plan must be readopted for the City to be eligible for CDBG funds in the upcoming application round.

The City has successfully applied for and received more than \$24 million in CDBG funds since the program’s inception in 1974.

Discussion:

On October 3, 2022, City Administration, on behalf of the Community Development Advisory Committee (CDAC), issued a Request for Proposals (RFP) to solicit potential CDBG eligible projects from CDBG eligible entities. Approximately three dozen organizations received the City's RFP. Proposals were due on October 21, 2022. Two responses were received. The Concord Coalition to End Homelessness ("the Coalition") was one of the respondents.

The Coalition recently entered into a Purchase Option Agreement to acquire real estate located at 6 South State Street. The property is owned by the South Congregation Church.

The property consists of an 11,238SF (gross) structure located on a 0.24 acre lot. The structure was constructed in 1896.

The property is currently occupied by a commercial business, as well as two residential tenants. Pending further discussions with the NHCDFR, eviction of these tenants may trigger relocation assistance requirements in accordance with the Uniform Relocation Act as set forth in the City's Anti-Displacement and Relocation Policy previously discussed herein.

The Coalition plans to acquire the property and renovate it to create 8 residential apartments for persons exiting homelessness. The apartments will be one bedroom units.

The total estimated development cost of the project is \$2.3 million (or \$287,500 / unit). In addition to the potential \$500,000 CDBG, project financing may include funds from the NH Housing Finance Authority, NHCDFR Community Development Investment Program Tax Credits, as well as potential federal funds which the Coalition has been pursuing with assistance from Senator Shaheen.

A copy of the Coalition's proposal is attached.

The City's Community Development Advisory Committee (CDAC) met on November 16, 2022 to review the Coalition's proposal and unanimously recommended that the City Council authorize the City Manager to apply for the maximum amount of CDBG funds available to support this project.