



CITY OF CONCORD

New Hampshire's Main Street™
City Manager's Office

Thomas J. Aspell, Jr.
City Manager

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Matthew R. Walsh, Director of Redevelopment, Downtown Services, and Special Projects

DATE: October 13, 2017

SUBJECT: Revolving Loan Fund Appropriation (Fund #2701)

Recommendation

- Accept this report; and,
- Set the attached resolution appropriating the sum of \$260,586 to re-capitalize the City's Revolving Loan Fund Program for public hearing December 11, 2017.

Background

The City created its Revolving Loan Fund Program (Program) in 1984. The Program was initially capitalized with a Community Development Block Grant (CDBG) from the State of New Hampshire and the U.S. Department of Housing and Urban Development. The purpose of the Program is to provide loans to support housing, social service agencies, licensed daycare centers, and economic development projects that benefit low to moderate income people. Individuals or families earning 80% or less of the area median income qualify as low to moderate income.

The Program is overseen by the City's Community Development Advisory Committee (CDAC). CDAC reviews and approves all loan applications to insure they are consistent with the goals and objectives of the City's Housing and Community Development Plan, as well as the Program Income Reuse Plan (PIRP).

Currently, the Program has 21 active loans totaling \$956,508 with a collective outstanding balance of \$608,565. Disbursed loan amounts range from approximately \$2,500 to \$200,000. Projects typically financed by the Program range from simple heating system and roof replacements at single family homes, to large-scale water and sewer main replacements in manufactured housing parks, to economic development projects that create or retain employment opportunities for low to moderate income people.

Discussion

Periodically, the City Council appropriates revenues from interest and principle payments made by loan recipients to re-capitalize the Program. At the end of Fiscal Year 2017, the available balance of repaid principal and interest for the Revolving Loan Fund (Fund #2701) was \$260,586. City Administration requests that these moneys be appropriated and re-deposited into the Revolving Loan Fund Program. This will allow the program to continue making loans and grants to support eligible projects. Of the amount appropriated, \$5,000 will be used for administrative purposes to manage and administer the Revolving Loan Fund Program. With this appropriation, the total amount available to loan is \$973,138.