



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
Crisis Center of Central New Hampshire / 27 Warren 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 “Public Facility” Community Development Block Grants from the NH Community Development Finance Authority on behalf of the Crisis Center of Central New Hampshire in support of acquisition and redevelopment of #27 Warren 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 Crisis Center of Central New Hampshire 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 Crisis Center of Central New Hampshire ("CCCNH") was one of the respondents.

CCCNH recently entered into a Purchase Option Agreement to acquire real estate located at 27 Warren Street. The property is owned 27 Warren Street LLC and is currently occupied by Warren Street Architects. The property owner and Warren Street Architects are voluntarily vacating the property. Therefore, no displacement or relocation issues are anticipated with this project.

The property consists of a 3,873SF (gross) structure located on a 0.08 acre lot. The structure was constructed in 1890.

CCCNH plans to acquire the property and renovate it for the purposes of creating programmatic office space to support victims of domestic violence. The new site will improve CCCNH's ability to serve its 1,500 clients, the majority of which are low to moderate income.

The total estimated development cost of the project is currently being established. However, it is anticipated that the cost will be at least \$800,000. In addition to the potential CDBG, project funding sources may also include funds from the CCCNH, as well as other potential grants or bank financing.

A copy of the CCCNH's proposal is attached.

The City's Community Development Advisory Committee (CDAC) met on November 16, 2022 to review the CCCNH's proposal. CDAC voted to recommend that the City Council authorize the City Manager to apply for the maximum amount of CDBG funds available to support this project, provided the CCCNH identified a property and entered into a Purchase Option Agreement to acquire a property for their proposed project. CCCNH reportedly entered into a Purchase Option on or about November 30, 2022. As of the date of this report, a copy of the option agreement had not yet been provided to City staff.

In 2020, the City secured \$357,000 of CDBG funds to assist CCCNH with renovation of other properties to support their programmatic operations. However, that project never moved forward due to readiness issues. As a result, the CDBG funds were forfeited by the City.