



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

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

DATE: December 2, 2020

SUBJECT: Community Development Block Grant Application

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on January 11, 2021 authorizing the City to apply for, accept, and appropriate up to \$500,000 in Housing Community Development Block Grant funds and up to \$500,000 in Public Facility Community Development Block Grant funds from the NH Community Development Finance Authority on behalf of Riverbend Community Mental Health, Inc.
3. Set the attached resolution readopting the City's Anti-Displacement and Relocation Policy in support of the City's Housing Community Development Block Grant on behalf of Riverbend Community Mental Health for public hearing on January 11, 2021.
4. Set the attached resolution for public hearing on January 11, 2021 authorizing the City to apply for, accept, and appropriate up to \$500,000 in Public Facility Community Development Block Grant funds from the NH Community Development Finance Authority on behalf of Riverbend Community Mental Health, Inc.
5. Set the attached resolution readopting the City's Anti-Displacement and Relocation Policy in support of the City's Public Facilities Community Development Block Grant on behalf of Riverbend Community Mental Health for public hearing on January 11, 2021.
6. Conduct a public hearing for the purposes of discussing a progress report regarding Community Development Block Grant Funds secured by the City in 2019 for infrastructure improvements at the Top of the Hill Manufactured Housing Park Cooperative located at 190 Manchester Street, Concord.

Background:

The New Hampshire Community Development Finance Authority (NHCDFFA) is the state 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 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 housing and public facilities, the NHCDFFA 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 in a calendar year 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 which 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 NHCDFR and USHUD requirements associated with the CDBG program. This plan must be readopted every three years. The City last adopted this plan via Resolution #9264, which was approved on January 13, 2020. Therefore, no action is required by the City Council at this time.

The City has successfully applied for and received more than \$21.3 million in CDBG funds since the program’s inception in 1974.

Discussion:

- 1) January 2021 CDBG Application Round: On September 23, 2020, 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. Nearly three dozen entities received the City’s RFP. Proposals were due on October 23, 2020.

Only one proposal was received. The proposal was from Riverbend Community Mental Health, Inc. (“Riverbend”).

Founded in 1963, Riverbend Community Mental Health is a private, not-for-profit, community-based agency whose mission is to care for the mental health of the community. Riverbend provides a full range of quality outpatient and residential behavioral health services for individuals and families. Riverbend’s 425 employees served nearly 900 people in 2019. Sixty percent of Riverbend clients receive disability benefits, have Medicaid or Medicare, and/or are homeless.

Riverbend has requested CDBG funds to support renovation of the following properties located in Concord:

- Twitchell House (105 Pleasant Street)
- Fayette House (4-6 Fayette Street)
- Pillar House (40 Pleasant Street)
- The CSP Program Building (10 West Street)
- The CHOICES Building (42 Pleasant Street)

The scope of proposed renovations varies by property. However, generally speaking, renovations will be focused on a variety of improvements including new windows, updated heating / ventilation / air conditioning systems, new paint and flooring, security

system updates, and other similar improvements. This is a preliminary scope of work that will likely evolve during the grant application process.

A copy of Riverbend's proposal is attached.

It is important to note that some of these properties are used for residential purposes, while others are used to provide programming and support services to Riverbend's clientele. As such, the City must apply for both Housing and Public Facilities Community Development Block Grant applications. In accordance with NHCDFR rules, the City is required to conduct multiple public hearings as described herein. **In addition, due to NHCDFR rules, the City Council should avoid grouping these items into a single public hearing.**

The City's Community Development Advisory Committee (CDAC) met on November 18, 2020 to review Riverbend's proposal. CDAC noted that the City has successfully partnered Riverbend on other CDBG projects in the past. Recognizing the importance of Riverbend's programming to Concord and the surrounding region, CDAC unanimously recommended that the City Council authorize the City Manager to apply for CDBG funds for the projects described herein.

- 2) Top of the Hill Manufactured Housing Park Cooperative: The Top of the Hill Manufactured Housing Park Cooperative is located at 190 Manchester Street, Concord. With the assistance of ROC-NH, the park residents acquired the park from their landlord and formed a manufactured housing cooperative in 2019. The park has approximately 25 units, which are primarily occupied by low and moderate income households.

In January 2019, the City applied for \$500,000 to assist with water and sewer improvements at the park. Grant funds were awarded by the NHCDFR in the spring of 2019. The CDBG contract was approved by Governor and Council in July 2019.

Infrastructure improvements began in spring 2020 and were substantially completed in November.

The total estimated cost of the improvements was approximately \$800,000. In addition to CDBG funds, the City also approved a \$335,000 loan to the Cooperative to help finance these improvements. The loan has not yet proceeded to closing.