



CITY OF CONCORD
New Hampshire's Main Street™
Community Development Department

REPORT TO MAYOR AND CITY COUNCIL

From: Timothy J. Thompson, AICP, Assistant Director of Community Development
Date: October 15, 2023
Subject: **Community Development Block Grant Application**
Families in Transition – Planning Grant for space analysis to highlight any underutilized space in existing properties that could be renovated into low-income housing.

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on November 12, 2024, authorizing the City to apply for, accept, and appropriate up to \$25,000 of Community Development Block Grants from the NH Community Development Finance Authority on behalf of Families in Transition.
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 Families in Transition for public hearing on November 12, 2024.

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) Community Development Block Grant (CDBG) program in New Hampshire.

Each year, the NHCDFA 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 to housing and public facilities, the NHCDDFA also offers other types of Community Development Block Grants, on a rolling basis, 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, 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.

No displacement or relocation of persons or businesses is anticipated as part of this project.

- 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 NHCDDFA and HUD 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 9, 2023. Therefore, no action is required by the City Council at this time.

The City has successfully applied for and received more than \$25 million in CDBG funds since the program's inception in 1974.

Discussion:

Families in Transition (FIT) is a homelessness and housing provider headquartered in Manchester NH, with a mission to prevent and break the cycle of homelessness through their services which include (state-wide): two emergency shelters, one for 138 adults and one for 11 families (46 beds); substance use treatment services both in- and outpatient; a food pantry; and 240 units of low-income housing. Families in Transition has over 30 years of experience in this work and last year served over 14,000 vulnerable NH community members through their services.

FIT and their property management division, Housing Benefits, owns two low-income housing properties in Concord: 9-11 Odd Fellows Avenue and 5 Market Lane. Together these properties offer 16-units of low-income housing, along with laundry facilities, a community room, and space for a commercial business. Supportive case management services are provided to tenants to help support their housing stabilization, empowering tenants to increase their self-sufficiency to the maximum extent possible.

In 2003 when the Concord properties were initially developed, community rooms were an important part of the consideration when renovating the buildings. Since that time much has changed regarding how FIT's services are offered to individuals and families with best practice now being to provide services within an individual's or family's 'home' which helps ensure the individual/family is managing their home appropriately, that the unit is well cared for, and the tenant understands the responsibilities of taking care of themselves, as well as their space.

On top of community rooms that are underutilized there is commercial space at 5 Market Lane that was once used for the NH Coalition to End Homelessness, who no longer needs the space.

FIT is seeking support from the City to apply for a CDBG planning grant of \$25,000 to hire an architectural firm to perform a space analysis on these two buildings. A space analysis would highlight any underutilized spaces that could be renovated into low-income housing. Given the great need for housing, especially for vulnerable community members, FIT believes even a modest increase in the number of housing units at their properties would be beneficial to the community.

If successful, the CDBG Planning Grant funding would be used to hire a consultant to develop preliminary architectural and engineering designs and cost estimates, which could in turn be utilized to seek further funding from CDBG, and other funders, in 2025.

The City's Community Development Advisory Committee (CDAC) met on August 28, 2024 to review the Families in Transition proposal and unanimously recommended that the City Council authorize the City Manager to apply for \$25,000 of CDBG Feasibility/Planning Grant funds available to support this project. Should City Council support this proposal, the CDBG application would be filed as soon as possible, utilizing the services of the City's CDBG consultant Donna Lane.