



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

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

DATE: January 29, 2025

SUBJECT: Housing Champions Grant Programs

Recommendation:

1. Accept this report;
2. Approve the attached consent resolution authorizing the City Manager to apply for funding from the NH Department of Business and Economic Affairs' Housing Champions Housing Infrastructure Municipal Grant Program and,
3. Approve the attached consent resolution authorizing the City Manager to apply for funding from the NH Department of Business and Economic Affairs' Housing Champions Housing Production Municipal Grant Program; and,

Background:

On December 17, 2024, the City was designated as a "Housing Champion" by the New Hampshire Department of Business and Economic Affairs (NHBEA). Concord was one of 18 municipalities in the State to receive this prestigious designation. There are 234 municipalities in the State of New Hampshire.

Housing is a regional issue. Of the other 20 communities in the Central New Hampshire Region, the Town of Boscawen was the only other community to be designated as a Housing Champion.

As noted in the State's award letter, Concord's designation as a Housing Champion "*is a testament to your community's outstanding commitment to fostering an environment that supports innovative and sustainable solutions to address New Hampshire's housing needs.*" The letter also noted that Concord's "*efforts have demonstrated leadership and vision in creating pathways for housing development that will positively impact residents and contribute to solving the state's housing crisis.*"

Copies of the award letter and associated certificate are attached.

Concord was designated as a Housing Champion because:

1. The City has demonstrated compliance with State Law RSA 674:59 (the Workforce Housing Statute). Specifically, in accordance with this Statute, the City, through its zoning ordinance and other land use regulations, has established reasonable opportunities to develop workforce housing in Concord. Additionally, workforce housing is allowed in all districts where multifamily is permitted.
2. The City demonstrated that Concord's zoning and land use regulations do not discourage housing. Specifically, residential uses are permitted in 14 of the City's 17 zoning districts. As such, residential uses are permitted in approximately 95% of Concord's total land area (i.e. 60.2 Square Miles of City's total land area of 64 Square Miles).
3. In accordance with State Law RSA 674:21 (the Innovative Land Use Regulations Statute), the City has adopted innovative land use regulations to foster housing development within the context of smart growth principles. Examples include Concord's Cluster Subdivision Ordinance and Planned Unit Development Ordinance, as well as the use of Conditional Use Permits to regulate development.
4. Further, the City's Zoning Ordinance permits the development of manufactured housing and mixed-use developments.
5. The City has made consistent and continuous investments in water, sewer, and transportation infrastructure projects, as set forth within the City's Capital Improvement Program, which support housing. Current examples include the Heights Sewer Improvement Project and Airport Road Sidewalk Project.
6. Concord was also selected for this designation due to the City's Complete Streets Policy, which promotes pedestrian connectivity and walkable neighborhoods.
7. The City was also designated as a Housing Champion due to intermunicipal utility agreements with the towns of Boscawen and Bow, which have supported housing development. These include the 1969 Boscawen Sewer Agreement and 1984 Bow Sewer Agreements. The City is also a member of the Boscawen Water Precinct with the Town of Boscawen.
8. Housing is a regional issue. The City has consistently demonstrated that it is a leader in central New Hampshire – as well as the State - for housing, including affordable housing (also known as income restricted housing).

As reported in the Central New Hampshire Regional Planning Commission's 2023 Regional Housing Needs Assessment, the City of Concord has 36.5% of the region's population (43,796 of 120,515; 2020). (The Central New Hampshire region is comprised

of twenty municipalities, including the City of Concord). Additionally, Concord had 37.68% of the central New Hampshire region's total housing stock (19,085 of 50,647 units; 2020). However, the City has 57.6% of affordable (income restricted) housing units in the region (1,214 of 2,106 income restricted units; 2020). Therefore, the City has a disproportionate share of affordable housing as compared to its neighboring 19 communities. Further, the 2023 Regional Housing Needs Assessment reported that 8 of the 20 communities comprising the central New Hampshire Regional had no income restricted units. These 8 communities were Bradford, Chichester, Deering, Dunbarton, Loudon, Salisbury, Sutton, and Webster.

Additionally, since 2020, 373 units of income restricted (affordable housing) has been constructed in Concord, and another 132 units have received permits for development.

9. Over the years, the City – when appropriate - has consistently taken an active, direct role in supporting the development of specific housing projects in Concord by deploying a variety of community development tools. Such tools include the sale of municipally owned property for housing development, the RSA 79-E Community Revitalization Tax Relief Incentive, infrastructure improvements funded through Tax Increment Finance Districts, grants (such as the Community Development Block Grant Program), regulatory amendments consistent with the City's Master Plan, as well as loans through the City's Revolving Loan Fund Program.
10. Lastly, as reported to the City Council during its October 15, 2024 meeting, there are presently 2,352 units of housing in development in Concord; will grow City's population by about 5,400 people (i.e. 2.3 people / unit per 2020 Census). This quantity of housing is sufficient to satisfy total unit count targets for Concord through 2030 as suggested in 2023 Regional Needs Assessment (said report set a target of 2,223 new units in Concord by 2030).

Discussion:

As a Housing Champion, Concord, as well as the other 17 municipalities so designated, have exclusive access to \$5 million of State grants to assist with infrastructure improvements and other initiatives to support housing.

Specifically, on January 17, 2025, the NH Department of Business and Economic Affairs announced two grant opportunities, as follows:

- Housing Infrastructure Municipal Grant Program: Total funding \$3.5 million. The City is eligible to apply for up to \$1.75 million to support infrastructure investments (i.e. water, sewer, stormwater, transportation, etc.) to build new infrastructure or expand capacity of existing infrastructure, to support housing development with emphasis on affordable, workforce housing.

Staff intends to review the capital improvement program to identify projects that might be suitable for this grant opportunity. Staff notes that potential capital projects which

might be suitable for this opportunity includes the Heights Sewer Improvement Project (i.e. CIP #275 and CIP #91) as it will support the development of 600 housing units proposed at the former Steeplegate Mall site, as well as other housing projects currently in process on the Heights.

- Housing Production Municipal Grant Program: Total funding \$1.5 million. The City is eligible to apply for grant funds in the amount of \$10,000 / unit of affordable workforce housing which received a Certificate of Occupancy between July 1, 2023 and June 30, 2024. The maximum grant award is \$750,000. There are no restrictions on how funds can be used.

Staff notes that several affordable housing projects have recently been completed in the City. Subject to a review of when said projects received certificates of occupancy, as well as other pertinent details, the City may be eligible to pursue these funds. That said, staff also notes that the City has received past InvestNH Municipal Per Unit grants totaling \$1.14 million stemming from the completion of certain affordable projects in Concord. Given these two circumstances, it is unclear whether the City will be eligible to pursue this opportunity.

Applications for both grant programs are due on March 1, 2025. The City is only eligible to receive one grant from each program in a given State Fiscal Year.

City Administration recommends that the City Council approve the attached consent resolutions authorizing the City Manager to apply for funds from both grant programs. Doing so will provide the City with maximum flexibility to pursue these funding opportunities, subject to ongoing due diligence and verification of programmatic rules and criteria associated therewith.