



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: November 18, 2016

SUBJECT: Revolving Loan Fund Appropriation (Fund #2701)

Recommendation

- Accept this report; and,
- Set the attached resolution appropriating the sum of \$505,634 to re-capitalize the City's Revolving Loan Fund Program for public hearing on January 9, 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 US 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 and moderate income people. Individuals or families earning 80% or less of the area median income qualify as low and moderate income.

The Program is overseen by the City's Community Development Advisory Committee (CDAC). CDAC reviews and approves all loan and emergency grant 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 24 active loans totaling \$1,957,389 with a collective outstanding balance of \$545,527. Disbursed loan amounts range from approximately \$2,000 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 and 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 FY2016, the available fund balance for the Revolving Loan Fund (Fund #2701) was \$505,634. 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, \$7,000 will be used for administrative purposes to manage and administer the Revolving Loan Fund Program.