



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Director of Redevelopment, Downtown Services and Special Projects
Crayton Brubaker, Local Government Management Fellow

DATE: July 21, 2021

SUBJECT: Community Development Block Grant Application
Making Matters NH D/B/A Concord Makerspace - Needs Assessment and Feasibility Study for Entrepreneurial and Small Business Technical Assistance Services

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on September 13, 2021 authorizing the City to apply for, accept, and appropriate up to \$25,000 in Community Development Block Grant Feasibility/Planning Grant funds from the NH Community Development Finance Authority on behalf of Making Matters NH D/B/A Concord Makerspace.
3. Set the attached resolution readopting the City's Anti-Displacement and Relocation Policy in support of the City's Community Development Block Grant Feasibility/Planning Grant on behalf of Making Matters NH D/B/A Concord Makerspace for public hearing on September 13, 2021.

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 (USHUD) 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 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 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 NHCDFA 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 \$22,581,414 in CDBG funds since the program's inception in 1974.

Discussion:

Making Matters NH D/B/A Concord Makerspace is a private, not-for-profit organization which operates a makerspace at the former Beede Electric property located at 88 Village Street, Penacook. Their mission is to spur creativity and innovation, as well as support entrepreneurs and small businesses within the Capital Region. Their 8,500SF facility offers artists, entrepreneurs, and small businesses access to a wood shop, machine shop, prototyping and electronics lab, textile studio, finishing lab, classrooms, as well as shared and private workspaces. Currently, Making Matters NH is home to eleven artists and small businesses and has approximately forty (40) users of its makerspace.

In July 2021, Making Matters NH approached the City with a proposal to apply for a CDBG Planning Grant for the purpose of hiring a consultant to conduct a needs assessment and feasibility study concerning technical assistance services for entrepreneurs in the Capital Region. Specifically, the study will identify the number of micro-enterprise and small businesses within the region, current technical assistance resources and support systems for said businesses and gaps associated therewith, as well as develop a feasibility study / business plan to address identified gaps in technical support services for these businesses.

Subject to the results of the study, Making Matters NH intends to partner with the City, or another eligible organization, to apply for CDBG Microenterprise Funds to finance technical support services and related resources for low and middle-income entrepreneurs and small businesses owners in the Capital Region. To make any such program viable, the City and Making Matters NH anticipate said funds would be secured annually on a long-term basis from the NH Community Development Finance Authority.

If determined to be viable, Making Matters NH's entrepreneurial and business technical support program would likely serve to implement some of the concepts and recommendations contained within the 2011 Arts Incubator and 2017 Business Incubator studies.

A copy of Making Matter NH's proposal is attached.