



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

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

DATE: April 28, 2015

SUBJECT: Merrimack Valley Day Care Service Community Development Block Grant Application

Recommendation

- Accept this report;
- Set the attached resolution for public hearing on June 8, 2015 authorizing the City Manager to 1) submit an application seeking up to \$500,000 in Community Development Block Grant funds to the NH Community Development Finance Authority on behalf of Merrimack Valley Day Care Service, and 2) accept and appropriate such funds if awarded; and,
- Set the attached resolution re-adopting the City's Displacement and Relocation Policy Statement and Procedures for public hearing on June 8, 2015.

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 "regular" CDBG application rounds – typically in January and July - to support housing and public facility projects that primarily benefit low income individuals and households. The maximum grant amount is \$500,000 for these "regular" grant rounds. In addition, emergency grants are available on a year-round basis, as funds allow, on a "first come - first served" basis in an amount up to \$500,000 per municipality annually. The NHCDFA also offers CDBG Feasibility / Planning Grants in an amount up to \$12,000 per municipality annually. Only "non-entitlement" municipalities and counties may apply for CDBG funds; however these political subdivisions may sub-grant CDBG funds to not-for-profit organizations.

On March 20th the City's Community Development Advisory Committee ("CDAC"), issued a request for proposals package to 28 non-profit entities based in Concord for the purpose of seeking a partner with which to pursue a viable Community Development Block Grant application for the upcoming July 2015 funding round. Proposals were received on April 10th. The City is eligible to seek up to \$500,000 in CDBG funds during the upcoming grant round, which closes on July 27, 2015.

CDBG funds are awarded on a competitive basis using a “points” system. Given recent cuts to the CDBG Program by the Federal Government, the CDBG Program has become even more competitive during the last few years.

The NH Community Development Finance Authority reports that approximately \$3 Million in funds will be available for the upcoming round.

Discussion

The City’s Community Development Advisory Committee (“CDAC”) received a single response to its RFP, which was provided by Merrimack Valley Day Care Service (“MVDC”). MVDC is a not-for-profit organization that provides day care services to over 250 children at five (5) centers in central New Hampshire, four (4) of which are located in Concord. Of those families served at the Concord locations, 90% are considered low income and 70% qualify for State assistance.

MVDC is seeking CDBG funds to renovate their facility located at 19 North Fruit Street, which features a 6,500SF building set on a 0.64 acre lot. The facility has been owned and operated by MVDC since 1970. Specifically, MVDC desires to make a variety of improvements, which were identified in a needs assessment completed in 2014. That study was funded by a \$12,000 CDBG secured by the City for MVDC in 2012. Desired improvements include, but are not limited to, roof repairs, improved HVAC systems, drainage upgrades, as well as other code related improvements.

CDAC reviewed MVDC’s application on April 22nd and voted unanimously to recommend that the City Council move forward with a CDBG application on MVDC’s behalf.

In accordance with State and Federal regulations for the CDBG program, the City is required to create and periodically re-adopt two documents: a Housing and Community Development Plan, as well as a Displacement and Relocation Policy Statement and Procedures.

The Housing and Community Development Plan must be readopted every three years. The plan was last re-adopted by Resolution #8672 on June 10, 2013, and therefore no action is required for this application.

The Displacement and Relocation Plan must be readopted annually. This plan sets forth procedures the City shall adhere with in the event a CDBG funded project necessitates temporary or permanent relocation of residents or businesses.

Award decisions for the upcoming grant round will likely be announced in October.