



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

FROM: Matthew R. Walsh, Dir. of Redevelopment, Downtown Services
& Special Projects

DATE: December 9, 2019

SUBJECT: Community Development Block Grant Applications:
Crisis Center of Central New Hampshire and Fellowship Housing

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on January 13, 2020 authorizing the City Manager to submit an application seeking up to \$500,000 in public facilities Community Development Block Grant funds to the NH Community Development Finance Authority for improvements domestic violence victims shelter and staff offices for Crisis Center of Central New Hampshire, as well as to accept and appropriate such funds if awarded.
3. Set the attached resolution for public hearing on January 13, 2020 authorizing the City Manager to submit an application seeking up to \$500,000 in housing Community Development Block Grant funds to the NH Community Development Finance Authority for heating, ventilation, and air conditioning improvements for property owned by Fellowship Housing, as well as to accept and appropriate such funds if awarded.
4. Set the attached resolution readopting the City's Housing and Community Development Plan for public hearing on January 13, 2020.
5. Set the attached resolution readopting the City's Anti-Displacement and Relocation Policy Statement and Procedures for public hearing on January 13, 2020.

Background:

The New Hampshire Community Development Finance Authority (NHCDFFA) 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 NHCDFFA typically holds two CDBG application rounds, normally in January and July, to support housing and public facility projects that primarily benefit low and moderate income individuals and households. Types of grants available are as follows:

- **Housing:** This type of CDBG is for the construction and preservation 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 is for the construction of public facilities, such as water and sewer infrastructure, as well as other types of facilities such as daycare facilities, shelters and soup kitchens. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$500,000 annually.

In addition housing and public facilities, the NHCDFA offers these other types of Community Development Block Grants:

- **Emergency Grants:** This type of CDBG available for eligible CDBG projects, which result from emergencies and unanticipated events that have a serious and immediate threat to public health and safety and must benefit low to moderate income people. Counties and non-entitlement communities, such as Concord, are eligible to apply for up to \$350,000 annually. Applications are accepted on a first-come, first-served basis.
- **Feasibility/Planning Grants:** This type of CDBG is available to determine whether or not a proposed CDBG project is feasible and/or to recommend specific action(s) to be undertaken and that at least 51% of the intended beneficiaries will be of low or moderate income. Eligible activities include income surveys, preliminary architectural and engineering design, cost estimates, and market analysis. Applications are accepted up to \$25,000 per municipality annually. Only non-entitlement municipalities such as Concord and counties may apply for these funds.

As noted above, the City is eligible to seek up to \$500,000 in housing and \$500,000 in public facility CDBG funds (for a total of up to \$1 million, combined) during the upcoming grant round, which closes on or about January 31, 2020. As such, on October 16, 2019, staff, on behalf of the City's Community Development Advisory Committee (CDAC), issued a request for proposals to more than 30 Concord-based organizations, for the purpose of seeking a partner with which to pursue one or more viable Community Development Block Grant applications for the January round. Three proposals were received on November 8, 2019, as follows:

1. Fellowship Housing
2. Crisis Center of New Hampshire
3. River Road Private Water Main Replacement

The City's Community Development Advisory Committee (CDAC) met on November 20, 2019 to review these proposals.

When applying for Community Development Block Grants, the City must, per CDBG rules, hold a public hearing prior to submitting its application, as well as adopt an Anti-Displacement and Relocation Policy. Also, in order to apply for these funds, the City must periodically readopt its Housing and Community Development Plan. This plan was last adopted by Resolution #8974 on January 9, 2017. Per CDBG rules, the plan is valid for a three year period, and, therefore, must be readopted in order to proceed with these applications.

Discussion:

The following is a summary of each proposal, as well as CDAC's recommendation to the City Council:

1. Crisis Center of New Hampshire:

- i. Overview: The Crisis Center of Central New Hampshire has been providing services to victims of domestic violence, sexual assault, and human trafficking for 41 years. They are seeking CDBG funds to replace the heating, ventilation, and air conditioning system at its emergency shelter for domestic violence victims. The location of the shelter is confidential in order to protect the safety of shelter's occupants. In addition, the Crisis Center is also seeking funds to renovate their offices located at 79 South State Street. A copy of the Crisis Center's proposal is attached to this report.

It is anticipated that this would be a Public Facilities CDBG application.

- ii. CDAC Recommendation: CDAC recommended that the City Council authorize the City Manager to apply for Community Development Block Grant funds on behalf of the Crisis Center of Central New Hampshire to support this project.

2. Fellowship Housing:

- i. Overview: Fellowship Housing was founded in 1966. Their mission is to provide affordable housing and other services to individuals who live with mental illness. They are seeking CDBG funds to repair and replace a heating, ventilation, and air conditioning system at their property located at 36 Pleasant Street. The mixed use property contains administrative offices, as well as housing units occupied by Fellowship Housing's clients. A copy of the Fellowship Housing's proposal is attached to this report.

It is anticipated that this would be a Housing CDBG application.

- ii. CDAC Recommendation: CDAC recommended that the City Council authorize the City Manager to apply for Community Development Block Grant funds on behalf of Fellowship Housing to support this project.

3. River Road Private Water Main Replacement:

- i. Overview: City Administration presented a potential proposal for replacement of a 770' private water main, which serves properties located at 57-71 River Road. Although River Road is a public street, this section of water main, which was installed in the late 1950s – early 1960s, is private. The line serves 5 residences, as well as a couple of vacant parcels. The line recently had issues with leaks. Because this is a private main, the properties served by the line are solely responsible for the cost of repair and replacement the main. This issue was brought to the City Council's attention in February 2018. The estimated cost to replace the line was \$250,250 (April 2018).

Provided that a majority of the properties connected to the water main are occupied by low / moderate income households, as defined by the US Department of Housing and Urban Development and the NH Community Development Finance Authority, the potential exists that the City could secure CDBG funds to replace and upgrade this private main to the City's standards on behalf of the affected property owners. Subject to City Council approval, the new main could then be accepted by the City and incorporated into the municipal water system. Such an action would make the City the owner of the new main, thus releasing the affected property owners from any future responsibility to repair or replace the main.

- ii. CDAC Recommendation: CDAC was sympathetic to this situation; however, it had concerns about the viability of a potential CDBG application. Specifically, it is currently unknown whether the households relying upon the private water main meet CDBG income requirements. Moreover, even if a majority of the 5 households are income qualified, the application may face headwinds due to the low number of beneficiaries and potential lack of matching funds. For these reasons, CDAC recommended that the City not proceed with a CDBG application for this project at the present time, and asked staff to contact the affected property owners to get more information to determine whether CDBG might be a viable option for this project. If staff determines CDBG might be viable, then CDAD suggested that an application could be pursued in the future when the City is next eligible to apply for CDBG funding (i.e. July 2020 or January 2021).