



CITY OF CONCORD

REPORT TO MAYOR AND CITY COUNCIL

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

DATE: August 25, 2023

SUBJECT: Invest NH Grants – Supplemental Authorization to Apply for Additional Funds
Municipal Per Unit Grant Program

Recommendation:

Accept this report and approve the attached consent resolution authorizing the City Manager to apply for up to \$1,000,000 of additional funds from the Invest NH Municipal Per Unit Grant Program for “Universal Design”.

Background:

The New Hampshire Department of Business and Economic Affairs (NHBEA) is a State agency which manages the InvestNH Program. InvestNH provides grant funding to incentivize housing development.

There are four municipal grant programs as a part of the InvestNH initiative, including the NH Municipal Per Unit Grant Program (MPUGP).

The Municipal Per Unit Grant Program (MPUGP) was created to encourage expedited permitting and construction of new affordable housing units. There are certain conditions for eligible affordable housing units for this grant program.

Initially, municipalities were eligible to receive up to \$10,000 per unit of affordable housing that satisfies the following conditions, up to a maximum of \$1 million. The revenues are unrestricted. The State recently announced a waiver process whereby municipalities could seek an additional \$1 million (for a total of up to \$2 million, combined) for projects which comply with “Universal Design” principles. Per the NHBEA, said principals strive to make environments usable by all people, to the greatest extent possible without modification. Additionally, said principles differ from ADA compliance and accessibility standards in that Universal Design principles aim to create spaces that are usable for anyone and not merely created separate or customized spaces for individuals with disabilities.

On September 12, 2022 the City Council approved Resolution #9489 which authorized the City Manager to apply for up to \$1 million in MPUGP funds. The City’s application was filed February 2023. Supplemental information was provided on June 29, 2023. The City’s

application is currently pending; however, NHBEA recently informed staff that the application is scheduled to be presented to Governor and Council for review in September.

Discussion:

City Administration was recently contacted by Dakota Partners concerning a new 98-unit housing development they are undertaking located at 103 Old Loudon Road known as “Leavitt Farm”. Dakota Partners are an experienced workforce housing developer based in Waltham, Massachusetts. They are currently developing a 200+/- unit workforce housing project in the South End Rail Yard located on Langdon Avenue.

The Leavitt Farm development project recently secured approvals from the Zoning Board of Adjustment and Planning Board, and Dakota is in the process of pulling together financing for the project. Financing is likely to include Low Income Housing Tax Credits. Of the 98 units planned, 10 units will be market rate and 88 units will be affordable housing targeted to families making 80% or less of the Area Median Income. All units will be a mix of 1 or 2 bedrooms. The project will be developed in two phases (38 and 60 units, respectively). Please see the attached site plan and renderings for more information.

The estimated cost of the project is approximately \$30 million. Presently, the project has a \$1.9+/- million funding gap. As such, Dakota Partners is seeking City assistance to bridge the gap. Options under consideration include potentially up to \$1 million in Community Development Block Grants (which are being reviewed by the City’s Community Development Advisory Committee and, if supported, presented to Council at a later date), as well as the supplemental InvestNH MPUGP for “Universal Design”, also for up to \$1 million.

The City’s experience with Dakota Partners on their South End Rail Yard project has been positive. That experience, coupled with the City Council’s goal to expand the supply of quality affordable housing to serve the community, staff recommends authorizing the City Manager to apply for up to \$1 million of supplemental, additional “Universal Design” MPUGP funds from the Invest NH Program. If successful, said funds would have to be accepted by the City at a later date, and sub-granted to Dakota Partners to support the Leavitt Farm Project. To support this effort, Dakota Partners has volunteered to prepare the necessary grant application.

The City’s potential partnership with Dakota Partners is just one of several such partnerships to further the City’s housing goals. Other recent examples include the following:

<u>Year</u>	<u>Project</u>	<u>Developer</u>	<u>Unit Count</u>	<u>City Support</u>
2019	Kearsarge Block	Elm Grove	28	RSA 79-E Tax Relief Incentives (6 Years)
2019	Star Building	Elm Grove	12	RSA 79-E Tax Relief Incentives (6 Years)
2020/2023	Penacook Landing 1 & 2	Caleb Group	54	Sale of City Owned Land, CDBG for on-site improvements (\$500,000), \$600,000 City Loan for Phase 2
2020	Rosemary's Way	CATCH	42	Sale of City Owned Land
2023	6 South State Street	Concord Coalition to End Homelessness	8	CDBG for Acquisition (\$500,000)
2021	Twitchell House & Fayette House	Riverbend	24	CDBG for Unit Renovations (\$463,490)
2022	23 South Main Street	Flatley Company	64	Sold City Owned Land
2023	177 North Main Street	First Church Holdings LLC	30	RSA 79-E Tax Relief Incentives (7 Years)
		<u>Total</u>	<u>262</u>	