



CITY OF CONCORD
New Hampshire's Main Street™
Community Development Department

REPORT TO MAYOR AND CITY COUNCIL

From: Timothy J. Thompson, AICP, Assistant Director of Community Development
Date: December 11, 2023
Subject: **Community Development Block Grant Application - Fellowship Housing Opportunities Property Improvements**

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on January 8, 2024, authorizing the City to apply for, accept, and appropriate up to \$500,000 of Community Development Block Grants from the NH Community Development Finance Authority on behalf of Fellowship Housing Opportunities, Inc.
3. Set the attached resolution readopting the City's Anti-Displacement and Relocation Policy in support of the City's Community Development Block Grant application behalf of Fellowship Housing Opportunities for public hearing on January 8, 2024.

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 (HUD) 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, 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.

No displacement or relocation of persons or businesses is anticipated as part of this project.

- 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 HUD 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 9, 2023. Therefore, no action is required by the City Council at this time.

The City has successfully applied for and received more than \$25 million in CDBG funds since the program's inception in 1974.

Discussion:

On September 15, 2023, staff issued a Request for Proposals (RFP), on behalf of the Community Development Advisory Committee (CDAC), to solicit potential CDBG eligible projects from CDBG eligible entities. Thirty-six (36) organizations received the City's RFP. Proposals were due on

October 13, 2023. A total of two responses were received. Fellowship Housing Opportunities was one of the respondents.

Fellowship Housing works with Riverbend Community Health providing housing opportunities for individuals with mental health needs. Fellowship operates multiple locations in Concord, which serve approximately 65 individuals. CDBG funds would be used for various improvements to their properties in Concord, in order to rehabilitate existing structural problem areas and construct other eligible capital improvements to ensure safety and code compliance.

A copy of the Fellowship Housing Opportunities proposal is attached, as well as the minutes from the November 13, 2023 CDAC meeting.

The City's Community Development Advisory Committee (CDAC) met on November 13, 2023 to review the Fellowship Housing Opportunities proposal. CDAC unanimously recommended that the Fellowship Housing application be the City's secondary priority for Residential CDBG Funds. Therefore, in the event Dakota Partners' Leavitt Farm project is determined to be ineligible for Residential CDBG funds, the City would then move forward with this application. However, if the Dakota Project moves forward as a Residential CDBG application, the Fellowship Housing may work with Merrimack County to apply for CDBG funds.

Should City Council support this proposal, CDBG application would be filed in late January 2024. If successful, funds would become available in summer 2024.