



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 9, 2024
Subject: **Community Development Block Grant Application – CATCH Neighborhood Housing – 30 East Side Drive Redevelopment Project**

Recommendation:

1. Accept this report.
2. Set the attached resolution for public hearing on January 13, 2025, authorizing the City to apply for, accept, and appropriate up to \$750,000 of Community Development Block Grants from the NH Community Development Finance Authority on behalf of CATCH.
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 CATCH for public hearing on January 13, 2025.

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 NHCDFR 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.

The possibility exists for potential relocation or displacement of up to 4 households for 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 NHCDFR 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 approximately \$25.3 million in CDBG funds since the program’s inception in 1974.

Discussion:

On October 1, 2024, 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

November 1, 2024. A total of two responses were received. CATCH Neighborhood Housing was one of the respondents (Capital Area Habitat for Humanity was the other, but withdrew their application on November 17).

CATCH's proposal for Community Development Block Grant (CDBG) funds from the City is for redevelopment of their existing parcel located at 30 East Side Drive. The project would replace the existing 14 unit building with a new structure and increase the total number of affordable housing units from 14 units to between 20 to 24 affordable housing units.

Additionally, the proposed redevelopment would be designed to support independent living and housing opportunities, including services for adults with learning and developmental disabilities. Services for these individuals will be provided by Community Bridges. The CDBG funds would be added to the entire funding source stack in order to create this new redevelopment with an estimated cost of \$7.7 million dollars. Because of the component of the project supporting those with disabilities, the project may be eligible for up to \$750,000 in CDBG funds rather than the typical cap of \$500,000 for a standard CDBG Housing grant.

The proposal meets CDBG goals by proposing to directly benefit to low- and moderate-income persons or households (100% of the residents of this project will be low- or moderate-income households, defined as making less than 80% Area Median Income) and also by increasing the area's housing supply to benefit low- or moderate-income individuals and households particularly those with learning and/or developmental disabilities.

A copy of the CATCH proposal is attached.

The City's Community Development Advisory Committee (CDAC) met on November 20, 2024 to review the CATCH proposal and unanimously recommended that the City Council authorize the City Manager to apply for up to \$750,000 of CDBG Housing funds to support this project. Should City Council support this proposal, the CDBG application would be filed in late January 2025. If successful, funds would become available in summer 2025.