

**CITY OF CONCORD
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE
MINUTES OF APRIL 25, 2018**

The Community Development Advisory Committee (CDAC) met on April 25, 2018, in the Second Floor Conference Room, City Hall, 41 Green Street.

Attendees: Councilor Byron Champlin, Councilor Mark Coen, Councilor Allan Herschlag, Councilor Linda Kenison, Councilor Jennifer Kretovic, Nadine Salley, and Janet Sprague

Absent: Chair Jeff Bart and Michael Gfroerer

Staff: Matt Walsh, Director of Redevelopment, Downtown Services and Special Projects
Donna Muir, Community Development Specialist

Guest: Donna Lane, City's CDBG Grant Consultant
Jim Doremus, Executive Director, Concord YMCA
Rob Bernandin, Director of Acquisitions, Caleb Foundation

(Matt Walsh facilitated the meeting, in Chair Jeff Bart's absence).

1. Minutes of January 24, 2018 Meeting

Mr. Walsh asked that the minutes of January 24, 2018, be reviewed and approved. Councilor Champlin moved to accept the minutes as written. Janet Sprague seconded the motion. Councilor Herschlag asked that the minutes reflect that the Committee discussed whether the Concord Theatre project would be willing to enter into a PILOT agreement with the City (see page 3, item # 6). Councilor Champlin amended the motion to accept the minutes with the correction. Ms. Sprague seconded the amended motion. Motion passed by all CDAC members in attendance, with the exception of Councilor Kretovic, who abstained from the vote as she was not a member of CDAC at the time of the January 24th meeting.

2. Committee Appointments

Mr. Walsh stated that there had been changes to the Committee membership: He welcomed Councilor Kretovic to CDAC and thanked Councilor Nyhan, who is no longer a member, for his service to the Committee.

3. Community Development Block Grant Public Hearing

Concord YMCA Renovations: Mr. Walsh introduced the City's CDBG Grant Consultant, Donna Lane.

Mr. Walsh opened the public hearing.

Ms. Lane stated that CDBG rules require a public hearing midway through the grant. She explained that Community Development Block Grant (CDBG) funds are available to municipalities through the NH Community Development Finance Authority. Up to \$500,000 is available annually for economic development projects; up to \$500,000 for public facility and housing projects; up to \$500,000 in emergency grants; and up to \$12,000 is available for each planning grant. All projects must primarily benefit low and moderate income persons.

During a CDBG project, a progress update public hearing is required. The public hearing will update the public and receive comments on the progress of the YMCA Childcare heat conversion and renovations project. The childcare facility is located at 44 Warren Street, in Concord. The majority of the children at the childcare center are from households of low to moderate income.

She then introduced Jim Doremus, the YMCA's Chief Executive Officer.

Mr. Doremus reported that renovations began in late January. The project was broken down into six phases in order to continue to operate and provide child care services to their clients. As of today, the fourth phase of the project is being completed. May 31st is the target date for completion of the project and that it is moving along smoothly. The only issue has been with the elevator repairs. Otis Elevator was hired to do the repairs for the elevator. They inspected the elevator, identified the required repairs and costs. Subsequently the state elevator inspector determined that additional work is needed and the YMCA is working to finalize those requirements and costs. The new room and classroom doors are backordered and may not be received before the end of May. The steam conversion portion of the project was completed in early September 2017, well before the heating season began. Mr. Doremus said that they hope to have a grand reopening in June and plan to invite CDAC members, as well as City staff.

Councilor Herschlag asked if the YMCA has noticed any savings from the conversion. Mr. Doremus replied that they had not with this building, which was part of the CDBG grant. They have, however, realized a savings from the conversion at the main building.

Councilor Champlin said that he had taken an unrelated tour of the facility and exclaimed that the completed work looks great and functional for kids.

Mr. Doremus said that the building has historic significance, as the first firehouse in Concord.

Mr. Walsh asked if any member of the public had questions or comments regarding the YMCA's CDBG project. Hearing no public comments, Mr. Walsh declared the public hearing closed.

4. Community Development Block Grant Proposals

- a. CDBG Grant Consultant: At the end of February, the City sent out a Request for Proposals for a CDBG Grant Consultant. Of the two proposals received, Donna Lane was selected to continue providing grant writing and consulting services for the City's CDBG program. The contact term is for a period of five years.
- b. Penacook Landing, 35 Canal Street, Penacook: Mr. Walsh explained that the City is eligible as a non-entitlement community to apply for up to \$500,000 in CDBG funding per year. The current funding round ends July 31st. City staff solicited more than 30 nonprofit agencies, requesting proposals be submitted no later than March 30th. The Caleb Foundation was the only entity that submitted a proposal. Mr. Walsh introduced Rob Bernandin, Director of Acquisitions, Caleb Foundation.

Mr. Walsh provided a brief overview of the City's efforts to acquire and cleanup the former Allied Leather Tannery site.

Mr. Bernandin stated that the City agreed to a purchase and sales agreement in the amount of \$540,000 for approximately 2.5 acres of the Tannery site. Caleb plans to redevelop the property into a 54-unit

affordable housing project. Divided into two phases, the project will begin with the build out of 34 units.

Mr. Bernandin responded to several questions from the Committee. He explained that the project will probably be undertaken in two phases due to potentially limited availability of Low Income Housing Tax Credits which will be used to help finance this project.

A discussion of energy efficiency and potential solar panels for the project ensued. Mr. Bernandin stated that the project will likely be designed to meet the National Green Building Standards Gold Level LEED Certification. He explained Caleb has completed other development projects which featured solar panels; however, he expressed concern that panels might not be conducive to this particular project.

Mr. Bernandin also discussed rents for the proposed project. He explained that ninety percent of the units will be available for those earning up to 60% of the U.S. Housing and Urban Development's (HUD) Area Medium Income or less, which is \$36,780 for a one-bedroom unit and \$36,800 for a two-bedroom unit. He also explained that the use of Low Income Housing Tax Credit funding will require that the project be subject to a 99-year commitment deed restriction to keep the threshold affordable. The remaining 10% of the units being developed will be rented at market rate, which is \$1,000 for one bedroom and \$1,200 for two bedrooms.

He also explained that occupancy levels for apartments will abide by HUD's development standards, which allow for a maximum of two residents per bedroom.

Councilor Herschlag stated that he understands that there is need for affordable housing within the City, but stated he would prefer more of a mixed income project with a larger quantity of market rate units. Councilor Herschlag also stated his opinion that the project, as designed, is inconsistent with the historic architectural character of the Village.

Councilor Coen stated that City Council approved selling the property to the Caleb Development Corporation for the development of affordable housing in May 2017. He also noted that the project has secured Zoning and Planning Board approvals for the project. He added that it is not, in his opinion, CDAC's responsibility to approve the design of the project. Rather, CDAC is only considering whether to support a CDBG application for this project. If CDAC recommends the project to City Council, there would be public hearing at City Council

Councilor Kenison noted that some of these issues raised by Councilor Herschlag were also discussed during the City Council's previous public hearings regarding the sale of the property to the Caleb Development Corporation. She stated that she understands Penacook's desire to grow its commercial tax base; however, an increase in the Village's population base is needed to attract expanded commercial activity. She stated her opinion that this project will bring 54 new households to Penacook Village, which will increase demand for commercial services in Penacook Village. She also praised the proposed architecture of the project.

Councilor Kretovic moved to recommend that City Council move forward with applying for Community Development Block Grant funds on behalf of the Caleb Foundation to redevelop a portion of the former Allied Leather Tannery site, located at 11-35 Canal Street, Penacook, into a 54-unit affordable housing development. Councilor Champlin seconded the motion. Motion passed 6-1, with Councilor Herschlag voting in the negative.

5. Community Development Block Grant Proposals

- a. Spataro – 58 Airport Road: Ms. Muir explained that this request was two-fold:
- i. Confirm staff's decision to expend \$6,147.21 for emergency repair and clean up at 58 Airport Road, due to a clogged sewer pipe from the house to the street. Original estimates for the emergency repairs were between \$3,000 and \$5,000; however, due to the more extensive contamination, the costs increased.
 - ii. Authorize staff to go forward with a deferred loan in the amount up to \$5,000 to replace the sewer pipe.

The applicants, Lorraine Spataro and her son, Todd Spataro, both qualify for assistance under the City's guidelines for the Revolving Loan Fund. There is enough equity in the home to cover the City's lien of approximately \$11,100.

Councilor Coen moved to confirm the staff's decision to expend \$6,147.21 for emergency repairs and to move forward with a deferred loan in the amount of up to \$5,000 to replace the sewer pipe. Councilor Kenison seconded the motion. Motion passed unanimously.

- b. Milioto – 19 Thorndike Street: Ms. Muir stated that this request was for a deferred loan in the amount of up to \$40,000 for lead abatement in a two-unit property at 19 Thorndike Street. The homeowner's infant child residing at the property recently tested positive for lead poisoning, which triggered the State to issue a Lead Hazard Reduction Order in November 2017.

Estimates for the work range from \$76,650 to \$83,700, which will include abating the inside of the two units, the interior common areas, the exterior of the house, and the garage. There may also be a need to have the soil removed and replaced. The New Hampshire Housing Finance Authority (NHHFA), working with the property owner, will provide a HUD grant in the amount of \$38,000 and assistance in coordinating the work. NHHFA requires a three-year contingency for the abated property to be rented to low income individuals.

The property owner's household meets income guidelines and other requirements of the Revolving Loan Fund Program. Staff also discussed issues with equity associated with this proposed loan.

Discussion ensued. Members of CDAC noted that the City's financial involvement in this project would achieve the following benefits:

- i. Provide safe housing for two dwelling units;
- ii. Make the second unit rentable;
- iii. Remove the likelihood of the property falling into blight; and,
- iv. Preserving and improving the City's historic housing stock.

Councilor Champlin moved to approve a deferred loan in the amount of up to \$40,000 for lead abatement at 19 Thorndike Street. Councilor Kretovic seconded the motion. Motion passed unanimously.

- c. Loan Status & Account Balance Reports: Ms. Muir provided an overview of the status of the Revolving Loan Fund program.

CDAC requested that the Revolving Loan Fund Status Report be updated in the future to include deferred loans that have been approved and disbursed.

CDAC also discussed the status of State funding for lead abatement.

Lastly, CDAC also discussed Revolving Loan Fund guidelines pertaining to energy efficiency improvements such as windows, insulation, and solar panels. Staff noted that the guidelines do permit some improvements as they may pertain to HVAC systems or life safety. However, the guidelines do not currently contemplate loans solely for energy improvements. It was the general consensus that it would be appropriate for CDAC to consider potential revisions to the loan guidelines relative to energy improvement projects, as such improvements could significantly assist low income households. In the interim, it was noted that the Community Action Program (CAP) has energy project funds available and the City works with both CAP and the client.

Councilor Kenison moved to adjourn the meeting. Ms. Salley seconded the motion. The meeting adjourned at 1:00 p.m.

Respectfully Submitted,

*Donna Muir
Community Development Specialist*