

Approved
Community Development Advisory Committee
Meeting Minutes
November 13, 2023

Committee Members in Attendance:

Chair Jeff Bart; Councilor Candace Bouchard; Councilor Zandra Rice-Hawkins; Councilor Stacy Brown (arrived at 3:07 p.m.); Michael Gfroerer; and Kalamoh Donzo (arrived at 3:21 p.m.)

Absent:

Mayor Jim Bouley; Councilor Erle Pierce; and Janet Sprague

Staff:

Tim Thompson, AICP, Assistant Director of Community Development; Matt Walsh, Deputy City Manager - Development;

Public:

Donna Lane, CDBG Consultant; Herb Carpenter, Fellowship Housing Opportunities

Mr. Bart called the meeting to order at 3:05 p.m. and noted that a quorum was not yet present, so the committee members present would hear status updates on previous CDBG projects until a quorum is present.

Community Development Block Grants – Recent Awards and Status Updates

Ms. Lane reviewed the following items with the committee:

- Crisis Center of Central New Hampshire: The Crisis Center acquired 27 Warren St in June 2023 to serve as its new headquarters and primary support facility for its clientele. After administrative costs, CDBG funds of \$475,000 were applied to the purchase price of \$600,000. Total Project cost was \$930,000+/-, of which \$500,000 was funded by CDBG secured by the City The project is complete.
- Concord Center to End Homelessness”: The Coalition is purchasing 6 South State Street and renovating it into 8 one-bedroom apartments. Property acquisition is expected sometime around December 2023. Renovations will take approximately 1 year to complete. After administrative costs, CDBG funds of \$475,000 to be applied to the purchase price of \$610,000. Total Project cost is approximately \$2.5 million, of which \$500,000 will be funded by CDBG secured by the City.
- Penacook Boys & Girls Club: Construction of the new facility at 76 Dolphin Street began in July 2023. Project is scheduled for completion in July 2024. Construction is approximately 25% complete. After administrative costs, CDBG funds of \$725,000 are being applied toward construction. Total project cost is \$5 million, of which \$750,000 is being funded by CDBG secured by the City. \$5mil+/- . Project will also include a new City branch library and community center.
- Christ The King Food Pantry: The City had secured \$750,000 of CDBG funds to support development of a new food pantry at 60 South Main Street. Unfortunately, the Bishop and Diocese have decided not to accept the CDBG funds after the local parish worked for several months to determine an alternative surety method that was acceptable to the Bishop and CDFA to guarantee that the property would be used to support low-and-moderate income persons for twenty-year compliance period.

- Riverbend Mental Health Services Residential Rehabilitation: Project involved the renovation of two residential buildings located at, 111 Pleasant Street and 4-6 Fayette Street, which provide residential based mental health services to 24 individuals. Total project cost was approximately \$580,000, of which \$463,490 was funded with CDBG secured by the City.
- Riverbend Mental Health Services Commercial Rehabilitation: – Project involved renovation of three properties located at 40 Pleasant Street, 42 Pleasant Street, and 10 West Street which provide out-patient mental health services to more than , 3,000 individuals annually CDBG Funds \$418,440, Total project cost was approximately \$562,000, of which \$418,440 was funded by CDBG secured by the City.

Councilor Brown arrived at 3:07 p.m. and a quorum was achieved.

Adoption of August 23, 2023 Minutes (Public & Non-Public)

Councilor Bouchard moved the approval of the August 23, 2023 public & sealed, non-public minutes. Councilor Rice-Hawkins seconded the motion. The motion passed by a unanimous voice vote.

Kalamoh Donzo arrived at 3:21 p.m.

Welcome and Introductions

Chair Bart, returning committee members, and staff introduced themselves to new member Mr. Donzo.

Community Development Block Grants – Proposals for January 2024 Application Round

Mr. Bart noted that the representatives from Dakota Partners were not yet present, therefore the Committee would hear the Fellowship Housing proposal first.

Request #2: Fellowship Housing Opportunities Inc: Proposal to renovate/replace fire escape at Webster House, 22 Fayette Street

Mr. Herb Carpenter, Executive Director of Fellowship Housing Opportunities introduced himself to the Committee and provided an overview of his organization and request. 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 to rebuild the fire escape located at 22 Fayette Street. Based on their preliminary estimates, Fellowship believes \$75,000 would be needed to reconstruct and rehabilitate the structure to ensure safety and code compliance.

Mr. Bart noted that the City may apply for up to \$500,000 in CDBG funds. As such, he asked if the organization had other capital improvement needs that could be included with this request. Doing so may increase the number of low-to-moderate income beneficiaries served by the funds, and thus assist in the scoring of the project at the state level by CDFR. Mr. Carpenter responded that he would need to give this suggestion some consideration. He also noted that because Fellowship’s facilities are funded by the US Department of Housing and Urban Development (HUD), capital improvements need to be incorporated into their 20-year plan with HUD. They are looking at CDBG because they have delayed some of their improvements at their properties due to the COVID pandemic and price increases.

Ms. Lane recommended that if the committee moves forward recommending the request, the CDBG application should be expanded to include eligible capital improvements at other Fellowship Housing properties as well, in amount not to exceed \$500,000. She inquired why HUD was not paying for the improvements to the fire escape. Mr. Carpenter noted it is because their current 20-year plan with HUD is not up to date, and does not include the fire escape project. Ms. Lane asked how long it would take to get

the project into the plan and when HUD could be reasonably expected to pay for the improvement. Mr. Carpenter stated that it could take five or more years to get the plan updated and ultimately receive the funding. Mr. Bart agreed that the amount needed to be increased in order to score well enough to be competitive at the state level with CDFA. Ms. Lane noted that the amount of funds requested in the CDBG application need to also account for costs associated with compliance with federal regulations, such as environmental studies, Davis Bacon wage rates, and “buy American” provisions.

Councilor Bouchard moved to recommend the project for an amount not to exceed \$500,000. The motion did not receive a second.

Mr. Walsh and Ms. Lane reminded the committee that the Dakota Partners request was also for Housing CDBG funds as their proposed sewer improvements were associated with a private sewer force main and therefore would not be eligible for a Public Facilities CDBG. Having the City apply for both Fellowship and Dakota Partners respective projects would be awkward as both will be competing against each other for the same funds. Additionally, there is a high likelihood that the Dakota Partners project would score higher due to the number of new affordable units that would be created, as well as significant amount of matching funds. Ms. Lane suggested that it might be possible for the Fellowship Housing proposal to be taken up by the county rather than the City. Further discussion and inquiry would be needed on that front.

Request #1: Dakota Partners: Proposal to construct new sewer facilities to serve Leavitt Farm affordable housing development project located, 103 Old Loudon Road

Mr. Thompson and Mr. Walsh summarized the request, as the representatives from Dakota Partners were not present. Initially, the request was made to the City to pursue public facilities funding for a portion of the sewer force main associated with the development. However, because the force main will remain private it cannot be considered for CDBG public facilities funding. Dakota Partners’ project is for a 98-unit new construction development at 103 Old Loudon Road, a currently vacant site. Dakota will build the 98-unit development in two phases. Phase I will consist of 38 units and a clubhouse, and Phase II will consist of 60 units. The requested CDBG funding is for Phase I. Phase I will consist of 8 units serving households earning up to 30% AMI, 15 units serving households earning up to 50% AMI, 5 units serving households earning up to 60% AMI, and 10 units will serve households earning above 60% AMI. Phase II will be comprised of 60 units all serving households earning 60% AMI or below. In addition to CDBG funding, the City is working with Dakota on NH BEA InvestNH funding (Municipal Per Unit Grant) to assist with gap funding for the overall project. Mr. Walsh also noted that there is a capacity issue with sewer on the Heights, and that timing of this project is dependent on sewer capacity being available for the project (there are plans in the works for a \$26 million sewer upgrade, design scheduled for FY 24, construction FY 25, hopeful completion in FY 26).

Councilor Bouchard asked if the elderly housing project at 33 Old Loudon Road needed the private sewer improvement proposed as part of Dakota’s project in order to be viable. Mr. Walsh responded that the 33 Old Loudon Road project would connect to the existing municipal sewer system at a different location, and that the two development projects were not dependent on one another. There would be an independent sewer connection at each end of Old Loudon Road to serve the two projects, but the remainder of Old Loudon Road between the two projects would all remain on private septic systems.

Councilor Rice-Hawkins asked about how these two CDBG requests (Fellowship Housing and Dakota Partners) could be handled potentially by both the City and County because they would be competing for housing funds. Ms. Lane recommended that the committee move forward with both projects for the City, and that she would work with Fellowship Housing and the County to see if the County would take on the application for Fellowship Housing. If the County did not want to participate, then at least there was a path forward for both applications, with the acknowledgement that they would be competing with one another

for City CDBG funding. Councilor Rice-Hawkins asked who would make that decision at the County. Ms. Lane noted it would be decided by the County Commissioners.

CDAC Recommendations for CDBG Funding Requests

Councilor Bouchard moved to recommend that the City Council authorize the City Manager to apply for up to \$500,000 each. However, City would only move forward with CDBG application for Fellowship Housing in the event Merrimack County declines applying for CDBG funds on Fellowship's behalf. Mr. Gfroerer seconded the motion. The motion passed by unanimous voice vote.

Other Business – Next Meeting - Top O' the Hill Manufactured Housing Co-Operative RLF Update/Discussion

Mr. Walsh gave an overview of the status on the \$335,000 revolving loan fund application for the Co-Op at 190 Manchester Street. While the loan was approved in January 2019, title issues and other items have delayed closing, and CDAC has already granted an extension to the loan approval, which is set to expire at the end of January 2024. Staff reminded CDAC that at the time the loan was approved in 2019, it was based on a preliminary pro forma prepared by ROC NH on behalf of the Co-Op in support of the Co-Op's due diligence regarding potential acquisition of the park and utility improvements related thereto. Staff reported that a review of financial statements and budgetary information provided by the Co-Op and ROC NH over the summer of 2023 has raised questions about the Co-Op's ability to repay principal and interest on the City's loan given other debt service on the property. Said information was requested by the City to confirm the financial condition and capacity of the Co-Op given four-year lapse since the original loan approval, as well as verify the assumptions in the original 2019 pro forma upon which the City's loan approval was originally based. Staff is scheduled to meet with the Co-op, ROC-NH, and the Community Loan Fund later in the week to get an update on the situation. Staff will update the committee at the next meeting as necessary regarding the ability to close the loan.

Councilor Rice-Hawkins left the meeting at 4:01 p.m.

Non-Public Session

Councilor Bouchard moved to go into non-public session under *RSA 91-A:3, II(c) matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of this board, unless such person requests an open meeting. This exemption shall extend to include any application for assistance or tax abatement or waiver of a fee, fine or other levy, if based on inability to pay or poverty of the applicant.* Councilor Brown seconded the motion. A roll call vote was held and the vote was unanimous in support of the motion. The non-public session began at 4:02 p.m.

Mr. Gfroerer moved to come out of non-public session. Councilor Bouchard seconded the motion. A roll call vote was held and the vote was unanimous in support of the motion. The non-public session ended at 4:24 p.m.

Upon conclusion of the non-public session, Councilor Bouchard moved to seal the minutes of the non-public session. Mr. Gfroerer seconded the motion. A roll call vote was held and the vote was unanimous in support of the motion.

Adjournment

Councilor Bouchard moved to adjourn. Mr. Gfroerer seconded the motion. The motion passed unanimously.

The meeting adjourned at 4:25 p.m.

Respectfully submitted,

Tim Thompson, AICP, Assistant Director of Community Development