

**CITY OF CONCORD
COMMUNITY DEVELOPMENT ADVISORY COMMITTEE (CDAC)
FEBRUARY 27, 2013 MINUTES**

The regular monthly meeting of the Community Development Advisory Committee was held on February 27, 2013, in the Second Floor Conference Room, City Hall, 41 Green Street, at 12:00 p.m.

Present at the meeting were Jeff Bart, Councilor Elizabeth Blanchard, Councilor Mark Coen, Leo Fraser, Michael Gfroerer, Councilor Jennifer Kretovic, and Councilor Amanda Grady Sexton. Assistant for Special Projects Matt Walsh and Administrative Assistant Donna Muir were also present.

Absent from the meeting were Allen Bennett, Nadine Salley, and Janet Sprague.

At 12:00 p.m., a quorum was present and the Chair called the meeting to order.

1. REVIEW OF MINUTES

Councilor Grady Sexton moved to approve the minutes of the September 26, 2012, Community Development Advisory Committee meeting as written. Councilor Coen seconded the motion. Motion carried unanimously.

2. ITEMS REQUIRING ACTION

a. Proposed CDBG Economic Development Application

Ms. Liz Sweeney, Senior Loan Officer from the Capitol Regional Development Council (CRDC), was present and discussed with the Committee the potential sale and redevelopment of the Racquet Club on Garvins Falls Road. She stated that the buyer's preliminary plans are to acquire and redevelop the site into an upgraded wellness and fitness center. Presently, it is unknown if the existing day care would be maintained at the property. Ms. Sweeney stated that the purchase and sales agreement for the property is approximately \$2 million with planned upgrades of approximately \$4 million.

Ms. Sweeney explained that the CRDC is exploring the possibility of pursuing Community Development Block Grant (CDBG) funds for this project. She explained that CDBG funds are available to assist businesses with the retention or creation of jobs for low to moderate income people as defined by the US Department of Housing and Urban Development. In this particular case, the buyer would retain the approximately 50 FTE's as well as hire additional individuals as they add the wellness center. She reported that the club has been struggling and the building has been deteriorating. Ms. Sweeney stated that the CRDC may apply for \$500,000 in CDBG grant monies through the City, then the CRDC would make a loan to the developer, and as the funds are paid back, the CRDC would like to create a revolving loan fund program.

Mr. Walsh stated that City staff has met with the buyer and that he is credible and operates other such facilities. Mr. Walsh explained that this project would be good for the City because the sale would necessitate pay-back of the City's loan on the property which is currently behind in payments. The sales would also necessitate payment of back taxes owed to the City. Further, proposed renovations would improve the facility, thereby creating additional assessed value and tax base for the City.

The Committee talked about the pros and cons of partnering with the CDRC on this project. A discussion ensued as to whether this project fit in with the mission of the CDAC and the CDBG funds, as the program is to assist low to moderate income individuals. Staff explained that CDAC has been charged by the City Council to

review and vet potential CDBG projects with which the City may become involved. Staff further noted that part of CDAC's mission is to support endeavors which preserve or create employment opportunities for low to moderate income persons. This project, should it move forward, is anticipated to preserve and create employment opportunities for low income individuals.

CDAC discussed the process going forward with this project and how the City would be involved with the grant writing and administration of the grant. The response was that the City's CDBG consultant would write the grant in collaboration with the CRDC.

There was also discussion regarding whether the funds being paid back to CRDC could be set aside for projects within the City. Ms. Sweeney stated that although she could not speak for Stephen Heavener, Executive Director of CRDC, it is conceivable that funds could be segregated into a new Revolving Loan Funds pool at CRDC designated exclusively to support business lending and economic development activities within Concord.

Mr. Gfroerer moved that CDAC support the CDRC's application for \$500,000 in CDBG funds for the renovation of the Racquet Club and that the loan repayments received by CRDC be deposited into a new Revolving Loan Fund at CRDC designated exclusively to support business lending and economic development projects within Concord. Councilor Kretovic seconded the motion. Motion carried unanimously.

The Committee thanked Ms. Sweeney for her attendance and presentation.

b. Emergency Grant Application – C. Campbell, 141 North State Street

Mr. Walsh stated that he received an emergency grant application for Ms. Campbell to repair her heating system. Ms. Campbell received three quotes, which include the replacement of her current oil fired heating system with a gas fired system, new water heater, installation of a chimney liner, and other ancillary improvements. Mr. Walsh stated that he visited the property with Bow Plumbing & Heating, who looked at the system and provided an estimate of \$10,972.37, which was within range of the three estimates provided by Ms. Campbell.

Mr. Walsh reviewed Ms. Campbell's financial and living situations and stated that Ms. Campbell was just over the 50 percent area medium income for a two-person household.

The Committee discussed the use of Bow Plumbing & Heating instead of the three estimates that were provided by Ms. Campbell. Mr. Walsh responded that Bow Plumbing & Heating has a contractual relationship with the City, according to the City's Purchasing Manager.

Discussion also took place as to the total cost of the replacement of the heating system and ancillary improvements, and whether the heating system was a high efficient model. Mr. Walsh stated that he was not sure of the energy efficiency of the model quoted. The Committee also discussed the reason for the approximately \$3,000 extra being requested. Mr. Walsh replied that the estimate did not include the removal of the oil tank.

Mr. Fraser moved to grant Ms. Campbell's emergency grant application in the amount of up to \$15,000 and directed staff to engage a City-secured HVAC vendor to evaluate the current heating system; repair or replace, if needed, the system with a gas fired system, line the chimney, remove the existing heating oil tank, and other accessory repairs as necessary; and replace the hot water heater with a gas system if the furnace is replaced. Councilor Grady Sexton seconded the motion. Motion carried unanimously.

c. CDL 240 Fisherville 107 Manufactured Housing Cooperative

Mr. Walsh explained that in 1994, the City provided funds to the Fisherville 107 Manufactured Housing Cooperative in a mixture of grants and loans. He explained the terms of the grant and loans, amendments to the promissory note, and reviewed the Cooperative's payment history with the Committee.

Mr. Walsh reported that the Cooperative requested that the City discharge its mortgage after the payment in September 2012, as it was their understanding that the Cooperative fulfilled its obligations to the City. He explained that there are issues in trying to reconcile the account to ensure that the Cooperative has paid the loan in full. These issues include the City's change in its accounting software programs as well as the incomplete financial records of the Cooperative because of issues with a past treasurer for the organization. He stated that he is fairly confident that the discrepancy is due to the grant portion of the funds not carried forward in subsequent amendments of the Mortgage Deed which occurred in January 2000 and April 2000, respectively. As a result, there is a discrepancy of approximately \$23,000.

CDAC discussed whether there was a means of verifying this information and questioned the number of outstanding loans that could be in this same situation. The Committee asked staff to report back to them regarding what other loans could be in this same situation.

Mr. Gfroerer moved the following:

- A. That CDAC finds the \$25,000 grant portion of funds provided to Fisherville 107 Manufactured Housing Cooperative was meant to carry forward and be credited against principal amounts to subsequent mortgages in January 2000 and April 2000, respectively.
- B. That CDAC has determined the Fisherville 107 Manufactured Housing Cooperative has paid Loan #CDL 240 in full as of December 1, 2012;
- C. That the City should release the Fisherville 107 Manufactured Housing Cooperative from any outstanding payments for CDL 240 (if any); and,
- D. That CDAC recommends the City Staff should take action to discharge the City's Mortgage and Promissory Note for Loan #CDL 240.

Councilor Blanchard seconded the motion. Motion carried unanimously.

d. Discussion of July 2013 Housing & Community Facilities CDBG Round and City RFP Process

Mr. Walsh asked whether CDAC wanted staff to begin the RFP process requesting applications for the July round of the Housing & Community Facilities CDBG grant. The Committee responded in the affirmative.

3. COMMUNITY DEVELOPMENT BLOCK GRANTS

a. Update on Current Applications

- i. **Fisherville 107 Manufactured Housing Cooperative \$450,000**
- ii. **Friendly Kitchen \$500,000**
- iii. **Concord Boys and Girls Club Grant Application \$500,000**
- iv. **Merrimack Valley Day Care – Feasibility Study Grant Application \$12,000**

Mr. Walsh stated that was nothing new to update CDAC on regarding these grants.

4. REVOLVING LOAN FUND

a. Fund 2701 Outstanding Loans and Account Balances Report

Mr. Walsh explained that due to staffing issues (Ms. Rafferty's retirement in December 2012 and Ms. Muir's promotion into the position in February 2013) the report has not been updated since December 2012. He stated that he would provide CDAC with a current report at the next CDAC meeting.

5. OTHER BUSINESS

a. New City website and new agenda package distribution protocol

Mr. Walsh and Ms. Muir explained the new agenda package distribution to the Committee. They noted more information would be forthcoming in the future.

b. Endicott Hotel Renovations

Mr. Walsh stated that CATCH may be applying for a Revolving Loan Fund loan of approximately \$150,000 to cover cost overruns and redoing the store fronts for their Endicott Hotel Renovation Project. He explained that the loan may be structured at five percent interest rate with delayed payments for the first 12-18 months. At the end of the deferral period, CATCH would make a lump sum payment of \$50,000 and commence principal and interest payments on the remaining \$100,000 balance. Term of the loan has not been discussed with CATCH. He stated that he would present the completed application to the Committee at the March CDAC meeting.

6. ADJOURNMENT

There being no other business brought before CDAC, the meeting adjourned at 1:10 P.M.

Respectfully Submitted,

Donna Muir
Administrative Assistant