

NEW HAMPSHIRE'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2020 Proposed Program Updates – Effective January 1, 2020

CDFA has administered the annual allocation of federal Community Development Block Grant funds on behalf of the State since 2003, coordinating the investment of more than \$140 million into New Hampshire communities. These critical resources have been deployed across the state and have made a significant impact on economic development, housing and community-based projects in dozens of municipalities.

CDFA is committed to increasing the resources available for municipalities to accomplish their community economic development goals. The updates proposed for 2020 will advance this commitment and are an important measure towards increasing the impact of New Hampshire's program while reducing the regulatory burden on communities.

CDFA has engaged in a comprehensive process to modernize and simplify the Community Development Block Grant (CDBG) Program to accomplish the following goals:

- Increase accessibility to and ease-of-use of CDBG funds;
- Create a flexible structure to better adapt to evolving needs in New Hampshire;
- Adjust to evolving funding levels and a technology-driven world; and
- Expand integration of CDBG funds with other resources to support community-driven projects.

To date, CDFA has completed the following critical steps.

Received Exemption from State Administrative Rules

CDFA worked with state leaders, legislators and partners on an important measure to streamline CDBG administration by exempting CDFA from the New Hampshire Administrative Procedures Act and other rulemaking provisions. The bill exempting CDFA from the rules process was signed by the Governor in late July 2019. The exemption has enabled CDFA to reduce the regulatory burden on communities seeking access to resources by streamlining administration requirements and updating program policies.

Restructured Application and Program Guide

The new [Community Development Block Grant Application and Program Guide](#) will serve as an easy-to-use resource for applicants and grantees. It provides clear, concise guidance on program policies and requirements, including the application process, eligible activities and scoring criteria.

Developed New Implementation Guide

CDFA worked closely with nationally recognized consultants with extensive experience and knowledge of the federal regulations that guide the administration of CDBG funds to update the program's Implementation Guide. CDFA's updated [Implementation Guide](#) is a comprehensive, living document created to assist in the successful day-to-day administration of CDBG funds in New Hampshire.

Proposed Policy Updates

As part of the development of the 2020 Action Plan, which guides the administration of the Statewide Community Development Block Grant Program in New Hampshire, CDFA has proposed policy updates based on data, trends and public participation that will:

1. Increase the funds to and capacity for communities to develop, implement and sustain impactful projects.
2. Provide additional resources for the development of affordable housing that supports the revitalization of New Hampshire's downtowns.
3. Align economic development tools to better leverage public and private resources to have a positive community impact.

For a comprehensive understanding of the proposed policy updates, review the full draft of the [2020 Action Plan](#) and restructured [Application and Program Guide](#).

Highlights of the proposed changes, effective January 1, 2020, include:

1. Increase the funds to and capacity for communities to develop, implement and sustain impactful projects.

- a. Create three distinct categories for Housing, Public Facilities and Economic Development, dividing the annual allocation by one-third for each category. Emergency, Planning and Technical Assistance resources will remain distinct categories. Allow municipalities to request up to \$500,000 within each category, creating the opportunity for access to \$1,500,000 in resources annually (plus requests for Emergency and Planning resources as available).

Currently: Housing and Public Facilities are considered one category. Annual allocation is divided in half between Housing/Public Facilities and Economic Development categories. Municipalities have access to \$1,000,000 in resources annually (plus requests for Emergency and Planning resources as available).

- b. Municipalities can apply for up to \$25,000 to support eligible Planning Grant activities, which includes \$3,500 for grant writing / administration / project development costs. Applications will be accepted on a rolling basis. Increase the allocation to support Planning Grant activities to \$300,000.

Currently: Municipalities can apply for grants up to \$12,000, annual allocation for Planning Grants is \$200,000. Applications are accepted twice a year.

- c. Support the reduction of future operating costs and increase building durability, comfort and safety of housing and public facilities by adding energy assessment requirements and energy implementation guidelines.

2. Provide additional resources for the development of affordable housing that supports the revitalization of New Hampshire's downtowns.

- a. Support new housing construction projects in Census Designated Places, a designated revitalization zone or other municipally designated downtown area.

3. Align economic development tools to better leverage public and private resources to have a positive community impact.

- a. Increase the amount available per job to \$35,000 for jobs created in New Market Tax Credit and/or Opportunity Zone designated areas to focus on building capacity in underserved communities.

Currently: Businesses must create one job for every \$20,000 of committed CDBG funds.

- b. Increase loan limit to \$50,000 for eligible microenterprises, aligning with other funders and increase the allocation to support the Microenterprise Program to \$850,000.

Currently: Limit of \$25,000 loans for eligible microenterprises and the \$750,000 annual allocation to the program hinders the ability to provide additional support to businesses.

PROCESS

To establish goals for the 2020 CDBG program year and ensure proposed changes were based on data, trends and public participation, CDFA undertook the following process:

- Hosted listening sessions across the state;
- Conducted a survey of municipalities and other stakeholders; and
- Researched and evaluated best practices and program models.

The goals identified through the outreach efforts include increasing funds available to municipalities, building capacity and providing support for affordable housing, childcare, rural transportation, downtown revitalization and redevelopment.

Participation by key stakeholders in the program updates is critical and ongoing. Immediate opportunities for further engagement on the 2020 Action Plan include a public hearing that will be held on October 1, 2019 from 2:00 to 4:00 PM in the Board Room of New Hampshire Housing (32 Constitution Drive, Bedford, NH) and/or submit feedback to comments@nhcdfa.org.