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Community Development Advisory Committee Meeting Minutes

NH Community Development Finance Authority
14 Dixon Avenue, Suite 102
Concord, NH 03301

Thursday, June 3, 2021
2:00 PM

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE PRESENT: Ben Gaetjens-Oleson; *Chair*; Chris Way; Justin Slattery; Nancy Merrill; Matt Sullivan and Carmen Lorentz.

STAFF: Katy Easterly Martey, *Executive Director*; Mollie Kaylor, *Director of Housing and Community Development*; George Hunton, *Director of Tax Credits*; Chris Monroe, *Community Development Manager*; Melissa Latham, *Director of Communications and Policy*; Missy Lackey, *Contract Manager*; and Maureen Quinn, *Board Relations Manager*.

PUBLIC: James Weatherly; *Southwest Regional Planning Commission*; Keith Thibault, *Southwestern Community Services*; and Donna Lane, *CDBG Consultant*.

Mr. Gaetjens-Oleson opened the meeting at 2:06 PM and noted a quorum was present. Mr. Gaetjens-Oleson acknowledged Mr. Way and Mr. Slattery, both of whom have served on the Community Development Advisory Committee for many years. He thanked both Committee members for their commitment to CDFA as well as to the many stakeholders, towns, cities, counties, municipalities and nonprofits which have benefited from investments supported by the Committee and CDFA. Mr. Gaetjens-Oleson stated their presence and many contributions will be missed.

A. Agenda

Mr. Gaetjens-Oleson reviewed the meeting agenda and called for any changes. None were requested.

Motion – 2:07 PM

Ms. Lorentz moved to approve the agenda, as presented, and Mr. Way seconded. The motion carried by a unanimous vote of the Committee.

Mr. Gaetjens-Oleson called for public comment. None was offered.

B. Consent Agenda - 2:07 PM

Mr. Gaetjens-Oleson reviewed the Consent Agenda and called for questions or comments. None were offered. Mr. Gaetjens-Oleson called for a motion.

Motion – 2:08 PM

Ms. Merrill moved to approve the consent agenda, as presented. Ms. Lorentz seconded. The motion passed with five (5) yeas and one (1) abstention. (Mr. Sullivan noted he was not present at the May 6, 2021 meeting.)

C. City of Lebanon/Headrest – Notice of Change in Contract Funding due to Increased Costs from COVID-19 Pandemic

Mr. Monroe provided a summary of the request from the City of Lebanon/Headrest and stated there has been a significant increase in construction costs. Additional CDBG funds in the amount of \$63,677 are sought by amendment to the original award to ensure the project is able to move forward. Mr. Gaetjens-Oleson called for questions or comments.

The Committee asked whether additional funding requests are expected to be sufficient for a project to meet funding gaps. It was noted there is a provision from HUD which requires competitive bids to be held for sixty days. It is anticipated the supplemental funding sought will be adequate for projects to move forward. The Committee acknowledged the current situation is fluid and dynamic and there may be additional challenges for projects.

Mr. Gaetjens-Oleson called for a motion.

Motion – 2:12 PM

Ms. Lorentz moved to approve the request for additional funds in the amount of \$63,677, for the City of Lebanon/Headrest. Mr. Way seconded. The motion carried by a unanimous vote of the Committee.

D. The City of Keene/Southwestern Community Services – Notice of Change in Contract Funding due to Increased Costs from COVID-19 Pandemic

Mr. Monroe provided a summary of the request from the City of Keene/Southwestern Community Services and stated there has been an increase in construction costs, and additional funds in the amount of \$185,091 are sought by amendment to the original award to ensure the project is able to move forward.

The Committee asked about the substantial request for increased funding. It was noted that the current construction environment and the associated cost volatility is unprecedented and projects are seeing overruns of up to 80% of the original estimates. The Committee asked how much funding is available and whether it will be sufficient to meet demand. Ms. Easterly Martey noted there appear to be sufficient funds to meet all requests received to-date and because these are rollover funds, they must be allocated by June 30, 2021. It is anticipated there will be additional resources allocated in state fiscal year 2022 for contract funding amendments. Mr. Gaetjens-Oleson called for further questions or comments. None were offered. Mr. Gaetjens-Oleson called for a motion.

Motion – 2:17 PM

Mr. Sullivan moved to approve the request for supplemental funds in the amount of \$185,091 for the City of Keene/Southwestern Community Services project. Ms. Merrill seconded. The motion carried by a unanimous vote of the Committee.

E. County of Hillsborough/Nashua Soup Kitchen & Shelter – Notice of Change in Contract Funding due to Increased Costs from COVID-19 Pandemic

Mr. Sullivan noted he will recuse from consideration of this request as he is employed by the City of Nashua; the geographical location of the applicant is in Nashua.

Mr. Hunton provided a summary of the request from Hillsborough County/Nashua Soup Kitchen & Shelter and stated there has been an increase in construction costs, and additional funds in the amount of \$175,000 are sought by amendment to the original award to ensure the project is able to move forward. Nashua Soup Kitchen & Shelter is a critical community resource and the New Hampshire Housing Finance Authority has also committed resources to ensure this project is adequately funded. Mr. Hunton noted the project will likely need a time extension (to remain compliant with HUD) and it is not unreasonable to think there may be additional cost overruns. Mr. Gaetjens-Oleson called for additional questions or comments. None were offered. Mr. Gaetjens-Oleson called for a motion.

Motion – 2:20 PM

Mr. Way moved to approve the request for supplemental funds in the amount of \$175,000 for the County of Hillsborough/Nashua Soup Kitchen & Shelter project. Ms. Lorentz seconded. The motion passed with five (5) yeas. There was one (1) recusal.

F. Town of Salem/Salem Housing Authority/Millville Arms Apartments – Notice of Change in Contract Funding due to Increased Costs from COVID-19 Pandemic

Mr. Hunton provided a summary of the request from The Town of Salem/Salem Housing Authority/Millville Arms Apartments and stated there has been an increase in construction costs, and additional funds in the amount of \$46,200 are sought by amendment to the original award to ensure the project is able to move forward. Mr. Hunton noted the project has struggled to find qualified contractors, another challenge typical in the current construction and building environment. Mr. Gaetjens-Oleson called for questions or comments. None were offered. Mr. Gaetjens-Oleson called for a motion.

Motion – 2:25 PM

Ms. Lorentz moved to approve the request for supplemental funds in the amount of \$46,200 for the Town of Salem/Salem Housing Authority/Millville Arms Apartments project. Mr. Sullivan seconded. The motion carried with a unanimous vote of the Committee.

G. 2021 CDBG Application and Program Guidance and Scoring Update – 2:26 PM

Ms. Easterly Martey informed the Committee changes have been implemented to the CDBG scoring system; she noted the Committee members play an integral role in informing the strategic direction of program and scoring updates. Ms. Easterly Martey reminded the Committee that changes were made based on feedback from stakeholders; CDFA wanted to ensure changes best reflected need and interest so that targeted investment of CDBG funds has maximum impact. General feedback was that allocations of different funding categories remain in place, but with heightened emphasis on particular categories.

Ms. Easterly Martey highlighted important updates.

- There will be three (3) transformative planning grants. These grants will be up to \$100,000 and will be targeted towards:
 - Broadband – how to access broadband funding which is available in the State;
 - Childcare – can existing organizations be used to expand service; can CDBG funds be invested in home-based child care; and
 - Micro – focus on technical assistance and explore how to effectively connect wage growth and asset growth.

- Scoring did not change for the Economic Development program.

- Scoring was updated for the Housing and Public Facilities program.

Ms. Easterly Martey stated the exemption from State rules, which were an overlay of the HUD rules, enabled CDFA to simplify scoring. The ultimate goal is to attract eligible and worthy projects and to reach communities which have not typically pursued CDBG funding. CDFA is using the Community Progress Indicators, which are updated annually, to provide objectivity in scoring evaluation.

The Committee discussed some of the scoring changes and considered what impacts these changes are anticipated to have.

- Housing
 - Ideal to compare need and impact when evaluating an application; is readiness also a factor which is considered?
 - Are there additional scoring points for housing in opportunity areas (wealthier communities may be awarded more points to facilitate building of LMI housing in these communities)?
 - Site control and readiness are key
 - The Committee suggested projects should complete design development rather than construction drawings; emphasis should be on site control
 - Energy efficiency
 - Projects should be rewarded for this as LMI households typically carry a heavier energy burden because the type of housing they live in usually lacks things like good insulation, proper air sealing (windows, doors, etc.)
 - Passive house model may be ideal – utilities are included in rent, eliminating volatility of fluctuating costs

- Public Facilities
 - Scoring factors to be considered include, but are not limited to:
 - Community needs
 - Impact
 - Long-term benefit
 - Project priority
 - Multi-impact project
 - Location/site
 - Membership organization, where at least 50% of impacted community are members and/or supportive of an application
 - Capacity
 - Leveraged funds (non CDBG) secured

The Committee thanked Ms. Easterly Martey and staff for updating and modernizing CDBG scoring metrics and stated these updates provide the foundation for evaluating a broad range of projects in a

manner which is transparent, consistent and fair. Ms. Easterly Martey stated it is critical to CDFA to be positioned in a way that allows the organization to be nimble and respond to needs in real-time to the greatest degree possible. The Committee noted CDBG funds have been deployed statewide in a much broader way than ten years ago; the Committee agreed it makes sense to try to focus outreach to communities which have not typically sought or used CDBG funding.

The Committee suggested awarding 25 points for architectural plans may have an unintended consequence of creating a spike in planning grant applications. Architectural renderings and plans are expensive so a high point total in a regular application may trigger more planning grants since an applicant would receive significant points for these.

Adjourn – 3:13 PM

Mr. Gaetjens-Oleson thanked the Committee for their time and input. He also thanked Mr. Way and Mr. Slattery again for their commitment to the Committee and CDFA.

Ms. Lorentz moved to adjourn the meeting. Mr. Way seconded. The motion carried by a unanimous vote of the Committee.

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Ben Gaetjens-Oleson, Committee Chair