

CDBG Grant Project: Historical Renovation in Conway

Executive Summary

We have identified a historic property in Conway that we are interested in preserving and turning into long term housing. In order to do this, we are asking for the support of Carroll County in applying for a Housing Community Development Block Grant.

Housing in Carroll County and the North Country

According to a recent New Hampshire Housing report, housing affordability is an issue for a third of households in North Country.

The industry standard of “unaffordable housing” is housing that is more than 30% of a family’s income. For Carroll County, that comes out to \$922/month (for a family of three) and \$1,924 (for a family of four).

In addition to affordability, Conway also has a supply/demand imbalance. For long-term rentals, Conway currently has a 0.6% vacancy rate.

CDBG Grant Overview & FAQs

Community Development Block Grant (CDBG) funds are HUD funds distributed in NH through the NH Community Development Finance Authority. Only towns, cities or counties can request CDBG funds, but there can be a sub-applicant. CDBG projects must primarily benefit low and moderate income households/persons.

We have a grant consultant (paid for by the grant, see below)– Donna Lane – who writes and administers most of the CDBGs on this side of the state. She is an expert and will make the process very seamless and easy for you, and will write the entire grant. Carroll County has done CDBG before, with a few water projects back in the day.

Here are some FAQs:

What is it going to cost the municipality?

We can request up to \$500,000 in Housing funds, of that up to \$475,000 will get subgranted to the developer to pay construction costs. \$25,000 will be set aside for administration costs that include costs the county incurs because of the CDBG. This pays for the county attorney to review any CDBG documents, it pays advertising costs, the project’s share of audit costs (if a Single Audit is required), the county can keep track of staff time spent on the project and get reimbursed. The major administration cost is to hire an experienced CDBG consultant to

oversee the project, and the project will pay for the writing of the CDBG application. **CDBG funds are designed to not cost the municipality anything.** There will be minimal time required, the funds have to go through the municipality, but the municipality can keep track of time and get reimbursed (95% of the municipalities Donna works with don't bother to bill for time because the time is so minimal).

What is the county's liability if something goes wrong?

A condition of the project is a CDBG lien on the property. If something goes wrong, for example they don't serve as many low and moderate income households they agreed to, for as long as they committed to, the lien will kick in and provide the funds to repay the CDBG. No repayment funds will ever come from county funds. Even if the CDBG lien is for \$475,000 and only \$200,000 comes from the sale, the \$200,000 will be all the funds required to repay the CDBG. (it is extremely rare that there is any repayment.)

What are the next steps?

A public hearing is scheduled on the project to present it to the public for comment. There are actually 3 consecutive public hearings (right in a row – usually 15 minutes total). Those are:

1. The proposed project,
2. The county's housing and community development plan (you may not have one, which is fine – Donna has a generic one that would not commit you to anything but satisfies the requirement of having one)

3. The anti-displacement and relocation assistance plan (if using fed funds the projects has to abide by the Uniform Relocation Act – this item is rarely applicable but is a requirement. It just says if we undertake a CDBG project and displace or relocate anyone we have to follow those.)

After the public hearing the county votes whether or not to apply for the CDBG funds (and to adopt the housing and community development plan and the anti-displacement and relocation plan).

Applications are due Jan 31, CDBG funds are Advisory Board approved in April. The project must be completed within 18 months.

Sub-Applicant and Developer

The Bluebird Project LLC

We are a local housing initiative that is working to create stable, quality workforce housing in the Mt. Washington Valley. Our goals are to acquire unique properties such as motels, large residential spaces or historic properties and convert them into long-term housing while preserving the beauty and character of our town.

Founders:



Eliza Grant
Conway resident
Conway Planning Board Member
Lilliputian School Board President



Kit Hickey
Conway resident
Conway Budget Committee Member
Entrepreneur

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