

A Special Meeting of the Board of Aldermen was held Wednesday, September August 8, 2021, at 7:00 p.m. in the Aldermanic Chamber and via Zoom teleconference which meeting link can be found on the agenda and on the City's website calendar.

President Lori Wilshire presided; Legislative Affairs Manager Donna Graham recorded.

Prayer was offered by Legislative Affairs Manager Donna Graham; Alderman June M. Caron led in the Pledge to the Flag.

Let's start the meeting by taking a roll call attendance. If you are participating via Zoom, please state your presence, reason for not attending the meeting in person, and whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

The roll call was taken with 12 members of the Board of Aldermen present: Alderman Michael B. O'Brien, Sr., Alderman Patricia Klee, Alderwoman Shoshanna Kelly, Alderman Richard A. Dowd, Alderman June M. Caron, Alderman Thomas Lopez, Alderman David C. Tencza, Alderwoman Elizabeth Lu, Alderman Jan Schmidt, Alderman Skip Cleaver (via Zoom), Alderman Linda Harriott-Gathright, and Alderman Wilshire.

Alderman Benjamin Clemons, Alderman Ernest Jette, and Alderman Brandon Laws were recorded absent.

### COMMUNICATIONS

From: Susan Lovering, City Clerk

Re: Certificate of Sufficiency - Citizens Initiative Petition Proposing to Amend the Charter Relative to the Nomination and Confirmation of Appointments to the Nashua Board of Police Commissioners

***President Wilshire accepted the communication, placed it on file, and scheduled a public hearing on Thursday, September 16, 2021 at 7:00 p.m. in the aldermanic chamber.***

From: Tim Cummings, Economic Development Director

John Griffin, Chief Financial Officer

Cheryl Lindner, Chief of Staff

Re: Vision for usage of ARPA Funds & Guiding Principles

***President Wilshire accepted the communication and placed it on file.***

### PRESENTATION

American Recovery Program Act (ARPA)

***President Wilshire to recognize Mayor Donchess.***

#### Mayor Donchess

Thank you Madam President. So we as you know have received an allocation of American Rescue Plan Funds or "ARPA" as it is sometimes referred to. We have an allocation of \$8,000,000 per year for two years for a total of \$16 million. Now there are regulations and guidance which restrict our use of the funds so we want to make sure that we use the funds in a way that is consistent with those regulations. Now what we have for you tonight is a presentation as to several ways that we think we could allocate the money with the underlying idea that we would like to do something that makes a significant impact on the community in one area or another rather than kind of just spreading everything around that we really don't see much of a concrete result. So you'll see several approaches that we could use to make a significant impact in areas that we think would benefit the city.

Of course, ultimately it is the Board of Aldermen that is required to approve the allocation of the funds so we obviously will want to work with you closely as to how we should go about this or what approach you think might make the most sense. One thing that is in all three – we're going to give you three different alternatives. Of course they can be adjusted. The one thing that's in all of them is that there is \$1.2 million in year one that would go for revenue replacement for the deficit in the school lunch program caused by the fact that the school lunches have been free for the

last year and a half and/or for the last budget year. We could maybe now or later get into the details of why that could help us in addition to filling that \$1.2 million gap. Again, that's not some kind of mismanagement by the School Department. It's simply that they were not allowed to charge for the lunches and of course they're still feeding kids. The normal revenue did not come in.

So with those ideas, we also are going to suggest an outreach to Nashua citizens through several avenues – virtual and if we can do it, in person to get people's input regarding kind of the basic approaches that we think could be used. First we wanted to show you what we might present and maybe then together with input from citizens, we could decide how the money should best be allocated for the benefit of Nashua. So with that, I'm going to give you Mr. Cummings and Ms. Lindner who are going to present you with the details or the different approaches that we think might be possible.

Tim Cummings, Economic Development Director

If I may Madam President.

President Wilshire

Certainly. I'm sorry. Director Cummings.

Tim Cummings, Economic Development Director

Yes thank you. So for the record, Tim Cummings, Director of Economic Development. I'm here this evening with Cheryl Lindner the Chief of Staff, and not with us this evening John Griffin, Chief Financial Officer. He would have been part of this presentation if he wasn't on vacation. It should be noted from the onset that really John and Cheryl have taken the lead in becoming the local experts on ARPA funding. I recently joined the team to just help facilitate the community outreach effort that we'll be looking to undertake.

With that being said, my goal this evening is to hopefully develop some sort of consensus on our approach and make sure we have an understanding of the framework or the guiding principles as we start this evening the conversation on how to use the ARPA funds. My memo to you of August 26 speaks to this in more detail and the PowerPoint presentation you're about to receive will also recap what I'm about to say. What I'm hoping that we do this evening as I said a second ago is start the conversation. By no means are we looking to conclude it but it would be good to develop agreed upon approach and framework. With that being said, I'm going to hand it off to Cheryl and I will click through the slides.

Cheryl Lindner, Chief of Staff

Thank you everyone. So we're going to start with a little bit of background and history on ARPA. On March 11, the American Rescue Plan Act was signed into law. It's a historic \$1.9 trillion economic stimulus bill and the aide for the State of New Hampshire totals just over \$994 million. The Treasury announced that Nashua will receive \$16.1 million in federal funds. As the Mayor said, \$1.2 million is needed for Fiscal Year 2022 revenue replacement, which leaves us with a balance of approximately \$14,483,777 available to plan and spend. In addition to our amount, Hillsborough County is set to receive approximately \$81 million in funding and we are beginning talks with the County to see what the plans are for their amount of funding.

There's four eligible uses for the funding with the Treasury interim guidance. So some of the areas for funding are responding to acute pandemic response needs, filling revenue shortfalls, supporting communities and populations hardest hit by COVID-19. And we're going to talk a little bit about that as we go through the presentation. These are some of the links. If you go to the US Treasury site, the FAQs are very helpful as well as the Interim Final Rule. There is an executive section for the Interim Final Rule. So you should start there if you want some light reading. Then the Interim Final Rule is several hundred pages. So the links are US Treasury and you can type in "ARPA" and it will fill in for you.

Some key dates for ARPA - March 3<sup>rd</sup> is going to be the beginning of the recovery fund period. So expenses after March 3<sup>rd</sup> in those four areas will be covered and then we also have to spend the money or designate the money by December 31, 2024. All funds must be spent and all work performed by December 31, 2026. So there's a little bit of time they give you to finish your projects. They give you two additional years to finish the projects.

We're going to talk a little bit about the eligible uses and as I said, they fall into four buckets. One is the replacement of public sector revenue loss. The second is to support public health response to the pandemic. The third is to address the negative economic impacts and this is specific to workers, families, small businesses, impacted industries and the

public sector, and then water, sewer and broadband infrastructure projects.

The revenue replacement is to replace any reduction in revenue experienced due to the pandemics such as revenue from taxes or miscellaneous general revenue. Cities are permitted to calculate the extent of reduction in revenue as a four points in time and those are December 31<sup>st</sup> of 2020, 2021, 2022, and 2023. So we were able to project our revenue loss for the period December 31, 2020 already.

The next eligible use is the public health response. These expenses can include vaccination programs, testing, contact tracing, access to health services, public communication efforts, purchases of personal protection, equipment, and capital investments in public facilities used to meet the pandemic needs. So physical plant improvements to public hospitals and health clinics are some of the uses there.

The third bucket is going to be addressing the negative economic impacts and as I said, these are two workers, families, small businesses, impacted industries in the public sector. So this type of assistance can include but not be limited to food assistance, rent, mortgage, utility assistance, internet access, and job training. Also to small businesses and nonprofits, you can you can sub out loans or grants to mitigate financial hardships or you can you can give those to the nonprofits and small businesses that were hurt during the pandemic. They saw declines in revenues or impacts. You can also offer in-kind assistance to implement COVID-19 prevention or mitigation. There's also a line for premium pay for essential workers and aid can also be provided to tourism, travel, and hospitality industries that were all negatively impacted by the pandemic.

The last bucket is the water sewer and broadband infrastructure category. This is to improve access to clean drinking water, invest in wastewater and storm water infrastructure, and expand broadband access. Eligible costs are for water, sewer, and broadband infrastructure projects and those costs must be obligated by December 31, 2024 and the period of performance will run until December 31, 2026, which will provide time to complete projects funded using these ARPA funds.

In the broadband category. Broadband improvements designed to serve underserved, unserved, or underserved households and businesses defined as those that are not currently served by a wireline connection are also eligible.

Now we're going to move on to the ineligible uses. So pension funds are ineligible, rainy day funds or financial reserves. We're not able to replenish any of those. General infrastructure which is spending above the amount allocated under the revenue loss is not an eligible expense. Also debt service and legal settlements is ineligible.

So now I want to pass it back to Director Cummings. Thank you for your time. He's going to continue with the presentation. He's going to talk about guiding principles and the community outreach we're planning to do.

#### Tim Cummings, Economic Development Director

Thank you Cheryl. So the main thrust of why we're here this evening is to start the conversation on whether we can develop a framework based upon some guiding principles. What I'm suggesting to this body is that we look at projects with the lens of, you know, how the funds should be used in a manner where there is a meaningful and lasting impact. So what do I mean by that, I would like to suggest that when a project is brought before us that it have significant meaning and we can stand the test of time. I think we should be strategic while deciding how these funds should be used to improve the community and most importantly, I think we need to be mindful that this is a one-time infusion of funds and that you should look at this as providing money for once and once only and if there's a reoccurring cost, I wouldn't necessarily want you to be taking that on unless you knew that you were obligating yourself to future costs moving forward. So I'm suggesting that these types of guiding principles be the lens that we use while judging the various projects and the conversation as we as we move forward.

But as I said from the onset, this is the start of the conversation and really it's what do we think, and what does the community think, and we want to make sure people feel valued and encouraged to participate. So in the memo I presented to you all, there was some key outreach elements that were developed. One being we put up a webpage already on the city's website. At the end of this presentation, I'll go to it and I'll show it to you. But there there's a form where the public can fill out the form and it will be sent into Cheryl and myself and John Griffin basically giving people's feedback on this draft presentation but then ultimately, the priorities that we're suggesting.

There is some outreach events, both in person and virtual. So we have to set virtually for September 21<sup>st</sup> and September 23<sup>rd</sup>. We have an in-person forum set for September 29<sup>th</sup>. We have a dedicated business forum set up for September 22<sup>nd</sup>. That one would be virtual.

The timeline. So ideally we will do this outreach. We will continue to massage and craft a plan. I'd like to have some data and you know, some sort of conclusion arrived at in mid-October. Ideally around your October 12<sup>th</sup> meeting and hopefully the work we do will inform the subcommittee that will hear the resolution that is going to be presented to you on September 14<sup>th</sup>. So ultimately, the ideal would be to have some sort of finalized plan by mid to end the fall.

So some ideas for discussion purposes only and I want to note that the numbers being discussed right now are really for illustrative purposes is the idea of maybe we use the money to replace future revenue. And so out of the \$16 million, maybe we take 13 of that million and you put it into the operational budget for the city. And why are we doing that? So we know we need to close a gap in the budget, and we also know that there is a revaluation going on, and with the revaluation going on, you know, we anticipate that the tax rate may go up over the coming years. You could massage in this \$13 million to help stabilize the tax rate and it's something that, you know, this body may want to think about in the coming weeks.

Another idea, again, wanting to make a big impact is we take and put \$10 million into affordable housing and in particularly Affordable Housing Trust Fund. Strategies and how we were to use that \$10 million, we would need to develop but it might be a way to make a significant dent in what I believe is the number one issue that we hear about over and over again in the community. So, again, offering that up as maybe Plan B and ultimately Plan C, look at maybe reconfiguring Main Street and some of the ancillary side streets around Main Street with about \$12 million. That would be to basically redesign Main Street to accommodate for the outdoor dining and the permanent infrastructure that would be necessary so he didn't necessarily have the barriers up that we have up right now which we know is a semi-permanent or temporary measure that we can only do for a few years.

Now ultimately if you note, we're only spending, you know, in these suggestions between \$13, \$10 and \$12 million. We know we're going to need to use about \$1.7 in other ways and that would still leave us with depending on the numbers between a million to \$2 million to spend in various ways on projects that may arise. We did outreach to the various directors in city leadership here to start to ask for their projects that may be of interest that may qualify that we could, you know, obviously recalibrate this plan as we go forward. But ultimately what I think we want to try to do is avoid the kitchen sink approach which is, you know, let's put a plan together where it's everything but the kitchen sink gets into it. So we really water down the impact. \$200,000 for, you know, XYZ business or, you know, \$300,000 for maybe a roof replacement for a very understanding nonprofit that may need it. I would suggest wouldn't make the community impact that you're going to be able to make if you really focus this one-time infusion of revenue. If we could prioritize where we think that those monies should go, I think this community could really benefit from it in the long run.

So really what I'm hoping to do now is turn this over to more of a discussion to hear people's thoughts. I'm going to see if I can pull up the website that we recently put together as well so folks can see it. I'm not sure if my screen is still being shared or no.

So that's interesting.

Alderman Lopez

You trying to trick us into investing into more infrastructure.

Tim Cummings Economic Development Director

Donna do you know why this isn't...

Donna Graham, Legislative Affairs Manager

You double click on the edge right after the zoom meeting. Right before that. Double click on that, because you're not bringing the internet up.

Tim Cummings Economic Development Director

Double click on which one?

Donna Graham, Legislative Affairs Manager

You do either do Google or the Edge.

Tim Cummings Economic Development Director

But I don't - it's not coming up. See.

Donna Graham, Legislative Affairs Manager

That's because they're not zooming in on you that's why.

Tim Cummings Economic Development Director

Oh, okay.

Donna Graham, Legislative Affairs Manager

But you are for me. So you're all set.

Tim Cummings Economic Development Director

So I'm all set. So could you let folks know that.

Donna Graham, Legislative Affairs Manager

I'm sure was it Jim that's out back?

Alderman Klee

Mike I think, right?

Tim Cummings Economic Development Director

So hopefully it will come up on the screen in a second here. What I'm pulling up on my computer screen is a web page that we developed that's off of the city's website.

Donna Graham, Legislative Affairs Manager

Do you have it?

Tim Cummings Economic Development Director

I have it up.

Donna Graham, Legislative Affairs Manager

I just switched to Zoom to screen so I'm still on left so I'm not sure why it's not coming up on yours. Hold on let me just switch out and then I'll go back on.

President Wilshire

One thing we could use the money for is better technology. Seems a little too obvious though.

Donna Graham, Legislative Affairs Manager

Tim could you push the plug in and maybe the plug came loose on the side.

Alderman Klee

Maybe we need to get rid of Zoom. That's interfering.

Alderman Lopez

If you open up the visual aid,

Alderwoman Kelly

I don't know. Does a tree fall in the woods?

Tim Cummings Economic Development Director

So I'm going to try to go in via Zoom and see if maybe I can do this via the website.

Alderman Schmidt

But what is the website?

Tim Cummings Economic Development Director

If you go to: City of Nashua, Economic Development, ARPA program.

Alderman Schmidt

So it's nashuanh.gov.

Tim Cummings Economic Development Director

Will they let me share screen?

Donna Graham, Legislative Affairs Manager

Yes. Let me just switch over to Zoom to all screens and...

Jeff Poehnert

You're all set.

Tim Cummings Economic Development Director

Okay. So alright. There we go. So, look at this – there's many ways to get to where we need to go. So here's a new web page that we just put up that basically the first couple paragraphs is a regurgitation of the memo that was sent out to you. Then here's the providing comments section which, you know, somewhat said promoting with you because I know you all have wonderful email lists. It would be wonderful if you put it out to your various people so that they could participate. Here it is here. So basically, it's very high level, very easy. Some various contact information. Are you a resident in Nashua? Are you a business owner in Nashua? What aspects of the city's ARPA framework do you like? What are the aspects that you think could be approved? You know very high level but it would be good to be able to get that type of information. We can then synthesize it and be able to report back to you what we're hearing from the community and I think it would be a good tool.

One of the things we're looking to do is we'll take this presentation and we will upload it and put it on this page as well. So if folks miss this evening's presentation, you'll be able to ideally go to this web page and be able to witness this conversation, and be able to participate remotely as well as there's a regurgitation of the timeline for the community outreach, and then some documents. As you can see, I already have this PowerPoint presentation up on this webpage so if folks wanted to and Donna I have already sent it to you. It's in your inbox so you have it for your minutes. We have this, you know, available to the public if they wanted to witness it. So those concludes my, you know, more formal comments or remarks and really just hoping to have a conversation.

President Wilshire

Your timeline is kind of tight. That's my only observation. Do you expect to get all this feedback and have it put together by mid-October?

Tim Cummings Economic Development Director

I do but we already have the date set. You know its Zoom meetings with one or two in person meetings in the month of September. Really just wanted to get the conversation going. We know that there's a resolution that will be filed

where you're looking to accept the money on the 14<sup>th</sup> which would be the first reading. I suspect it will have a second reading and committee discussion. I wanted to be able to provide some sort of data at the subcommittee level, which was one of the reasons why I want to really get it in the month of September because I could, you know, I could foresee the conversation continuing on in October.

President Wilshire

Thank you. Alderwoman Kelly.

Alderwoman Kelly

Thank you. I have a couple of questions but I thank you for your presentation. I think it's important to kind of set the framework for this. I perk up a little bit about the affordable housing. I, too, hear from everybody that affordable housing, especially in our city is critical and I know that it aligned with a lot of the long-term planning and discussions that we've been having and also aligns with some of the HUD discussions that we have in Human Affairs. So I think that's an interesting opportunity to make a big impact like you were saying.

I do have a couple of questions but they might be a little too technical. I know we talked about.

Tim Cummings Economic Development Director

That's why I have Cheryl.

Alderwoman Kelly

It might be a Sarah question, but I know we talked about helping the Soup Kitchen with the shelter. Is that this money or was that a separate bucket?

Tim Cummings Economic Development Director

That could be separate and so this is not project specific. So this is not by any means saying we've pre-identified projects by any stretch.

Alderwoman Kelly

Okay. So that's outside of the scope. Can I ask one more follow up?

President Wilshire

Yeah, sure.

Alderwoman Kelly

The Mayor was talking about the school program and I was just interested in what that entailed. I guess I assumed that if we were told we had to do universal that we were getting paid for that or the COVID funds that we were getting was going to cover that. Do you know more about that? Through you to the Mayor.

Mayor Donchess

Thank you. Well we can get Dan Donovan from the School Department to answer it in detail but they apparently believe that they cannot replace that revenue loss with money that they're receiving. Now we do get a benefit here because they are returning to the city assuming that we make this revenue replacement \$2.5 million of surplus, which is part of the money that you've already seen or we've talked about. If we replace their revenue loss with a part of this federal money, then the amount that will flow to surplus is \$2.5 million. If we didn't, it would only be \$1.3 million. So we think in view of the escrows and the tax relief that we are providing with the surplus, that it's worth directing the \$1.2 into helping them to help them help us so too, so to speak.

One thing that I didn't mention was that one project that because Tim mentioned \$1.7 million. We've wanted to do the backup for the servers and we had that in the works, and then COVID came, and then the money got used for something else. We really should do a \$500,000 backup system. We have the room at the School Department but this would be to prevent, you know, the extortion that we've seen so that if someone ever did hack the system and sort

of shut it down, we would be able to repopulate the software with the data that we have on file. So I think we should do that. To me, that is such a necessity that we should, you know, set that set that \$500,000 aside before we even think about whether other smaller projects that we get from the directors would be worth doing.

President Wilshire

All set?

Alderwoman Kelly

Thank you.

Alderman Dowd

Yes, the first thing you had the first bullet was \$13 million towards, I believe, offsetting cost for the budget year. The only issue I have with that and maybe a John Griffin question is this is one-time funding. If you spend say \$13 million to offset the budget to reduce the budget costs, how do you make that difference up in year two? You start with a \$13 million hole in revenue and that's a huge issue and always been a huge issue. When we tried to apply too much money to reduce the tax rate in one year, it could very seriously impact the tax rate in the succeeding year. So it's a balance and that's something that John Griffin can explain in detail.

Mayor Donchess

Well just yes definitely that's correct. I mean if – and that's a big if, if we adopted that approach, you would make this revenue replacement over a period of four or five years because we have until 2026 to spend the money. So you would even things out over a period of three, four, or five years rather than, you know, falling into the trap that you just mentioned.

Alderman Dowd

You know there's more to clarify that for the general public that we can't just take \$13 million and apply it to next year's tax rate and, you know, have this really artificially low tax rate for one year and then bingo the next year you get hammered.

Mayor Donchess

And we cannot actually use it for tax relief but what we can use it for is revenue replacement. So to the extent that we see and can document loss of revenue along with a certain 4.1 percent increase per year that we could replace, I mean you could find revenue that we had lost to use up the money over a period of years but we couldn't just say we're going to use this to cut the taxes. We would need to, you know, direct it into a sort of a tactical revenue replacement approach.

President Wilshire

All set Alderman Dowd?

Alderman Dowd

All set.

Tim Cummings Economic Development Director

If I may Madam President?

President Wilshire

Director Cummings.

Tim Cummings Economic Development Director

The thought would be also to massage it in as the Mayor was saying over time because we know that there's the

reevaluation going on and so looking at taking that, you know, \$13 million or thereabouts and spreading it over three or four years would, you know, the goal would be to, as I said, stabilize the tax rate so we could, you know, project what we're thinking and not see a fluctuation or a spike.

Alderman O'Brien

Thank you Madam President. As we look at this money that it definitely has a need but are we going to first pay off our debts? And what I mean by the debts when the pandemic was here Nashua Fire Rescue provided EMTs to assist in the inoculations and in the situation in the School Department to help out certain people in the community. QuickBooks or, you know, computers were bought and different things to come out. Are those debts going to be paid first and then look at what's left in that and then come up with the plan on that particular money?

Tim Cummings Economic Development Director

So if I may, Madam President. I'm not really sure when you say "debts". I'm under the impression we've paid everything.

Alderman O'Brien

Okay. I just see, you know, one of the Fire Chiefs here and I think that's what they showed. Maybe or maybe not but I know the Nashua Fire Rescue did provide EMTs at the time and that was part of the, you know, going out of the budget. I don't know how much was actually paid into that account but just to make sure that we're free and clear of that.

Tim Cummings Economic Development Director

Yeah. I think I think we would be. I think I suspected the...

Alderman O'Brien

Okay and that was my only concern that...

Tim Cummings Economic Development Director

To use GOFFR funds maybe to help massage that.

Alderman O'Brien

Right. Okay and that would be fine. I just want to make sure that that money or that responsibility has been cleared, you know, such as public health, anything that they needed to purchase or anything else like that, that we are really looking at something else right here. Okay. Very good. Thank you.

Alderman Lopez

So I'm interested in the use of special revenue funds. I know the housing fund that Alderman Kelly had mentioned is definitely a particular interest of mine. Members of the faith community have actually reached out informally and wanted to know what we're doing with that with how it's structured because they would be interested in contributing to it too. So there's an opportunity to have a force multiplier where we take this grant money and we use it to create a more sustaining fund that helps us create low income housing. I see a lot of added value. I definitely appreciate the possibility of dropping the tax rate for political purposes because it makes us look good for one year but as Alderman Dowd pointed out, it's not necessarily sustainable. So I would be concerned about just doing it for the sake of doing it. I wouldn't mind some research being done into the possibility of maybe creating an income based relief program so that people who are being hit hardest by the sticker shock who might have the least amount of money to pay for it are getting the benefit of these resources and whatever financial strategies we can apply as opposed to, you know, someone who just happens to have a very valuable piece of property, has the ability to apply for a complicated grant that we might put out - maybe a team of lawyers to do such - I'd really rather see this money be used to mitigate the economic impact that we're seeing from COVID-19 and how that is likely to make people less able to respond to revaluation issues and property tax issues further down the road.

Tim Cummings Economic Development Director

Yes thank you. I want to just reiterate that the number one issue that I've heard about over the last couple years is affordable housing. I can say without having a survey or having any quantified type data behind me to support it that anecdotally, it's the number one issue that I hear about when I'm talking to various employers, when they're talking about expanding. The first thing they say is can my employees afford to live here? You know talking to an employee or just, you know, someone on the street that the thing that they say is, I'm worried that my kids won't be able to buy a house here and raise their family in the community that they grew up in. I can tell you time and time again, it is by far the number one issue that the city needs to be aware of and I think with this type of opportunity, you could make the best type of impact. We could develop some metrics and some goals if we chose to go in this direction so we could judge our success based on using these funds. New units supply into the marketplace. Maybe assistance for rental for individuals who, you know, have received catastrophic loss of income. Future deed restrictions so you can buy homeownership and be able to buy units. There are various strategies that we could undertake to achieve what is "affordable housing" which is a very broad definition. But it's one that I think is worth a substantial conversation.

Alderman Dowd

Yeah just two things. One – I do agree that at least some of the money ought to go for affordable housing. It is a critical element here in the City.

The other thing I just want to clarify for the viewing public is that if you could explain Director Cummings that the School Department has separate funds...

Tim Cummings Economic Development Director

Correct.

Alderman Dowd

...that can be used for things regarding education. So that's why you're not seeing education in the spending of this money because they have a pretty significant amount and they have their own set of rules as to how they can spend it.

Tim Cummings Economic Development Director

Yes that is an excellent point and one we should absolutely emphasize which is everything we're speaking to this evening does not talk about the educational funding. That is completely separate and aside from this.

Alderwoman Kelly

Yeah thank you. I just wanted to add to the conversation around affordable housing and how it's changed with COVID-19 as well. Its funny when we talk about affordable housing you don't even really think about what affordable is like it still comes in pretty high. One of the things that we've seen and we've talked about it at different committee levels is that a lot of people are coming here from Boston because it's affordable for them and that's squeezing our market that already has very little to almost no housing open at all. That factor happened with COVID – people wanting to move out of the cities and then you have on top of that, people who are out of work and were under these moratoriums. We have nothing. We really have almost no vacancies for ability for people to get into the housing that they need.

Alderman Klee

Thank you. Director Cummings when we talk about affordable housing and so on – I know you said it's a very broad term. We know that there is very little land to build on here in the city but we also know that there are buildings that could be converted and so on. When you're talking about affordable housing using it towards this would the mindset be that we would give incentives to builders and so on? Can the money be used in that respect because the city obviously cannot build this housing? While this is not anything that's even possible but say something like the Pheasant Lane Mall decided yes we will consider getting rid of that and maybe using some of that land for something. Would we be able to give incentives to or even incentives to those people who already have low income housing but need to fix it up so it's in better shape?

Tim Cummings Economic Development Director

To answer your questions, technically yes you can provide incentives with this type of money to incentivize or encourage new supply or redevelopment of existing housing stock. That is absolutely one of the uses and strategies that should be looked at. I would discourage you from offering a subsidy unless it was absolutely necessary and it was proven. You could use the money to make loans – generous, flexible financial terms would be maybe one way. Again to replenish the money so you're not out of the \$10 million in this example or whatever that number is 5, 10 years from now. Or you could if it is of value to you to incentivize a project to try to give an infusion of capital into a project. If you did that, I would look for you to in return get some deed restrictions. A certain percentage of the unit should be set aside for a certain period of time. I would suggest in perpetuity and you'd look at indexing the median area income at, again I'm talking out loud here – but 80 percent of area median income. Or maybe you look at targeting those funds at certain areas to encourage affordable housing to be developed in certain places of the city. There's many different strategies we could undertake to achieve creation of more affordable housing within Nashua.

President Wilshire

Follow up?

Alderman Klee

Yes please. Thank you. Thank you for the clarification Director Cummings. Much what Alderwoman Kelly had mentioned about the housing funding. That was one of the intent was to use it for loans. You know whether it be large loans at low interest and flexible type of things that would help and encourage people. I agree. That's what I would rather see than to see subsidies. I have anxiety sometimes about deed restrictions because too many of those ties the hands of growth of city and so on. I'm not against them when it comes to low income type of housing. Thank you so much for that.

Tim Cummings Economic Development Director

Yeah absolutely Alderman Klee. I would suggest with deed restrictions what it does is it helps starve off gentrification.

Alderman Klee

Yes and that's what I would like to see. I think Alderman Lopez has brought issue up and I would fear that that could happen in some of the areas like French Hill as well and downtown. So thank you.

Alderman Dowd

Yes I just want to ask Director Cummings. Does the timing on this work out so we can align what we end up spending this money on with the new city master plan? I think there should be an aligned otherwise one of the two things is not correct.

Tim Cummings Economic Development Director

Yes you could at least to the initial stages of the master plan. The money will all need to be committed by I want to say by the end of the calendar year of 2024. So we could absolutely use the master plan as one of the guiding litmus tests for when selecting projects and using the master plan as, again, one of the lenses for trying to use the funds for affordable housing. To make sure it adheres to the wishes of the community.

Alderman Dowd

I think there's a lot of work going into the master plan and we should try to align as best as possible.

Tim Cummings Economic Development Director

Director Marchant is here and she could probably speak to it better than I could.

Sarah Marchant, Community Development Director

Good evening. Thank you. So the timeline for the approval of the master plan is actually we hope to be before you with legislation submitted today and to be before you maybe October 12<sup>th</sup> for final approval. So we do have a public

hearing scheduled with the Planning Board for the 23<sup>rd</sup> and will be at PEDC hopefully on the 20<sup>th</sup> I believe. So that timeline would line up very nicely with this. The next steps for that can certainly dovetail with everything that Director Cummings and Chief of Staff Lindner had discussed.

Alderman Kelly

I have a question before you move.

President Wilshire

Alderman Kelly.

Alderman Kelly

I actually wanted to ask about the owner occupied programs if we wanted to support that could the money be used for that and how are they doing?

Sarah Marchant, Community Development Director

The how are we doing?

Alderman Kelly

Yeah like do we have lots of people interested this year?

Sarah Marchant, Community Development Director

We have an incredible amount of people interested and we have an incredible need. But what I will say is as suggested here before you tonight, funds from the Affordable Housing Trust Fund could absolutely be used towards those kinds of projects which is rehab of owner occupied housing or rehab of rental housing which then comes with exchange for a deed restriction or some very low interest loans to do that work. So the money that was appropriated this year is already almost spent. It was only about \$70,000 and we have a long list of applicants that we will go through that dollars very, very quickly. It's a wonderful program and the Affordable Housing dollars could certainly be programmed that way.

Alderman Kelly

Thank you.

Alderman Tencza

So I, too, like the idea of affordable housing trust fund. I do worry just with a timeline I think it's a very complicated program so it would have to be spelled out before – I think it would have to be spelled out before probably we approve the funds and put down exactly what we want to do. I would have concerns about that.

I would also hope that part of that we can look at maybe some energy efficiency programs for existing homeowners whether its low income or not or workforce housing or not. I think a lot of other communities and States have much better programs that we do here in New Hampshire but maybe we could make a big impact in our city in helping with our electric system primarily by upgrading our – or having programs so that we can allow people to access some programs to upgrade whatever they need in their home. We know a lot of our homes in Nashua here are older and we could certainly help out homeowners that way as well.

I'd also be curious to know we talked about how we can use this money to affect businesses particularly small businesses. I'd be curious as to what - Mr. Cummings you may be already hearing from these small businesses but I'd be curious to see what their need is and how we can support them because I think they support our community a lot and going forward are important so.

Tim Cummings Economic Development Director

Absolutely. Those are some great comments if I could President Wilshire. So green energy, sustainable energy efficiency are all eligible uses. We can absolutely look at building a program along those lines. That is definitely

something we could look at whether it's for every resident or for low income. We could maybe target it to maybe some disadvantaged populations that might not be able to afford it otherwise. There's definitely a pathway forward for that. So we can definitely look into that in closer detail.

Relative to small business assistance, so the city over the last year and half to two years has put out onto the street I would say \$1.5 million in various types of loans at very low interest rates with flexible terms deferring payments still. Even as of now, they've had deferred payments for over a year now. We've been doing rounds of requests. In the first round we got 50 applications. Second round we got 25 applications. Third round we got 5 – 10 applications. So we're not seeing as much interest. I think the most recent round we did I think we got three applications and that's because I think that the money is readily available in the marketplace through other institutions though I would note we don't know what's coming up in the future. We don't have a crystal ball. The fall is coming. Could we see some business maybe needing some sort of assistance over the next year? Maybe but it's just not right now I'm seeing a dire need.

Alderwoman Lu

I just don't understand how some of these things would qualify for revenue replacement. Could you just address how say well housing would qualify for (inaudible).

Tim Cummings Economic Development Director

So if I may Madam President.

President Wilshire

Certainly.

Tim Cummings Economic Development Director

So there are – I don't know what it is – eight eligible categories, six eligible categories for it. So depending on the use, you'd fall into that category. One of them is revenue replacement. Affordable housing is actually called out as an eligible use specifically but I believe it technically falls into the economic negative impact category. I'll double check that. It addresses negative economic impacts and if you were to look at slide 9 that we provided, it says eligible uses assistance to households included but not limited to food assistance, rent, mortgage, utility assistance, counseling, legal aid to prevent eviction homelessness. So under the category of addressing negative economic impacts would be the eligible use for the category.

Alderwoman Lu

I think I misunderstood. I thought it was just the city, the government itself that had lost revenue and that's not the case, correct?

Tim Cummings Economic Development Director

I'm sorry I'm not sure I'm following.

Alderwoman Lu

That's all right. Follow up?

President Wilshire

Sure.

Tim Cummings Economic Development Director

So yes if a municipality loses revenue, they can use it to replace but also if an individual loss revenue in some way, you can use these funds in those means as well.

Alderwoman Lu

Yes that's what I didn't understand.

Just one other question. If somebody wanted to view this information on the city website now is it up there because I don't see it in Economic Development?

Tim Cummings Economic Development Director

So I'll walk you through it if hopefully Jeff can get on my screen here. I'm going to share screen Jeff if I may.

Jeff Poehnert

You're good for it.

Tim Cummings Economic Development Director

Thanks Jeff. I apologize President Wilshire for...

President Wilshire

You're good.

Tim Cummings Economic Development Director

Under projects and then you'll see it under ARPA.

Alderwoman Lu

So if you click on projects, you don't see it but.

Tim Cummings Economic Development Director

Yeah so hopefully everybody can see it on my screen. My screen is up and if you – my computer is frozen. So my computer is frozen but if you go to City of Nashua and go to the link that's right up there on the site but basically it's under Economic Development under projects. Under projects, there's a dedicated ARPA page and this comes up.

Alderwoman Lu

Thank you. Just one other question. Actually a comment. I thought that the problem that we've experienced from the pandemic has been childcare. The lack and need for affordable childcare. So I just wanted to bring that up. Thank you.

President Wilshire

Anyone else?

Alderman Lopez

It's a pretty solid point Alderman Lu just made is that a lot of people trying to return to work or repair their economic income stream are suffering from access to childcare. So that's definitely something we should be looking at either in maybe offering some assistance for people who might be backed up on their childcare payments or in identifying organizations that provide childcare that might have been crippled by lack of in person fundraising.

President Wilshire

Seeing none, thank you very much for the presentation this evening. I appreciate it and we look forward to what comes out of this because there are a lot of good ideas and I think affordable housing to me is a win/win but I'm just one. Thank you very much.

Tim Cummings Economic Development Director

Thank you.

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN THAT THE SEPTEMBER 8, 2021, SPECIAL MEETING OF THE BOARD OF ALDERMEN BE ADJOURNED BY ROLL CALL**

A viva voce roll call was taken to adjourn the Special Board of Aldermen meeting which resulted as follows:

Yea: Alderman O'Brien, Alderman Klee, Alderwoman Kelly, Alderman Dowd,  
Alderman Caron, Alderman Lopez, Alderman Tencza, Alderwoman Lu,  
Alderman Schmidt, Alderman Cleaver, Alderman Harriott-Gathright, Alderman Wilshire 12

Nay: 0

**MOTION CARRIED**

The meeting was declared adjourned at 8:03 p.m.

Attest: Donna Graham, Legislative Affairs Manager