

**Community Development  
Block Grant Program**

**Consolidated Annual Performance and Evaluation Report (CAPER)**



**City of Rochester, New Hampshire  
July 1, 2017—June 30, 2018**

Prepared for the US Department of Housing and Urban Development

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## **CR-05 - Goals and Outcomes**

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)**

This FY 2017-2018 Consolidated Annual Performance Evaluation Report (CAPER) summarizes the accomplishments and financial expenditures of Year 3 of the FY 2015-2020 Consolidated Action Plan (FY 2017-2018 Annual Action Plan) of the City of Rochester. The City of Rochester develops the Five-Year Consolidated Plan, annual Action Plan, and annual CAPER to provide a strategy for investment of federal Community Development Block Grant (CDBG) funds and review of program achievements, as required by the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan is a living document designed to identify the needs of the community, especially the low- to moderate-income residents of the City. The Consolidated Plan is the result of an eighteen-month collaborative process that includes extensive public outreach, multiple public hearings, and consultation with community agencies, neighborhood groups, and other relevant organizations. The Annual Action Plan is developed each fiscal year to describe the projects that have been funded for that year as they relate to the five-year Consolidated Plan program goals.

The Consolidated Plan under which this year's CAPER falls started July 1, 2015 and will end June 30, 2020, comprising five Annual Action Plan years (or program years). Programs and activities described in this report were intended to primarily benefit low- and moderate-income residents of the City of Rochester, neighborhoods with high concentrations of low- and moderate-income residents, and the City as a whole. The Community Development Block Grant award for the City of Rochester for FY 2017-2018 was \$265,965.

All Annual Action Plans must address the needs of the community, with primary benefits addressing the needs of low- to moderate- income persons (defined as those with household incomes below 80% of the area median income). For FY 2017-2018, the median income for the Portsmouth-Rochester Metropolitan Fair Market Rent Area was \$90,700. In addition, Consolidated Plans and Annual Action Plans must address the three national objectives set forth by HUD: (1) to provide decent housing, (2) to provide a suitable living environment, or (3) to expand economic opportunities.

All CDBG activities undertaken during FY 2017-2018 advanced one or more of these three national HUD objectives. Public service activities (non-construction funding for social service agencies) included funding for two of the region's three homeless shelters, rental assistance for low-income families and for residents with mental illnesses or developmental disabilities, and educational programs for low-income residents. Most of these activities were aimed at providing a suitable living environment or to provide decent and affordable housing for low- and moderate-income residents.

Economic development activities included a loan to a Rochester business through the CDBG-funded Job Opportunity Benefit (JOB) revolving loan fund, which promotes the retention and creation of jobs for low- and moderate-income residents. Several JOB Loan Program loan recipients

from previous fiscal years reported several jobs created that were made available to and occupied by lower income residents during FY 2017-2018, as well. The JOB Loan Program is aimed at expanding economic opportunities.

Housing rehabilitation funding supported the Community Action Partnership for Strafford County's weatherization assistance program, which weatherizes the homes of low-income residents. This activity is aimed at providing decent, affordable housing.

Public facilities funding was awarded to install night lights at the tennis courts at the Rochester Community Center, which is located in a low-moderate income census tract. This project was delayed until June 2018 to accommodate the needs of the Rochester School District and Rochester Recreation Department related to use of the tennis courts. The project is anticipated to be complete early in FY 2018-2019. This project is aimed at providing a suitable living environment.

This past fiscal year also saw a number of new community development initiatives undertaken by the City of Rochester's Community Development Coordinator, as well as renewal of previous community development initiatives. These include continued coordination with the Rochester Housing Authority to draft and submit a joint Assessment of Fair Housing, attendance of the statewide New Hampshire Conference on Homelessness, partnership with the NH Department of Health and Human Services to host a lead poisoning prevention summit, and partnership with the Workforce Housing Coalition of the Greater Seacoast to plan a workforce housing charrette planned to take place in September 2018.

**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

As in previous years, CDBG priorities favored public services and facilities projects serving homeless residents, rental assistance and housing rehabilitation to preserve affordable housing stock, and activities and projects located in low- to moderate-income city census tracts, as these are the areas of continued greatest need. FY 2017-2018 funding reflected these priorities.

In most categories of funding, goals were met or exceeded, such as "Affordable Housing for Homeless Persons," "Increase Access to Quality Facilities and Services," and "Retention of Affordable Housing Stock." The one exception is the category of "Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit," which is the Rochester Community Center tennis court lights project. The project has not yet reached full completion so performance data has not been reported yet for this activity. It is anticipated that the performance goal will be met once the project is complete. Overall, significant and substantial progress was made across all funding categories to provide decent housing, to provide a suitable living environment, and to expand economic opportunities for residents of the City of Rochester.

Two corrections have been made to the IDIS performance data. For the "Public Services Concerned with Employment" goal, the goal set up in IDIS was 290 but this was in error. The performance goal should have been 180, representing a goal of 30 clients served by MY TURN and 150

clients served by Dover Adult Learning Center. This has been corrected in the table below. Also, the IDIS data reported for Community Action Partnership of Strafford County's weatherization assistance program represents individual clients served, which was 40 individuals for FY 2017-2018. The number of homes that have been rehabilitated (31 homes for FY 2017-2018) has been provided in the table below.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing for Homeless Persons	Affordable Housing Homeless	CDBG: \$0.00	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	0	0	N/A	N/A	N/A	N/A
Affordable Housing for Homeless Persons	Affordable Housing Homeless	CDBG: \$19,000.00	Homeless Person Overnight Shelter	Persons Assisted	126	344	273.02%	98	104	106.12%
Affordable Housing for Homeless Persons	Affordable Housing Homeless	CDBG: \$0.00	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0	N/A	N/A16	N/A	N/A
Affordable Housing for Homeless Persons	Affordable Housing Homeless	CDBG: \$0.00	HIV/AIDS Housing Operations	Household Housing Unit	0	0	N/A	N/A	N/A	N/A
Improving the Safety/Livability of Neighborhoods	Non-Housing Community Development	CDBG: \$0.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	4720	8878	188.09%	N/A	N/A	N/A

Improving the Safety/Livability of Neighborhoods	Non-Housing Community Development	CDBG: \$0.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	185	156	84.32%	N/A	N/A	N/A
Improving the Safety/Livability of Neighborhoods	Non-Housing Community Development	CDBG: \$0.00	Facade treatment/business building rehabilitation	Business	0	0	N/A	N/A	N/A	N/A
Increase Access to Affordable and Quality Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$8,852.85	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	60	87	145.00%	15	16	106.67%
Increase Access to Affordable and Quality Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$0.00	Rental units constructed	Household Housing Unit	0	0	N/A	N/A	N/A	N/A
Increase Access to Quality Facilities and Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$122,877.25	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	1371		1100	0 (in progress)	0.00%

Increase Access to Quality Facilities and Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$2,000.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0/00%	75	76	101.33%
Increase Access to Quality Facilities and Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$0.00	Facade treatment/business building rehabilitation	Business	0	0	N/A	N/A	N/A	N/A
Increasing the Supply of Supportive Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$0.00	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	0	0	N/A	N/A	N/A	N/A
Increasing the Supply of Supportive Housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$0.00	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	8	N/A	N/A	N/A	N/A
Public Services Concerned with Employment	Non-Housing Community Development Economic Development	CDBG: \$10,041.90	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	270	241	89.26%	180	210	116.67%

Public Services Concerned with Employment	Non-Housing Community Development Economic Development	CDBG: \$0.00	Jobs created/retained	Jobs	0	1	N/A	N/A	N/A	N/A
Public Services Concerned with Employment	Non-Housing Community Development Economic Development	CDBG: \$0.00	Businesses assisted	Businesses Assisted	0	1	N/A	N/A	N/A	N/A
Reducing Substance Abuse (Especially Heroin)	Non-Homeless Special Needs Non-Housing Community Development Substance abuse	CDBG: \$0.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	N/A	N/A	N/A	N/A
Retention of Affordable Housing Stock	Affordable Housing	CDBG: \$50,000.00	Homeowner Housing Rehabilitated	Household Housing Unit	50	113	226.00%	20	31	155.00%
Small Business Establishment and Expansion	Non-Housing Community Development Economic Development	CDBG: \$0.00	Jobs created/retained	Jobs	0	0	N/A	3	7	233.33%
Small Business Establishment and Expansion	Non-Housing Community Development Economic Development	CDBG: \$75,000.00	Businesses assisted	Businesses Assisted	2	3	150.00%	1	1	100.00%

**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**  
FY 2017-2018 Consolidated Annual Performance and Evaluation Report



**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

As in previous years, CDBG priorities favored public services serving homeless residents, rental assistance and housing rehabilitation to preserve affordable housing stock, and activities and projects located in low- to moderate-income city census tracts, as these are the areas of continued greatest need. FY 2017-2018 funding reflected these priorities. The greatest amount of public service funding went to two of the region's homeless shelters, Cross Roads House (\$12,000 for FY 17-18) and My Friend's Place (\$7,000 for FY 17-18). In addition, general city funding in the amount of \$16,000 was awarded to the Homeless Center for Strafford County in FY 17-18 to supports its homeless services.

For maintaining affordable housing for low-moderate income residents, \$5,852.85 was spent by the SHARE Fund to provide rental assistance to lower income residents and \$3,000.00 was spent by Community Partners to provide rental assistance for residents with mental illnesses and/or developmental disabilities. Such rental support represents an important affordable housing strategy of the city's CDBG program, as the rental market remains a large provider of affordable housing for Rochester residents. Also in FY 2017-2018, \$50,000.00 was spent by the Community Action Partnership of Strafford County to provide weatherization for homes owned by low-moderate income residents. For most residents, this greatly reduces energy costs for the home, thereby keeping the home affordable for the owner.

Other priorities, aligned with the needs identified in the FY 2015-2020 Consolidated Plan and FY 2017-2018 Annual Action Plan, focused on providing for the basic needs of Rochester residents and addressing the continuing opioid addiction crisis in the region. Such activities included support for Court-Appointed Special Advocates of New Hampshire, which has seen a significant rise in child abuse and neglect cases related to the opioid epidemic; High School Equivalency Testing assistance offered through the Dover Adult Learning Center, which provides for a basic level of education for low-moderate income residents; and vocational and other supportive assistance offered through the Rochester MY TURN location.

The public facilities project for FY 17-18, the installation of night lights at the Rochester Community Center tennis courts, is still in progress. This project is located in a low-moderate income census tract just outside the city's main downtown and will serve mostly low- to moderate-income residents in that area.

## CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	428
Black or African American	14
Asian	17
American Indian or American Native	2
Native Hawaiian or Other Pacific Islander	0
<b>Total</b>	<b>461</b>
Hispanic	21
Not Hispanic	440

**Table 2 – Table of assistance to racial and ethnic populations by source of funds**

### Narrative

During FY 2017-2018, approximately 93% of the residents of the City of Rochester served were white, and approximately 7% of the residents served were of non-white races and/or ethnicities (predominantly Black or African-American and Asian). According to U.S. Census data, the City of Rochester is 95.4% white, 0.8% Black or African-American, 0.3% American Indian or Alaska Native, 1.2% Asian, 0.1% Native Hawaiian or other Pacific Islander, 1.8% Hispanic, and 1.7% two or more races. There have not been disproportionate services provided to white residents over residents belonging to racial/ethnic minorities.

Please note that there may be slight discrepancies in the numbers provided, as several multi-racial categories were included in the demographic questionnaires provided to recipients of CDBG-funded public services. Many residents identified as belonging to two races/ethnicities or as "Other/Multiracial."

## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	396,775	\$180,116.50
Other	Other	539,625	\$10,000.00

Table 3 - Resources Made Available

### Narrative

In the adopted FY 2017-2018 Action Plan, \$298,469 in CDBG grant funds, which includes the \$265,965 grant allocation for FY 2017-2018 as well as program income from the JOB Loan Program, were made available to the City of Rochester. The adopted FY 2017-2018 Annual Action Plan is available on the City of Rochester's website at <https://www.rochesternh.net/community-development-division/pages/action-plans>.

During FY 2017-2018, \$128,717.75 was expended on programs and activities, and \$51,398.75 was spent on planning and administration of the CDBG program, for a total expenditure of \$180,116.50 for FY 2017-2018. The remaining funds will be drawn down in early FY 2018-2019, once the Rochester Community Center tennis court lights project has concluded and all invoices are processed.

In the annual grant application developed by Community Development staff, CDBG applicants must state both the amount and the percentage of leveraged funds relative to the CDBG funds being requested. The percentage and amount of leveraged funds available are taken into account when grant applications are analyzed and funding decisions made.

### Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Rochester Low-Moderate Income Census Tracts	79	73	HUD-determined census tracts of 51% or greater low-moderate income residents

Table 4 – Identify the geographic distribution and location of investments

### Narrative

In FY 2017-2018, \$193,995 was spent on activities in <51% low-moderate income census tracts, and \$72,000 was spent on activities in >51% low-moderate income census tracts. All activities in non-low-moderate income census tracts, however, were based on served clients' actual low-income or presumed low-income status (e.g., persons who are homeless or have severe disabilities).

These activities were operational expenses at two of the region's homeless shelters, My Friend's Place and Cross Roads House; rental assistance provided by Community Partners, which serves clients with mental illnesses and development disabilities; and the Community Action Partnership of Strafford County's weatherization program, which provides weatherization and related housing rehabilitation services for low-income homeowners.

All of these activities, although occurring in census tracts that are not majority low- to moderate income, serve some of the most vulnerable and neediest of Rochester's residents, including residents who are homeless and residents with mental illnesses and/or development disabilities.

The publically owned Rochester Community Center was used during FY 2017-2018, for the project to install night lights at the tennis courts. This fulfilled the FY 2017-2018 Annual Action Plan goal of "Increase Access to Quality Facilities and Services" as well as public input indicated support for the expansion of pro-social recreational options for Rochester youth.

## Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

During FY 2017-2018, \$4,414,975.99 was also made available in leveraged funds provided by the public service agencies that received CDBG funding. The source of these leveraged funds is various and includes non-CDBG federal grants, state grants, municipal-level funding, and private donations received by the public service agency CDBG subrecipients. The Community Action Partnership of Strafford County's weatherization assistance program, for example, receives leveraged funds through regional utility companies and the state Department of Energy. The United Way of the Greater Seacoast also provides significant funding for multiple public service agencies that receive Rochester CDBG funds, especially the three regional homeless services providers.

In the annual grant application developed by Community Development staff, CDBG applicants must state both the amount and the percentage of leveraged funds relative to the CDBG funds being requested. The percentage and amount of leveraged funds available are taken into account when grant applications are analyzed and funding decisions made.

For the downtown density planning project, a grant of \$10,000 was provided by Planning New Hampshire, and \$2,500 in CDBG administration and planning funds were used to serve as the city's matching funds.

CDBG Activity	CDBG Funding	Leveraged Funds
Downtown Density Planning Project	\$2,500.00	\$10,000.00 (NH Municipal Technical Assistance Grant)
Court-Appointed Special Advocates of New Hampshire	\$2,000.00	\$1,898,000.00
Community Partners	\$3,000.00	\$7,500.00
Cross Roads House	\$12,000.00	\$918,000.00
Dover Adult Learning Center	\$5,000.00	\$1,139,977.00
My Friend's Place	\$7,000.00	\$95,912.00
MY TURN	\$5,041.90	\$188,564.24
SHARE Fund	\$5,852.85	\$32,500.00
Community Action Partnership of Strafford County – Weatherization Assistance Program	\$50,000.00	\$110,000.00
Rochester Recreation Department – Tennis Court Lights	\$122,877.25	\$14,522.75

## CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	0	0
Number of Special-Needs households to be provided affordable housing units	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	15	16
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	20	31
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>35</b>	<b>47</b>

Table 6 – Number of Households Supported

**Discuss the difference between goals and outcomes and problems encountered in meeting these goals.**

Performance goals were slightly exceeded for rental assistance and home rehabilitation. For rental assistance, most households were extremely low income, and the remainder were low income. All rental assistance provided by Community Partners was provided to extremely low income residents, and 77% of rental assistance provided by the SHARE Fund was provided to extremely low income residents. For home rehabilitation, 44% of households were extremely low income, and the remainder were low income. While the PR23 FY 2017-2018 report indicates that 61 housing units were supported through rental assistance or housing rehabilitation, this number is actually the number of persons provided with rental assistance or housing rehabilitation. There was a total of 47 households that were provided assistance, as indicated in Table 6.

**Discuss how these outcomes will impact future annual action plans.**

Since the Seacoast region has transitioned to a Coordinated Entry system for managing intakes into the

regional homeless services system, the three individual homeless shelters that receive Rochester CDBG or general city funding (Homeless Center for Strafford County, My Friend’s Place, and Cross Roads House) have found it challenging to accurately estimate how many clients will be served within the any given year since all homeless clients are now funneled through the same organizational point of contact. It is also difficult sometimes to establish what the most accurate residency for a homeless individual or family might be, as many of these individuals and families are frequently moving between various cities and towns in the Seacoast region. Thus, while a shelter may be serving the same or greater number of clients overall, the specific percentage of Rochester residents may decline.

Over the last few years, Cross Roads House has exceeded its estimates, while the Homeless Center for Strafford County and My Friend’s Place have fallen short of their estimates. Prior to the next CDBG grant application period, the Community Development Coordinator will consult with all three homeless shelters to discuss current client trends and to provide directives on how to accurately estimate projected goals for the next fiscal year.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	460	0
Low-income	41	0
Moderate-income	7	0
Non-low-moderate income	6	0
<b>Total</b>	<b>514</b>	<b>0</b>

**Table 7 – Number of Households Served**

### **Narrative Information**

The majority (89.5%) of Rochester residents assisted with CDBG funds during FY 2017-2018 was extremely low income, and an overwhelming majority was low income/extremely low income (97.5%). The non-low-moderate income residents assisted were Dover Adult Learning Center students and new hires resulting from JOB Loan Program business loans.

For CDBG purposes, “extremely low income” is defined as 30% of the area median income, “low income” is defined as 50% of the area median income, and “moderate income” is defined as 80% of the area median income. For FY 2017-2018, the area median income for the Portsmouth-Rochester Metropolitan Fair Market Rent Area was \$90,700.

There is not a situation in which moderate-income residents are being assisted at disproportionate levels compared to low-income residents. The opposite is the case, with most residents served by CDBG-funded activities falling into the extremely low income category, followed by the low income category and then the moderate income category. This reflects the City of Rochester’s prioritization of providing basic needs and ensuring CDBG funding serves the city’s most vulnerable residents.

Some of the top underserved needs within the City of Rochester continue to be supportive services and affordable housing for residents with mental illnesses and/or substance use disorders. The main obstacles to serving these underserved needs are lack of funding and lack of organizational capacity. These obstacles have been addressed through a variety of means. CDBG public service agency funding was awarded in FY 2017-2018 to two regional homeless shelters, My Friend's Place and Cross Roads House, whose clients disproportionately serve residents with mental illnesses or substance use disorders. CDBG funds were also awarded to Community Partners to provide rental assistance for lower-income clients with mental illnesses and/or developmental disabilities.



## **CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Activities to address homelessness in FY 2017-2018 included public service agency grants to two of the region's homeless shelters that provide services to Rochester residents (My Friend's Place and Cross Roads House), rental assistance for families who are threatened by homelessness via funding the SHARE Fund's rental assistance program and Community Partner's rental assistance program for residents with mental illnesses or developmental disabilities, and participation by Community Development staff in multiple events and coalitions addressing homelessness issues. The Community Development Coordinator attended most Balance of State Continuum of Care meetings, continued participation on the steering committee of the Greater Seacoast Coalition to End Homelessness, and engaged in extensive consultations with homeless services and allied providers.

In addition, in FY 2017-2018, the City of Rochester provided \$16,000 in local funding to the Homeless Center for Strafford County, which is located within the City of Rochester.

The region's three homeless shelters, along with Coordinated Entry staff housed within the Community Action Partnership of Strafford County, provide individual assessment for each homeless person or family, or each person or family at risk for homelessness. Based on these assessments, the person or family is placed with a homeless shelter that best fits their needs, referred to an organization that can provide rental assistance, or provided other relevant referrals. The continued implementation of the Coordinated Entry system for the entire Seacoast region has formalized this intake process and ensured that the provided resources are a good match for the individual's particular situation and needs.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

During FY 2017-2018, CDBG public service agency operating grants were awarded to two of the region's homeless shelters that provide services to Rochester residents, and local funding was provided to a third homeless shelter that is located within the City of Rochester. Almost half of the available public service agency operating grant funds awarded for FY 2017-2018 went to funding homeless shelters and their services. All three shelters (My Friend's Place, Cross Roads House, and the Homeless Center for Strafford County) provide emergency shelter and supportive services to residents, including financial counseling, educational and vocational training, child care, and health clinics. Two of the three shelters have transitional housing units available. Cross Roads House, the regional homeless shelter with the largest capacity, also runs a Housing First program.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that**

## **address housing, health, social services, employment, education, or youth needs**

During FY 2017-2018, CDBG funds supported two rental assistance programs for families who are threatened by homelessness, via public service grants to the SHARE Fund and Community Partners, and housing rehabilitation for low-income homeowners via funding for the Community Action Partnership of Strafford County's weatherization assistance program. Without this assistance, it is likely that these Rochester residents would have been placed at risk of losing their current housing and becoming homeless.

In particular, Community Partners' rental assistance program provides assistance to residents with mental illnesses and/or developmental disabilities. This includes both direct funding (such as for security deposits) and ongoing case management for the Community Partners client. Ongoing supportive services have been identified by several agencies, such as Community Partners and Cross Roads House, as necessary for eviction prevention.

In addition, the Community Development Coordinator has been active in multiple coalitions and groups through FY 2017-2018, including the Greater Seacoast Coalition to End Homelessness. The Greater Seacoast Coalition to End Homelessness has continued its Community Care Teams initiative, which particularly supports residents who are chronically homeless and/or have a mental illness and/or substance use disorder, and has formed several work groups to focus on social services, housing availability, and public outreach. The Community Development Coordinator serves on the steering committee that provides leadership oversight for the Greater Seacoast Coalition to End Homelessness.

### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

During FY 2017-2018, CDBG public services grants were awarded to two regional homeless shelters, My Friend's Place and Cross Roads House, which provide services to Rochester residents. These shelters have transitional housing units available, provide supportive services to residents, including financial counseling, educational and vocational training, child care, and health clinics. Cross Roads House also has implemented a Housing First initiative and established a housing stability/eviction prevention program to assist former shelter residents in maintaining housing once they have left the shelter. Cross Roads House reports that it has provided post-housing case management for 25 clients and has prevented eight evictions in FY 2017-2018 for former shelter residents who are now in permanent housing.

The City of Rochester also funded a third shelter, the Homeless Center for Strafford County, through general city funding. The Homeless Center for Strafford County provides both emergency and transitional housing and supportive services.

## **CR-30 - Public Housing 91.220(h); 91.320(j)**

### **Actions taken to address the needs of public housing**

The most recent Five Year Plan prepared by the Rochester Housing Authority (RHA) reports its goals and objectives as including reduction of public housing vacancies, increase in affordable housing units, the creation of workforce housing, and the promotion of economic opportunities and an increase in affordable healthcare access to low-income families. During FY 2017-2018, CDBG funding supported two rental assistance programs for low-income residents, including residents with mental illnesses or developmental disabilities, via public service grants to the SHARE Fund and Community Partners. CDBG funding also helped fund housing rehabilitation for low-income homeowners via funding for the Community Action Partnership of Strafford County's weatherization assistance program. Two Job Opportunity Benefit loans were also awarded to a local business with an anticipated five new jobs to be created for low-income Rochester residents.

The FY 2017-2018 CDBG Annual Action Plan also outlined RHA-specific goals, including the need for more transportation options and education on available transportation options for elderly RHA residents and RHA residents with disabilities and the continuing research and analysis of fair housing issues that impact RHA residents. During FY 2017-2018, the Community Development Coordinator has worked with the Cooperative Alliance for Seacoast Transportation (COAST), as the Rochester representative to the COAST board of directors, to develop a tri-city volunteer drivers program to expand transportation services and to conduct a comprehensive operations analysis to improve overall delivered services. For fair housing issues, the Community Development Coordinator also attended a fair housing conference hosted by New Hampshire Legal Assistance and provided housing legal assistance resources to a RHA resident with concerns about her eviction from public housing.

In addition, Rochester Community Development staff has arranged to have all CDBG construction project bids posted at RHA housing units to encourage the hiring of public housing residents for CDBG-funded projects.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

The Rochester Housing Authority maintains a Resident Advisory Board, including representatives from each of the RHA's housing locations, that meets to review the RHA annual and five-year plans. The Resident Advisory Board also provides input on general RHA operations. During the FY 2017-2018 Annual Action Plan citizen participation plan and the Assessment of Fair Housing citizen participation process, the City of Rochester's Community Development collaborated with RHA staff on identifying how to increase homeownership opportunities for lower-income residents, especially residents who are racial/ethnic minorities. This planning is currently being incorporated into the draft Assessment of Fair Housing that will be submitted to HUD in 2020.

The Community Development Coordinator also forwards programs and funding opportunity regarding affordable homeownership to RHA staff as such information becomes available.

### **Actions taken to provide assistance to troubled PHAs**

N/A. The Rochester Housing Authority is not designated as a troubled agency by HUD.

## **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

The City of Rochester's Community Development staff has assisted the Planning Department in planning projects funded through technical assistance grants. The Certified Local Government grant, which was awarded and has been accepted by the City, funded consultant work to create design guidelines for the historic district that will help streamline the process to receive approval to renovate buildings within the historic district. The historic district and downtown district largely overlap, and it is hoped that streamlining the historic review process will assist downtown property owners in either marketing properties for sale or reducing the costs for necessary renovations. Many of the downtown buildings would be suitable for redevelopment into rental housing.

The New Hampshire Municipal Technical Assistance Grant, which was also awarded in FY 2017-2018 and for which CDBG administrative/planning funds were used as matching funds, funded consultant work to review and revise downtown land use regulations to increase allowed density for buildings in the downtown region. There is considerable vacant space in the upper stories of many downtown buildings, which would be ideal for redevelopment into residential housing units, but the City's former low-density limits for the downtown have prevented this redevelopment. The draft downtown recommendations are included as an attachment to this Consolidated Annual Performance and Evaluation Report.

The Community Development Coordinator has also continued to carefully monitor proposed City ordinances and legal actions that might impact affordable housing. This has included ongoing consultation with city staff, non-profit partners, and others in the community regarding (1) litigation involving a facility originally zoned as a campground but used as a permanent residence by many low-income Rochester residents and (2) a city ordinance passed in March 2018 that prohibits people from sleeping in tents or vehicles on city-owned property.

**Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

Some of the top underserved needs within the City of Rochester continue to be supportive services and affordable housing for residents with mental illnesses and/or substance use disorders. The main obstacles to serving these underserved needs are lack of funding and lack of organizational capacity. These obstacles have been addressed through a variety of means. CDBG public service agency funding was awarded in FY 2017-2018 to two regional homeless shelters, My Friend's Place and Cross Roads House, whose clients disproportionately serve residents with mental illnesses or substance use disorders. CDBG funds were also awarded to Community Partners to provide rental assistance for lower-income clients with mental illnesses and/or developmental disabilities.

Throughout FY 2017-2018, the Community Development Coordinator has also continued to remain active in the Greater Seacoast Coalition to End Homelessness as a steering committee member. The coalition has continued facilitation regional Community Care Teams, which support residents who are chronically homeless, many of whom have mental illness and/or substance use disorders, and also has

set up work groups to address various homeless-related subtopics. These topics include affordable housing, supportive social services, and public outreach, as prior coalition work has identified these areas as the areas of greatest need in reducing and eliminating homelessness in the Seacoast region.

In addition, throughout FY 2017-2018, the City of Rochester continued its fiscal agent responsibilities for Bridging the Gaps: The Rochester Community Coalition for Alcohol and Drug Prevention. Bridging the Gaps receives federal funding through the Substance Abuse and Mental Health Services Administration (SAMHSA) to enact community-level change and reduction in substance abuse by the City's youth population. Community Development staff is involved in the fiscal management of the federal grant, identification of future and concurrent funding opportunities, and in coalition planning and programming.

During FY 2017-2018, the focus was on sustainability, as this was the final year of Bridging the Gaps' SAMHSA grant. The Community Development Coordinator assisted the Bridging the Gaps coalition coordinator in applying for a no-cost extension with SAMHSA and in applying for two federal grants that would continue funding for the coalition.

#### **Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The Community Action Partnership for Strafford County's weatherization assistance program, which received \$50,000.00 in CDBG funding during FY 2017-2018, provides weatherization assistance to low-income residents of the City of Rochester. This includes updating heaters and boilers, replacing inadequate insulation, and other related rehabilitation activities. While performing this rehabilitation work, the weatherization assistance program also provides lead evaluation, containment, and/or abatement services when circumstances, such as the age of the home in question, indicate the need for such. In FY 2017-2018, a total of 31 housing units received housing rehabilitation assistance, including 25 units constructed prior to 1978.

In addition, in May 2018, the City of Rochester partnered with the NH Department of Health and Human Services to host a successful lead poisoning prevention summit. The summit was attended by city staff, NHLA staff, DHHS staff, local elected officials, local property owners, and local non-profit housing providers.

#### **Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

The City of Rochester seeks to reduce poverty among city residents through a multi-pronged strategy. One prong of this approach is the provision of direct services aimed at addressing basic and immediate needs of our most vulnerable, lowest-income residents. This includes emergency housing assistance, in the forms of funding for the region's homeless shelters and for rental assistance provided by the SHARE Fund and Community Partners. The SHARE Fund's rental assistance helps low-income residents pay security deposits or back rent payments, and Community Partners' rental assistance program helps its clients with mental illnesses and/or developmental disabilities to pay security deposits and provides ongoing supportive services throughout the clients' tenancy.

A second prong involves investment in activities and programs that will help prevent poverty and/or address poverty in the longer term. This includes funding for educational and vocational services, such as MY-TURN and the Dover Adult Learning Center's High School Equivalency Testing program. Dover

Adult Learning Center provides High School Equivalency testing preparation services to lower-income residents, as well as English as a Second Language classes for Rochester's growing immigrant population. MY-TURN provides vocational training and supportive services, such as class tuition, housing stipends, paid internships, and childcare assistance, for lower-income adults aged 18 to 24.

A third prong involves investing funds to create and broaden economic opportunities within the City of Rochester. The City maintains a revolving loan fund, the Job Opportunity Benefit (JOB) loan program, to provide funding to local businesses that commit to retaining at-risk jobs or creating new jobs specifically for low- to moderate-income residents. Two JOB loans were entered into during FY 2017-2018, with an anticipated five jobs to be created for low- and moderate-income residents.

### **Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The City of Rochester is a public entity that regularly plans and finances economic development projects, code enforcement, planning and zoning review, emergency financial relief assistance, and community development activities. Rochester's Community Development Division works with other city departments, including the Planning Department and Department of Public Works, and with many regional public service agencies, including agencies that receive CDBG funding subgrants and agencies that do not. This coordination has enabled the efficient provision of supportive services, housing rehabilitation, and public facilities improvements for low- and moderate-income Rochester residents. This coordination also identifies specific program and activity needs within the City, as well as other funding sources for city projects that may not qualify under CDBG.

In addition, the Community Development Coordinator regularly participates in the Balance of State Continuum of Care as a Rochester and as a steering committee member of the Greater Seacoast Coalition to End Homelessness. The involvement of Community Development staff in these organizations and coalitions provides for the development and strengthening of cross-agency relationships and projects, especially those related to reducing and eliminating homelessness, one of the top community concerns.

Finally, FY 2017-2018 saw the Community Development Division partner with municipal and state staff for several important planning projects. In FY 2017-2018, the Community Development Coordinator assisted Planning Department staff assisted the Planning Department in planning projects funded through two technical assistance grants. One project has resulted in the creation of draft design guidelines for the historic district that will help streamline the process to receive approval to renovate buildings within the historic district, and the second project reviewed and proposed revisions to downtown land use regulations to increase allowed density for buildings in the downtown region. The Community Development Coordinator also worked with NH Department of Health and Human Services staff to host a lead poisoning prevention summit for Rochester, which involved city staff from the Department of Building, Zoning, and Licensing Services.

### **Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

The Community Development Division has engaged in a broad range of outreach and networking activities throughout FY 2017-2018, which have included regularly relaying relevant HUD, New Hampshire Bureau of Homeless and Housing Services, New Hampshire Housing Finance Authority, and

other housing- and homelessness-related training opportunities to public service agencies and other regional contacts who might be interested. The Community Development Coordinator also participates as a member of the Balance of State Continuum of Care and a steering committee member of the Greater Seacoast Coalition to End Homelessness.

Also, in early 2018, the Community Development Coordinator successfully applied with the Workforce Housing Coalition of the Greater Seacoast to host a workforce housing charrette in September 2018. The Community Development Coordinator has worked with coalition staff, Rochester Housing Authority staff, city Planning and Economic Development staff, elected officials, and various non-profit partners (such as Rochester Main Street) to plan the charrette.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdiction's analysis of impediments to fair housing choice. 91.520(a)**

Throughout FY 2017-2018, the Community Development Coordinator has continued to collaborate with the Rochester Housing Authority to finish the consultation process for the joint Assessment of Fair Housing and to begin drafting the assessment. Consultations have included discussions with City staff, municipal staff from neighboring jurisdictions, mental health agencies, civil rights organizations, local housing services providers, and residents of all six City wards. The Rochester Housing Authority and the City of Rochester are currently in the planning phase for several actions that are being designed to address potential impediments to fair housing choice, which include addressing rental housing discrimination against residents with disabilities and improving access to homeownership for lower-income residents.

The Community Development Coordinator also has continued to attend and participate in relevant trainings of fair housing-related topics, such as a November 2017 fair housing training hosted by New Hampshire Legal Assistance's Housing Justice Project. The Community Development Coordinator also continues to share information on fair housing issues, such as HUD bulletins and training information, with its CDBG subrecipients as well as other public service agency contacts.

One of the key goals of the city's current Analysis of Impediments to Fair Housing is to monitor city ordinances and policies that affect housing development (whether positively or negatively) and impact on housing availability and affordability for various residential demographics. Lack of housing affordability, in particular, has been identified as a key impediment to fair housing. In FY 2017-2018, the Community Development Division partnered with the Planning Department to review and revise downtown land use regulations to increase allowed density for buildings in the downtown region. There is considerable vacant space in the upper stories of many downtown buildings, which would be ideal for redevelopment into residential housing units, but the City's former low-density limits for the downtown have prevented this redevelopment. The draft downtown recommendations are included as an attachment to this Consolidated Annual Performance and Evaluation Report.

The Community Development Coordinator has also continued to carefully monitor proposed City ordinances and legal actions that might impact affordable housing. This has included ongoing consultation with city staff, non-profit partners, and others in the community regarding (1) litigation involving a facility originally zoned as a campground but used as a permanent residence by many low-income Rochester residents and (2) a city ordinance passed in March 2018 that prohibits people from sleeping in tents or vehicles on city-owned property.



## **CR-40 - Monitoring 91.220 and 91.230**

### **Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

The City of Rochester continues to collect both quarterly and annual reports from its subrecipients. These reports include racial/ethnic, sex, income, and other demographical information of clients served, as well as expense details. In June 2018, the Community Development Coordinator performed annual site monitoring visits to the offices of all FY 2017-2018 CDBG grant subrecipients, as part of its established policy to provide annual monitoring to all CDBG subrecipients. There is a monitoring checklist that the City of Rochester uses to facilitate these visits, and the checklist is attached to this report.

During each visit, Community Development staff interviewed key agency personnel, reviewed program and financial documents, and discussed performance successes and challenges. Financial monitoring includes discussion and review of the subrecipient procurement policies, review of the audit trail report and CDBG trial balance report, review and discussion of the subrecipient's most recent audit or equivalent financial statements, review and discussion of the subrecipient's system of internal controls, review of any CDBG expenditures on staff salary/benefits, and review and discussion of cost allowability.

There were no performance issues identified during any of the FY 2017-2018 subrecipient site visits. However, based on quarterly reports and annual site monitoring visits, the City of Rochester may identify deficiencies and formulate corrective action plans to remediate these deficiencies. For example, the successful completion of a corrective action plan for the Community Action Partnership of Strafford County's weatherization assistance program was discussed in the FY 2016-2017 CAPER. Documentation on this corrective action process is attached to this report for reference.

Prior to the award of any CDBG funds, all potential subrecipients are subject to risk assessment during the grant application process. The City of Rochester CDBG grant application requires agencies to provide information on agency history, federal grant management experience, budget information, information on board of directors and administrative-level staff, whether the agency currently collects client demographics data and has a conflicts of interest policy, whether the agency currently uses performance measures, and both a copy of the agency's most recent financial review and a description of any findings from the most recent financial review.

Community Development staff also performed environmental reviews for all CDBG-funded projects and Davis-Bacon Act wage rate compliance monitoring for all CDBG-funded construction projects. For environmental reviews, this included field site visits to project sites and consultations with the New Hampshire Division of Historical Resources for projects not already covered under the Programmatic Agreement between the City of Rochester and the Division of Historical Resources. Community Development staff also discussed environmental review procedures with all FY 2017-2018 CDBG subrecipients prior to the beginning of the fiscal year to ensure that all subrecipients understood that work on the projects could not begin until the completion of the environmental review.

For Davis-Bacon Act compliance, this has included site visits to the Rochester Community Center tennis court lights installation project and interviews with project workers. The project's start date was delayed to early July, so the project and Davis-Bacon Act monitoring have not been completed yet. The Community Action Partnership of Strafford County's weatherization assistance program is exempt from Davis-Bacon Act requirements, as work occurs on single-family and duplex homes.

### **Citizen Participation Plan 91.105(d); 91.115(d)**

#### **Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

The final draft of the Consolidated Annual Performance and Evaluation Report (CAPER) is made available to the public through a variety of means. Hard copies of the report are provided for public viewing at City Hall, the Rochester Public Library, and the Office of Economic and Community Development. An electronic copy of the report is provided for public viewing and download on the City of Rochester's Community Development Division webpage at <https://www.rochesternh.net/community-development-division/pages/annual-reports>. Notice of the public comment opportunity on the draft CAPER is posted in a local newspaper of general circulation, *Foster's Daily Democrat*, as well as at City Hall, the Rochester Public Library, the Rochester Community Center, and on the Community Development Division webpage. The notice also includes information in French on how to receive an oral interpretation of the plan, if needed, in accordance with the City of Rochester's Language Access Plan.

Notice of the public comments period regarding the draft FY 2017-2018 CAPER was posted on July 27, 2018, more than 30 days prior to the submission of this CAPER to HUD. No public comments were received by the City of Rochester.

#### Summary of Public Comments Received

No public comments were received by the City of Rochester.

## **CR-45 - CDBG 91.520(c)**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

There have not been any changes in the City of Rochester's program objectives during FY 2017-2018. The City of Rochester would, and has, changed its activities as a result of its experiences in implementing CDBG programs and activities, however. For example, in FY 2015-2016, the City of Rochester has discontinued CDBG funding to the New Hampshire Small Business Development Center due to ongoing performance issues and after counseling and other attempts to improve performance were unsuccessful. Also, in FY 2016-2017, there were three minor plan amendments that allocated allocated prior year unexpended CDBG funds on previously approved activities (the Community Action Partnership of Strafford County weatherization program, the Tri-City Co-op HVAC and handicap ramp project, and the Homeless Center for Strafford County back-up generator project).

**Does this jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

The City of Rochester does not have any open Brownfields Economic Development Initiative grants.

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

N/A. The City of Rochester is not a BEDI grantee.

## City of Rochester Downtown Density Update

Summary of Recommendations

Report Section	Topic	Report Recommendation
2.03	Parking	<ul style="list-style-type: none"> <li>• Eliminate parking requirements for commercial development in the DC.</li> <li>• Prohibit the creation of large, single-tenant parking lots for commercial uses.</li> <li>• Explore variance or conditional use process for commercial parking lots.</li> </ul>
2.03		<ul style="list-style-type: none"> <li>• Lower the minimum parking ratios for small residential units (studios and 1-bed units).</li> </ul>
2.03		<ul style="list-style-type: none"> <li>• Eliminate residential parking requirements for the first 10 residential units within new infill projects.</li> <li>• Codify objective parking reduction criteria.</li> </ul>
2.03		<ul style="list-style-type: none"> <li>• Review Rochester downtown residential parking regulations/operations and make adjustments as needed.</li> <li>• Develop a near-term downtown residential parking strategy utilizing City lots and on-street parking; including defining the Staff that will administer program.</li> </ul>
2.03		<ul style="list-style-type: none"> <li>• Develop a long-term downtown residential and commercial parking strategy with City capital investment priorities.</li> </ul>
2.04	Density & Uses	<ul style="list-style-type: none"> <li>• To promote 4 and 5 story mixed-use buildings, eliminate the “density limit.”</li> </ul>
2.05		<ul style="list-style-type: none"> <li>• Eliminate single-family and duplex uses as a permitted use in the DC. Explore options for legalizing existing uses.</li> </ul>
2.05		<ul style="list-style-type: none"> <li>• Allow multi-family use (as a single use of the property) as a permitted use on DC properties which do not front a major commercial street.</li> <li>• Define/depict applicable street frontages.</li> </ul>
2.05		<ul style="list-style-type: none"> <li>• To promote a hotel downtown, lower the lot size requirement and eliminate the parking requirement for a hotel fronting a major commercial street.</li> <li>• Define/depict applicable street frontages.</li> </ul>
3.02	Process	<ul style="list-style-type: none"> <li>• Break-Down Site Plan Review into Conceptual, Final, Technical Documents, and Operational Requirements. Allocate review of Tech Docs to Rochester staff for review after Planning Board approvals.</li> </ul>
3.04		<ul style="list-style-type: none"> <li>• Minimize reliance on “appropriate” standards in the Site Plan review process. Replace with objective standards with narrower discretion where possible.</li> </ul>
4.02	Leadership	<ul style="list-style-type: none"> <li>• Charter an official Downtown Committee focused on improving the health of downtown, encouraging investment, removing red tape, keeping track of progress on code/policy changes.</li> </ul>
4.02		<ul style="list-style-type: none"> <li>• Explore a Redevelopment Authority to manage acquisition, entitlement, and disposition of City assets.</li> </ul>
4.03	Building Upkeep	<ul style="list-style-type: none"> <li>• Seek partnerships and voluntary compliance for building upkeep.</li> <li>• Explore “best storefront” incentives with the Chamber.</li> <li>• Strengthen regulations for dilapidated buildings – require annual life/safety inspections.</li> <li>• Explore “vacant” property tax options and curtail empty storefronts.</li> <li>• Explore property tax options at a State legislative level.</li> </ul>
4.04	Non-Zoning	<ul style="list-style-type: none"> <li>• Explore options to address “safety perception” issues.</li> </ul>
4.05		<ul style="list-style-type: none"> <li>• Aim for a lower “natural speed” during traffic and wayfinding effort.</li> </ul>
4.06		<ul style="list-style-type: none"> <li>• Require special events over a certain size provide a parking management plan.</li> </ul>



**CITY OF  
ROCHESTER  
DOWNTOWN DENSITY UPDATE**

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## Section 1.01 Introduction

Many long-time Rochester locals have vivid memories of Rochester’s robust downtown, the hubbub of activity that once was. There’s significant pride in Rochester’s history and sincere aspirations for a downtown resurgence.

Unfortunately, a long period of stagnation has occurred in the downtown. Regulatory obstacles combined with serious deferred building maintenance has re-routed investment to other areas. Downtown has languished. The good news is that this trend is reversible and there’s desire and momentum for a u-turn. It will take continued focus, leadership and old-fashioned hard work to get there. But, a resurgent downtown is entirely within reach.

Rochester’s downtown can again be a vibrant commercial center with unique local and regional-serving retail and service businesses intermixed with great restaurants, a lively arts scene, a robust residential population, and can once again serve as a destination. The grand historic buildings are the means to pivot Rochester back to this reality. They are the backbone of the community and the backdrop for this vision.

The City of Rochester commissioned this analysis to better understand the zoning and regulatory barriers to private-sector downtown investment with the intent of lessening those barriers. This report identifies regulatory barriers and provides recommendations on how best to lessen or eliminate them. This report also attempts to highlight other obstacles that may be affecting the flow of investment monies into the downtown.

## Section 1.02 Background, Purpose, Method

BendonAdams is a land use consulting firm based in Aspen, Colorado. Founded and staffed by long-time municipal planners who now help both public and private clients bring development projects to fruition, BendonAdams brings a unique perspective to development policies and the endless work of elected officials and their professional staff in achieving community goals.

The City of Rochester received a Municipal Technical Assistance Grant from Plan NH and Community Block Grant funds through the U.S. Department of Housing and Urban Development. The effort intends a set of zoning revisions to encourage a variety of housing types in a walkable and commercially successful downtown.

BendonAdams has been retained to review Chapter 42 – Rochester’s Zoning Ordinance – with specific focus on the Downtown Commercial Zone District. Based on findings from a series of one-on-one and small-group interviews with key community members, elected and appointed officials, and professional staff, this analysis is intended to inform a series of adjustments to the Zoning Ordinance to remove investment obstacles and

## Section 1.03 Relationship with Design Guidelines and Historic Overlay District

bolster downtown Rochester.

The City of Rochester has also retained BendonAdams to update the Design Guidelines and Historic Overlay District Ordinance. These efforts are occurring simultaneously and are intended to work in tandem. For both efforts to be most effective, strong cohesion between zoning regulations, the design guidelines, and the process by which downtown development is re-

## Section 1.04 How to Use this Report

viewed and approved is paramount.

This draft report contains an analysis of zoning barriers to downtown development in Chapter 2 and a review of potential process barriers in Chapter 3. Draft recommendations for lessening or removing these barriers are contained in the analysis and are highlighted in the Summary Section below. These recommendations will inform an amendment to the Zoning Ordinance. This analysis is intended to spur conversation regarding the recommendations – to modify, add, delete, and fine-tune them at a policy level before finalizing the analysis and engaging in code writing.

If there is one overall theme that emerges from this study, it is that while regulatory barriers exist there are multiple obstacles to downtown investment and a comprehensive approach is needed to reverse this situation. Just amending the zoning code may not result in the desired investment. Chapter 4 contains a review of “non-regulatory” barriers to downtown development that surfaced during community outreach. While these are arguably outside of the scope of this zoning analysis, discussion of these barriers may be important to the long-term trajectory of downtown Rochester.



## Section 1.05 Summary of Recommendations

- Section 2.03** *We suggest lowering minimum parking ratios.*
- Section 2.03** *We recommend basing parking ratios on net leasable square footage. Alternatively, Rochester could stay with a gross square footage requirement accounting for common areas with a slight lowering of the ratios.*
- Section 2.03** *We recommend a consistent parking ratio for all commercial uses or an outright waiver for commercial uses in the immediate downtown.*
- Section 2.03** *We recommend lowering the parking ratios for smaller units.*
- Section 2.03** *We recommend Rochester review its downtown residential parking regulations and make adjustments as needed. We recommend pairing this with an overall downtown parking strategy.*
- Section 2.03** *We recommend Rochester narrow perceived ambiguity by codifying objective parking reductions.*
- Section 2.04** *To promote projects with moderate residential density, we recommend a significant reduction in the residential parking requirement. Rochester will need to cope with off-property parking and synchronizing this step with enhancements to the downtown residential parking regulations is recommended. To the extent that Rochester wishes to enable four and five-story mixed-use development in its downtown, we also recommend eliminating the density limit.*
- Section 2.05** *We recommend eliminating single-family and duplex uses from the DC Zone. We recommend allowing multi-family buildings as a permitted use for DC properties that do not front a major commercial street.*
- Section 2.05** *To encourage a new hotel in the downtown, we suggest lessening or eliminating the minimum lot size requirement and relaxing the parking standards, if applicable.*
- Section 3.02** *We recommend separating the standards within the Site Plan Regulations into four categories - conceptual review, final review, documents review, and operational requirements.*
- Section 3.02** *We recommend clearer process boundaries and greater reliance on Rochester’s professional planning staff to make decisions.*
- Section 3.03** *We recommend the Historic Districts Commission (HDC) be granted the same set of authorities as the Planning Board for projects within the Downtown Commercial District.*
- Section 3.04** *We recommend the Site Plan Regulations be screened for this term “appropriate”, minimizing its use to situations where no better guidance can be provided.*
- Section 4.02** *We recommend a group be officially tasked with improving the economic health of downtown and encouraging investment in downtown development and building rehabilitation.*
- Section 4.02** *Rochester should also explore a redevelopment authority.*
- Section 4.03** *We recommend Rochester strengthen regulations and be more forceful regarding dilapidated buildings.*
- Section 4.05** *We suggest a lower “natural speed” downtown be a goal of this traffic and wayfinding effort.*
- Section 4.06** *We suggest Rochester explore parking management strategies to heighten accessibility to downtown and better deal with special events.*

## Section 2.01 General

The purpose of this section of the report is to identify some of the key provisions of Rochester's Zoning Code and Site Plan Regulations that present regulatory obstacles to upgrading, redeveloping, or building new buildings in downtown Rochester. The findings in this section are based on the comments provided by the persons whom we interviewed in one-on-one and small group sessions along with a review of the Zoning Ordinance (Chapter 42) and the Site Plan Regulations.

## Section 2.02 Heights and Setbacks

Rochester's Downtown Commercial (DC) Zone District allows for substantial buildings. A maximum height of five stories (with no dimensional limit) enables significant commercial, lodging, and mixed-use buildings. Zero-foot setbacks are permitted on all sides of a parcel, except for a 15-foot setback requirement along rear lot lines. These areas allow for trash and utility needs. Rochester requires commercial buildings adjoining residential uses to reflect similar setbacks and either a lower height or increased setback. This provision achieves a physical transition between uses. A minimum height of 20 feet and a maximum front yard setback of 10 feet ensure that new commercial buildings in the DC reflect the urban nature of downtown and do not erode the traditional compact fabric. In our opinion, the permitted heights and setbacks are not an obstacle to downtown development.

## Section 2.03 Parking Requirements

High parking ratios are typically a barrier to infill development and the repurposing of historic buildings. Older buildings tend to pre-date parking requirements and many pre-date zoning regulations all together. In many communities, this is a major obstacle to repurposing older buildings. Rochester has some regulatory sympathy for historic buildings. The Zoning Ordinance exempts existing buildings and existing uses from the parking requirement. We feel this philosophy needs to be expanded.

Rochester maintains a set of minimum parking requirements. This is typical of the vast majority of towns across the country. Some municipalities are steering away from minimum parking requirements – either abolishing the requirement or going further and creating maximum parking caps. These strategies tend to be used in dense, pedestrian-oriented downtowns with a significant draw, a high level of transit, and traffic congestion issues.

Rochester's minimum parking requirements are on the high side compared to other municipalities. Most com-

mercial uses require 3.5 to 5 parking spaces per 1,000 gross square foot. These ratios are usually found in suburban areas, where little to no street parking exists and a developer plans parking for the once per year 'Black Friday' scenario. *We suggest lowering these ratios.*

Basing the requirement on gross square footage provides a hidden increase in the parking requirements. Most commercial leases are based on the net leasable area, exempting circulation corridors, elevators, lobbies, and similar common areas. Buildings with common areas and circulation, usually those with multiple tenants, have a parking ratio that is artificially high. *We recommend basing parking ratios on net leasable square footage. Alternatively, Rochester could stay with a gross square footage requirement accounting for common areas with a slight lowering of the ratios.*

Rochester's parking ratios are different for each specific type of commercial enterprise. A professional office needs slightly more parking than a general office and slightly less parking than a medical office. This can make routine changes in commercial tenancy very difficult. For example, a dentist moving into a space formerly occupied by a CPA may encounter a parking obstacle. Parking requirements for restaurants are by the number of seats, making the conversion from gross square footage to seat a difficult mathematical equation. With this type of parking approach, routine tenancy changes can become complicated and require City involvement. Unwinding a parking ratio discrepancy can divert commercial investment to less-complicated locations.

Businesses come and go. A downtown will experience routine tenancy changes, including changes between use categories. Retail will replace a restaurant. A restaurant will expand into an adjacent space formerly occupied by an office tenant. A new tenant will go into a space that was vacant and nobody can remember what was there before. The current use-by-use parking requirements present a barrier to this natural evolution.

*We recommend a consistent parking ratio for all commercial uses or an outright waiver for commercial uses in the immediate downtown.* This will eliminate an obstacle to tenancy changes and allow downtown commercial spaces to better compete with spaces in surrounding areas. This will also relieve staff of some administrative burden. The indecipherable parking impacts of a medical office taking space formerly oc-

cupied by a professional office are not worth staff resources.

A per-unit parking ratio is tougher to meet for smaller units. We expect the target market for downtown residential development to be one and two-bedroom units with a focus on young professionals. The parking requirement for a studio or one-bedroom unit is the same as for a 3 or 4-bedroom unit. *We recommend lowering the parking ratios for smaller units.*

Lowering parking ratios to encourage downtown residential development will not eliminate the need for residents to park. While the target occupant may, on average, have fewer cars and/or have less everyday need for a car, off-site parking demand will increase with more people living downtown. Lowering or eliminating the parking requirements for residential development will place more pressure on Rochester's overall parking strategy. *We recommend Rochester review its downtown residential parking regulations and make adjustments as needed.*

Some developers may still choose to provide parking along with downtown residential projects. Site attributes will dictate a developer's decision to provide

### **Example:**

A typical parking lot requires roughly 350 square feet per car. This number accounts for the actual parking spaces and driving lanes for access and circulation. Residential development requires 2 parking spaces per dwelling unit. A new multi-family building of 24 units will require 48 parking spaces consuming almost 17,000 square feet of land.

Adding five of these projects in the downtown area will require roughly 2 acres of parking. Even if this type of footprint could be found, the amount of surface parking would break up the streetscape and dilute the commercial atmosphere downtown. Required parking is a barrier to residential development downtown and we recommend lowering or possibly eliminating parking requirements for downtown residential development. We recommend pairing this with an overall downtown parking strategy.

parking. Some sites have no or very limited ability to provide parking. The Hartigan Block building, for example, has no opportunity to add parking while the upper floors could be converted to residential use. Other sites provide simple parking opportunities and a developer may choose to provide parking to address market demands. The One Wakefield property appears to include resident parking.

We do not expect the near-term market to support on-site structured parking for residential development. Adding a parking garage to a project can represent \$XX,000 per space. A subgrade garage can increase this to \$XX,000 per space. We do not expect renters will see the value of a \$2-300 monthly rent increase and instead will be satisfied with surface parking. As Rochester's downtown gains strength, this dynamic will change.

The discretionary review process to adjust parking ratios may not lessen the barrier in the eyes of an entrepreneur. The review standards appear very loose, very discretionary, and do not provide a solid picture of success. The Planning Board "may" reduce parking requirements "on a case-by-case basis" by using its "reasonable discretion" and if the proposal is "appropriate." A series of considerations are listed, which are helpful. Some applicants may anticipate a public hearing regarding parking as an opportunity for "topic creep." An applicant may worry that while the agenda says "parking," the discussion will focus on the business type or type of resident. A vape store may be treated differently than a bank or a medical clinic. Housing for at-risk residents may be treated differently than market-rate housing. Whether these concerns are justified or not, discretionary public hearing processes with loose criteria increases the perceived risk for a developer which in turn can have a chilling effect on downtown investment.

Even if not concerned about topic creep, a developer must hedge against a negative outcome. We picture a developer of a downtown property having a public hearing regarding fundamental site planning and project programming after buying the property and after investing in engineering and architectural services. Uncertain of an outcome, a developer will assign significant risk to this review, possibly enough risk to avoid engaging in the project. Public review processes with ambiguous criteria represent obstacles to investment downtown. *We recommend Rochester narrow this perceived risk by codifying objective parking reductions.*

***Do we have a parking problem?***

Highly desirable areas, attractive destinations, are typically associated with “parking problems.” Places without “parking problems” are also typically places where people just don’t want to go. While having a parking problem is obviously not a goal of Rochester’s downtown effort, a side effect of a more successful and commercially vibrant downtown will be the need to manage parking.

Rochester’s existing inventory of public parking appears to be more than sufficient for the foreseeable future. Strategic parking management will improve the accessibility of downtown businesses. Long-term, Rochester may need to invest in a public parking garage. To the extent Rochester starts experiencing the need for a public parking garage, it is cause for celebration – it is a sign that downtown is thriving.

## Section 2.04 Density Limitations

The City of Rochester recently amended the Zoning Ordinance removing a significant barrier to residential development downtown. The previous lot area per residence requirement limiting properties to one residence per 5,000 square feet of lot area represented a

virtual ban on any mixed-use or multi-family residential development in the downtown area. This standard limited a typical downtown building to one or two residences total. Many developers would see this as a complete non-starter and look elsewhere to develop.



Photo Caption

### ***Case Study: 73/77 North Main Street***

To illustrate density limits, the 73/77 North Main “Hartigan Block” building is used in the following example. [picture] The site is approximately 3,920 square feet with a 100+ year old building built lot line to lot line. There are no opportunities to add parking to the site. Public parking is readily available along the street and within a City lot north of the building. The ground floor is occupied with a commercial venture; the basement is assumed to be unfinished.

The upper two floors of this building could be developed into apartments.

The building has three exterior walls with a window pattern allowing multiple interior layout options. This re-use, rehabilitation of an historic building in downtown providing market-rate housing aligns with Rochester’s aspiration to reinvigorate downtown. The one unit per 500sf of lot area density limit allows a total of 7 residential units ( $3,920 / 500 = 7.84$ ) on this property.

The two upper floors are approximately 3,450sf each. Reducing this gross number by roughly 20% for hallways, stairs, walls between units, and possibly an elevator leaves 2,750sf of net livable area available on each floor.

Four three-bedroom units, two on each floor averaging 1,375sf each could be developed. The square footage and exterior windows would allow for design flexibility for a full kitchen, living, dining, two or three bathrooms and three private bedrooms. These units would be attractive to young professionals and young families. This development program is allowed under the City’s revised density standards.

Six two-bedroom units, three on each floor averaging 915sf each is a reasonable development program for this property. The units would be attractive to young professionals looking for small town/urban living and with little concern for remote/unsecured parking. The units would be moderately sized, allowing a full-size eat-in kitchen, living room, one or two bathrooms, and two private bedrooms. This development program is allowed under the City’s revised density standards.

Ten one-bedroom units, five on each floor averaging 550sf, is also a reasonable development program for this property. These would be small to moderately sized for one-bedroom apartments. A small kitchen, living room, one bathroom, and a private bedroom. This development program is not allowed under the City’s revised density standards – the project is too dense.

We expect a developer would avoid the larger three-bedroom units. Minimizing the number of kitchens is a wise move, but young families may have higher expectations for on-site amenities and secure parking. The market for single professionals may be stronger for this location, leading a developer to a combination of one- and two-bedroom units. The one per 500 density limit presents a slight interference, causing an adjustment to a developer’s ideal program. However, the program adjustment is limited to one unit.

**Case Study: 13 Hanson Street**

The second example looks at a vacant lot, 13 Hanson Street. This parcel is approximately 10,450 square feet. Neighboring buildings support street-level commercial and this site could support professional offices or retail/restaurant use on the ground floor. The one per 500sf of lot area density allowance provides for a maximum density of just under 21 units ( $10,450 / 500 = 20.9$ ). A mixed-use building built to the maximum five stories would hit the density limit. Parking is also a major factor on this property.



*Photo Caption*

**Assuming development of 13 Hanson is allowed without parking.**

From the 10,450sf site, a 9,000sf gross floor plate could be created. Reducing this gross number by roughly 20% for hallways, stairs, walls between units, and an elevator leaves 7,200sf of net livable area available on each of the upper floors. A building with three sides open for windows is possible, allowing for maximum design flexibility. Six to eight residences per floor, averaging 900sf to 1,200sf apiece is a reasonable development program for this property. These would be primarily two-bedroom units, with a possible one-bedroom and three-bedroom unit per floor.

A development program with four full floors above a commercial level, six units per floor represents 24 units total – four units over the density allowance. An eight-unit-per-floor program represents 32 units – twelve units over the density allowance.

For this property, the newly adopted 1/500 density limit may still present an obstacle. Limited to 20 units, a developer of the 13 Hanson Street property is unlikely to build to property's full potential. A building with ground floor commercial, two levels of residential above, with maybe a partial third level of residential is the likely scenario. Building units with more bedrooms – 3 and 4-bedroom units – avoids the density limits but may miss the target market. Building larger units – 1,500sf two-bedroom units – likely increases expenses without a corresponding return.

**Assuming development of 13 Hanson must provide some parking.**

The 13 Hanson Street property appears to share frontage with a common parcel along the side providing access to the rear of the property. If this can be used to access parking, 10 head-in spaces along the rear could be developed. Without cantilevering (i.e. creating a carport with living space above), the building footprint would shrink to approximately 7,500 square feet. Reducing this gross number by roughly 20% for hallways, stairs, walls between units, and an elevator leaves 6,000sf of net livable area available on each of the upper floors.

Six to eight residences per floor, averaging 750sf to 900sf apiece is a reasonable development program for this property. These would be a mix of one- and two-bedroom units.

A development program with four full floors above a commercial level, six units per floor represents 24 units total – four units over the density allowance with a parking space for only 40% of the units. An eight-unit-per-floor program represents 32 units – twelve units over the density allowance and with a parking space for only 30% of the units.

Development of 13 Hanson with one parking space per unit would limit the residential program to 10 units. Two levels of residential above one level of commercial would be the optimal program. Each unit would average 1,200sf with five units on each floor. These would be mostly two-bedroom units with one three-bedroom unit per floor.

Development of 13 Hanson with two parking spaces per unit limits the development to just 5 residential units. This would be just one level of residential development above the commercial ground floor. The program would include four two-bedroom units averaging 1,100sf and one three-bedroom unit of 1,600sf.

## Case Study Findings

These examples demonstrate that moderate density projects are not hampered by the 1/500 density standard. But, parking standards are a limiting factor. Mixed-use projects of up to three stories are enabled by the 1/500 density standard, but prohibited by the parking requirements. Two-story mixed-use projects are allowed under the 1/500 density provision and may be able to meet the current parking requirements with the right site.

Projects attempting to develop a fourth and fifth floor will experience both parking and density limits as obstacles. We do not expect a developer to pursue structured parking in order to meet the on-site parking requirements. The development costs are too high to justify. If parking standards are eliminated or significantly relaxed, the 1/500 density standard will only present an obstacle to higher density projects attempting to utilize a fourth and fifth floor.

*To promote projects with moderate residential density, we recommend a significant reduction in the residential parking requirement. Rochester will need to cope with off-property parking and synchronizing this step with enhancements to the downtown residential parking regulations is recommended. To the extent that Rochester wishes to enable four and five-story mixed-use development in its downtown, we also recommend eliminating the density limit.*

Alternatively, Rochester could consider eliminating the density limitations just for historic buildings within the Historic Overlay District. This would focus investment interest towards these resources and function as a benefit to these properties that are subject to higher scrutiny and in need of costly repair.

## Section 2.05 Mixed-Use Potential

Permitted and Conditional use lists provide a good indicator of a community' desired growth pattern.

In Rochester's Downtown Commercial (DC) District, development of a single-family home is a permitted use. This appears to run counter to Rochester's goal of bolstering the downtown commercial vitality and we recommend eliminating single-family and duplex uses from the DC Zone. To avoid creating non-conformities, pre-existing single-family and duplex units can be recognized as conforming with the same rights they currently enjoy.

Development of a mixed-use building (residential over commercial) is permitted while a multi-family building (as a single use) requires a conditional use review. Ground-floor commercial presence is important for maintaining a walkable commercial center.

Many areas of the DC District would be perfectly appropriate for a multi-family building. Properties not fronting Wakefield or Main Streets, for example, could be developed with 100% residential multi-family buildings without negatively impacting commercial vitality. *We recommend allowing multi-family buildings as a permitted use for DC properties that do not front a major commercial street.*

Development of a hotel is permitted. However, minimum lot size requirements effectively prohibit this use in the downtown. A hotel with 60 keys, for example, requires a two-acre site. This is appropriate for a suburban area on the fringe of downtown, not on a downtown property. It is not clear if a new hotel would qualify for the DC parking waiver.

*To encourage a new hotel in the downtown, we suggest lessening or eliminating the minimum lot size require-*



Photo Caption



Photo Caption



Photo Caption

### **A Special Note on Natural Market Limitations to High Density**

*It is important to note that market factors will drive a developer's density decision-making. Residential units of 400sf or 300sf apiece are physically possible. However, these units may not be financially optimal in Rochester's marketplace. Plus, a developer will need to provide many more bathrooms and kitchens – expensive items in a development program.*

*We expect a market-based developer to pitch towards a young, single professional audience with high expectations for a location downtown, high expectations for downtown vibrancy (bars, restaurants, coffee shops), moderate to high expectations for quality finishes (exposed brick, high ceilings, gas range, etc.), low to moderate expectations for one-site amenities (fitness room, common areas), and low expectations for on-site secure parking.*

*We expect demand for units in the 600-800sf range for a one-bedroom unit; 800-1,200sf for a two-bedroom unit and 1,000-1,400sf for a three-bedroom unit. We expect the sweet spot to be a 900sf two-bedroom unit with a developer having 50% or more of their program dedicated to this type of unit – minimizing the number of kitchens and bathrooms while staying comfortably within the target audience.*



## Section 3.01 General

The purpose of this section of the report is to identify process obstacles that may re-route investment away from downtown Rochester. The findings in this section are based on the comments provided by the persons whom we interviewed in one-on-one and small group sessions along with a review of the Zoning Ordinance (Chapter 42) and the Site Plan Regulations.

## Section 3.02 Site Plan Regulations

Rochester's Site Plan Regulations apply to virtually all development other than a single-family or duplex home. All multi-family, mixed use, commercial, and lodging projects are subject to Site Plan Review. The regulations cover a wide range of development issues from high-level site planning and architectural character to construction hours and where to pile tree stumps. Actual practice may differ, but it appears that the Planning Board's review of a site plan application covers all aspects – big conceptual issues, and parking lot striping, in one comprehensive review. An applicant heading to a public hearing must be prepared to discuss overarching project goals, density, layout, and very detailed discrete items such as landscape species.

*We recommend separating the standards within the Site Plan Regulations into four categories - conceptual review, final review, documents review, and operational requirements.* The Planning Board should focus on the basic parameters of a project first – uses, layout, and massing. A conceptual approval on these items will provide a developer with confidence to spend money preparing architectural plans, civil engineering specifications, etc. Appeal procedures and any call-up or notice of approval to City Council should occur at the conclusion of this conceptual phase.

A final review with the Planning Board to review detailed designs is the last public hearing step. Items in the Site Plan Regulations oriented to the legal coordination of documenting an approval – development agreements, sureties, platting or filing official approved plans – should be handled by staff. This is also an opportunity for technical detailed plans - grading plans, street profiles, utility sizing - to be reviewed by Rochester staff. This can occur prior to or as a component of building permit review. Finally, operational standards and technical design standards that require codification should become a reference section.

Public safety and responsible development practices should never be short-cut in the name of “removing

development obstacles” or “being development friendly.” Our site review of a development project under construction, while brief, revealed significant drainage issues. Active construction sites had no storm water management, no soil stabilization, and no erosion control. The sites appeared to have no best management practices in place. Rough grading showed signs of significant offsite impacts, slope failure, mud flowing down the street with no obvious attempt to mitigate impacts on adjoining, completed and occupied sites.

In one instance sheet flow from the street was directed onto a single-family home site. The development included a drainage basin which, after being overwhelmed due to being under-sized, was rebuilt but not up-sized to accommodate reasonable event flows. The City of Rochester should do a better job of requiring and enforcing Civil engineering plans, storm water management plans with drainage profiles and flow calculations, best management practices for construction sites, certified post-construction as-built drawings, and multi-year warranty periods.

In talking with various community members, drainage plans and landscape plans are reported to be less important during Site Plan Review. Routine applicants have learned they can “skimp” on these details. This may be an opportunity to utilize a “documents review” step in the process. Applicants are right to be reluctant to invest in technical plans during an entitlement stage of a project. And, the Planning Board's review time is probably not well spent reviewing drainage plans. These details are best left for Rochester's technical staff, post-approval in either a technical documents review or as part of the building permitting process.

The Site Plan Review processes would be more effective with better definition. A full Planning Board review is needed if a proposed use is “intensive.” This does not provide much certainty regarding a project's review trajectory. Projects that remain at an administrative review level can still be “called-up” by an individual member of the Planning Board and subjected to a full review. This can be for substantive reasons or because the project is interesting. Process ambiguity, while seemingly subtle, can manifest into an obstacle to downtown development – most of which will be intensive and/or interesting. Developers are sensitive to entitlement process risk and may shy away from downtown fearing a sticky process. *We recommend clearer process boundaries and greater reliance on Rochester's professional planning staff to make decisions.*

### Section 3.03 Downtown Projects Review

Multiple groups appear to have review authority over downtown development. When little development is occurring, this may not surface as an issue. When a big redevelopment comes in, however, a jumbled set of responsibilities can be problematic.

Individual review boards can have different positions, different approaches, different philosophies, and can find themselves at odds. This is a natural occurrence in all communities. If some review items of a project are with one board and other items are with another review board, an applicant can be in the impossible situation of trying to resolve the disparate philosophies of the two boards. Projects can end up “ping-ponging” between boards.

*We recommend the Historic Districts Commission (HDC) be granted the same set of authorities as the Planning Board for projects within the Downtown Commercial District. Some topics may require additional training for HDC members. But, allowing an applicant to deal with just one board avoids the ping-pong scenario and simplifies the project review conversation and speeds-up review process timing.*

### Section 3.04 Review Discretion

The review of downtown projects, especially large projects that redirect the trajectory of the downtown, can be a hand-wringing experience. There’s a higher feeling of ownership and responsibility for guiding downtown development as opposed to a project with a limited context.

There appears to be a high reliance on the word “appropriate” throughout the Site Plan review criteria. Granted, success for some planning topics is not easy to define and must be left as “we know when we see it.” But overuse of the “appropriate” criterion can leave an applicant with a “pin the tail on the donkey” feeling – a sense that nothing is concrete, nothing is reliable. This can be equally problematic for board members, many of whom are citizen volunteers with a passion for the community.

*We recommend the Site Plan Regulations be screened for this term “appropriate”, minimizing its use to situations where no better guidance can be provided. Providing a clear standard with “alternative compliance” options can be very effective.*



## Section 4.01 General

While the focus of this study is the zoning and process barriers to downtown development, there are multiple obstacles to downtown investment. Many of the conversations conducted for this report included commentary on these “non-regulatory” barriers. These barriers are just as much of a threat to aspirations for a downtown resurgence as a mis-guided zoning standard. This chapter attempts to relay these “non-regulatory” barriers for ongoing community discussion. While these are arguably outside of the scope of this zoning analysis, Rochester’s discussion of these barriers may be instrumental to the long-term trajectory of the downtown.

## Section 4.02 Focus on Downtown

Rochester has a lot going on, and lots of topics that remove attention from the downtown. Many people we spoke with noted the City Council’s desire to focus on downtown commercial health but also mentioned the multitude of other topics pulling at Council’s energy. Economic development efforts over the past several years have been focused elsewhere, not geared to downtown investment. The Rochester Fair property has consumed a lot of community airtime. The Riverwalk concept competes for attention. All these efforts are worthwhile ... and also reduce Council’s bandwidth.

*We recommend a group be officially tasked with improving the economic health of downtown and encouraging investment in downtown development and building rehabilitation.* This could be a combination of members from the HDC, the Planning Board, the Economic Development Commission as well as downtown business owners. Staff from the Planning and the Economic Development Departments should staff the effort, provide professional guidance, and maintain momentum. This committee could provide important “ownership” of downtown, continuity to the efforts, and a sounding board for business owners with concerns or ideas about improving downtown vitality.

*Rochester should also explore a redevelopment authority.* An entity with taxing powers and the ability to acquire and either directly develop or reposition properties for private investment can move the ball forward. Provision of market-rate workforce housing and viable commercial space downtown is a natural fit for a redevelopment authority. Low-interest and preferred financing, leveraging of “79e” opportunities, and partnerships with private developers are best suited for a redevelopment authority. This could also relieve City Council from functioning as real estate acquisition and disposition specialists.

## Section 4.03 Focus on Downtown

Many of Rochester’s grand buildings downtown are in significant disrepair. Talking with community members, we gather some property owners are “waiting it out” – purposely not investing in their asset as a means of saving money or as a means of eventually applying pressure to the City. This has apparently been happening for decades.

Adding insult is the sense that many of these building owners live outside the area, leaving some with the feeling that properties in Rochester are forgotten assets buried deep in remote balance sheet somewhere. Reasons and suspicions aside, Rochester does have an issue with neglected buildings. Eventually, buildings are in such a state of disrepair that the costs to upgrade the building outweigh the income the building could generate. This is a point of departure for a property owner and can lead to “walking away” from the building to avoid paying taxes. Buildings in this state, in many communities, experience a higher rate of arson.

*We recommend Rochester strengthen regulations and be more forceful regarding dilapidated buildings.* Get into the game, push back, stop making it easy to neglect downtown buildings. Allowing buildings to fall into this level of disrepair should not be allowed in any community. Decrepit buildings can draw-down an entire commercial district, lowering patron’s sense of safety, decreasing commercial activity, pushing down lease rates, damaging the image of the community. The detrimental effects of multiple dilapidated buildings in a downtown can be disastrous on an entire community’s economic enterprise.

Allowing occupancy in portions of a dilapidated building is a potential life/safety risk to the public. Instituting an annual inspection whereby an entire building must pass a building code inspection will prohibit a property owner from continuing to neglect the building. This may be perceived as an “aggressive move” and Rochester should be prepared for some “political heat” in taking this route. Revoking occupancy of a building due to upper floor or structural envelope issues could impact a business occupying the ground floor. The building’s owner shouldn’t be expected to be content with such a move and Rochester would be well advised to fully understand this pathway. Long-term, we believe increasing the pressure on building neglect is in the best interests of the community.

Rochester may also brace for a property owner simply “walking away” from a building. If the needed repairs are too impactful to the bottom line, too troublesome to withstand, combined with a revoked Certificate of Occu-

pancy and an inability to rent any portion of the building, a property may have a value less than the property taxes.

Rochester should also explore any and all property tax mechanisms that discourage buildings from sitting fallow. Downtown buildings should generate jobs, sponsor opportunity, multiply investment, and contribute to that hum and buzz of a vital commercial district. The economic multiplier of a successful commercial building should not be downplayed. Multiple successful mixed-use commercial buildings in a historic district can generate a wave of prosperity. Dormant, neglected buildings function as memorials, reminding all of the great vitality that used to be while providing the community with very little current benefit. Vacant buildings take more from the community than they contribute, and Rochester should account for this imbalance.

#### Section 4.04 Perception of Safety

The negative perception of safety downtown was a common theme in discussions with citizens. Several people noted downtown having a high level of vagrancy and suspected drug use. People noted a general feeling of anxiety about what they might see or experience when going downtown. By way of example, one business person we talked with likes eating at the Revolution restaurant. He goes there a few times a week. His wife, however, has never been to Revolution as she is anxious about going downtown.

Perceptions are very relative. Two people can have very different perceptions of the same experience. Perceptions are also very difficult to quantify and not reflected in police reports or official statistics.

These safety perceptions can have a profound effect on investment in a downtown. Successful developers have large “radar” and are inherently timid around any question of safety – even if they themselves don’t personally experience an issue. They will see this as hampering their ability to attract and retain bankable commercial tenants.

The commercial environment downtown is already weakened by peripheral commercial developments and internet retailing. So, the impacts of safety perceptions can be magnified for an already skittish investor. To the extent safety perceptions linger within the downtown, investment in downtown buildings will continue to be challenged.

Safety perceptions are less of a barrier for residential development downtown. The strong regional market assists a developer’s confidence in the product. The skew towards young, single professionals also helps in this scenario. Safety issues are much more impactful on family-oriented residential. A wait-list for units at One Wakefield is a confidence-building data point.

A few community members we interviewed suggested Rochester is taking on a larger at-risk community than it should – that other communities transport their at-risk community members to Rochester. The words “regional center” and “magnet” were used by a few during outreach sessions.

Safety issues and larger regional at-risk population issues are not the focus of this zoning analysis. However, investment in downtown buildings is affected by more than just zoning parameters. We recognize a need for Rochester to consider the “safety factor” that we heard

#### Section 4.05 Traffic Speeds

One of the first things we noticed about downtown is the traffic speeds. Many people we spoke with also noted traffic speeds as an issue downtown. The downtown “triangle” has a race course feel and is possibly a hidden barrier to downtown investment. Slower traffic can be a significant benefit to commercial establishments. Drivers are better able to look around, see in a store window, see people enjoying themselves at a coffee shop. Pedestrians also feel a little safer, crossing the street is easier, and traffic noise goes down dramatically.

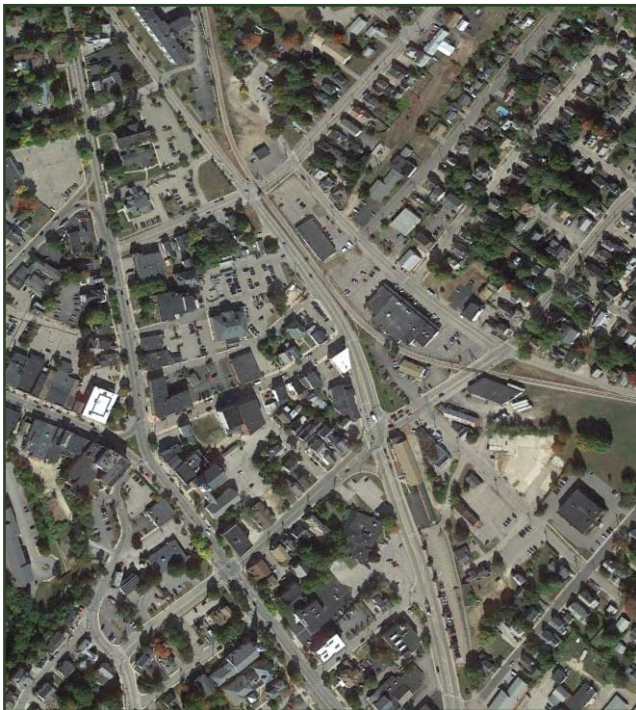
We understand Rochester is exploring traffic, parking, and wayfinding. *We suggest a lower “natural speed” downtown be a goal of this traffic and wayfinding effort.* The natural speed is the speed at which a driver feels safe considering physical surroundings – the narrowness of the drive lanes, the potential for a car door to open, someone to suddenly back out of a parking space. Lower speeds downtown will help the commercial atmosphere and we recommend pursuing traffic calming measures:

- Reverting back to two-way streets
- Creating areas of head-in parking
- Create pedestrian bulb-outs
- Bring back street trees and the tree canopy

## Section 4.06 Downtown Parking Management

Lack of parking or availability of parking was raised as a concern by several of the interviewees. Our cursory review of downtown indicates an adequate supply of parking. On-Street parking is free and appeared to be readily available. Parking in City-owned lots is also free and the lots were never at capacity.

A lack of parking during large events was reported. Scarcity of parking during a sold-out event at the Op-



*Aerial of surface parking downtown*

era House was mentioned several times. The availability of public parking does not appear as a barrier to downtown investment. There appears to be some ambiguity regarding access and wayfinding for public parking and little to no overall downtown parking strategy.

Enforcement of the “two-hour rule” is managed by one part-time employee. Special events with a known, ticketed number of attendees are not required to address parking. Our quick take suggests a parking supply problem does not exist, but that a parking management problem may. *We suggest Rochester explore parking management strategies to heighten accessibility to downtown and better deal with special events.*

## Section 4.07 City Project Process

The “clarity” and “transparency” of City land use decisions came up several times from several sources. People we spoke with reported a concern that decisions regarding important topics are made “in a back room.” We are cognizant that municipalities need to make tough decisions and how disappointment over the decision can be voiced as a “process problem.” If only the process were different, their idea would have prevailed.

However, if a tune-up is in order now is a perfect time. When interest in downtown picks-up, Rochester will routinely be in the position of deciding what to do with significant downtown parcels, buildings with legacy, and institutional followers holding strong opinions about the trajectory of downtown. Having a public that understands and trusts the process, knowing what steps are taken, when input is taken, what happens with the input, and feeling part of the decision making will be beneficial to all concerned.

Rochester is likely exempt and possibly prevented from applying as an applicant through it’s own review process. This does not prohibit Rochester from codifying a process and structure for public projects. We have worked in communities that have instituted such a system, and process animosity has subsided. Folks still may not agree with a decision, but believing the process was fair and measured creates a basis of informed consent, a helpful antiseptic for any civic discord.





# MONITORING REPORT

**Agency Name**

**Date:**

- 1) The Subrecipient Agreement has been signed by all parties.  Yes  No
- 2) Invoices as required in the Subrecipient Agreement are current.  Yes  No

Number of Invoices submitted to date:	Amount requested to date	Total disbursed to date	Balance

- 3) Current audit (   FY   ) received and copy forwarded to CDBG?  Yes  No

A review of the Subrecipient's Financial Management System is *required*. If the answer is yes to any of the following questions, an on-site program reviews should be conducted:

- 1) Have there been any changes in the key management positions at the non-profit?  Yes  No

If yes, please describe

- 2) Have there been any major changes in the organization? Major changes in programs? Location?  Yes  No

If yes, please describe

- 3) Are there any problems with the submission of statistics as required in the Subrecipient Agreement?  Yes  No

Comments

- 4) Is the agency behind in their progress towards the goals identified in the Statement of Work?  Yes  No

Program review monitoring is required on a bi-annual basis unless the answer to one of the above questions is yes. In that case, a program monitoring is required. However, if the answers to all of the above answers is no, only the financial management system monitoring is required on an annual basis.

The last **program** monitoring was conducted: \_\_\_\_\_.

Based on the above information, this year's monitoring will include:

- Financial Monitoring  Program Monitoring



**ROCHESTER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**ON SITE PROGRAM MONITORING**

**AGENCY NAME**

Monitored by:

Fiscal Year

Person(s) Interviewed

Position(s)

Date of Visit

**On Site: Service Review-Program Performance & Effectiveness**

- 1) Is the project providing full scope of services delineated in the Statement of Work?
  
- 2) Has agency/program expanded at all in past year?
  
- 3) Who is the intended client group?
  - a) Is this group receiving services?
  
- 4) Is the project serving the projected number of people? (Compare quarterly statistics with projections in their application.)

Goals Set	Achievements to Date

- 5) Do performance reports indicate any potential problems or changes in goals or targets?

- 6) Has the subrecipient marketed the service/program as agreed?  Yes  No
- 7) Subrecipient is using current HUD Income Limits dated: \_\_\_\_\_.
- 8) Does the agency periodically assess the effectiveness of the activities offered?  Yes  No

If yes, please describe:

Are activities modified as a result of these assessments?  Yes  No

If yes, please describe:

**Contract Compliance**

- 1) Are there any special CDBG contract conditions with which the agency must comply?  Yes  No

If yes, please describe: \_\_\_\_\_

- 2) Has any of the work done under this program been contracted out?  Yes  No
- 3) What are agency procurement procedures? (Documentation: written policies and procedures, purchase orders and petty cash receipts).

- a) Are price or rate quotations obtained from an adequate number of qualified sources?  Yes  No
- b) If over \$10,000, was item put out to bid?  Yes  No  N/A

**Client Files**

- 1) Is there a file system for Client Records?  Yes  No
- 2) Do individual client records contain the following information:
  - Address  Yes  No
  - Race/Ethnicity  Yes  No
  - Sex  Yes  No
  - Income\*  Yes  No

\* (circle/bold appropriate documentation): IRS 1040 form, signed statement from client, or documentation that indiv. participates in a program with stricter income guidelines
- 3) Is there a system for identifying "New" unduplicated clients as compared to duplicated clients?  Yes  No
- 4) Is someone assigned the responsibility of maintaining the Client Records?  Yes  No  
Please identify position:
- 5) How long are records retained for?

**ROCHESTER COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**ON SITE FINANCIAL MONITORING**

**AGENCY NAME**

Monitored by:

Fiscal Year

Person(s) Interviewed

Position(s)

Date of Visit

**Financial Management**

Obtain a copy of the:

Audit Trail Report (aka Job Ledger Report -should identify expenditures funded with CDBG)

See Attachment:

CDBG Trial Balance Report (should identify crediting of CDBG funds)

See Attachment:

FY 2012 Audit    See Attachment:     Management Letter    See Attachment:

A-133 Required if fed'l funds in excess of \$300,000 are expended.     A-133 Not Required

1)	Internal Controls	
a.	Title of person(s) who approves expenditures:	
b.	Title of person(s) who signs checks:	
c.	Title of person(s) responsible for bookkeeping/ general ledger transactions:	

2) Has the Subrecipient requested reimbursement for administration expenses e.g., utilities, office supplies, etc.?  
 Yes     No

**If no, skip to question 3.** If yes, review at least 2 purchases and complete the following:

a. Item: \_\_\_\_\_

File contains documentation that three firms were contacted.  Yes  No

File contains documentation that the request for information was uniform.  Yes  No

File contains either documentation that the item was purchased for the lowest cost or rationale for other selection.

Yes  No

b. Item: \_\_\_\_\_

File contains documentation that three firms were contacted.  Yes  No

File contains documentation that the request for information was uniform.  Yes  No

File contains either documentation that the item was purchased for the lowest cost or rationale for other selection.

Yes  No

3) Source Documentation of Expenses Paid.

Files should contain original records, invoices, vouchers and documents - select two items and trace through the system.

Payment

	<u>Quarter</u>	<u>Amount</u>	<u>Item</u>	<u>Approval to Pay</u>
a.				
b.				

Comments:

4) CDBG Funded Staff (based on application)

a. Names/Title:

b. Subrecipient staff is performing work as described in application and agreement.  Yes  No

c. Time records signed by employee and supervisor.  Yes  No

Comments:

5) Are direct salaries and wages of employees which are chargeable to more than one grant program or other revenue sources supported by records? Are time sheets kept by individuals working on CDBG projects as well as other projects?

Yes  No  NA

6) Does the project receive any program income?  Yes  No

7) Have audits been conducted of the project at least every two years?  Yes  No

8) If audits were conducted, were they conducted on an organization-wide basis?  Yes  No

9) Does the project have a method of assuring timely and appropriate resolution of audit findings? Please describe.

10) Did the subrecipient appropriately address any findings contained in the audit reports?

### Cost Allowability

1) Have any disallowable costs been incurred?

Entertainment  Yes  No

Cost related to political activities  Yes  No

Cost related to religious activities  Yes  No

Contributions/donations  Yes  No

Fines & Penalties  Yes  No

2) Are there any obvious instances of unnecessary or unreasonable expenditures?

Salaries  Yes  No

Administrative Services or Cost  Yes  No

Travel  Yes  No

Entertainment  Yes  No

3) Has the agency purchased any personal property with CDBG funds (over \$250)?  Yes  No

4) Does a review of the personnel roster of staff being paid from program resources reveal any obvious instances of personnel being paid for, but not working on, program activities?  Yes  No  N/A



October 13, 2015

**Head Start Centers:**

62A Whittier Street  
Dover 603-285-9460

120 Main Street  
Farmington 603-755-2883

55 Industrial Drive  
Milton 603-652-0990

150 Wakefield Street  
Rochester 603-285-9461

184 Maple Street Ext,  
Somersworth 603-817-5458

**Outreach Offices:**

61 Locust Street  
McConnell Center, Suite 240  
Dover 603-460-4237

527 Main Street  
Farmington 603-460-4313

**Administrative Office**

642 Central Avenue  
Dover, NH  
603-435-2500

**Mailing Address**

P.O. Box 160  
Dover NH 03821-0160

Julian L. Long, J.D.  
Community Development Coordinator/Grants Manager  
City of Rochester, New Hampshire

RE: HUD, City of Rochester's FY 2014-2015 CDBG program.  
Community Action Partnership of Strafford County (CAPSC)  
Weatherization Program

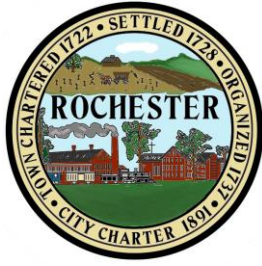
In the fall of 2014 CAPSC was faced with reduced funding for weatherization measures. CAPSC eliminated its crews and contracted directly with Tri-County CAP for weatherization services. Having a single source for completed work from a neighboring CAP produced dismal results from 10/01/14 forward. CAPSC initiated a "Request for Quotes" (RFQ) for energy audit and weatherization measures installation in April 15. While an onerous process taking over 5 months, we have successfully selected and contracted with 3 separate contractors and 2 heating contractors. Our contract with Tri-County has expired and will not be renewed. The heating contractors and our first weatherization contractor began work in August 15. The second weatherization contractor started in September 15. Our third will begin in January 16 after completing work for the Somersworth Housing Authority. We now enjoy a competitive and hungry installation force.

We recently completed our best 3rd quarter effort over the last 2 years. Having established a pipe line with each contractor to assign work as older work is completed is generating momentum with each of them. We expect the 4th quarter of 2015 to be better than the last. On 10/5/15, we hired an in-house energy auditor to complete follow up inspections and work on non-traditional residential homes. CAPSC is confident that we will exhaust all Rochester CDBG funds awarded to CAP well before June of 2016.

A handwritten signature in blue ink that reads "EA Andrews Parker". The signature is fluid and cursive.

Betsey Andrews Parker

Executive Director



*City of Rochester, New Hampshire*  
Office of Community & Economic Development  
31 Wakefield Street • Rochester, NH 03867  
Office location: 150 Wakefield Street  
(603) 335-7522  
[www.rochesternh.net](http://www.rochesternh.net)

September 12, 2016

Betsey Andrews Parker  
Executive Director  
Community Action Partnership of Strafford County  
P.O. Box 160  
Dover, NH 03821-0160

Dear Ms. Andrews Parker,

As Community Development Coordinator for the City of Rochester, I am writing to confirm the successful completion of the corrective action plan for Community Action Partnership of Strafford County's weatherization assistance program in FY 2015-2016. The main concerns regarding the program's performance pertained to timely expenditure of Community Development Block Grant funds and staff turnover. Significant improvement was seen over the course of FY 2015-2016, and therefore I am closing out the corrective action plan implemented.

Although formal corrective action is now ending, I will maintain regular contact with the weatherization assistance program staff to monitor any continuing or new issues that may arise, as well as to provide technical assistance as needed. I encourage you and your staff to freely contact me with any questions or concerns.

Thank you for your work to improve program performance and, of course, for everything you do for the residents of Rochester.

Sincerely,

Julian L. Long, J.D.  
Community Development Coordinator