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DEC 17 2025



October 28, 2025

Her Excellency, Governor Kelly A. Ayotte  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**Requested Action-Amend a Grant**

Authorize the Community Development Finance Authority (CDFA), under the Community Development Block Grant (CDBG) program, to enter into a no cost grant amendment with the Town of Hillsborough, (Vendor ID#177407) PO Box 7, Hillsborough, New Hampshire 03244 in the amount of \$500,000 to extend the completion date to December 31, 2026 from the original completion date of December 31, 2025. The original grant was approved by Governor and Council on May 15, 2024, item #56. This extension if granted will allow for completion of the Bridge Street Realty Trust Affordable Housing project situated at 8 Bridge Street, Hillsborough, New Hampshire, upon Governor and Council approval for the period effective through December 31, 2026. **100% federal funds.**

**Explanation**

The Town of Hillsborough has requested a time extension of its CDBG funds, on behalf of Bridge Street Realty Trust to support the Bridge Street Realty Trust Affordable Housing project located at 8 Bridge Street in Hillsborough, New Hampshire. The project was delayed due to the substantial cost increases between when the original estimates were completed when the project went out to bid. The project is working to secure other funding sources in order to cover the increase in total project cost. The project will support the rehabilitation of an unoccupied historic property at the center of Hillsborough Village into seven (7) affordable housing workforce rental units, including two two-bedroom units, two one-bedroom units and three efficiency units. 100% of the housing units will be reserved for households with income below 80% of the Area Median Income as determined by HUD, and rents will be restricted to the HUD Fair Market Rent (FMR) for the one and two-bedroom units and 60% of the HUD FMR for the efficiency units.

This Agreement allocates a portion of the Community Development Block Grant (CDBG) funds provided to New Hampshire by the U. S. Department of Housing and Urban Development (HUD). CDFA is administering this program as provided by RSA 162-L. The funds for this contract are from the Community Development Block Grant Fund, which is intended to help municipalities solve development problems.

CDFA has determined that the vendor is in good standing with the Secretary of State's Office, has secured the required levels of insurance, and has provided evidence of authority to execute and be bound by the contract.

Sincerely,

Katherine Easterly Martey  
Executive Director

KEM/ms

Attachments

**Town of Hillsborough – Bridge Street Realty Trust Affordable Housing - \$500,000 – (Housing)**

<b>Applicant</b>	Town of Hillsborough
<b>Subrecipient</b>	Bridge Street Realty Trust
<b>Project Name</b>	Bridge Street Realty Trust Affordable Housing
<b>Project Location</b>	8 Bridge Street, Hillsborough
<b>Request</b>	\$500,000
<b>LMI Beneficiaries</b>	7 Total / 7 LMI Units (100% LMI)
<b>HUD CDBG National Objective</b>	LMH- 14B Rehab: Multi Unit Residential
<b>NH State Category</b>	Housing

**Project Summary**

The Town of Hillsborough is requesting \$500,000 to be sub-granted to Bridge Street Realty Trust to rehabilitate an unoccupied historic property at the center of Hillsborough Village into seven (7) affordable workforce rental housing units, including two (2) two-bedroom units, two (2) one-bedroom units and three (3) efficiency units. All units (100%) will be reserved for households with incomes below 80% of the Area Median Income as determined by HUD, and rents will be restricted to HUD Fair Market Rent (FMR) for the one and two-bedroom units and 60% of HUD FMR for the efficiency units. In addition to the affordable rental units, the developer will also revitalize a commercial space on the street level with non-CDBG funds.

The demand for affordable housing units like these is reinforced by data from New Hampshire Housing (NHH). The NHH 2022 Residential Rental Cost Survey reported an overall rental vacancy rate of 0.5% — far too low to support a functional market. This means that if 10% of the state’s lower-income renters wanted to move—about 7,400 renters—they would have about 350 units from which to choose without overpaying. These renters would have about a 5% chance of finding an affordable vacant unit. In addition, many of these affordable units are also occupied by higher-income renters who “rent down” because higher end rental units and homes to buy are also in short supply.

The Bridge Street Realty Trust Affordable Housing Project has the potential to help address a niche that is not addressed by Low Income Housing Tax Credit projects that are larger in scale and mostly serve even lower income households than this project will serve. In addition, the project will help revitalize an unoccupied eyesore at the crossroads in the center of Hillsborough Village and potentially spur additional revitalization of an abutting abandoned historic structure with residential and commercial units.

Total project costs to rehab the structure are estimated to be \$578,379 with \$500,000 from CDBG and the balance from the developer which will mostly be invested in the rehab of the commercial portion of the structure. Without CDBG funds, it is unlikely that these units could be developed and be affordable to households with less than 80% of AMI. A 21-year performance lien will be placed on the property to ensure long-term affordability.

**Sources & Uses**

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Sources	CDBG	Developer	
<b>Uses</b>			<b>Total Uses \$</b>
Acquisition			
Site Improvements			
Architectural/ Engineering		<b>\$10,000</b>	<b>\$10,000</b>
Residential Rehabilitation	<b>\$475,000</b>	<b>\$3,379</b>	<b>\$478,379</b>
Environmental Review		<b>\$5,000</b>	<b>\$5,000</b>
Legal Fees	<b>\$500</b>		<b>\$500</b>
Audit Costs	<b>\$1,000</b>		<b>\$1,000</b>
CDBG Admin Costs	<b>\$23,500</b>		<b>\$23,500</b>
Reserves		<b>\$60,000</b>	<b>\$60,000</b>
<b>Committed Total</b>			
<b>Pending Total</b>	<b>\$500,000</b>	<b>\$78,379</b>	<b>\$578,379</b>
<b>Grand Total</b>	<b>\$500,000</b>	<b>\$78,379</b>	<b>\$578,379</b>

**Administrative  
Costs**

Application Writing	\$4,000
Grant Administrator	\$19,500

**Summary**

- The project scored **122 points**;
- The project will add 7 units of desperately needed affordable housing, as well as commercial space;
- The project revitalize a historic building and promote an existing neighborhood in downtown Hillsborough; and
- The project meets a CDBG National Objective by providing a direct benefit to Low- and Moderate-Income persons.

**AMENDMENT #1**  
23-123-CDHS-2

This Agreement (hereinafter called the "Amendment") dated this 5<sup>th</sup> day of NOV., 2025 by and between the State of New Hampshire acting by and through the Community Development Finance Authority (CDFA) (hereinafter referred to as "Grantor") and the Town of Hillsborough (Vendor ID 177407) (hereinafter referred to as the "Contractor").

WHEREAS, pursuant to an initial agreement (hereinafter called the "Agreement") which was first entered into upon Governor and Council approval on May 15, 2024, agenda item #56, the Contractor agreed to perform certain services upon the terms and conditions specified in the Agreement and in consideration of payments by Grantor of certain sums specified therein, and;

WHEREAS, pursuant to paragraph 20 of the General Provisions of the Agreement, the contract may be amended, waived or discharged by written instrument executed by the parties hereto and approved by the Governor and Council, and;

WHEREAS, CDFA has received a written request from the Contractor to amend the Agreement.

NOW THEREFORE, in consideration of the foregoing and the covenants and conditions contained in the Agreement as set forth herein, the Contractor and CDFA hereby agree to amend the Agreement as follows:

1. Amendment of Agreement

A. To amend Section 1.7 of the General Provisions by extending the completion date from December 31, 2025, to December 31, 2026.

2. Effective Date of Amendment

This Amendment shall be effective upon its approval by the Governor and Council of the State of New Hampshire. If such approval is withheld, this document shall become null and void, with no further obligation or recourse to either party.

3. Continuance of Agreement

Except as specifically amended and modified by the terms and conditions of this Amendment, the Agreement and the obligations of the parties thereunder shall remain in full force and effect in accordance with the terms and conditions as set forth therein.

IN WITNESS WHEREOF, the parties have hereunto set their hands:

CONTRACTOR:

Town of Hillsborough

By: James C. Bailey  
James C. Bailey,  
Acting Chairman, Board of Selectmen

GRANTOR:

State of New Hampshire acting through the  
Community Development Finance Authority

By: Katherine Easterly Martey  
Katherine Easterly Martey  
Executive Director

NOTARY STATEMENT - FOR GRANTEE CONTRACTOR SIGNATURE ONLY:

On this the 5<sup>th</sup> day of November, 2025 there appeared before me the undersigned officer personally appeared James C. Bailey, who acknowledged himself as acting Chairman, Board of Selectman of the Town of Hillsborough and that such officer, authorized to do so, executed the foregoing instrument for the purposes herein contained, by signing himself in the name of the municipality.

In witness whereof I hereunto set my hand and official seal (provide seal, stamped name and expiration date)

By: Demsey DeForest  
Notary Public  
My Commission Expires: 11/29/2028

APPROVAL BY NEW HAMPSHIRE ATTORNEY GENERAL AS TO FORM, SUBSTANCE AND EXECUTION:

By: Christopher Bond, Assistant Attorney General, on 11/10/25

APPROVAL BY THE NEW HAMPSHIRE GOVERNOR AND COUNCIL:

By: \_\_\_\_\_, on \_\_\_\_\_

**CERTIFICATE**  
**23-123-CDHS-2**

I, Deborah McDonald Town Clerk of Hillsborough, New Hampshire do hereby certify that: (1) at the public hearing held on July 26, 2023, the Board of Selectmen voted to submit an application for Community Development Block Grant funds and if awarded; (2) enter into a contract with the Community Development Finance Authority and further authorize the Chair, Board of Selectmen to execute any documents which may be necessary to effectuate this contract or any amendments thereto; (3) I further certify that this authorization has not been revoked, annulled or amended in any manner whatsoever, and remains in full force and effect as of the date hereof; and (4) the following person has been appointed to and now occupies the office indicated under item (2) above:

James C. Bailey, Acting Chairman, Board of Selectmen

Deborah J. McDonald  
By: \_\_\_\_\_, Town Clerk

STATE OF NEW HAMPSHIRE  
COUNTY OF Hillsborough, SS.

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of November, 2025 by the above-named Deborah McDonald, Town Clerk of the Town of Hillsborough, New Hampshire.

Denise J. DeForest (Seal)  
Notary Public  
My commission expires: 11/29/2028



## CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex<sup>3</sup> is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex<sup>3</sup> is entitled to the categories of coverage set forth below. In addition, Primex<sup>3</sup> may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex<sup>3</sup>, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex<sup>3</sup> Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex<sup>3</sup>. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

<b>Participating Member:</b> Town of Hillsborough PO Box 7 Hillsborough, NH 03244	<b>Member Number:</b> 200	<b>Company Affording Coverage:</b> NH Public Risk Management Exchange - Primex <sup>3</sup> PO Box 23 Hooksett, NH 03106-9716
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Type of Coverage		Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/>	<b>General Liability (Occurrence Form)</b> <b>Professional Liability (describe)</b> <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	1/1/2025	1/1/2026	Each Occurrence	\$ 1,000,000
				General Aggregate	\$ 2,000,000
				Fire Damage (Any one fire)	
				Med Exp (Any one person)	
	<b>Automobile Liability</b> Deductible    Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
				Aggregate	
	<b>Workers' Compensation &amp; Employers' Liability</b>			Statutory	
				Each Accident	
				Disease – Each Employee	
				Disease – Policy Limit	
	<b>Property (Special Risk includes Fire and Theft)</b>			Blanket Limit, Replacement Cost (unless otherwise stated)	

**Description:** In regard to the grant agreement. The certificate holder is named as Additional Covered Party, but only to the extent liability is based on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered. The Participating Member will advise of cancellation no less than 15 days prior to cancellation.

<b>CERTIFICATE HOLDER:</b>	<input checked="" type="checkbox"/>	Additional Covered Party	<b>Loss Payee</b>	Primex <sup>3</sup> – NH Public Risk Management Exchange
Community Development Finance Authority 14 Dixon Ave Concord, New Hampshire 03301				<b>By:</b> <i>Mary Beth Purcell</i>
				<b>Date:</b> 12/26/2024    mpurcell@nhprimex.org
				Please direct inquires to: <b>Primex<sup>3</sup> Risk Management Services</b> 603-225-2841 phone 603-228-3833 fax



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Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply, If Not	
<input type="checkbox"/> <b>General Liability (Occurrence Form)</b> <input type="checkbox"/> <b>Professional Liability (describe)</b> <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence			Each Occurrence	
			General Aggregate	
			Fire Damage (Any one fire)	
			Med Exp (Any one person)	
<input type="checkbox"/> <b>Automobile Liability</b> Deductible    Comp and Coll: <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	
			Aggregate	
<input checked="" type="checkbox"/> <b>Workers' Compensation &amp; Employers' Liability</b>	1/1/2025	1/1/2026	<input checked="" type="checkbox"/> Statutory	
			Each Accident	\$2,000,000
			Disease – Each Employee	\$2,000,000
			Disease – Policy Limit	
<input type="checkbox"/> <b>Property (Special Risk includes Fire and Theft)</b>			Blanket Limit, Replacement Cost (unless otherwise stated)	
<b>Description:</b> Proof of Primex Member coverage only.				

<b>CERTIFICATE HOLDER:</b>	<b>Additional Covered Party</b>	<b>Loss Payee</b>	<b>Primex<sup>3</sup> – NH Public Risk Management Exchange</b>
CDFA 14 Dixon Ave, Suite 102 Concord, NH 03301			By: <i>Mary Beth Purcell</i>
			Date: 12/26/2024    mpurcell@nhprimex.org
			Please direct inquires to: <b>Primex<sup>3</sup> Claims/Coverage Services</b> 603-225-2841 phone 603-228-3833 fax