



## **Predevelopment Loan and Feasibility Grant FAQ**

### **When should I seek a Feasibility Grant?**

Early in the evolution of a project. The Feasibility Grant is designed to help project proponents with very early stages of planning, including market analysis, preliminary architectural design, income surveys of potential project clients or beneficiaries, business planning, and other assessments of project viability. And, if an applicant can show that a majority of the people (51%) helped by the project have low or moderate incomes (LMI), then that project may be eligible to apply for Federal funding.

### **When should I seek a Predevelopment Loan?**

Think of the Predevelopment Loan Program as providing 'bridge funding' to get you from concept to final project implementation. A Predevelopment Loan is ideal for a project that has a portion of final project funding or financing secured. Loan funds can be used for final permitting, final architectural design and construction plans, site planning, and other project development. Up to \$15,000 of a predevelopment loan can be used for early feasibility analysis and business planning—provided that there is a good chance that the project will move forward.

### **Can I use BOTH the Feasibility Grant and Predevelopment Loan Programs for the same project?**

YES. You may want to apply for a feasibility grant first in order to explore whether a project is viable. A Predevelopment Loan might come later, after your project is more clearly defined and likely to move forward.

### **Do I need to show a benefit to low- and moderate-income (LMI) people to be eligible?**

YES for Feasibility Grants. NO for Predevelopment Loans. The Feasibility Grant program uses federal Community Development Block Grant funds, which require that at least 51% of the potential project beneficiaries are LMI. The Predevelopment Loan Program does NOT have an LMI requirement.

### **What if we are awarded a Feasibility Grant and we determine that a project will NOT go forward?**

If grant-funded analysis shows that a project is NOT viable or feasible, the final report to CDFA should include that determination and rationale. Another result may be identification of additional planning or other steps needed before a project might become viable at a later date.

### **What if we are awarded a Predevelopment Loan and we determine that a project will NOT go forward?**

Borrowers are responsible for paying back the loan amount with interest. If not all loan funds are expended, the borrower can repay the funds that were disbursed and 'release' the undisbursed funds. Interest only accrues on disbursed funds.

### **Will CDFA foreclose on an organization that does not repay predevelopment loan funds?**

CDFA will work with the borrower to set up a reasonable repayment plan and may use committed collateral to secure repayment. CDFA may, at its sole discretion, relieve the borrower of its obligation to repay all or a portion of outstanding principal or interest owed on a predevelopment loan.

**How much funding can I apply for?**

Up to \$12,000 for Feasibility Grants and up to \$100,000 for Predevelopment Loans.

**Is there a matching funds requirement for either program?**

There is no match requirement for either program. If you are able to provide matching funds for your project from other funding sources, your proposal will achieve a higher score and a greater likelihood of receiving funds from CDFA.

**Who can apply?**

For the Feasibility Grants, eligible applicants include all 10 New Hampshire counties and all municipalities EXCEPT the entitlement communities (Manchester, Nashua, Portsmouth, Dover and Rochester). For the Predevelopment Loan Program, eligible applicants include New Hampshire counties, municipalities, cooperatives, regional development corporations, and nonprofit organizations.

**What are the application deadlines?**

For Feasibility Grants, deadlines are the last working day in April and last working day in October. There is no deadline for Predevelopment Loan applications, which can be submitted at any time.

**Do I need to meet with CDFA staff before I apply?**

Yes, a pre-application meeting is required for both programs. Pre-application consultation will help you hone your project application and can help increase the likelihood of your project being approved and receiving support from CDFA.

**How do I apply?**

Consult the respective program guide on CDFA's web site – [www.nhcdfa.org](http://www.nhcdfa.org) (“CDBG” for Feasibility Grants or “Predevelopment Loan Program”). Contact the appropriate CDFA staff person to discuss your project idea. For Feasibility Grants: Meena Gyawali, [mgyawali@nhcdfa.org](mailto:mgyawali@nhcdfa.org). For Predevelopment loans: Kevin Peterson, [kp@nhcdfa.org](mailto:kp@nhcdfa.org).