



NHCDFA Tax Credits

L5 Capacity Program

FY18 Guidelines

CDFA delivers financial and technical resources to support the growth of vibrant communities throughout New Hampshire. With an innovative and collaborative approach to financing, CDFA is focused on meeting the evolving community and economic development needs of New Hampshire's municipalities, businesses and nonprofit organizations.

CDFA Objectives for the Capacity Investment are to:

- Directly impact local communities with an innovative and collaborative approach to development finance.
- Enable partners to make transformational and sustainable changes to New Hampshire communities.
- Meet the evolving development needs of New Hampshire communities.

Program Objectives

CDFA programs build on the capability of our partners who are solving community development challenges and have the organizational ability to administer deployed programs and funds. It is important that CDFA works to enable those partners to bring solutions to the needs of New Hampshire communities.

The L5 program seeks to enable CDFA partner organizations to deepen their mission through the strengthening of their organizational infrastructure or development of new or enhanced programs. The resources will further enable partner organizations to deliver increased value and meaning to the communities they serve.

Specifically, the program focuses on the following two areas which are evidence based capacity building strategies developed by the TCC Group. Applicants should pick one:

1. **Investments that strengthen the internal organization's** ability to expand its mission through the utilization of one of the following proven capacity building tools:
 - **Leadership capacity:** the ability of all organizational leaders to create and sustain the organizations vision. This includes the capacity of leaders to prioritize, make

decisions, innovate, and provide appropriate direction to achieve an organization's mission.

- **Adaptive capacity:** the ability of an organization to monitor, assess and respond to changes in the internal and external environment.
- **Management capacity:** the ability of an organization to ensure the effective and efficient use of its diverse organizational resources.
- **Technical capacity:** the ability of an organization to implement its key organizational and programmatic functions through available technologies, tools and staff skills.
- **Organizational cultural capacity:** the values, assumptions, and behavioral norms that guide how an organization carries out its work. OR,

2. Investments that strengthen the organization's financial sustainability by enabling the study of, or development of a new area of social investment or enhancing an existing area.

Source of funds

CDFA Tax Credits program will set aside a minimum of \$375,000 per year in available credits. Awards will be based upon the goals, measurable objectives, activities, and evaluation components of the proposal and organizational need.

Eligible funding per applicant: \$10,000 - \$75,000

Timeline

Application Timeline

- | | |
|---------------------------------|------------------------|
| • Applications available on GMS | March 10, 2017 |
| • Application due | April 10, 2017 at 4 pm |
| • Award decision | June 13, 2017 |
| • Tax credit 101 | June 27, 2017 |

Eligibility Guidelines and Requirements

Recipients

Community Development Corporations, municipalities, other nonprofit organizations involved in community development, and employee and other types of cooperatives and persons forming such organizations (definitions can be found at RSA 162-L:1). Regional Development Corporations (RDC's) may apply under L5 or the RDC Economic Development Capacity Program, but not both.

Acceptable Uses of Funds

Investments that strengthen the internal organization in one of the following categories:

- Leadership and management capacity, for example:
 - Creation of an organizational development plan
 - Plan for engaging external stakeholders
 - Development of an internal decision making structure
 - Plan for improving the effective relationship between the Board and Staff
- Adaptive capacity, for example:
 - Develop a data collection plan to evaluate and assess current programs
 - Create a plan for how programs and or grant making will be most responsive to need
 - Hire innovative or topical expert to test potential new strategies
 - Develop and implement a pilot program to explore a new line of business or a way to meet an identified need
- Technical capacity, for example:
 - Economic development or community development training certificates
 - Staff and or management training that lead to the advancement of a particular strategy
 - Accounting or legal services that lead to the advancement of a particular strategy
- Organizational cultural capacity, for example:
 - Staff and Board recruitment strategy
 - Plan for improving transparency, collaboration sustainability and learning

Investments that strengthen the organization's financial sustainability by enabling the study of, or development of a new area of social investment or enhancing an existing area, for example:

- Complete market research or community research
- Create a business plan or review and advise on an existing business plan
- Organizational plan to grow the new line of business
- Fundraising and resource plan to realize the new or enhanced line of business

Eligible costs include costs incurred for such planning, feasibility or other studies, consultants, technical assistance, or educational or publicity programs.

How proposals will be reviewed

CDFA will review proposals for L5 funds based upon need, effectiveness and the activity. The application will be reviewed on its proposed effectiveness in encouraging the development of strong and successful organizations. CDFA will also review the applicant's likelihood of attaining capital for the development of the operating area and the extent to which the grant will encourage the exchange of information among community development organizations and cooperatives.

CDFA welcomes proposals that will result in revenue that can be used to improve the long-term sustainability of the organization.

Applications will be reviewed by a CDFA Committee and that committee will make recommendations to the CDFA Board of Directors, who will make all final decisions.

Network Engagement

Recipients may be asked to meet with CDFA senior staff to discuss project and help to create a library of best practices.

Reporting Requirements

Recipients will be required to report on the outcomes of the investment.

Conditions of Default

CDFA will take into account the status of existing agreements between the applicant and CDFA. Existing conditions of default of any agreements may, at the sole discretion of CDFA, automatically eliminate the applicant from consideration.

Other Conditions

Recipients receive access to the funds received by CDFA once 50% of the allocation is pledged.

Successful applicants will be required to execute a grant agreement with CDFA. Certain additional information may be required to satisfy CDFA that applicant is eligible under RSA 162-L.

Application

All applications will be completed and submitted on the CDFA Grants Management System (www.nhcdfragrants.org). Attached to this document are instructions on how to register with the CDFA Grants Management System. The following application outline is intended to provide you the information of what will be required on the GMS application.

Applicant Information

- Organization name, address, etc.

Project Information

- Project title
- What type of activity will L5 funds be utilized for? (162 L:5:I)
 - Investments that strengthen the internal organization, if so in which of the following categories:
 - Leadership capacity
 - Adaptive capacity
 - Management capacity
 - Technical capacity
 - Organizational cultural capacity
 - OR, Exploring or develop a new or enhancing an existing area of business.

A completed application requires the following attachments:

- List of Board of Directors
- Articles of Incorporation
- By-laws
- Organizational Chart
- IRS tax determination letter
- Most recent audit report
- Most recent financial statement
- Current organizational budget

Narrative Requirements:

- Summarize your organization's current challenges and opportunities, this should be the context for the proposal.
- Provide a narrative that describes the proposal, include details about how the proposal materialized, the operational/functional details, and a summary of project costs.
- Will this proposal result in your organization's ability to access additional public or private resources? If so, describe.
- How will this one time infusion of resources allow your organization to expand and deepen its mission to provide public benefit?
- Describe the long term value of this proposal to your organization's community.

Consider what existing community systems will be impacted by this proposal and the types of reciprocal relationships it will facilitate or enhance.

- Describe the fundraising plan if tax credits are awarded. Attach commitment letters to purchase the tax credits if available.
- How will you know if this proposal is successful, what will look different if the proposal works as planned?

Budget:

- Provide a budget with line items for the use of the L5 tax credit capacity funding.

The submission deadline for applications is **April 10th 2017 - 4:00 p.m.** Applications must be submitted on GMS by this date and time.

If you have questions please direct them to George Hunton, Director of Tax Credits at ghunton@nhcdfa.org