



CDFA

COMMUNITY DEVELOPMENT FINANCE AUTHORITY

TAX CREDIT

APPLICATION AND PROGRAM GUIDE

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COMMUNITY DEVELOPMENT FINANCE AUTHORITY

The Community Development Finance Authority (CDFA) is a statewide nonprofit public authority focused on maximizing the value and impact of community development, economic development and clean energy initiatives throughout New Hampshire. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan and equity programs.

CDFA'S VISION & MISSION

CDFA envisions New Hampshire's future with economically and socially resilient communities that reflect and respect their natural surroundings and represent places where people want to live and work. In working towards this vision, CDFA invests in the people of New Hampshire by:

- Enabling its partners to make transformational and sustainable changes;
- Meeting the evolving needs of New Hampshire communities;
- Deploying a well-tuned, effective investment system which directly impacts local communities; and
- Taking an innovative and collaborative approach to development finance.

PROGRAM OVERVIEW

CDFA's Tax Credit Program is a competitive community and economic development investment program. The program awards approximately \$5 million in tax credits annually to eligible nonprofits engaged in community economic development initiatives that show a high degree of community support, build partnerships and leverage other resources. The program is a proven example of how to achieve local priorities by leveraging public-private partnerships.

Grants made to eligible projects are in the form of tax equity and serve as a powerful fundraising tool. Businesses with New Hampshire tax liability support awarded projects by purchasing the credits resulting in the nonprofit receiving a donation and the company receiving a 75 percent New Hampshire state tax credit against that contribution. The credit can be applied against the Business Profits Tax, Business Enterprise Tax or Insurance Premium Tax. The donation may also be eligible for treatment as a state and federal charitable contribution.

CDFA's founding legislation and authority to administer the Tax Credit Program is [New Hampshire RSA 162-L](#).

PROGRAM OBJECTIVES

In accordance with New Hampshire RSA 162 L:4, CDFA's tax credit funds are allocated to specific projects or programs that are of public benefit, for a public purpose and can reasonably be expected to address one or more of the following objectives:

- Contribute to the development or redevelopment and economic well-being of target areas or target populations;
- Contribute to the economic development of the state;
- Increase or maintain threatened primary employment;
- Provide affordable housing opportunities to low- and moderate-income people.

New Hampshire RSA 162-L:1 definitions relevant to these objectives are as follows.

- **Project** means any commercial, industrial or real estate business or other economic activity designed to create or preserve primary employment for low-income people or to reduce conditions of blight, economic depression or widespread reliance on public assistance in a target area or of a target population.
- **Primary Employment** means work which pays at least 1.5 times the minimum wage as established by RSA 279:21 or under federal law, whichever is greater, which offers adequate fringe benefits, including health insurance, and which is not seasonal or part-time.

ELIGIBILITY

Eligible applicants include community development corporations, other nonprofit organizations involved in community development, and employee and other types of cooperatives.

New Hampshire RSA 162-L:1, definitions for eligible applicants are as follows.

- **Community development corporation** means a nonprofit corporation, organized under the laws of the state to carry out certain public purposes and with bylaws providing that:
 - a) The corporation shall be organized to operate within specific geographic boundaries.
 - b) Membership in the corporation shall be open to all residents of the target area who are 18 years of age or older; membership may be open to persons outside the target area, but voting membership of persons not residing in the target area shall be limited to 10 percent of the total membership.
 - c) The corporation shall have a board of directors, a majority of whom reside in a target area or are members of a target population, 2/3 of whom are elected by the membership, with each member having an equal vote.
 - d) The corporation shall make a demonstrable effort to hire low income or underemployed residents of the operating area.
 - e) The corporation shall impose an annual individual membership fee of not less than \$1 nor more than \$10.
- **Other nonprofit organizations and municipal governments involved in community development** means a nonprofit organization organized under the laws of the state or municipal government to carry out purposes related to community development, improvement, revitalization, or other activities consistent with the purposes of this chapter.
- **Employee cooperative** means a corporation in which the power to elect at least 2/3 of the corporation's directors is held by the employees and in which such elections are held on a one person-one vote basis.
- **Other type of cooperative** means any corporation in which the power to elect the governing body is held by the members of the corporation and in which elections are held on a one person-one vote basis. This may include cooperatives such as housing cooperatives and consumer cooperatives.

PROGRAM GUIDELINES

All Tax Credit Program applicants are subjected to a substantial programmatic and financial review. Among other requirements, projects must provide a public benefit and demonstrate that similar funding was not otherwise available. A project is considered based on its own merits and as it compares to the other applicants in the same grant round.

CDFA may invest in or lend to any community development corporation, other nonprofit organizations involved in community development, or employee or other type of cooperative for projects that meet the following conditions:

- The project must be interpreted by the CDFA Investment Review Committee (IRC) to be within the scope of CDFA's defining legislation (RSA 162-L) and as outlined in the above defined Program Objectives.
- The project must be of a public purpose and for a public benefit within the scope of RSA 162-L. Such benefits shall be quantifiable and must be presented to CDFA at time of application in a form described in the application.

- Private sources shall not have provided sufficient capital required for the project or sufficient primary employment opportunities in the project's area.
- CDFA shall determine that its participation is necessary to the successful completion of the proposed project and adequate funding is determined to be unavailable in traditional capital markets.
- Organizations awarded funding shall guarantee long-term conformance to RSA 162-L (with regard to community and targeted population benefit), and must allow for certain CDFA-imposed legal mechanisms such as deed restrictions, equity limitation formulas, land leases, etc.
- The project must provide evidence that it has a reasonable chance to succeed — funding commitments, public support, organizational capacity, and sufficient capital for sustained operations.
- The project must conform to all applicable environmental, zoning, building, planning, or sanitation laws.

While not expressly disallowed, applications for the following activities may not be given priority:

- Operating expenses.
- Deficit-reduction or expenses already incurred.
- Requests that are typically the responsibility of federal, state, or municipal funding sources;
- Replacement of typical revenue sources (contributions, grants or earned income, etc.).
- Capital campaign activities not explicitly tied to a specific project or program.
- Applicants with an active CDFA tax credit project.
- Requests for a large sum of funds compared to other projects in the same round and/or available tax credit resources.
- Projects whose primary beneficiaries are not New Hampshire residents/individuals and/or whose primary activities are not located in or benefit New Hampshire communities.

CDFA will apply the following principles when considering tax credit applications from eligible non-profit faith-based organizations:

- Project activities must be related to community development, improvement, revitalization or other activities consistent with the purposes of RSA 162-L.
- Recipients may not discriminate against a project beneficiary on the basis of religion or religious belief.
- Funds may not be used for explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization). Such activities may be offered outside of activities that are supported with CDFA resources.
- Participation in any explicitly religious activities must be voluntary.

HOW TO APPLY

All applications must be completed and submitted on CDFA'S Grants Management System (www.nhcdfragrants.org). The application requires details on the specific project, to what extent it aligns with the objectives outlined New Hampshire RSA 162-L, and information that will help determine the applicants capacity to complete a successful project. All applicants will be subjected to substantial programmatic and financial review.

An outline of CDFA's Tax Credit Program application can be found in Appendix A of this document. Information on using CDFA's Grants Management System can be found in Appendices B and C of this document.

KEY DATES

Applicants should note the following dates and deadlines as they relate to the 2018 Tax Credit Round.

Application Workshops

CDFA conducts application writing workshops for organizations interested in applying for or learning more about its Tax Credit and L5 Capacity Building Programs. 2018 Tax Credit Round workshops will be held at the following dates and locations:

- January 17, 2018 – The Palace Theatre – Manchester, NH
- January 24, 2018 – The Common Man Restaurant – Plymouth, NH

Online Application Available

Applications will be available on CDFA's Grants Management System (GMS) beginning January 26, 2018.

Application Deadline

Applications for the 2018 Tax Credit Round are due Friday, March 9, 2018 by 4:00 PM. Late submissions and incomplete applications will not be accepted.

Award Announcement

CDFA will notify tax credit applicants the week of June 11, 2018 regarding funding decisions.

All award recipients are invited to attend a press conference announcing the funded projects the following week (specific date to be announced). All information related to Tax Credit awards is under embargo until after the press conference.

Tax Credit 101 Workshop

Tax Credit award recipients are required to attend the Tax Credit 101 Workshop on Tuesday, June 26, 2018. The workshop will inform awardees about program logistics, resources, as well as helpful information for crafting a successful tax credit fundraising campaign.

PROGRAM ADMINISTRATION

Reporting Requirements

Tax credit award 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 be at the sole discretion of CDFA to automatically eliminate the applicant from consideration.

Contract Requirements

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.

APPENDIX A: APPLICATION OUTLINE

Below you will find an outline of the application for the 2018 Tax Credit Round for state fiscal year 2019 and 2020 tax credits. Applications must be submitted by 4:00 PM on Friday, March 9, 2018, through our online Grants Management System ('GMS')(www.nhcdfragrants.org). Hard copy or emailed applications will not be accepted.

I. Applicant Information

- **Primary Contact**
- **Authorized Official/Authorized Official email**
- **Organization Information**
- **DUNS#/Executive Council District/CCR#**

II. Statutory Eligibility

- **Choose Your Eligible Applicant Type (select ONE)**
 - Community development corporation
 - Nonprofit organization involved in community development
 - Municipal government
 - Employee cooperative
 - Other type of cooperative
- **Applicant Information**

Please briefly describe the mission of your organization, its structure type, and governance.
- **Project Type**
 - Housing
 - Community/Economic Development
 - Both
- **Eligibility Threshold Attachments**
 - Articles of Incorporation
 - By Laws
 - IRS Determination Letter
 - Proof of Good Standing – New Hampshire Secretary of State

III. Tax Credit Request

The CDFA Tax Credit program allocates approximately \$5 million worth of tax credits to community development projects through a competitive award process. Projects receiving an award must seek donors with certain tax liability for the awarded credits.

Enter the amount of tax credit funds your project will need to be successful. The application will calculate the amount of tax credit donations you will need to raise.

Please note: CDFA cannot guarantee tax credit awards in the year(s) you have requested. CDFA reserves the right to award tax credit funding as a grant, loan, equity, or a combination thereof.

- **Year 1 Requested Allocation**
- **Year 2 Requested Allocation**
- **Total Project Cost**

IV. Project and Readiness Information

- **Project Name**

- **Project Address**

- **Executive Summary**

Briefly describe your proposed project.

- **Property Description**

If this project involves the acquisition, construction, or renovation of real estate, provide detailed information on the property. Describe the property, its ownership structure, and the status of site control.

Please describe the historic significance of your project property if applicable. Is it listed on the National and/or State Register of Historic Places? Is it located in a local historic district?

List any mortgages or deed restrictions that are on the property. Is there anything that would prevent CDFA from putting a use-restricting mortgage lien on the property?

Please upload a recent property appraisal, planning and zoning approvals and an asset management plan (projection of future capital improvements) if applicable in the "Project Information and Community Benefit Attachments" component of the application.

- **Performance Security**

CDFA places a 10-year performance lien on any property purchased, developed or renovated with tax credit funds. Please indicate the type of performance security you will provide if you are awarded CDFA Tax Credits. CDFA reserves the right to reject any offer it determines insufficient to ensure performance security.

- **Project Timeline and Readiness**

When will the project begin? When will it be complete?

If your proposal includes construction, discuss status of architectural and engineering plans and cost estimates.

What permits, approvals, agreements, or other requirements are necessary to complete the project? Have they been secured? If not describe your strategy and timeline for securing them.

V. Public Benefit and Purpose

- **Community Development Challenge**

Describe the relevant community development challenge (including local and specific data if available), how the project will address that challenge and its long-term value to the community. How is your approach unique and/or innovative?

- **Public Benefit (RSA 162 L4)**

Describe how the project is of a public benefit and for a public purpose and how the project will contribute to the development or redevelopment and economic well-being of target areas or populations.

- **Outcome Measures**

What are the goals and measurable outcomes of your project, and what is your methodology for tracking them? How will success be measured or evaluated.

Where applicable, enter the totals of the proposed project or program outcomes

- ❖ **Total housing units created**
- ❖ **Type of housing dropdown:**
 - Family
 - Senior
 - Transitional
 - Supportive
 - Permanent
- ❖ **Housing affordability period**
- ❖ **Total Number of persons served**
- ❖ **Total Number of low income persons served**
- ❖ **Total Number of new jobs created**
- ❖ **Total Number of jobs retained**
- ❖ **Total Number of square feet of commercial/community facilities space developed**

- **Community Input and Support**

What process was used to bring community members together to plan this project? Has this project been the subject of any public hearings or forums? Explain with relevant detail.

- **Community Partnerships**

Provide the names and roles of any other organizations that will be involved in the operation of this project.

Other Community Benefits

- **Downtown Revitalization**

Please describe whether your project is located in a downtown and may impact downtown revitalization plans for the community, if applicable.

- **Sustainability and Energy Use**

If your project involves rehabilitation work or new construction, please summarize any plans to make the property more energy efficient or add renewable energy. If this is not part of your project scope, please describe whether you have completed an energy audit and any of the recommendations.

- **Project Information and Public Benefit Attachments**

- Photos and/or renderings of project property
- Map of project location or area
- Evidence of planning, zoning, and/or any other state or local approvals (if applicable)
- Evidence of site control (Purchase and Sale or Lease Agreement) (if applicable)
- Independent Property appraisal completed within the past 5 years (if applicable)
- Asset Management Plan
- Construction schedule (for construction projects) or Implementation schedule (for service/non-construction projects)
- Letters, news articles, studies in support of project (Use "other attachments" for additional documentation)
- Historical Information (if applicable)
- Energy-related documentation (if applicable)

VI. Development and Fundraising Capacity – Project Finance

- **History with CDFA (all programs)**

Provide all funding history with CDFA. Include program, amount of grant/loan, and current status.

- **Other Public/Private Investments**

Has your organization received or administered grant funds or loans from other sources in the past five years? Please list program, amount of grant/loan, current status.

- **Management Team**

Describe your organization's current staff and capacity to carry out your proposed project. As applicable to your project, please describe who will be responsible for construction oversight, program development and/or expansion, reporting and other compliance activities. In addition to staff, what roles will your Board of Directors, volunteers, consultants and others have in the implementation of the project? Is there a budget for this?

- **Fundraising Experience**

Describe your organization's recent experience with capital campaigns. Who was in charge? How much was raised? Was the fundraising goal met? What percentage of donations came from businesses? What was the average donation size?

- **Fundraising Plan – Project Specific**

What is your plan for raising tax credits? Have any business donors expressed an interest in purchasing CDFA tax credits from you if you are awarded? If so, how much?

Does your organization have the capacity to raise tax credits from businesses outside of your region? If you are hiring a consultant, how much have you budgeted?

- **Project Funding**

Why does your project need tax credit funding? Are you pursuing other sources of financing? If so, what other sources are you pursuing and what is the current status?

- **Project Development, Fundraising and Financial Capacity Attachments**

- List of or link to Board of Directors (including affiliation)
- Letters from committed donors
- Financial information from the last two years, inclusive of most recent fiscal year end, including:
 - Audit report and/or most recent form 990
 - If an audit or 990 are not available please provide management-prepared financial statements including profit and loss and balance sheet
 - Financial Interim Statements Review from current fiscal year
- Project Specific Development Budget (Choose appropriate CDFA-provided Excel file only. Substitutes will not be accepted. Make sure sources and uses balance.)
 - Building Project (Excel format only.)
 - Program Development Project (Excel format only.)
- Project Specific Operating Budget (Choose appropriate CDFA-provided Excel file only. Substitutes will not be accepted. Make sure the balance sheet tab is completed within the Excel form.)
 - Housing Project Operating Finances and Budget (Excel format only. Please include assumptions.)
 - Service Organization Operating Finances and Budget (Excel format only. Please include assumptions.)
- Timeline for securing non-tax credit funding and Commitment Letters funding already committed (if available)
- Planning and/or feasibility study performed for this project (if applicable)

- **OTHER ATTACHMENTS**

Applicant can upload any documents not listed in other attachments sections.

VII. CERTIFICATION

I certify that I am one of the persons named above, and am authorized by the applicant organization to submit this application. I certify that all statements are true and accurate to the best of my knowledge.

I acknowledge this application is being submitted with the full knowledge and approval of the organization's Board of Directors and that the organization will comply with:

- New Hampshire conflict of interest laws as defined by RSA 7:19-a and RSA 292:6-a;
- CDFA's Privacy Policy by which you acknowledge all information and documents created, accepted or obtained by, or on behalf of, CDFA are potentially subject to disclosure in compliance with RSA 91-A, New Hampshire's Right-to-Know law.

I further acknowledge that should my organization be awarded CDFA Tax Credits, CDFA will require a ten-year performance security instrument be placed on my organizations assets concurrent with contract signing, and prior to disbursement of Tax Credit proceeds to my project.

Certification

Full Name of Certifying Officer

CEO/Executive Director/Board Officer Certification Form

APPENDIX B: HOW TO REGISTER ON CDFA'S GRANTS MANAGEMENT SYSTEM

Registration Instructions

These instructions are designed to help guide you through the registration process for CDFA's online grants management system (GMS) at www.nhcdfragrants.org. If you encounter any problems, please don't hesitate to contact CDFA at 603-226-2170.

- 1) Go to www.nhcdfragrants.org.
- 2) Click on **Register Here**.
- 3) Complete the form. This will become your personal profile information and includes your contact information as well as information about your organization. Your profile will be used for all grant communication, so make sure it's accurate and up-to-date.
- 4) Fields with a red star (*) are required, and must be completed or you will not be able to submit your registration.
- 5) Once complete, click the Register link at the top of the form.
- 6) CDFA will be notified of your registration and will review and approve within 2 business days. You will then receive an email from GMS with your user ID and password. You can change your password after you log in, under the My Profile on the main menu page.
- 7) Note: All individuals working on an application in GMS must register. If your organization hires a grant writer, they must register as well, under their business. They must submit a GMS authorization form to be associated with the applicant organization. This form can be found in the Funding Opportunity under attachments.

Application Instructions

- 1) Once you're registered, login to GMS.
- 2) Click on **Funding Opportunities**.
- 3) Select the appropriate funding opportunity from the **Opportunity Title** column.
- 4) Click on **Start a New Application**.
- 5) Fill in the General Information and click **Save**.
- 6) When you've finished all the components, click **Submit**.

APPENDIX C: TIPS FOR USING CDFA'S GRANTS MANAGEMENT SYSTEM

These tips are designed to help guide you while using CDFA's online grants management system (GMS) at www.nhcdfragrants.org. If you encounter any problems, please don't hesitate to contact CDFA at 603-226-2170.

- 1) The best browsers to use are Mozilla Firefox or Google Chrome.
- 2) To edit a component click "edit" near the top of the form. Fields and text boxes will open for you to answer the question(s). Be sure to click on Save after answering questions.
- 3) You can copy and paste from a Word document to a question in GMS. Use the "Paste from Word" feature in each text box banner to avoid copying hidden characters.
- 4) To add a required document, click on the green plus sign to the right of the document. You will then be prompted to browse and attach a file.
- 5) Only attach .pdf or .jpeg documents. If you don't have Adobe software you can use cutewriter to pdf any document. You can download cutewriter software at www.cutepdf.com.
- 6) If you mark a component complete you can still edit that component until the application is submitted, however, you can't submit your application until all components are marked complete.
- 7) Once you click submit your application will be submitted for review and is only accessible through negotiation. If there is information missing or that needs to be corrected, the respective component(s) will be negotiated back to you for correction.
- 8) After the corrections are made, you must submit the component(s) back to CDFA for review.
- 9) If multiple questions in one component are required fields, you can save the component without answering all of the questions by adding at least one (1) character to each of the required boxes and save. Remember to return and answer these questions before the application is submitted.
- 10) Be sure to "Save" early and often.
- 11) The system will "time out" after three (3) hours of inactivity.
- 12) If you click the back button before you click save your information will be lost.
- 13) Before submitting your application we recommend that you preview your application, print to pdf and save it to your computer.