



Annual report
of the
Community
Development
Finance
Authority

SFY 19

In accordance with RSA 162-L:6, CDFA is providing this report of its activities from state fiscal year 2019, as well as operating and financial statements.

Table of Contents

| | |
|---|----|
| 1. Introduction | 2 |
| 2. The Community Development Finance Authority..... | 3 |
| Mission | 3 |
| CDFA Staff | 3 |
| CDFA Board of Directors | 4 |
| Community Development Advisory Committee | 5 |
| 3. CDFA Tax Credit Program | 6 |
| Demand and Challenges | 6 |
| State Fiscal Year 2019 Investment Tax Credit Awards | 7 |
| Investment Tax Credit Pledges | 10 |
| 4. The Community Development Block Grant (CDBG) | 13 |
| Program Impact | 13 |
| Spotlight: The Microenterprise Program..... | 13 |
| Background on New Hampshire's CDBG Program | 14 |
| Distribution of Funds..... | 15 |
| CDBG Awards | 15 |
| Housing and Public Facilities | 15 |
| Economic Development | 18 |
| Microenterprise (Economic Development)..... | 18 |
| Planning Grants | 19 |
| Emergency Grants | 20 |
| Program Opportunities..... | 20 |
| 5. Clean Energy Fund | 22 |
| Background on the Clean Energy Fund | 22 |
| Energy Audit Program..... | 22 |
| State Fiscal Year 2019 Loans | 23 |
| Future Energy Initiatives | 24 |
| 6. Recovery Friendly Workplace Initiative..... | 25 |
| Recovery Friendly Workplace Program Awards | 25 |
| Program Implementation..... | 26 |
| 7. Additional CDFA Initiatives | 27 |
| Ideas to Innovation Program (“i2i”)..... | 27 |
| UNH Main Street Academy | 27 |
| Pre Development Loan Program..... | 27 |
| Job Retention Fund | 28 |
| Bridge Loans | 28 |
| 7. Financial Reports for CDFA..... | 29 |
| 8. Financial Reports for DADCo | 34 |

1. Introduction

August 30, 2019

The Honorable Christopher T. Sununu, Governor
The Honorable Donna Soucy, Senate President
The Honorable Stephen Shurtleff, Speaker of the House
The Honorable William Dwyer, State Treasury Commissioner

Dear Governor Sununu, President Soucy, Speaker Shurtleff, and Commissioner Dwyer:

In accordance with RSA 162-L:6, we are providing you with this annual report on CDFA's operations and outcomes for the fiscal year ending June 30, 2019.

It has been another impactful year at the Community Development Finance Authority. In the state fiscal year 2019, we have awarded funding to more than 80 projects, infusing more than \$16 million into community development, economic development and clean energy initiatives throughout New Hampshire. These projects have provided new jobs, healthy and safe affordable housing, community development, helped revitalize Main Streets, improved public facilities, increased energy efficiency, and supported emergency situation funding.

We look forward to our continued role in creating a New Hampshire whose communities are economically and socially resilient, reflect and respect their natural surroundings, and are places where people want to live, work and play. We will be successful by building on our past successes and applying our capabilities across a broader set of community needs. With your support, and the support of our business, non-profit and municipal partners, we plan to increase our investment to an average of \$20 million per year into New Hampshire communities by 2022.

We hope you will find this annual report enlightening and informative. If you have any further questions, comments, or ideas about CDFA and its many initiatives, please do not hesitate to contact us.



Katherine Easterly Martey
Executive Director



Robert Tourigny
Chair, Board of Directors

2. The Community Development Finance Authority

The Community Development Finance Authority (CDFA) is “a body corporate and politic...a public instrumentality of the state... [and] a nonprofit corporation organized under RSA 292.” As a state authority – as opposed to a state agency – we are among a handful of unique entities that work in partnership with state and federal initiatives to strengthen New Hampshire communities through the distribution of resources to municipalities, nonprofits, and businesses.

CDFA is the financial engine that drives community economic development across New Hampshire. We invest in the people of New Hampshire by: deploying a well-tuned, effective investment system; enabling partners to make transformational and sustainable changes; and, taking an innovative approach to development finance.

In state fiscal year 2019, CDFA undertook a number of initiatives focused on the organization’s capacity to positively impact and strengthen New Hampshire communities. Through this work in 2019 and beyond, CDFA aims to:

- Base investments in data, trends and public participation efforts;
- Increase funds available and integration of those resources; and
- Develop the capacity of our partners to leverage multiple funding sources (grants, loans, equity).

Mission

CDFA is focused on maximizing the value and impact of community development, economic development and clean energy initiatives throughout New Hampshire.

CDFA Staff

CDFA’s professional staff administers several state and federal programs, performs extensive programmatic and financial reviews on all applicants, and works with partners to ease the burden of compliance and protect the investment of funds. In addition, CDFA staff provide expert technical assistance in multiple forms to partners across the state. Our team brings together a diverse background of experiences and expertise to deliver value to CDFA’s partners. This includes financial and compliance expertise to a depth of experience in project development and implementation, grant making and impact investing across community economic development and clean energy sectors.

CDFA receives a limited allocation from the state General Fund,¹ which results in the organization providing the State of New Hampshire with an exceptionally cost-efficient system for deploying these resources to its communities. CDFA is financially self-sufficient and relies on fees from the programs it administers as revenue.

CDFA staff members include:

Katherine Easterly Martey, Executive Director;
Shelley Hadfield, Director of Housing and Community Development;
George Hunton, Director of Tax Credits;
Alexandra Jette, Compliance Manager;
Missy Lackey, Contract Specialist;
Melissa Latham, Communications Manager;
Scott Maslansky, Director of Clean Energy Finance;
Jacqueline Matthews, Grants Management System Specialist;
Deborah Morin, Chief Financial Officer;
Laura Nadeau, Accounting Assistant;
Kimberly Pacocha, Senior Accountant;
Kevin Peterson, Director of Economic Development;
Maureen Quinn, Office Manager and Board Relations Manager; and
Theresa Upstill, Administrative Assistant / Receptionist.

CDFA Board of Directors

CDFA is governed by an eleven-member Board of Directors (Board) appointed by the governor and council for five-year terms. These are volunteer positions with no salary provided to directors.

The Board provides oversight on the operations, strategy and fiscal health of the organization. The Legislature determined CDFA should be guided by representatives from several sectors, each bringing their professional expertise:

“The authority shall be governed by a board of 11 directors which shall include the commissioner of the Department of Business and Economic Affairs or designee, and 10 public members appointed by the governor and council as follows: four representatives of community development corporations or other nonprofit organizations engaged in community development activities; one representative of organized labor; two

¹ The State provides a federally-mandated 2% administrative match of approximately \$172,000 to operate the Community Development Block Grant program. This is further explained in section four of this report.

representatives of small business and the financial community; one representative of employment training programs; and two representatives of private financial institutions.”

CDFA's Board of Directors includes:

Robert Tourigny, Chair (representing Community Development);
Mary Ann Kristiansen, Vice Chair (representing Small Business);
Janet Ackerman (representing Financial Institutions);
Michael Claflin (representing Community Development);
Benjamin Gaetjens-Oleson (representing Small Business);
Cynthia Harrington (Department of Business and Economic Affairs designee);
John Manning (representing Community Development);
Clayton Mitchell, Ph.D. (representing Organized Labor);
Martha Rush-Mueller (representing Employment and Training); and
Richard Wyman (representing Financial Institutions).

Community Development Advisory Committee

Applications for federal Community Development Block Grants are approved by the Community Development Advisory Committee. Projects approved for funding are then advanced to the New Hampshire Executive Council for final approval.

According to RSA 162-L:15, the Community Development Advisory Committee shall consist of 10 voting members. They include the chairperson of the CDFA Board of Directors, or designee; director of the NH Office of Strategic Initiatives, or designee; executive director of the NH Housing Finance Authority, or designee; and the director of the Division of Economic Development at the Department of Business and Economic Affairs, or designee. The committee also includes six public members appointed by the governor. Among them, there are three municipal officials.

Community Development Advisory Committee members include:

John Manning, Chairperson (CDFA Board of Directors designee);
Joseph Doiron (Office of Strategic Initiatives designee);
Elizabeth Fox (Municipal official);
Howard Glynn (Public member);
William Ray (NH Housing and Finance Authority designee);
Justin Slattery (Public member);
Matthew Walsh (Municipal official);
Christopher Way (Department of Business and Economic Affairs designee).

3. CDFA Tax Credit Program

CDFA's Tax Credit Program brings together worthy nonprofit projects and conscientious businesses to foster community development. In FY 2019, projects awarded CDFA tax credits will have a significant impact on initiatives that advance local community economic development goals, capacity building for the New Hampshire nonprofit ecosystem and technical assistance to support economic development across the state. These projects are addressing critical needs in the Granite State, from providing increased access to quality, affordable childcare to downtown revitalization and developing affordable, workforce housing.

Tax credit awardees demonstrate a strong commitment to serving New Hampshire through a variety of initiatives vital to the success of our communities. CDFA's Tax Credit Program plays an important role in strengthening the connection between awarded organizations and their local business community. The result – long-lasting public-private partnerships that enable New Hampshire businesses to make investments which have an impact within their communities.

The program exchanges a 75 percent state tax credit against a donation made to any CDFA approved project. The tax credit may be applied against the New Hampshire business profits tax, business enterprise tax, and/or the insurance premium tax. The donation also may be eligible for treatment as a state and federal charitable contribution. The contributing company may carry forward the credit for up to five years. The company can select which business tax and how much of their credit to apply towards their taxes in any given year.

Tax credit awards are made annually. By law, CDFA is committed to providing support to nonprofit community development organizations, cooperatives and municipal entities. RSA 162-L:10 permits CDFA to accept donations of up to \$5 million in each state fiscal year in exchange for \$3.75 million in state tax credits for CDFA approved community and economic development projects.

Demand and Challenges

The popularity of CDFA Tax Credits, with both the nonprofits that seek them and the businesses that purchase them, has increased significantly year-over-year. The number of applications to the program continues to rise, making it extremely competitive. The number of applications have increased significantly with more than \$106 million in tax credit requests for \$40 million in available credits since state fiscal year 2012. The demand from businesses looking to purchase tax credits also continues to rise.

State Fiscal Year 2019 Investment Tax Credit Awards

The following organizations have been awarded CDFA tax credits for their respective projects for FY 2019 / FY 2020².

- **Belknap Mill Society (Laconia) – \$390,000:** The Belknap Mill Society will use tax credit funds to preserve and renovate the Belknap Mill in Laconia. The project will support the downtown revitalization taking place within the community, strengthen the City's creative economy and provide increased access to a vital community resource.
- **Black Heritage Trail of New Hampshire (Portsmouth) – \$450,000:** Tax credits will be used to help the Black Heritage Trail of New Hampshire purchase a historic building in downtown Portsmouth that will serve as an interpretive center and office space for the organization. The project will support downtown revitalization and provide an important community benefit through increased access to a diverse landscape of arts and cultural resources.
- **Boys & Girls Club of Manchester (Bedford) – \$250,000:** The Boys and Girls Club of Manchester will use tax credits to support the renovation of Camp Foster, a 22-acre outdoor facility that currently serves as a summer camp for Club members. The project provides strong community and economic benefit by rehabilitating and preserving a vital community resource that provides hard-working local families with a safe place for their children.
- **Capitol Center for the Arts (Concord) – \$312,500:** Tax credits will be used by the Capitol Center for the Arts to renovate the long vacant Concord Theatre into a new venue, contributing to downtown revitalization and economic development in Concord and increasing access to arts and culture.
- **Lakes Region Community Developers (Wolfeboro) – \$300,000:** The Lakes Region Community Developers will use tax credits to support its efforts to create affordable, workforce housing in Wolfeboro. The development will result in the construction of 20 single family home units and provide strong community and economic benefit.
- **Lebanon Opera House (Lebanon) – \$155,000:** Tax credits will be used by the Lebanon Opera House to purchase a sound system and a new digital projector. The investment in equipment will enable the organization to provide increased access to arts and culture in downtown Lebanon, which will directly impact

² CDFA Tax Credit awards to selected projects are often divided and spread over two state fiscal years, as best suits either the project's fundraising timeline and/or CDFA's year-to-year accounting of tax credits sales. Total project awards in any annual round may be over \$5 million; however, the amount of tax credits assigned to New Hampshire businesses does not exceed \$5 million in each fiscal year. Because the tax credits may be carried forward for up to five years, the amount of tax credits claimed by businesses to the Department of Revenue Administration may vary from year to year.

the local economy.

- **MAPS Counseling Services (Keene) – \$112,500:** Tax credits will be used by MAPS Counseling Services to complete a relocation and remodel project. The investment will enable the organization to expand and improve affordable outpatient mental health services in Cheshire County.
- **Portsmouth Housing Authority (Portsmouth) – \$375,000:** The Portsmouth Housing Authority will use tax credit funds to develop 64 downtown housing units. The project will address a clearly established need for affordable, workforce housing in Portsmouth, providing a strong community and economic benefit that also contributes to downtown revitalization.
- **Regional Economic Development Center of Southern New Hampshire (Raymond) – \$250,000:** Tax credits will be used to support the Regional Economic Development Center's New American Loan Fund. The fund provides access to technical assistance and loans to first generation American business owners throughout the state who are unable to access traditional bank capital.
- **Rochester Opera House (Rochester) – \$140,000:** Tax credits will be used to assist the Rochester Opera House in purchasing space downtown to support the growth of its programming. The project will provide economic benefit to the Rochester area through increased access to arts and culture, as well as support significant downtown revitalization efforts underway throughout the city.
- **The Children's Museum of New Hampshire (Dover) – \$100,000:** The Children's Museum of NH will use tax credit funds to expand programming that engages families with hands-on discovery and learning by adding new outdoor space and enhancing an interior classroom. The project will contribute to downtown revitalization, create economic impact and increase community access to programs and services.
- **The Mount Washington Valley Trails Association (North Conway) – \$300,000:** The Mount Washington Valley Trails Association will use tax credits to construct a multi-use, paved recreation and alternative transportation path for residents and visitors of North Conway. The project provides increased community access to transportation and contributes to the economic development of the state by providing increased access to downtown.
- **Twin Pines Housing Trust (Lebanon) – \$250,000:** Tax credits will be used by Twin Pines Housing Trust to create a community building to provide space for programming and community gathering, including an accessible laundry facility. The project delivers strong community impact and increased access to services.

- **Winchester Learning Center (Winchester) – \$125,000:** The Winchester Learning Center will use tax credits to create additional space to increase access to affordable, quality childcare. The project will provide strong community and economic benefit by meeting increasing community needs for these services.

CDFA's L5 Capacity Program is aimed at providing a one-time infusion of capital at a pivotal point in a nonprofit organization's development. The program is aligned with the intent of section 162-L:5 of CDFA's enabling legislation, which states "the authority may award grants to...fund their operating costs or other costs of projects including, but not limited to, costs incurred for planning, feasibility or other studies, consultants, technical assistance, or educational or publicity programs."

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

To support the various organizational and development initiatives proposed by applicants, CDFA awarded state fiscal year 2019 tax credit funds to the following nonprofit organizations.

- **CATCH Neighborhood Housing (South Central NH/Central NH/North Country) – \$31,250:** L5 Capacity Building tax credit funds will support the NH Affordable Housing Organization Partnership to explore increased collaboration among partner organizations. The partnership is comprised of four affordable housing developers to include AHEAD, CATCH Neighborhood Housing, Lakes Region Community Developers and NeighborWorks Southern NH.
- **Child and Family Services (Manchester) – \$75,000:** L5 Capacity Building funds will help Child and Family Services improve client services and increase operational efficiencies through an investment in a new data management system.
- **Families in Transition (Manchester) – \$35,000:** Families in Transition will use L5 Capacity Building tax credit funds to enhance the organization's internal capacity to develop housing units for the homeless.
- **Franklin Business and Industrial Corp. (Franklin) – \$18,750:** L5 Capacity Building tax credit funds will support the creation and development of a single-purpose organization dedicated to opening an Arts and Culture Hub in the heart of downtown Franklin.
- **G.A.L.A. Community Center (Wolfeboro) – \$37,500:** The Global Awareness Local Action (G.A.L.A.) Community Center will use L5 Capacity Building tax credit funds to support the development of a green makerspace and incubator in Wolfeboro through business planning and investments in the organization's

capacity.

- **Haverhill Heritage Inc. (Haverhill) – \$31,375:** Haverhill Heritage Inc. will use L5 Capacity Building tax credit funds to support the development and programming for the historic Wentworth Brown building in downtown Haverhill through comprehensive strategic planning.
- **Twin Pines Housing Trust (Upper Valley) – \$29,094:** L5 Capacity Building tax credit funds will support a strategic planning process to enhance Twin Pines Housing Trust's opportunities for growth.

In addition to the selected projects, CDFA's Tax Credit program supports New Hampshire's Regional Development Corporations. The funds will provide capital for the nonprofit Regional Development Corporations throughout the state to collaborate on fostering and encouraging economic development and job creation.

Investment Tax Credit Pledges

The CDFA Tax Credit Program continues to be the best performing tax credit program offered by the state. Investment tax credits have been fully subscribed for sixteen out of the last seventeen fiscal years. A donor survey conducted in 2018 revealed a significant portion of the respondents are very satisfied (70%) with CDFA's Tax Credit Program and find the program very easy to use (74%).

Per RSA 162-L:10, \$5,000,000 in tax receipts were applied to state fiscal year 2019. The following businesses invested in New Hampshire community and economic development projects with the purchase of tax credits in FY 2019.

| | |
|---|--|
| 670, LLC | Central Paper Products Co., Inc. |
| A & M Donuts, Inc. | Claremont Savings Bank |
| AIRMAR Technology Corp | Cleveland, Waters and Bass, P.A. |
| All Metals Industries, Inc. | Coastal Canine Resort |
| American Residuals & Talent dba ART Payroll | Colony Auto |
| Amoskeag Beverages, LLC | Concord Booksellers, Inc. dba Gibson's |
| Attitash Mountain Service Company, Inc. | Bookstore |
| Bank of New Hampshire | Country News Club, Inc. DBA The Conway |
| Bar Harbor Bank & Trust | Daily Sun |
| Bedford Ambulatory Surgical Center, LLC | Dynamic Benchmarking |
| Belknap Landscape Company, Inc. | East Coast Electronic Material Supply, LLC |
| Belletetes, Inc. | Eastern Bank |
| Bigelow & Company CPA PLLC | Eastern Propane & Oil |
| Boothby Therapy Services | Enterprise Bank |
| Carroll County Landscape, Inc. | Enxing Auto Holdings, LLC |

Estate Planners of New England
EVP Marketing
Exponential Squared
Federal Savings Bank
Foothills Physical Therapy
Franklin Savings Bank
Full Circle Consulting, LLC
G & S Management Corporation
Garrison Family Dental
Gary Chicoine Construction Corp.
Grappone TS, Inc.
Greater Concord Chamber of Commerce
Greenlands Land Development Corporation
Harrisville Designs, Inc.
Healing Frontiers
HEB Engineers, Inc.
Highland Hardwoods
HLF Corporation
Horsefeathers, Inc.
Hubert's of Claremont
JCM Development Co., LLC
JGM Trucking
JJFC, Inc.
Kheops International, Inc.
Lake Sunapee Bank aka Bar Harbor Bank &
Trust
Leading Edge Design Group
Leone, McDonnell & Roberts P.A.
Lisa Gardner, Inc.
Louis A Kaucic
Louis Karno & Company, LLC
Luse Media LLC dba Paragon Digital
Marketing
Made on Earth, Inc.
Mascoma Bank
Mauchly Electric LLC
MB Tractor and Equipment

McDevitt Trucks Inc.
MDP Realty Associates LLC
Meadowbrook Amphitheatre Holdings, LLC
Meadowbrook Farm, LLC
Merchants Automotive Group
Meredith Village Savings Bank
Mill Street Meat Market LLC
Murphy, Powers & Wilson CPAs
MVM Bradley Commons-NH, LLC
Nancy Phillips Associates Inc.
Nantucket Beadboard Company, Inc.
Neighborhood Energy of New England LLC
New England Coastal Realty dba Keller
Williams Lakes & Mountain Realty
Newburyport Five Cents Savings Bank
NGM Insurance Company
Northway Bank - Berlin
Northway Bank - Portsmouth
Old Dominion Insurance Company
Orr & Reno Professional Association
Ossipee Insurance Agency, Inc.
Pairpoint Group LLC
Passumpsic Savings Bank
People's United Bank
PixelMEDIA, Inc.
Poultry Products Company of New England,
LLC
Preti, Flaherty, Beliveau & Pachios, LLP
Puritan Backroom Restaurant
Randvest, Inc.
ReVision Energy Inc. - Donor
S.W. Cole Engineering, Inc.
SRW Environmental Consulting, L.L.C.
State Farm Insurance Peggy Lynch Agency
Sugar River Bank
Sulloway & Hollis, PLLC
TFMoran, Inc.

The Ink Factory

The Relentless Dragon

The Rowley Agency, Inc.

The Works Community Health Corporation

DBA The Works

Timberlane Glass & Mirror

TMS Architects, P.A.

True North Networks, LLC

White Mountain Oil & Propane Inc.

Whitney's Inn, LLC

Wire Belt Company of America, Inc.

Wit-Way Supply, Inc.

Wolfeboro Family Dental

Wyskiel, Boc, Tillinghast & Bolduc, P.A.

Zeb's General Store, Inc.

4. The Community Development Block Grant (CDBG)

In 1974, Congress passed the Housing and Community Development Act, Public Law 93-383, creating the Community Development Block Grant Program (CDBG). The program was administered by the U.S. Department of Housing and Urban Development (HUD) until 1983, when the individual states took control of the Small Cities Program, which is now the CDBG Program.

The primary purpose of the CDBG program is the development of viable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income people. The program is sponsored by HUD.

Program Impact

CDBG projects in New Hampshire have leveraged tens of millions of dollars in matching capital. Many of the state's most important and most prominent initiatives have been partly financed by these resources. CDFA has awarded more than \$140 million in CDBG funds since 2003. These critical federal resources have been deployed to communities throughout New Hampshire and have a significant impact on economic development, housing and community-based initiatives across the state.

In calendar year 2018, the CDBG program created or retained 60 jobs, assisted 248 persons under public facility infrastructure, rehabbed or preserved 170 housing units and provided technical assistance to 262 micro businesses.

Spotlight: The Microenterprise Program

The CDBG Microenterprise Program administered by CDFA helps foster economic development by supporting organizations that provide a full range of entrepreneurial training and technical assistance services to low- and moderate-income micro-business owners and start-ups (those with fewer than five employees). New Hampshire's Microenterprise program has aided in creating resilient communities and empowered small business owners throughout the state to reach their goals.

From a small gourmet burger shop in Conway to an organic farm in Colebrook that provides foods to local markets and local food banks, the Microenterprise Program provides ongoing, integral funding to build the capacity of technical assistance providers across the state. Without this funding, these small businesses would be unable to acquire critical services, loan and business consulting among them, at a reasonable cost.

The results from the businesses engaged in the Microenterprise Program are impressive. One example is those supported by Hannah Grimes, which has served 153 business owners since 2012. Those businesses employ 159 full-time people and 200 part-time people and have grown significantly since

joining the program. At the beginning of their engagement with Hannah Grimes, 100 percent of the business owners identified as low- and/or moderate-income. Now, 94 percent no longer identify as low- and/or moderate-income.

Empowering individuals to participate in New Hampshire's economy has a significant impact on our communities.

Background on New Hampshire's CDBG Program

CDFA receives its allocation directly from HUD and administers CDBG funds for non-entitlement municipalities. All eligible municipalities and counties can apply for up to \$500,000 in CDBG funds per year.

Federal rules require the State to match dollar-for-dollar the administrative fee CDFA can take from the HUD CDBG allocation to administer the program. This figure is no more than three-percent of the HUD allocation. In the fiscal year 2018 to 2019 biennium, the State allocated approximately \$172,000 each year in order for HUD to award New Hampshire more than \$8 million annually. This General Fund allocation, however, was not the full match amount required by HUD, so CDFA supplemented the HUD-mandated administrative fee with its own reserves.

CDFA directly awards CDBG grants to New Hampshire's cities, towns, and counties,³ which often subgrant the money to a nonprofit agency or other entity conducting the work. New Hampshire's CDBG program focuses on funding projects in the following areas:

- Economic Development;
- Housing, Public Facilities;
- Emergencies and Unanticipated Events; and
- Planning grants.

After set-asides of approximately \$100,000 for feasibility studies and \$500,000 for emergency grants, CDFA divides the remaining allocation, with half going to economic development and the other half going to housing and public facilities projects. Grants for affordable housing and public facilities, as well as planning, are awarded twice a year in competitive rounds; economic development and emergency grants are awarded on a rolling basis.

³ There are, however, five "entitlement communities" which get money directly from HUD as a special set-aside (Manchester, Nashua, and the combined communities of Portsmouth-Rochester-Dover). Projects located in these communities can apply either directly to the city or to CDFA through their county if they can demonstrate a regional benefit.

Distribution of Funds

Funding levels for each state are determined by a formula from HUD based on factors like population, poverty rate, and other socio-economic factors. In calendar year 2019, the allocation for New Hampshire's statewide CDBG program is \$8,864,744. For calendar year 2018, the HUD allocation to CDFR for the statewide CDBG program was \$8,849,833.⁴

No unspent CDBG funds are returned to Washington D.C. Any leftover resources are to be rolled over into the next funding round.

CDBG Awards

The following counties and municipalities were awarded CDBG grants between July 1, 2018 and June 30, 2019.

Housing and Public Facilities

The Housing and Public Facilities Program awards funds to support community development projects that primarily benefit low- and moderate-income persons or households.

- The City of Berlin was awarded \$500,000 on behalf of Berlin Housing Authority to complete renovations of the St. Regis Academy building in downtown Berlin. The building consists of forty-two units of housing with forty-one of those units set aside for low- and moderate-income households. Due to the historic nature of the building, as well as certain structural deficiencies, St. Regis is in desperate need of substantial rehabilitation.
- The Town of Ashland was awarded \$500,000 on behalf of Lakes Region Community Developers to complete renovations at Harvey Heights, an affordable housing development. The forty-unit housing development includes both two-bedroom and one-bedroom units. CDBG funds will support critical renovations including life safety systems, handicap accessibility, energy efficiency measures and other necessary upgrades. Thirty-nine of the forty units will be permanently affordable.
- Cheshire County was awarded \$500,000 on behalf of Keene Housing to complete renovations at Central Square Terrace in downtown Keene. The ninety-unit property is designed as residential housing for elderly and disabled persons. Capital improvements are necessary to maintain its compliance with Section 8 Housing Quality Standards. One-hundred percent of the units are for

⁴ As this federal program runs on a calendar year, these two allocations straddle the state fiscal year.

low- and moderate-income residents.

- The City of Lebanon was awarded \$500,000 on behalf of the Twin Pines Housing Trust for the costs associated with temporary relocation of residents while the units at the Village at Craft Hills are being renovated. The Village of Craft Hills is a forty-year-old housing development with one hundred units in West Lebanon. One-hundred percent of households are low- to moderate-income.
- The City of Laconia was awarded \$150,000 on behalf of the Lakes Region Community Developers to acquire a site in Laconia which would house its offices and a community space for their clients. The building would become the Court Street Neighborhood Center and the organization is anticipating to serve approximately three hundred individuals annually, of which two hundred twenty-eight, or seventy-six percent, qualify as low- and moderate-income persons.
- The Town of Boscawen was awarded \$500,000 on behalf of the Woody Hollow Cooperative to complete water system improvements. Woody Hollow is a thirty-unit manufactured home cooperative. Eighty-three percent of the households are low- to moderate-income with sixty-three percent of the households considered low- or very low-income.
- The City of Laconia was awarded \$350,000 on behalf of Navigating Recovery of the Lakes Region to purchase a property in the downtown Laconia area to relocate and expand the services they provide. The organization is a peer-to-peer recovery center providing services since November 2016 to residents from Laconia and the Greater Lakes Region suffering from Substance Use Disorder.
- The City of Concord was awarded \$500,000 for demolition and site work in order to prepare a former brownfields site for the construction of affordable housing. The City plans on selling the site to the Caleb Penacook Ltd Partnership. The Partnership is proposing to construct thirty-four units of housing, of which thirty-one, or ninety-one percent, will be occupied by low- and moderate-income households.
- The Town of Belmont was awarded \$304,000 on behalf of the Westview Meadows Homeowners Association for water system improvements. Westview Meadows Association consists of twenty-four households of which fifty-eight percent are considered low- and moderate-income.
- The City of Berlin was awarded \$500,000 on behalf of Coos County Family Health Services to construct additions to the front and rear of the existing facility at 133 Pleasant Street in downtown

Berlin. The organization is a Federally Qualified Health Center and the sole provider of primary health care services in the Berlin-Gorham region. Of the 5,800 beneficiaries they serve, at least sixty-six percent are low- and moderate- income.

- The Town of Jaffrey was awarded \$500,000 on behalf of the Forest Park Cooperative for improvements to the park's water and sewer infrastructure. Forest Park Cooperative consists of one hundred seventeen units of which one hundred eight are currently occupied. An income survey established that eighty-three percent of the current occupants are low- and moderate-income.
- The City of Claremont was awarded \$500,000 on behalf of the Turning Points Network to rehab and expand a vacant building on 231 Broad Street where the organization will relocate. Turning Points Network is a private, nonprofit agency providing free 24-hour crisis intervention, support, and advocacy services to victims of sexual assault, domestic violence, dating violence, and stalking in Sullivan County. For FY18, the organization provided unduplicated services to 758 survivors through the main office facility in Claremont.
- The City of Concord was awarded \$500,000 on behalf of the Top of the Hill Cooperative for the purpose of installing new sewer infrastructure and connecting to the City of Concord municipal sewer system. Top of the Hill Cooperative consists of twenty-three households of which eighty-six percent are considered low- and moderate-income.
- The Town of Conway was awarded \$500,000 on behalf of the Black Bear Village Cooperative to assist in the purchase of Black Bear Village (aka Lamplighter Park), a manufactured housing community located in Conway. Black Bear Village is comprised of two hundred thirteen occupied lots.
- Cheshire County was awarded \$500,000 on behalf of the Tanglewood Park Cooperative to assist in the purchase of Tanglewood Estates, a manufactured housing community located in Keene. Tanglewood Estates is comprised of three hundred twenty-eight approved lots of which two hundred ninety-three are currently occupied.
- Merrimack County was awarded \$500,000 on behalf of the Bear View Crossing Cooperative to assist in the purchase of Bear View Crossing (aka Holiday Acres), a manufactured housing community located in Allenstown. Bear View Crossing is comprised of two hundred eighty-seven occupied lots.

Economic Development

The Economic Development Program awards funds to support the creation or retention of jobs for low- and moderate-income residents that provide good wages, benefits and training programs.

- The Town of Peterborough was awarded \$120,000 in CDBG funds on behalf of the Monadnock Economic Development Corporation which will loan the funds to local business Nuttin' Ordinary. The funds will be used by the business for working capital and equipment purchases. Six quality, new full-time jobs will be created as a result of this business expansion, of which at least five will be held by or made available to persons of low- to moderate-income and require only a high school diploma or equivalent.
- Grafton County was awarded \$260,000 on behalf of New Hampshire's ten Regional Development Corporations across the state. These resources are designed to provide capital to the nonprofits which have the primary goal to foster and encourage economic development. The funds are focused on assisting these organizations to fulfill their missions and provide technical assistance to New Hampshire businesses.

Microenterprise (Economic Development)

The Microenterprise Program, a subset of the CDBG Economic Development Program, is an \$850,000 set-aside used to aid entities that provide assistance to start-ups and very small businesses (those with fewer than five employees). With federal maximums of \$500,000 per municipality or county, the \$844,865 in awards were allocated to Grafton County and Cheshire County and divided among economic development centers from every corner of the state. Collectively, the program will serve approximately three hundred six businesses in New Hampshire.

A grant in the amount of \$405,000 has been made to Grafton County on behalf of these organizations:

- \$200,000 to the Belknap Economic Development Council in Laconia. BelknapEDC will collaborate with Grafton Regional Development Council and Wentworth Economic Development Corporation to assist seventy low- to moderate-income individuals throughout Grafton, Belknap and Carroll Counties through lending advice, one-on-one counseling and trainings geared toward small business development.
- \$134,000 to the Women's Rural Entrepreneurial Network (WREN) in Bethlehem. Technical assistance from WREN includes initiatives such as vendor readiness classes, business coaching, and computer tutorials to approximately fifty low- to moderate-income business owners.
- \$71,000 for the Northern Community Investment Corporation (NCIC) in Lancaster. Approximately twenty-five start-up businesses will be able to take advantage of NCIC's financial management

and business coaching, marketing seminars, and training in customer service, among other benefits.

A grant has been made to Cheshire County in the amount of \$439,865 on behalf of these organizations:

- \$162,455 to the Hannah Grimes Center in Keene. The center will provide access for sixty microenterprises to its training, one-on-one counseling and technical assistance, as well as other services.
- \$147,455 for the Regional Economic Development Center in Raymond. Activities funded include one-on-one meetings with business advisors, training in reading financial statements, and assistance with brand development and marketing. An estimated fifty-four low- to moderate-income small business owners will use their many resources.
- \$129,955 to the NH Small Business Development Center's Pathways to Work initiatives in Durham and Manchester. Some of the services provided to approximately forty-seven participants include classes on how to start a small business, e-courses on finance, and workshops on topics like marketing and accounting.

Planning Grants

The Planning Grant Program funds planning and feasibility related activities to determine whether or not a proposed project is viable.

- The Town of Ashland was awarded \$12,000 to determine the structural integrity of the abandoned L.W. Packard Mill Building, estimate hazardous materials clean-up costs and potential clean-up funding, and estimate costs to rehabilitate the building.
- The City of Claremont was awarded \$12,000 on behalf of Claremont Learning Partnership to engage an independent consultant to fully assess the condition of the building located at 169 Main Street. The study will help the Claremont Learning Partnership determine whether the building is suitable for long-term use anticipated by the organization and its partners.
- Town of Wolfeboro was awarded \$12,000 on behalf of Global Awareness Local Action to engage a consultant to develop a preliminary site plan for a Maker Space and Incubator property at 23 Bay Street, Wolfeboro.
- The Town of Littleton was awarded \$12,000 to explore the concept of developing a new arts and cultural business hub to be located in the Littleton Opera House. The project will create a central location for new and existing arts and cultural businesses who will benefit from increased

recognition as well as users who will benefit from increased access and opportunities.

- The City of Lebanon was awarded \$12,000 on behalf of River Valley Community College to determine the best use of building space. The study will explore a collaboration to engage start-ups and entrepreneurs, provide space and co-working opportunities, as well as increase access to training and technical assistance, peer mentoring and lending support.
- The Town of Lisbon was awarded \$12,000 to study the development of an addition at the Lisbon Public Library for the purposes of creating a new accessible entrance to make the building accommodating for handicapped persons and senior citizens.
- The Town of Newport was awarded \$12,000 to explore the feasibility of developing a child care center in Newport's Industrial District. The study will benefit low- and moderate-income people by increasing child care accessibility to those who are looking to enter the workforce and address a need identified by employers as a barrier to recruitment.
- The City of Lebanon was awarded \$12,000 on behalf of Headrest to develop cost estimates and preliminary architectural and engineering design for expansion of the its facility located at 14 Church Street in Lebanon. The study will include assessing the building for programmatic needs, long term sustainability and energy efficiency.

Emergency Grants

The Emergency Program funds projects that will provide immediate relief due to unanticipated events which have a serious and immediate threat to public health and safety or unanticipated actions which jeopardize the economic stability of the community.

- The Town of Wakefield was awarded \$350,000 on behalf of the Sanbornville Water Precinct. The Department of Environmental Services issued a letter stating that the situation is a potential major public health emergency. The project includes the installation of approximately 2,500 linear feet of eight-inch water main to bypass an existing steel main that is prone to frequent breakages. Often a break will be fixed only to result in another break a few weeks later.

Program Opportunities

In state fiscal year 2019, CDFA coordinated with state leaders, legislators and partners on an important measure to streamline CDBG administration by exempting CDFA from the New Hampshire Administrative Procedures Act and other rulemaking provisions. State administrative rules were adding an extra layer to already complex Federal requirements from HUD, hindering a more efficient program administration and

responsive deployment of resources. CDFA was the only State-chartered nonprofit authority subject to the State administrative rules process.

The bill exempting CDFA from the rules process was signed by Governor Sununu in late July. This change enables CDFA to focus on careful and thoughtful deployment of these resources, including the following goals relative to the CDBG program:

- Increase accessibility to and ease-of-use of CDBG funds;
- Create flexible structure to better adapt to evolving needs in New Hampshire;
- Adjust to new funding levels and a technology-driven world; and
- Continue to integrate CDFA resources to support critical, community-driven projects.

As funding levels for the CDBG program continue to remain uncertain, it's critical to ensure New Hampshire's program is well-positioned to make the most impact possible with limited resources. CDFA will continue to collaborate with New Hampshire communities, as well as state and federal leadership, on this initiative.

5. Clean Energy Fund

CDFA's Clean Energy Fund is dedicated to financing energy-efficiency improvements, clean technology and renewable energy initiatives throughout New Hampshire. It merges multiple state and federal funds into an efficient, deployable resource. These investments provide financing for eligible initiatives being undertaken by businesses, nonprofits and municipalities.

The Clean Energy Fund is focused on delivering the following value to its partners:

- Provide technical assistance to borrowers and contractors;
- Develop public-private partnerships, de-risking private investment;
- Coordinate with other funding sources to enable a creative approach to financing; and
- Structure loans to ensure project savings are equal to or greater than annual debt service payments.

Since 2015, the Clean Energy Fund has deployed approximately \$6.2 million in financing to support 39 clean energy initiatives throughout New Hampshire. Loans ranged from \$19,000 to \$470,000 with an average loan amount of \$154,000. Collectively, these projects are estimated to save over \$588,000 per year in energy expenses.

Background on the Clean Energy Fund

Energy-based revolving loan funds – created either by American Recovery and Reinvestment Act money originating in the Office of Energy Planning or funds from the New Hampshire Public Utilities Commission – administered by CDFA are now being recapitalized as those funds are repaid. These programs included BetterBuildings, the Energy Enterprise Fund, and the Municipal Energy Reduction Fund. In 2013, CDFA combined these various funding sources under one umbrella program called the Clean Energy Fund.

Using resources from the Clean Energy Fund, organizations will be directed to financing from one, or more than one, of these revolving loan funds. In addition, CDFA works with private sector lenders to create credit enhancement products to leverage our public funds and provide more resources.

Energy Audit Program

CDFA launched an Energy Audit Program under the Clean Energy Fund in FY 2017. Using resources from the USDA Rural Energy for America Program (REAP) grant program, CDFA began offering funds to assist agricultural producers and rural small businesses throughout New Hampshire in receiving comprehensive energy audits. Grant funds will cover seventy-five percent of the comprehensive energy audit costs with eligible participants required to pay the remaining twenty-five percent.

Under the program, CDFA works with qualifying business owners to identify an eligible energy auditor, as well as incentives and financing opportunities available for implementing the recommended energy upgrades. In FY 2019, CDFA provided \$10,875 in resources to support energy audits for seven rural businesses throughout New Hampshire.

State Fiscal Year 2019 Loans

As the revolving loan funds are being recapitalized, CDFA is able to redeploy these funds to businesses and municipalities for energy improvement initiatives. In FY 2019, CDFA made the following loans under the Clean Energy Fund.

- Loan of \$26,000 to the Laconia Area Community Land Trust, Inc. d/b/a Lakes Region Community Developers to install 72.32 kW DC of rooftop solar PV arrays on the six buildings which comprise the Avery Hill affordable housing development in Laconia.
- Loan of \$238,614 to support the installation of a 104.4 kW rooftop solar array that will reduce energy consumption at the Goedecke Flooring & Design facility in Bedford.
- Loan of \$150,000 to support the installation of a 28.8kW rooftop solar system and a 13-unit air source heat pump heating and cooling system at the Center Harbor Sutton House B&B in Center Harbor. The improvements will significantly reduce propane use at the property which will improve guest comfort and enable the business to operate on a year-round basis.
- Loan of \$140,000 to Luse Media, LLC d/b/a Paragon Digital Marketing to support the installation of a 37.4 kW rooftop solar system that will reduce energy consumption and costs at the property in Keene. The solar project, along with restoration of the first floor of the building, is intended to more cost effectively heat and cool the building.
- Loan of \$127,095 to M & S Logistics, LLC to install a 78kW rooftop solar array on its facility in Candia. The solar project is intended to reduce energy consumption and costs for the facility.
- Loan of \$350,000 to BP New London, LLC and Barrington Power, LLC to support the installation of solar equipment on two properties owned by the Town of New London as part of a Power Purchase Agreement with the municipality.
- Loan of \$143,140 to Todaverde Properties, LLC to support the installation of five solar PV tracking arrays at the property in Brookline that will reduce energy consumption and costs for the facility.

Future Energy Initiatives

There are great opportunities available to increase CDFA's energy financing portfolio. Our partnerships with organizations like the US Department of Energy, the state Office of Energy and Planning, and the Public Utilities Commission have positioned CDFA as one of the leading resources for energy-based initiatives.

CDFA continues to look for new opportunities for strategic collaborations to further economically-viable investments in clean energy, and particularly those that benefit low-income households. One such opportunity that began in 2019 and will continue into 2020 is working closely with the New Hampshire Housing Finance Authority, as well as owners and managers of rental properties serving low-income residents, to educate on the benefits of energy efficiency for multifamily housing units and provide support for energy upgrades within their respective housing portfolios.

Also in FY 2019, CDFA convened an ad-hoc committee of subject matter experts to develop a long-term strategy for maximizing the organization's impact on the energy efficiency and renewable energy sectors in New Hampshire. The strategy will guide CDFA in the coming years as there is an increasing focus on energy investments which support stabilizing energy costs, providing healthy and comfortable buildings, reducing environmental impacts and increasing employment opportunities in the clean energy sector. Through strategic collaborations, CDFA's Clean Energy Fund will continue to be an investment in New Hampshire's energy future.

6. Recovery Friendly Workplace Initiative

New Hampshire's Recovery Friendly Workplace Initiative, led by Governor Chris Sununu, encourages an environment where employers, employees, and communities can collaborate to create positive change and eliminate barriers for those impacted by addiction (<https://www.recoveryfriendlyworkplace.com/>).

On behalf of the State of New Hampshire, CDFA has been allocated a one-time, \$1 million appropriation to administer grant funds to nonprofit organizations delivering recovery friendly workplace programs. According to the authorizing legislation signed into law June 2018, "recovery friendly workplace programs" include programs that:

- Educate employers in evidence-based practices that demonstrably reduce substance misuse in the workplace;
- Create work environments that are conducive to enabling persons in addiction and mental health recovery to sustain and re-enter the workforce as productive members of society;
- Train employees, including specialized training for human resources personnel, on these matters;
- Raise public awareness and provide information that supports health and safety for employees; and
- Promote active community engagement that will assist in reducing the negative impact of unaddressed substance misuse and untreated mental health.

CDFA has coordinated with the Governor's office, Department of Business and Economic Affairs, nonprofits, businesses and others to administer these funds with the following priorities:

- Deliver impactful Recovery Friendly Workplace programming and services to businesses;
- Create a pilot program that can be replicated statewide and nationally; and
- Strengthen public-private partnerships between nonprofits and businesses in New Hampshire.

Recovery Friendly Workplace Program Awards

The following organizations were awarded Recovery Friendly Workplace Initiative grant funds to advance the delivery of impactful Recovery Friendly Workplace programming and services to business:

- Greater Seacoast Community Health / SOS Recovery Community Organization (Somersworth) – \$285,000;
- Headrest, Inc. (Lebanon) – \$235,000;
- Makin' It Happen Coalition for Resilient Youth, Inc. (Greater Manchester) – \$135,000;
- Reality Check, Inc. (Jaffrey) – \$135,000; and
- Navigating Recovery of the Lakes Region (Laconia) – \$110,000.

Program Implementation

CDFA has moved into the implementation phase of the pilot program whereby funds have been awarded and are available to support Recovery Friendly Workplace Initiative programming for each of the respective grantees. During this phase, grantees are responsible for implementing the programming and services to businesses proposed within their applications. Reporting on these activities will be monitored regularly throughout the grant period.

CDFA is engaged with the Community Health Institute as a third-party subject matter expert to provide Technical Assistance in developing evidence-based materials for the Recovery Friendly Workplace Initiative, training and facilitating the Community of Practice for the five grantee organizations. These materials are an important element for New Hampshire to lead the way in the development of best practices for employers to implement Recovery Friendly Workplace programming.

The Community Health Institute has also begun facilitating a Community of Practice with the grantees. The Community of Practice meets regularly and utilizes other supports such as virtual discussion groups and technical assistance in an effort to promote and support knowledge, resource and experience sharing, collective learning, and problem solving. The Community of Practice will run throughout the duration of the grant period to September 2020.

On or by September 30, 2020, CDFA is obligated to make publically available a report concerning the disbursement of funds and the effectiveness of the recovery friendly workplace initiatives supported by CDFA, including, but not limited to, how many workers in recovery were attracted to and retained in the workforce.

7. Additional CDFA Initiatives

CDFA demonstrates its commitment to community development by creating additional programs that complement the work of our many recipients and public/private partners.

Ideas to Innovation Program (“i2i”)

The Ideas to Innovation Program (i2i) grant opportunity is designed to assist local nonprofits in developing new ideas, thinking and innovation in community and economic development efforts throughout New Hampshire. More specifically, CDFA seeks to provide resources for initiatives, public events and partnerships that recognize the value provided by mutual relationships (e.g. interconnectedness) of various community systems (e.g. economic, social, environmental, public health, employment, and livability). In addition, i2i funded initiatives aim to generate actionable ideas and innovative thinking that have the potential to lead to new and replicable policies, incentives, or financing models that advance and/or complement multiple systems in New Hampshire communities.

This year CDFA hosted a symposium, provided funding and partnered around the idea of “Reweaving the Social Fabric of Our Communities.” The work highlighted the great opportunity to build the capacity of our communities to bring alive what makes them unique, vibrant and resilient places. We see social infrastructure as a significant part of that work and understand it is important to make investments in those that will lead the way for our communities.

UNH Main Street Academy

CDFA provided a grant to UNH Cooperative Extension for tuition assistance for participants in Main Street Academy, a three-day, interactive program designed for community leaders, volunteers and professionals working to enhance vibrancy and economic revitalization in small downtowns. In the spring, teams of local leaders from around the state learned first-hand from practitioners in Concord, Franklin and Bristol about community-based economic-development efforts in those towns. CDFA’s partnership with UNH-Cooperative Extension helps build municipal agency and planning capacity that will lead to more engaged citizens and more fundable projects.

Pre Development Loan Program

The Predevelopment Loan Program is designed to help communities, businesses and nonprofit organizations to advance projects from concept initiation and planning to funding and implementation, with a focus on more sophisticated technical assistance and access to funding at the beginning phases of project development.

In SFY 2019, a \$200,000 loan to Twin Pines Housing enabled the organization to complete final plans for a new community center at the Village at Crafts Hill housing development in West Lebanon. A \$50,000 loan helped the Claremont Development Authority to complete architecture and engineering design for renovations to the historic Farwell Block on Opera House Square, which will enable the Sullivan County Oral Health Center to move into larger space and serve more low-income clients.

Job Retention Fund

The CDFA Job Retention Fund helps New Hampshire businesses which lack access to existing credit or equity resources. Loans are made to qualified economic development entities (EDEs), to meet the immediate needs of area businesses. These EDEs then make loans or offer lines of credit to be used solely to assist businesses in remaining open and operating. Money from the CDFA Job Retention Fund has been used to retain employment in a variety of sectors across the state.

In SFY 2019, a \$275,000 loan to Strafford Economic Development Corporation to support the ownership transition of Winnisquam Wood Products, Inc. in Farmington.

Bridge Loans

Government often does not move as quickly as the private sector does. The required process of making capital available can take weeks or months, which may be time that the nonprofits, municipalities, economic development entities, or job-creating businesses do not have. CDFA's bridge loan program allows approved grant sponsors to borrow against awarded Community Development Block Grants and have access to money while the government process is completed. In FY 2019, we began offering Bridge Loans for all CDFA program areas.

7. Financial Reports for CDFA

On the following pages are the financial statements for the Community Development Finance Authority for state fiscal year 2019. The financials are being audited by Leone, McDonnell & Roberts, Certified Public Accountants.⁵

⁵ Once affirmed and formally accepted by the CDFA Board of Directors at their September 17, 2019 meeting, the final audited report will be submitted to the Department of Revenue Administration.

NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY

**STATEMENTS OF NET ASSETS
JUNE 30, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------------|-----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and equivalents | \$ 4,561,913 | \$ 7,961,013 |
| Cash and equivalents - donor restricted | 5,230,380 | 4,394,174 |
| Current portion of Community Development Block Grant Recovery Funds Receivable, net of allowance of \$4,018 and \$13,780 | 37,982 | 128,220 |
| Current portion of notes receivable, net of allowance of \$93,763 and \$43,403 | 832,985 | 446,557 |
| Current portion of notes receivable, energy loans, net of allowance of \$68,741 and \$59,272 | 774,812 | 718,445 |
| Community Development Investment Program - pledges receivable | 1,716,242 | 1,158,949 |
| Community Development Block Grant Funds Receivable - HUD | 238,948 | 1,174,187 |
| Administrative fees receivable | - | 17,815 |
| Prepaid expenses | 47,069 | 55,143 |
| Due from affiliate, net of allowance of \$0 and \$385,068 | - | 901,473 |
| Investments | 1,814,414 | 1,031,808 |
| Investments - related party | - | (161,400) |
| Total current assets | <u>15,254,725</u> | <u>17,826,364</u> |
| PROPERTY AND EQUIPMENT | | |
| Property and equipment | 201,649 | 184,207 |
| Less accumulated depreciation | <u>(171,382)</u> | <u>(153,318)</u> |
| Net property and equipment | <u>30,257</u> | <u>30,891</u> |
| OTHER ASSETS | | |
| Community Development Block Grant Recovery Funds Receivable, net of allowance of \$5,262 and \$34,489 | 49,738 | 320,908 |
| Notes receivable, energy loans, net current portion and allowance of \$333,180 and \$327,069 | 3,382,952 | 3,554,996 |
| Notes receivable, net of current portion and allowance of \$436,431 and \$473,906 | <u>2,265,046</u> | <u>2,648,988</u> |
| Total other assets | <u>5,697,736</u> | <u>6,524,890</u> |
| TOTAL ASSETS | <u>\$ 20,982,718</u> | <u>\$ 24,382,145</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 140,035 | \$ 185,458 |
| Community Development Investment Program projects payable | 4,000,224 | 5,898,528 |
| Community Development Block Grant funds payable | 113,258 | 1,005,077 |
| Community Development Investment Program deferred revenue | 505,976 | 892,665 |
| Downtown Services Grant deferred revenue | <u>24,952</u> | <u>26,452</u> |
| Total current liabilities | <u>4,784,445</u> | <u>8,008,180</u> |
| OTHER LIABILITIES | | |
| Other post employment benefit liabilities | <u>309,000</u> | <u>355,000</u> |
| TOTAL LIABILITIES | <u>5,093,445</u> | <u>8,363,180</u> |
| NET ASSETS | | |
| Without donor restrictions | 1,198,205 | 1,327,536 |
| Without donor restrictions - board designated | 5,617,136 | 5,320,796 |
| Donor restricted | <u>9,073,932</u> | <u>9,370,633</u> |
| Total net assets | <u>15,889,273</u> | <u>16,018,965</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 20,982,718</u> | <u>\$ 24,382,145</u> |

See Notes to Financial Statements

NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| REVENUES AND OTHER SUPPORT | | |
| Grants | | |
| Community Development Block Grant - HUD | \$ 5,547,589 | \$ 7,883,153 |
| Recovery Friendly Workplace Grant | 30,400 | 1,000,000 |
| Total grants | <u>5,577,989</u> | <u>8,883,153</u> |
| Administrative fees | | |
| Community Development Block Grant - HUD | 268,615 | 266,187 |
| Community Development Block Grant - NH | 172,310 | 170,804 |
| Community Development Investment Program - NH | 1,000,000 | 1,000,000 |
| United States Department of Agriculture | 24,146 | 10,790 |
| Miscellaneous fees | 1,504 | 3,335 |
| Total administrative fees | <u>1,466,575</u> | <u>1,450,916</u> |
| Other revenues and other support | | |
| Related party service fees | 9,000 | 72,000 |
| Interest income - loans | 192,441 | 195,071 |
| Total other revenues and other support | <u>201,441</u> | <u>267,071</u> |
| Total revenues and other support | <u>7,246,005</u> | <u>10,601,140</u> |
| OPERATING EXPENSES | | |
| Salaries and wages | 1,003,112 | 1,021,133 |
| Employee benefits and payroll taxes | 322,345 | 268,807 |
| Office | 119,730 | 110,775 |
| Travel | 22,156 | 39,408 |
| Occupancy | 93,191 | 92,441 |
| Professional fees | 253,360 | 278,583 |
| Meetings and events | 25,808 | 15,462 |
| Depreciation | 18,076 | 34,908 |
| Change in allowance for bad debts | (10,524) | (906,283) |
| Total operating expenses | <u>1,847,254</u> | <u>953,234</u> |
| GRANT EXPENDITURES | | |
| Community Development Block Grant: Economic Development - HUD | 1,413,627 | 1,874,553 |
| Community Development Block Grant: Housing and Public Facilities - HUD | 4,178,876 | 6,203,638 |
| Community Development Block Grant: Emergency - HUD | - | 50,396 |
| Community Development Block Grant: Feasibility - HUD | 53,105 | 18,200 |
| Community Development Block Grant - returned funds | 235,000 | 60,000 |
| United States Department of Agriculture | 15,471 | 5,025 |
| Discretionary grants | 17,902 | 56,398 |
| State Grant - Recovery Friendly Workplace | 33,664 | - |
| Total grant expenditures | <u>5,947,645</u> | <u>8,268,210</u> |
| TOTAL OPERATING INCOME | <u>(548,894)</u> | <u>1,379,896</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Loss from investment in related party | 2,000 | (70,053) |
| Gain on Disposition | 288,304 | - |
| Interest income | 128,898 | 82,956 |
| Total non-operating revenues (expenses) | <u>419,202</u> | <u>12,903</u> |
| CHANGE IN NET ASSETS | (129,692) | 1,392,599 |
| NET ASSETS, BEGINNING OF YEAR | 16,018,965 | 14,626,366 |
| NET ASSETS, END OF YEAR | <u>\$ 15,889,273</u> | <u>\$ 16,018,965</u> |

See Notes to Financial Statements

NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipt of Community Development Block Grant - HUD | \$ 6,482,808 | \$ 7,014,313 |
| Receipt of BetterBuildings Fund | 6,283 | (6,283) |
| Receipt of Community Development Block Grant - Program Income | (235,000) | (60,000) |
| Receipt of Community Development Block Grant Admin. Fees | 440,925 | 438,791 |
| Receipt of Community Development Investment Program Funds and Admin. Fees | (1,842,288) | 1,817,729 |
| Receipt of Recovery Friendly Workplace Grant | 30,400 | 1,000,000 |
| Receipt of United States Department of Agriculture Admin Fees | 27,706 | 7,230 |
| Receipt of BetterBuildings Admin. Fees | 9,498 | (4,857) |
| Receipt of Related Party Service Fees | 910,473 | 18,000 |
| Receipt of Interest on Loans | 192,441 | 195,071 |
| Receipt of NH Charitable Foundation | - | (47) |
| Payment for Community Development Block Grant - HUD | (6,537,427) | (7,261,710) |
| Payment for IRB BetterBuildings RES RLF | - | - |
| Payment for discretionary grants | (17,902) | (56,398) |
| Payment for Employees for Services | (1,371,457) | (1,384,940) |
| Payment for Suppliers, Goods and Services | (525,788) | (458,450) |
| Payment for USDA | (15,471) | (5,025) |
| Payment for RFW grant | (33,864) | - |
| Payment for Downtown Services Grant | (1,500) | - |
| Payment for Program Expenses | (25,808) | (15,462) |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | <u>(2,505,789)</u> | <u>1,238,182</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Receipt of payments on notes receivable | 899,338 | 1,515,578 |
| Receipt of payments on notes receivable - Energy Loans | 785,448 | 942,115 |
| Disbursements of notes receivable | (544,206) | (1,235,589) |
| Disbursements of notes receivable - Energy Loans | (862,448) | (872,525) |
| Purchase of assets | (17,442) | (31,039) |
| Redemption of certificate of deposits | - | 754,980 |
| Investments in certificate of deposits | (782,608) | (751,701) |
| Receipt on liquidation of investment in related party | 355,893 | - |
| Interest received | 128,898 | 82,958 |
| NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES | <u>(57,125)</u> | <u>404,755</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | <u>(2,562,914)</u> | <u>1,640,937</u> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>12,355,187</u> | <u>10,714,250</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 9,792,273</u> | <u>\$ 12,355,187</u> |

See Notes to Financial Statements

NEW HAMPSHIRE COMMUNITY DEVELOPMENT FINANCE AUTHORITY

(Continued)

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

| | <u>2019</u> | <u>2018</u> |
|---|------------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT) | | |
| Operating income | \$ (548,894) | \$ 1,379,698 |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation | 18,078 | 34,908 |
| Bad debt expense | (10,524) | (906,283) |
| (Increase) decrease in operating assets: | | |
| Community Development Investment Program - pledges receivable | (557,293) | 1,368,588 |
| Community Development Block Grant Funds Receivable - HUD | 935,219 | (868,840) |
| Administrative fees receivable | 17,815 | (17,815) |
| Prepaid expenses | 8,074 | (31,550) |
| Due from affiliate | 901,473 | (54,000) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (45,423) | 94,307 |
| Community Development Investment Program projects payable | (1,898,304) | (809,675) |
| Community Development Block Grant funds payable | (891,819) | 885,077 |
| Community Development Investment Program deferred revenue | (388,689) | 60,818 |
| New Hampshire Charitable Foundation deferred revenue | - | (47) |
| Downtown Services grant deferred revenue | (1,500) | - |
| Other post employment benefit liabilities | (48,000) | (97,000) |
| Total adjustments | <u>(1,958,895)</u> | <u>(143,514)</u> |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | <u>\$ (2,505,789)</u> | <u>\$ 1,236,182</u> |

See Notes to Financial Statements

8. Financial Reports for DADCo

The 14 Dixon Avenue Development Company (DADCo) is a Limited Liability Corporation (LLC) which operated and managed the buildings at 6 – 14 Dixon Avenue in Concord. In FY 2018, DADCo completed the sale of the properties that house 6 – 14 Dixon Avenue on August 2, 2018.

On the following pages are the independent accountants' compilation report for DADCo for state fiscal year 2019. The financials are being reported by Leone, McDonnell & Roberts, Certified Public Accountants. Since the dissolution of DADCo was completed in SFY 2019, this is the final report on financials.

14 DIXON AVENUE DEVELOPMENT COMPANY, LLC

**BALANCE SHEETS
DECEMBER 31, 2018 AND JUNE 30, 2018**

ASSETS

| | December 31, 2018 <u>(Compiled)</u> | June 30, 2018 <u>(Audited)</u> |
|--------------------------------------|--|-----------------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ - | \$ 21,827 |
| Accounts receivable | - | 210 |
| Prepaid expenses | - | 12,491 |
| Deferred income tax benefit | - | <u>176,400</u> |
| Total current assets | <u>-</u> | <u>210,928</u> |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Total property, plant and equipment | - | 2,190,957 |
| Less accumulated depreciation | - | <u>(697,200)</u> |
| Property, plant and equipment, net | <u>-</u> | <u>1,493,757</u> |
| Total assets | <u>\$ -</u> | <u>\$ 1,704,685</u> |

LIABILITIES AND MEMBER'S DEFICIT

| | | |
|--|-------------|---------------------|
| CURRENT LIABILITIES | | |
| Current portion of long term debt | \$ - | \$ 39,448 |
| Accounts payable | - | 2,203 |
| Accrued interest | - | 1,343 |
| Accrued taxes | - | 22 |
| Due to related party | - | <u>901,473</u> |
| Total current liabilities | <u>-</u> | <u>944,489</u> |
| LONG TERM LIABILITIES | | |
| Long term debt, less current portion shown above | - | 909,537 |
| Security deposits and deferred rent | - | <u>10,059</u> |
| Total long term liabilities | <u>-</u> | <u>919,596</u> |
| Total liabilities | <u>-</u> | 1,864,085 |
| MEMBER'S DEFICIT | <u>-</u> | <u>(159,400)</u> |
| Total liabilities and member's deficit | <u>\$ -</u> | <u>\$ 1,704,685</u> |

See Notes to Financial Statements

14 DIXON AVENUE DEVELOPMENT COMPANY, LLC

**STATEMENTS OF OPERATIONS AND MEMBER'S DEFICIT
FOR THE PERIOD JULY 1, 2018 THROUGH THE DATE OF DISSOLUTION
(DECEMBER 31, 2018) AND FOR THE YEAR ENDED JUNE 30, 2018**

| | December 31, 2018 (Compiled) | June 30, 2018 (Audited) |
|--|---------------------------------|----------------------------|
| REVENUE | <u>\$ 31,980</u> | <u>\$ 302,195</u> |
| OPERATING EXPENSES | | |
| Professional fees | 21,129 | 27,867 |
| State taxes | 15,000 | - |
| Administration fees - related party | 9,000 | 72,000 |
| Depreciation | 7,758 | 74,942 |
| Property taxes | 5,708 | 70,753 |
| Property operating costs | 5,072 | 66,530 |
| Utilities | 2,782 | 27,698 |
| Rental management fees | 1,719 | 16,602 |
| New Hampshire business enterprise tax | 30 | 230 |
| Office supplies | 26 | 149 |
| Advertising | <u>-</u> | <u>1,261</u> |
| Total operating expenses | <u>68,224</u> | <u>358,032</u> |
| LOSS FROM OPERATIONS | (36,244) | (55,837) |
| OTHER INCOME (EXPENSES) | | |
| Gain (loss) on sale of assets | 514,001 | - |
| Interest expense | <u>(4,184)</u> | <u>(31,888)</u> |
| INCOME (LOSS) BEFORE PROVISION (BENEFIT) FOR INCOME TAXES | 473,573 | (87,725) |
| PROVISION (BENEFIT) FOR INCOME TAXES | <u>176,400</u> | <u>(17,672)</u> |
| NET INCOME (LOSS) | 297,173 | (70,053) |
| MEMBER'S DEFICIT, BEGINNING OF YEAR | (159,400) | (89,347) |
| DISTRIBUTIONS | <u>(137,773)</u> | <u>-</u> |
| MEMBER'S DEFICIT, END OF YEAR | <u><u>\$ -</u></u> | <u><u>\$ (159,400)</u></u> |

See Notes to Financial Statements