



**Community Development Finance Authority  
Finance Committee Meeting**

**Neighborworks Southern NH  
801 Elm Street  
Manchester, NH 03103**

February 12, 2019

CDFA FINANCE COMMITTEE PRESENT: Mike Claflin, *Chair*; Robert Tourigny; Rick Wyman; and John Manning.

STAFF: Katy Easterly Martey, *Executive Director*; Debbie Morin, *Chief Financial Officer*; and Maureen Quinn, *Office Manager & Board Relations Manager*.

Mr. Claflin opened the meeting at 8:33 AM and stated there were no announcements or members of the public present.

Mr. Claflin called for a motion to approve the agenda, as presented.

**Motion – 8:34 AM**

Mr. Wyman moved to approve the meeting agenda, as presented. Mr. Tourigny seconded and the motion carried by a unanimous vote of the Committee.

**A. September 11, 2018 Finance Committee Minutes**

Mr. Claflin called for questions or comments on the September 11, 2018 minutes.

**Motion – 8:35 AM**

There being no questions or comments, Mr. Tourigny moved to approve the Finance Committee minutes, as presented. Mr. Wyman seconded and the motion carried by a unanimous vote of the Committee.

**B. CDFA Loan Program Rates**

Ms. Morin provided an overview and summary of each of CDFA's lending programs and associated interest rates.

**Mr. Manning arrived at 8:37 AM**

The Committee asked about the process for establishing interest rates. Ms. Easterly Martey stated CDFA has established rates which are designed to be competitive and attractive, but rates can be adjusted if necessary. There was acknowledgment that the application process for a CDFA loan can be cumbersome; that issue is being addressed to ensure potential borrowers

are attracted to favorable rates without being overwhelmed by a burdensome application process. Ms. Easterly Martey stated CDFA's application guides disclose lending rates associated with each program area. The Committee further discussed current rates and whether they were appropriately structured to ensure CDFA's loan programs are sought after.

The Committee agreed that rate reviews for all of the loan programs should be completed after review of the next subject, expansion of the Bridge Loan Program. The Committee also agreed that recommendations made for changes in program interest rates should be discussed with CDFA's Credit Committee.

### **C. Bridge Loan Program**

Ms. Morin provided an overview of CDFA's existing Bridge Loan Program and stated, based on why bridge loans have been requested and used by CDFA's CDBG program awardees, all program areas would benefit from an expansion of this loan program. The Committee agreed it would make sense to broaden the scope of the bridge loan program to ensure reasonable access to funds which can be critical to a grantee's success.

#### **Motion – 8:59 AM**

There being no additional questions or comments, Mr. Manning moved to recommend and authorize the existing Bridge Loan Program be modified and expanded to be offered as a general program available to all grantees, and not limited to only those in the CDBG program. Mr. Tourigny seconded and the motion carried by a unanimous vote of the Committee.

The Committee agreed to discuss lending rates for CDFA Loan Programs. Each program was discussed for types of businesses it is offered to and complexity of the program. It was suggested the rates should be adjusted as follows:

- Tax Credit Bridge 4%
- Job Retention Fund 3% – 5%
- Clean Energy Fund 3% – 4.5%
- Enterprise Energy Fund 2% – 3%
- CDBG Bridge 4% or 50% of the permanent loan interest rate if being re-lent to applicant through RDC

#### **Motion – 9:00 AM**

Mr. Wyman moved to approve the proposed changes to loan rates for various CDFA programs.

Mr. Tourigny noted he would abstain from the vote as his employer, Neighborworks Southern NH, has been an awardee of CDFA grants and tax credits.

Mr. Manning seconded. The motion passed with three (3) yeas and one (1) abstention.

### **D. Deposit Insurance**

Ms. Morin provided an overview of where CDFA has funds invested. The Committee was assured that all funds are securely invested in FDIC institutions and there is minimal risk to

CDFA's investments. Each of the institutions provides collateral, in some form, for those deposits that exceed FDIC deposit insurance limits.

#### **E. Building Renovation**

Ms. Morin informed the Committee that the renovation process has not progressed in the timeframe originally hoped for. Final architectural plans are expected the week of February 18<sup>th</sup> and it is hoped construction will begin at the end of February or the beginning of March. Ms. Easterly Martey noted CDFA intends to extend its lease agreement with Clean Energy NH. They continue to be policy leaders in the clean energy sector and their expertise and knowledge makes them an ideal tenant.

#### **Motion – 9:10 AM**

Mr. Tourigny moved to adjourn the meeting at 9:10 AM. Mr. Manning seconded. The motion carried by a unanimous vote of the Committee.

Respectfully Submitted,

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Debbie Morin, Chief Financial Officer



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Mike Claflin, Chair CDFA Finance Committee