

**NH Community Development Finance Authority  
Meeting of the Board of Directors****Hannah Grimes Center  
25 Roxbury Street  
Keene, NH 03431**

June 11, 2019

**CDFA BOARD OF DIRECTORS PRESENT:** Robert Tourigny, *Chair*; Mary Ann Kristiansen, *Vice Chair*; John Manning; Mike Clafin; Debbie Morin, *Chief Financial Officer and Secretary/Treasurer of the Board of Directors*; Janet Ackerman; Clay Mitchell; Rick Wyman, and Ben Gaetjens-Oleson.

**STAFF:** Katy Easterly Martey, *Executive Director*; Melissa Latham, *Communications Manager*; Kevin Peterson, *Director of Economic Development*; Scott Maslansky, *Director of Clean Energy Finance*; George Hunton, *Director of Tax Credit Programs*; and Maureen Quinn, *Office Manager & Board Relations Manager*.

**GUESTS:** Elizabeth Dragon, *City Manager of Keene*; Jack Dugan, *Executive Director of Monadnock Economic Development Corporation*; and Tim Murphy, *Executive Director of Southwest Regional Planning Commission*.

Mr. Tourigny opened the meeting at 10:08 AM and noted a quorum was present. Public comment was called for; none was offered.

Mr. Tourigny introduced and welcomed the Board's newly appointed Director, Mr. Ben Gaetjens-Oleson to the meeting. Mr. Tourigny reviewed the meeting agenda and called for any questions or proposed changes.

**Motion – 10:09 AM**

There being no changes, Ms. Kristiansen moved to accept the meeting agenda, as presented. Mr. Clafin seconded and the motion carried by a unanimous vote of the Board.

**A. Consent Agenda – 10:10 AM**

Mr. Tourigny reviewed the items on the Consent Agenda and called for questions or comments.

There being none, Mr. Wyman moved to approve the Consent Agenda, as presented. Ms. Kristiansen seconded and the motion carried by a unanimous vote of the Board.

**B. Presentations – 10:11 AM**

Ms. Easterly Martey welcomed CDFA's panelists to the meeting. She introduced Mr. Jack Dugan, Ms. Elizabeth Dragon, and Mr. Tim Murphy to the Board and staff. She noted that Ms. Elizabeth Fox of the City of Keene had to tend to business and was not able to attend.

**CDFA Data Capacity Progress Report**

Mr. Peterson presented an overview of the data initiative and the potential it lends to grow local agency and develop best practices in the deployment of limited resources. Mr. Peterson used numerous data sources and existing programs to highlight successful incorporation of data trends and analysis to build community agency and make informed decisions about investments.

It was noted that data changes rapidly and not all data can be meaningful. Careful and thoughtful analysis is required to make the most effective use of data sets.

## Community Economic Development Ecosystem at Work: Keene

Mr. Dugan discussed the role Monadnock Economic Development Corporation has played in developing projects throughout Keene. He noted many of these projects came to fruition because of CDFA investments.

Ms. Dragon spoke to the efforts of the City of Keene to continue development of a vibrant and energized City. She noted many of Keene's projects are successful because of collaboration between numerous organizations who are willing to take meaningful risks in an effort to make projects work. Ms. Dragon also noted Keene's newest initiative is creation of an Arts & Culture Corridor in the downtown area.

**Mr. Mitchell arrived at 10:47 AM.**

Mr. Murphy addressed issues surrounding communities planning for their futures. He added key elements of planning include both quality of life and economic development.

Mr. Dugan, Ms. Dragon and Mr. Murphy left the meeting at 11:19 AM.

### C. Approval of 2019 Tax Credit Round Applications – 11:20 AM

Ms. Easterly Martey informed the Board that the Investment Review Committee ("IRC") and staff worked diligently on this year's funding round to recommend the projects which best align with CDFA's mission and possess the ability to be successful. Ms. Easterly Martey noted this year's round was very strong with many competitive applications, a direct result of the technical assistance deployed to all applicants from preliminary discussions, workshops and throughout the application process until applications were submitted.

Ms. Easterly Martey noted three major themes were identified in this round: affordable housing, arts and culture, and outdoor recreation. Recommended awardees also have good geographic distribution statewide, reflective of both the visibility and success of the tax credit program. The Board suggested CDFA be cognizant of economic trends to ensure the program remains strong through a recession.

### Motion – 11:35 AM

The Board discussed the Conflicts of Interest policy and requested staff evaluate the current conflict policy and ensure that it continues to balance transparency and participation especially as it relates to membership on the Investment Review Committee ("IRC") versus making a reasonable determination to vote on the IRC recommendation.

In light of Mr. Tourigny's anticipated conflict, Ms. Kristiansen briefly chaired the meeting.

Mr. Tourigny, Ms. Ackerman and Mr. Clafin all noted conflicts with applications and stated they would recuse themselves from a vote on funding. Mr. Manning noted a conflict with the Economic Development Capacity Program application and stated he would recuse himself from a vote on funding.

Board Member	Conflicted Project(s)	Reason for Conflict	Proposed Remedy
Ackerman	New Hampshire Community Loan Fund, Inc.	Board member of applicant organization	No participation in conversation surrounding conflicted project; recuse from voting on Tax Credit Program recommendations
Clafin	Affordable Housing, Education and Development, Inc. (AHEAD)	Officer of applicant organization	No participation in conversation surrounding conflicted project; recuse from voting on Tax Credit Program recommendations

Manning	Monadnock Economic Development Corporation	Board member of applicant organization	No participation in conversation surrounding conflicted project; recuse from voting on Economic Development Capacity Program recommendations
Tourigny	NeighborWorks Southern New Hampshire	Officer of applicant organization	No participation in conversation surrounding conflicted project; recuse from voting on Tax Credit Program recommendations
	Nashua Soup Kitchen and Shelter, Inc.	Contractor of applicant organization	No participation in conversation surrounding conflicted project; recuse from voting on Tax Credit Program recommendations

Ms. Kristiansen moved to accept the noted conflicts and recusals, as presented. Mr. Mitchell seconded and the motion carried by a unanimous vote of the Board.

**Mr. Tourigny, Ms. Ackerman and Mr. Clafin left the meeting at 11:36 AM.**

#### **Motion – 11:36 AM**

Mr. Wyman moved to approve the recommendations for the Fiscal Years 2020-2021 tax credit round funding. Mr. Manning seconded and the motion passed with a unanimous vote of Board members present.

APPLICANT	PROJECT RECOMMENDED FOR FUNDING	REQUEST	IRC	IRC DECISION SUMMARY
<b>Affordable Housing, Education and Development (AHEAD) Inc.</b>	Bethlehem Workforce Housing - Community Living at Lloyd's Hills	\$625,000	\$450,000	Strong community and economic benefit through development of affordable housing. Tax credits fill a critical gap in financing.
<b>Boys &amp; Girls Club of Greater Nashua</b>	Pool Facility Upgrades	\$235,000	\$120,000	Strong community and economic impact and access to services for target population (LMI). Demonstrated need.
<b>City of Franklin</b>	Whitewater Park and Associated Improvements	\$750,000	\$500,000	Economic benefit to Franklin area through downtown revitalization, community benefit through increased access to outdoor recreation. Demonstrated need.
<b>City of Nashua</b>	Nashua Performing Arts Center	\$750,000	\$367,500	Economic benefit to Nashua area through increased access to arts and culture, downtown revitalization. Demonstrated need.
<b>GALA Community Center</b>	Carroll County Makerspace and Incubator	\$312,500	\$275,000	Economic benefit to Carroll County through increased access to workforce development tools and training, downtown revitalization.
<b>LACLT - DBA Lakes Region Community Developers</b>	Court Street Neighborhood Center	\$200,000	\$200,000	Strong community impact and increased access to services for target population (LMI).

				Demonstrated need, funding not available elsewhere.
<b>Nashua Soup Kitchen and Shelter, Inc.</b>	A place to call home: housing the homeless of Nashua	\$750,000	\$500,000	Strong community benefit through increased services to target population (LMI), development of affordable housing. Demonstrated need.
<b>NeighborWorks Southern New Hampshire</b>	West Side RENEW	\$175,000	\$175,000	Strong community and economic benefit through development of affordable housing. Demonstrated need.
<b>New England Handicapped Sports Association, Inc. dba New England Healing Sports Association*</b>	NEHSA Lodge Health/Safety Improvements and Expansion	\$250,000	\$200,000	Strong community impact and increased access to services for target population. Demonstrated need.
<b>NH Aviation Historical Society, dba Aviation Museum of NH</b>	Creating A Sustainable Program To Enable N.H. High School Students to Build An Actual Flyable Airplane	\$187,500	\$187,500	Strong community and economic benefit through workforce development. Demonstrated need.
<b>Northern Forest Center</b>	Lancaster Main Street Redevelopment	\$300,000	\$200,000	Economic benefit to Lancaster area through downtown revitalization, development of rental housing. Demonstrated need.
<b>Palace Theatre Trust</b>	Reviving the Rex Theatre	\$531,250	\$250,000	Economic benefit to Manchester area through increased access to arts and culture, downtown revitalization. Demonstrated need.
<b>The Homeless Center for Strafford County</b>	Physical Build-New Homeless Shelter building in the Seacoast Area of New Hampshire	\$500,000	\$250,000	Strong community impact and increased access to services for target population (LMI). Demonstrated need.
<b>Vaughan Community Services</b>	Construction of a food pantry/clothing depot and renovation of an existing daycare center	\$375,000	\$300,000	Strong community impact and increased access to services, including affordable childcare, for target population (LMI). Demonstrated need.
<b>West Claremont Center for Music and the Arts</b>	West Claremont Ctr: Claremont Creative Center	\$625,000	\$400,000	Economic benefit to Claremont area through increased access to arts and culture, downtown revitalization. Demonstrated need.
<b>TOTAL</b>		<b>\$6,566,250</b>	<b>\$4,375,000</b>	

APPLICANT	PROJECT NOT RECOMMENDED FOR FUNDING	REQUEST	IRC	IRC DECISION SUMMARY
Apple Hill Center for Chamber Music	Apple Hill Central Campus Renovation and Expansion	\$375,000	—	Undemonstrated economic benefit in a competitive round with limited resources.
Belknap County Economic Development Council, Inc. (BEDC)	Workforce Development Program	\$150,000	—	Undemonstrated project specificity and impact in a competitive round with limited resources.
Castle Preservation Society	Trolley with ADA lift	\$182,750	—	Undemonstrated economic benefit in a competitive round with limited resources.
Elliot Hospital (part of Elliot Health System)	Elliot Regional Cancer Center	\$625,000	—	Undemonstrated need for funds in a competitive round with limited resources.
Friends of the Concord-Lake Sunapee Rail Trail	Concord-Lake Sunapee Rail Trail - Trail Building	\$125,000	—	Undemonstrated economic/community impact in a competitive round with limited resources.
Kimball Jenkins, Inc.	Kimball Jenkins Mansion 2020	\$168,750	—	Undemonstrated economic / community impact in a competitive round with limited resources.
Mt. Caesar Union Library Association	Next Chapter for Mt. Caesar Union Library	\$625,000	—	Premature for tax credit investment.
New Hampshire Community Loan Fund, Inc.	Homeowner Assistance Loans	\$400,000	—	Undemonstrated near-term and long-term sustainability in a competitive round with limited resources.
The Colonial Theatre Group, Inc.	The Colonial Center Project	\$937,500	—	Premature for tax credit investment.
The Music Hall	Historic Theater HVAC Replacement	\$156,250	—	Undemonstrated economic and community impact or need in a competitive round with limited resources.
Weeks Medical Center	North Country Recovery Center & Oncology Clinic	\$625,000	—	Undemonstrated need for funds in a competitive round with limited resources.
<b>TOTAL</b>		<b>\$4,370,250</b>	<b>—</b>	

**Mr. Tourigny, Ms. Ackerman and Mr. Clafin returned to the meeting at 11:38 AM.**

Mr. Mitchell presented the recommendation to create and implement a proactive energy strategy which will focus on ensuring future tax credit rounds require all applicants to incorporate an energy strategy wherever possible. The Board encouraged staff to provide advance technical assistance so applicants are fully aware of the different resources available and are engaged in incorporating energy efficiencies into their projects wherever practical.

#### **Motion – 11:44 AM**

Mr. Mitchell moved to adopt implementation of an energy efficiency strategy for the tax credit program. Mr. Manning seconded and the motion passed by a unanimous vote.

**Mr. Manning left the meeting at 11:45 AM.**

**Motion – 11:46 AM**

The Board discussed the Economic Development Capacity Program funding recommendation.

There being no questions, Mr. Wyman moved to approve the recommendation for the Economic Development Capacity Program funding. Mr. Gaetjens-Oleson seconded and the motion passed with a unanimous vote of Board members present.

<b>RECOMMENDED FOR FUNDING</b>	<b>AMOUNT</b>
Belknap Economic Development Council	\$25,000
Capital Regional Development Council	\$25,000
Coastal Economic Development Corporation	\$25,000
Grafton County Economic Development Council	\$25,000
Monadnock Economic Development Corporation	\$25,000
Mt. Washington Valley Economic Council	\$25,000
Regional Economic Development Center of Southern New Hampshire	\$25,000
Strafford Economic Development Corporation	\$25,000
Wentworth Economic Development Corporation, Inc.	\$25,000
NH Alliance of Regional Development Corporations	\$25,000
<b>TOTAL</b>	<b>\$250,000</b>

**Mr. Manning returned to the meeting at 11:47 AM.**

The Board reviewed the L5 Capacity Building Program recommendations. Seven (7) of nine (9) applications are recommended for funding. The Board asked whether there were specific issues with the projects not selected for funding. Staff provided reasoning for those projects not selected for funding and further stated they worked directly with the applicants to ensure an option remains for submission of an improved application in the next round where appropriate.

**Motion – 11:48 AM**

There being no further questions, Ms. Kristiansen moved to approve the recommendation for the L5 Capacity Building Program. Mr. Manning seconded and the motion passed by a unanimous vote.

<b>RECOMMENDED FOR FUNDING</b>	<b>REQUEST</b>	<b>RECOMMENDATION</b>
TLC Family Resource Center	\$33,271	\$33,271
Triangle Club, Inc.	\$75,000	\$75,000
New Hampshire Water Works Association	\$75,000	\$28,916
New Hampshire Center for Nonprofits	\$75,000	\$75,000
City of Lebanon	\$75,000	\$75,000
Greengard Center for Autism	\$75,000	\$75,000
Farmsteads of New England, Inc.	\$12,813	\$12,813
<b>TOTAL</b>	<b>\$421,084</b>	<b>\$375,000</b>

<b>NOT RECOMMENDED FOR FUNDING</b>	<b>REQUEST</b>	<b>RECOMMENDATION</b>
Northern Community Investment Corporation (NCIC)	\$75,000	—
Families in Transition - New Horizons	\$50,000	—
<b>TOTAL</b>		—



#### **D. CDFA Fiscal Year 2020 Budget – 11:50 AM**

Ms. Morin provided a brief overview of the proposed FY 2020 budget. Revenue and expenses are projected to be similar to FY 2019, with a slight uptick in revenue from an increase in the State's contribution for administration of the CDBG program. Additionally, the loan programs are forecasted to modestly increase revenue. Expenses are primarily driven by staffing and a generous benefits package. To provide a clear picture of net operating projections, one-time items including DADCo and the Recovery Friendly Workplace initiative, as well as discretionary grants and the loan loss reserve were removed from operating expenses and reported below the net operating revenue line.

#### **Motion – 11:55 AM**

There being no further discussion or questions around the proposed budget, Mr. Claffin moved to approve the recommendation from the Finance Committee to approve the Fiscal Year 2020 Budget, as presented. Mr. Wyman seconded and the motion carried by a unanimous vote of the Committee.

#### **E. Community Development Advisory Committee**

Ms. Easterly Martey stated the Board should review and consider approval of the Community Development Block Grant applications evaluated and recommended for funding in May by the Community Development Advisory Committee.

#### **Motion – 11:56 AM**

Mr. Manning moved to approve the CDBG applications recommended for funding by the Community Development Advisory Committee. Mr. Gaetjens-Oleson seconded and the motion carried by a unanimous vote of the Board.

#### **F. Executive Director Update – 11:58 AM**

Ms. Easterly Martey provided an overarching update of important tasks and accomplishments. Of particular note, if legislation is passed to exempt CDFA from the State administrative rule making process, the Community Development Advisory Committee and the Board of Directors will be tasked with providing guidance to staff as a more comprehensive Action Plan is developed per HUD requirements.

CDFA continues to work with key partners, including NHHFA (housing issues), the New Hampshire Charitable Foundation (impact investment and the Recovery Friendly Workplace) and the NH Municipal Association (expand CDFA's impact with communities throughout the state, especially those communities which may not have previously elected to engage with CDFA).

Ms. Easterly Martey stated the strategic plan will continue to inform organizational decisions and how CDFA should move forward. The strategic plan will also be used by all staff members to further define goals and strategies for accomplishing those goals.

#### **Adjourn – 12:05 PM**

There being no further business before the Board of Directors, Mr. Wyman moved to adjourn the meeting. Mr. Manning seconded and the motion carried.

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Robert Tounghy, Chairman of the Board of Directors

**Community Development Advisory Committee – May 2, 2019**  
**Committee Approved Projects for Board of Directors Review & Approval**

**A. 2019 Microenterprise Round/Counties of Grafton and Cheshire – \$844,865**

The New Hampshire State rules for microenterprise funding allow one municipality to apply for up to \$500,000 in funding for sub recipients who provide training and technical assistance to microenterprises. The 2019 allocation of Community Development Block Grant (CDBG) funds for support of microenterprise programs is \$850,000; therefore, two municipalities needed to apply for the funds on behalf of the subrecipients.

The County of Cheshire has submitted an application on behalf of three organizations to provide a full range of entrepreneurial training and technical assistance services to low- to moderate-income (LMI) micro-business owners and others who are planning to start microenterprises across New Hampshire.

The County of Grafton has also submitted an application on behalf of three organizations to provide a full range of entrepreneurial training and technical assistance services to low- to moderate-income (LMI) micro-business owners and others who are planning to start microenterprises across New Hampshire.

Microenterprise Development Assistance has been a funding category in the New Hampshire State CDBG program since 1998 as a sub-category of Economic Development. By HUD definition, the term “microenterprise” means a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. Microenterprise funding has enabled many New Hampshire small businesses to receive much needed technical assistance for business planning, marketing, financial management and business structuring in order to develop and expand their businesses.

REDC	\$147,455
BEDC	\$200,000
NCIC	\$71,000
Hannah Grimes	\$162,455
WREN	\$134,000
UNH/SBDC/Pathways to Work	\$129,955
<b>Total -</b>	<b>\$844,865</b>

Funding is contingent upon the following staff recommended conditions:

1. Sufficient funds are available and allocated to the State by the Department of Housing and Urban Development (HUD);
2. All other usual and customary CDBG contracting terms; and
3. The use of funds conforms with HUD and State regulations.

**B. 2019 Business Technical Assistance Program/Grafton County/BEDC – \$265,000**

Grafton County, on behalf of New Hampshire’s 10 established Regional Development Corporations (RDCs), is seeking \$300,000 to provide technical assistance to New Hampshire businesses. CDFA recommends funding the application with an award of \$265,000. Specifically, technical assistance to a business will be for one of the following eligible activities:



- Establishing and managing a budget for the business;
- Helping the business to prepare a loan request;
- Marketing or development of a marketing plan;
- Developing signage, marketing materials or a logo; and/or
- Creating a plan to provide, or partner to provide, workforce training and development.

Along with the administrative cost of \$15,000, the project would divide \$190,000 equally among the 10 RDCs (\$19,000 per RDC) and make available an additional \$60,000 on a competitive basis to be used for outside consultant support to businesses – services that are beyond the scope or expertise of RDC staff.

New Hampshire's 10 Regional Development Corporations (RDCs) are focused on providing financial and other support to businesses and communities through various loan programs, technical assistance and initiatives that promote economic development, foster the creation of quality jobs, and enhance the economic well-being of New Hampshire's local communities. RDCs are an important component of the economic-development delivery system for CDBG funds in New Hampshire.

### **RDC Summary and Summary of CDFA Capacity Funding**

Jobs: This Business Technical Assistance Grant requires each RDC to meet the CDBG national objective and public-benefit standard by creating at least one job for a person from a low- and moderate-income household.

Beyond job creation: In addition to the job creation requirements tied to this funding, RDCs perform other functions and participate collaboratively with other economic development entities and external partners in their regions. They strive to be the "go-to" source for gap financing and links to various business resources around the State.

In accordance with CDFA 307.02, the authority collects the following documentation from each RDC as part of the overall application:

- 1) Statement of assets and most audited financial statement;
- 2) Profit and loss statement;
- 3) A statement on the progress made with respect to job creation;
- 4) An annual work plan to be approved; and
- 5) A report on the outcomes of the previous year's work plan.