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**NH Community Development Finance Authority
Meeting of the Board of Directors**

CDFA

Webex Videoconferencing Meeting due to COVID-19 Pandemic Emergency

**December 8, 2020
10:00 AM**

CDFA BOARD OF DIRECTORS: John Manning, *Chair*; Debbie Morin, *Chief Financial Officer and Secretary/Treasurer of the Board of Directors*; Mike Clafin; Robert Tourigny; Cindy Harrington; Rick Wyman, and Ben Gaetjens-Oleson.

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

Mr. Manning called the meeting to order at 10:02 AM.

Mr. Manning stated the meeting is being held in videoconferencing format due to the ongoing public health crisis and emergency related to the COVID-19 pandemic. Directors are participating in the meeting from remote locations. Any and all action will require roll call votes.

Mr. Manning reviewed the meeting agenda and called for questions or comments. None were offered.

Motion – 10:03 AM

Ms. Harrington moved to approve the agenda, as presented. Mr. Gaetjens-Oleson seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried with a unanimous vote of the Board.

Mr. Manning noted no members of the public were present. No public comment was offered.

A. Consent Agenda

Mr. Manning reviewed the consent agenda and called for questions or comments. Items on the Consent Agenda included: November 10, 2020 Board of Director Minutes and November 5, 2020 Community Development Advisory Committee Minutes. No questions or comments were offered.

Motion – 10:06 AM

Ms. Harrington moved to approve the consent agenda, as presented. Mr. Clafin seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried with a unanimous vote of the Board.

B. Clean Energy Fund Program Update – 10:05 AM

Mr. Maslansky provided a summary overview of the CDFA's Clean Energy Fund Program (CEF), and noted the investments and impacts realized from 2015 – 2020. CDFA has considered how to focus CEF investments to better align with CDFA's other programs. It was noted the majority of funds (loans) deployed to date have been for businesses; CDFA's other programs typically target investments into nonprofit organizations. Mr. Maslansky stated in 2018 CDFA convened a group of people involved in clean energy in New Hampshire; the Clean Energy Advisory Committee developed strategies for CDFA designed to deploy funds effectively and to maximize leverage to contribute to a strong and robust clean energy economy. The following goals were proposed:

1. Advance CDFA's goals and mission by intentionally building demand for Clean Energy Financing as an integrated offering with CDFA's other programs and program marketing. The Committee also addressed barriers encountered when trying to incorporate clean energy elements into housing projects; some particular types of funding are restrictive and preclude additional debt related to clean energy. The Board asked whether CDFA could advocate for a change in policy where this barrier exists.
2. Grow Clean Energy Financing demand by streamlining the CEF program and processes to improve the customer experience and reduce administrative costs. The Board asked whether CDFA could become a clearinghouse for energy resources in NH, centralizing access to resources and thereby positioning CDFA to take on more of a leadership role in clean energy financing.
3. Build coalition leadership by working with partners to advance policy supporting a clean energy economy. This effort will require CDFA to provide education and technical assistance around these issues to partners and utilities.
4. Build coalition leadership by aligning CDFA's CEF with other NH clean energy strategy recommendations and programs.
5. Create strong vehicles for Clean Energy financing by establishing a privately investable fund; this would include the establishment of the Community Development Fund for New Hampshire, which would enable CDFA to access more capital investments and provide more flexible resources.
6. Create strong vehicles for Clean Energy financing by building statewide energy efficient and renewable energy financing continuity and accessibility, which can be challenging in an uncertain political climate.

The Board asked whether the Clean Energy Advisory Committee or CDFA has considered offering 'guarantees' as a way to support projects without a significant cash outlay and whether this approach could leverage more investments and projects. Mr. Maslansky noted the CEF program tries to be as flexible as possible with all applicants, even when underwriting does not indicate an investment is strong. The Board suggested partnership with small, community banks which might welcome this type of lending in partnership with CDFA. CDFA would provide required technical assistance and underwriting and collect a guarantee fee and the partner bank would hold the note. The Board stressed oftentimes Appraisers assign little value to energy projects; the projects are

costly and minimal valuation is assigned to energy savings. The Board suggested a starting point could be to establish a relationship with particular associations, such as an Assessors group, to gauge interest and disseminate information.

Mr. Maslansky informed the Board that the Eversource Divesture Fund, being overseen by the Public Utilities Commission (PUC), now has \$5.2 MM for community investment. It is projected that \$2.6 MM will be invested for the residential sector and \$2.6 MM for the commercial/Industrial sector. CDFA is most interested in the \$1.875 MM in commercial funds that has been discussed as a pool of loan loss reserve and interest rate buy down funds intended to leverage private investment. CDFA's intent is to provide additional and flexible funding for Clean Energy Finance; CDFA is looking for potential investors and lenders to support this effort in partnership.

C. Nonprofit Response Fund Loans – 10:55 AM

Ms. Morin provided an overview of the Nonprofit Response Fund Program. Staff plans on completing an After Action Review of the Program, the results of which will be presented to the Board of Directors in late winter or early spring 2021. CDFA will look to understand: what elements of the program worked well and why. It was noted CDFA relied on an existing funding structure to launch this program; the structure worked well but challenges remained. A significant amount of technical assistance was required and at the same time, rapid deployment of funding was critical and expected by applicants. The Board asked what has been planned for any unused funds in this program. Ms. Easterly Martey stated staff will look to the Finance/Investment Committee for guidance. Ms. Morin noted many applicants had sought grants but received loans; loan forgiveness may be one option to be considered.

D. Community Development Fund Capitalization – 11:02 AM

Mr. Peterson provided an update on potential funding for the Community Development Fund. CDFA has had ongoing discussions with the Conservation Law Foundation (CLF). The CLF is interested in providing funding for workforce housing in New Hampshire.

Mr. Peterson noted there is interest in this type of funding and fifteen potential applicants have been identified. The Board cautioned to be sure funding secured is in turn affordable funding to deploy; the current market environment is such that bank rates are very favorable; other funders rates should be carefully considered.

E. Action Items

CDBG-CV Funding Applications – 11:12 AM

Mr. Gaetjens-Oleson presented an overview of the CDBG-CV applications. He lauded staff for preparation of quality materials for an extremely large applicant pool. Mr. Gaetjens-Oleson noted there were several projects which were not funded due to eligibility issues (activities of government or direct reimbursement for non-eligible expenses) and that the difference in funds requested versus proposed awards reflects those particular issues. Mr. Gaetjens-Oleson stated the Community Development Advisory Committee approved staff recommended awards to nine applicants, for forty-one projects/activities totaling \$3,116,197; these proposed awards have standard staff recommended conditions, and in some cases, additional conditions to ensure funds are spent appropriately. Mr. Manning called for a motion.

Motion – 11:16 AM

Ms. Harrington moved to approve CDBG-CV funding in the amount of \$3,116,197 for nine applicants representing a total of forty-one projects/activities, with all staff recommended conditions. Mr. Clafin seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes

- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried with a unanimous vote of the Board.

CDBG – Economic Development Application – Town of Jaffrey

Mr. Gaetjens-Oleson presented a summary of the CDBG Economic Development application, approved by the Community Development Advisory Committee with all staff recommended conditions, for The Town of Jaffrey to receive an award of \$500,000. The proposed project will create twenty-five jobs, of which fifteen will be available to people of low- and moderate-income. Ms. Easterly Martey noted this was an exemplary project which required collaboration between the Towns of Jaffrey and Peterborough as well as collaboration and cooperation between CDFA and the NH Department of Business and Economic Affairs. The Board asked whether CDFA has an assurance from the business regarding job creation. Ms. Easterly Martey noted CDBG has specific requirements which include verification of fulfillment of job creation proposed in the application. Mr. Manning called for a motion.

Motion – 11:20 AM

Mr. Wyman moved to approve the CDBG Economic Development application for the Town of Jaffrey, in the amount of \$500,000, with all staff recommended conditions. Mr. Tourigny seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried with a unanimous vote of the Board.

Town of Winchester

Mr. Gaetjens-Oleson presented a summary of the CDBG Planning Grant application, approved by the Community Development Advisory Committee with all staff recommended conditions, for the Town of Winchester. The Board asked about the costs associated with this proposal and suggested they seemed to be high. Mr. Hunton stated the site of the proposed work at Forest Lake is very challenging and significant work will be required to make the site ADA compliant. Plans to accomplish this proposal are projected to be fairly involved. Mr. Manning called for a motion.

Motion – 11:24 AM

Mr. Tourigny moved to approve the CDBG Planning Grant application for the Town of Winchester, in the amount of \$23,500, with all staff recommended conditions. Mr. Wyman seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried by a unanimous vote of the Board.

Belknap Economic Development Council – Bridge Loan - \$312,500

Mr. Peterson presented a bridge loan application for the Belknap Economic Development Council (BEDC), and noted the Board is requested to consider providing provisional approval. The Credit Committee is expected to review the application in detail later on December 8, 2020 and this consideration will provide final approval if the Credit Committee approves the application as presented.

Mr. Peterson summarized the application for the Board and noted the loan is intended to provide necessary and immediate funding (December 2020) for the project to move forward. Funds to repay the loan have been pledged by donors to BEDC's Colonial Theatre project; those payments are anticipated in the first quarter of calendar year 2021. The Board noted the cost of the project. While costs are acknowledged to be high, Ms. Easterly Martey noted a new operating plan is in place which includes partnership with an established and successful organization in Laconia, the Belknap Mill. Additionally, this project should have a significant impact on the downtown area of Laconia, which is needed. Mr. Manning called for a motion.

Motion – 11:28 AM

Ms. Harrington moved to provide provisional approval for a \$312,500 bridge loan to Belknap Economic Development Council. The loan must receive approval from CDFA's Credit Committee on December 8, 2020. Mr. Gaetjens-Oleson seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Claffin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried by a unanimous vote of the Board.

F. Executive Director Update – 11:30 AM

Ms. Easterly Martey provided several brief items. She thanked the Board of Directors for their leadership and guidance over the better part of 2020.

- She noted CDFA was tasked with deployment and engagements with a number of initiatives in response to the COVID-19 pandemic. The willingness of Directors to participate as needed was critical and lent to success in supporting the businesses, nonprofits and citizens of the State of New Hampshire.
- Ms. Easterly Martey noted unless there is an urgent matter, she anticipates waiving the January 2021 meeting of the Board of Directors.
- Mr. Chris Monroe has been hired by CDFA as a Portfolio Manager. It is anticipated he will provide valuable support to CDFA's Program Team.
- CDFA has been assigned a leadership role for the Council on Housing Stability. CDFA will work with DHHS and NH BEA to develop a plan to assist vulnerable citizens with housing and to address an anticipated increase in homelessness stemming from the COVID-19 pandemic.

G. Adjourn – 11:34 AM

There being no further business before the Board of Directors, Mr. Tourigny moved to adjourn. Ms. Harrington seconded. Mr. Manning called for roll call vote.

- Mr. Manning – yes

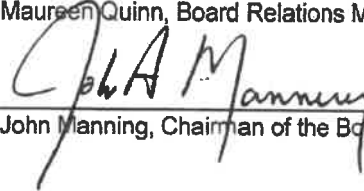
- Mr. Wyman – yes
- Mr. Gaetjens-Oleson – yes
- Mr. Clafin – yes
- Mr. Tourigny – yes
- Ms. Harrington – yes

The motion carried by a unanimous vote of the Board.

Respectfully submitted,



Maureen Quinn, Board Relations Manager



John Manning, Chairman of the Board of Directors