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

**14 Dixon Avenue, Suite 102  
Concord, NH 03301**

**October 12, 2021  
10:00 AM**

CDFA BOARD OF DIRECTORS PRESENT: Michael Clafin, *Chair*; Cynthia Harrington, *Vice Chair*; John Manning, *Secretary/Treasurer*; Mary Ann Kristiansen; Ben Gaetjens-Oleson; Rick Wyman; and Peter Rayno.

STAFF: Katherine Easterly Martey, *Executive Director*; Deborah Morin, *Chief Financial Officer*; Melissa Latham, *Director of Policy and Communications*; and Maureen Quinn, *Office Manager and Board Relations Manager*.

Mr. Clafin called the meeting to order at 10:03 AM.

Mr. Clafin called for any announcements. Ms. Easterly Martey noted that in response to the technology challenges experienced at the September 14, 2021 Board of Directors meeting, CDFA has implemented protocols to minimize the likelihood that a meeting with a videoconference component can be interfered with or interrupted.

Ms. Easterly Martey thanked the Board for traveling to Laconia and noted the tour of the Colonial Theatre was an opportunity to showcase the impact CDFA funds can have for important community development projects. She noted successful projects present a unique opportunity to promote the role CDFA can play in revitalizing communities.

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

**Motion – 10:07 AM**

Mr. Manning moved to approve the agenda, as presented. Mr. Gaetjens-Oleson seconded. The motion carried by a unanimous vote of the Board.

Mr. Clafin called for public comment. None was offered.

**A. Consent Agenda**

Mr. Clafin reviewed the consent agenda, which included Board of Director minutes from September 14, 2021 and Community Development Advisory Committee minutes from August 5, 2021. Mr. Clafin called for questions or comments. None were offered.

**Motion – 10:08 AM**

Mr. Wyman moved to approve the consent agenda, as presented. Mr. Gaetjens-Oleson seconded. The motion carried by a unanimous vote of the Board.

**B. Living Strategic Plan – Planning for the Future – 10:10 AM**

Ms. Easterly Martey stated she would like the Board to contemplate the effectiveness of the living strategic plan. Particular elements to consider include the capacity and current impact of CDFA funding and the opportunity for a thorough organizational assessment.

Ms. Easterly Martey noted CDFA has increased investments from roughly \$16MM in 2017 to \$20MM in 2021. The Board asked whether the increase in deployed funds was due to an influx of federal funding in response to the COVID-19 pandemic and whether this level of funding deployment is sustainable. Ms. Easterly Martey noted pre-pandemic, it was the goal of CDFA to deploy \$20MM annually and the organization expects to attain that benchmark annually.

Ms. Easterly Martey noted CDFA has seen significant growth in project investments, growing from 81 projects in SFY 2017 to 145 projects in SFY 2021. She noted careful thought has been given to ensuring this type of growth is manageable for the organization but that consideration must also be given to ensuring investments are made in projects which best align with CDFA's mission and goals.

The Board discussed long-term sustainability to position CDFA to best manage this growth. The Board asked whether projects should be defined differently to provide a more accurate assessment of funding. Consideration was given to whether categorization by investments or relationships would be helpful, noting there are instances where various types of funding – CDBG, tax credits, and energy loans – may be deployed for one project.

As part of the realized growth over the last five years, the Board discussed:

- Project investments and alignment with the organization's mission and goals;
- Implications of the significant increase in program administration with year-over-year increases in programs deployed (10 in SFY 2017 to 20 in SFY 2021);
- Need to analyze economic development impacts to better inform strategy on how CDFA can engage in policy and focus on mission; and
- Further defining opportunities for CDFA's leadership, engagement and resource deployment.

The Board stated the color-coded dashboard could be an effective tool in providing a snapshot of CDFA investments, including populations and geographic areas served. The dashboard can serve as a roadmap to help focus on areas which may benefit from targeted CDFA investment. Ms. Easterly Martey noted that in November, she will ask the Board to participate in a discussion on trends and countertrends and whether CDFA's work is aligned with the overarching goals and the desired type of community engagement and investment.

### **C. Purpose Driven Board Leadership**

Ms. Easterly Martey provided an overview of purpose driven board leadership. She emphasized that, coupled with the goals set forth in the living strategic plan, CDFA is committed to making investments which align with CDFA's mission versus simply growing the organization. Ms. Easterly Martey stressed CDFA should choose to make investments which have significant impact on people and communities.

#### **Ms. Harrington arrived at 10:35 AM.**

The Board stated the breadth of CDFA's involvement in communities across the State is impressive. The Board discussed how CDFA defines the broad-based constituency it serves and how that can help inform priority areas and investments. Ms. Easterly Martey provided the following for the Board to consider:

- CDFA staff have worked diligently over the past few years to better define priority investment areas and program guidance, specifically within the Tax Credit Program, to provide improved technical assistance for potential applicants when applying for funding;
- Targeted investments in a community – such as Franklin – takes about ten (10) years of investment to catalyze change, which can be seen in data-based evidence and anecdotally as the community landscape shifts; and
- RSA 162-L, CDFA's enabling legislation, directs CDFA to target underserved communities and populations.

The Board discussed the programmatic improvements and growth, CDFA's long-term impact and enabling legislation. In addition, the importance of engagement with community partners and stakeholders, alongside the Board and Community Development Advisory Committee, are key elements to informing the organizations understanding of critical needs and program priorities.

The Board acknowledged the value of a purpose driven approach and the opportunity to further customize a strategy screen tool to help evaluate the alignment of new initiatives with CDFA's mission, capacity and enabling legislation.

#### **D. Quarterly Financials**

Ms. Morin presented the first quarter SFY 2022 (QE 9/30/2021) financials for the Board's consideration.

The Board asked whether there are any under-performing or troubled loans in the portfolio. Ms. Morin stated there are a handful of borrowers being monitored but the vast majority of loans are performing. Nearly 75% of borrowers are enrolled in ACH payments, significantly reducing the delinquency levels.

As discussed in last month's meeting, the State of NH Office of Strategic Initiative (OSI) is being folded into the Department of Energy. During this transition, the State determined that it will repurpose CDFA's pool of EEF funds and is working on a transition plan. CDFA responded to the State with options for the existing loans in the portfolio and is awaiting a reply. In this same response to the State, CDFA reminded the State that the BB contract is set to expire at the end of the year and offered some suggested changes to the BB program. The State has replied and has stated they would ask CDFA to sign a one-year contract extension with the State for both the EEF and BB funds until other arrangements can be finalized.

#### **Motion – 11:20 AM**

Mr. Rayno moved to approve the September 30, 2021 Quarterly Financials, as presented. Mr. Manning seconded and the motion carried by a unanimous vote of the Board.

#### **E. CDFA SFY 2022 Program Guidance**

Ms. Easterly Martey reviewed a proposal to update the L5 Capacity Building Program. The allocation would be increased to \$625,000 and the maximum amount of a single award would increase to \$150,000. Ms. Easterly Martey noted the L5 program will now be called the Community Economic Development Capacity Building Program. The four priority areas are:

1. Increase collaboration across organizations and between stakeholders;
2. Increase organizations' and communities' ability to engage in physical infrastructure projects;
3. Resource projects led by and/or directly benefiting vulnerable populations, including groups with high financial need; and
4. Resource projects in places with a high percentage of vulnerable people, who are low-wealth, rural or distressed urban communities.

Key program terms to support program guidance include:

- Collaboration – two or more organizations or entities working together to complete a community economic development project.
- Infrastructure – building, renovating, improving physical systems or spaces. Nontraditional infrastructure includes creating new models, programs or partnerships that improve internal or external practices or systems.
- Vulnerable/Target Populations – meeting the needs of communities' most vulnerable members and supporting their efforts to meaningfully engage in community economic development initiatives, in alignment with CDFA's founding legislation.
- Target areas – places with a high percentage of vulnerable people, which are low-wealth, rural or distressed urban communities.

Ms. Easterly Martey noted that in an effort to improve accessibility of these resources, funds have been allocated to support grants to nonprofits that need assistance with the upcoming Tax Credit and Capacity Building round application process. The Board asked whether CDFA had considered establishing a cohort model, which would allow several organizations to work together with the guidance of a consultant. This could strengthen a peer-to-peer network and the Board noted they have seen success in this format. It also would create the opportunity to serve more organizations, assuming the demand exists.

The Board asked if CDFA had identified a reason as to why some communities did not initially seek COVID-19 relief funds. Ms. Easterly Martey noted there were two main challenges which seemed to create a barrier:

- Communities were under the impression they needed a specific plan for the resources sought; and
- The application was cumbersome, low capacity communities would have benefited from technical assistance, which was not readily available.

**Motion – 11:29 AM**

Mr. Rayno moved to approve the SFY 2022 program guidance, as proposed. Mr. Gaetjens-Oleson seconded and the motion carried by a unanimous vote of the Board.

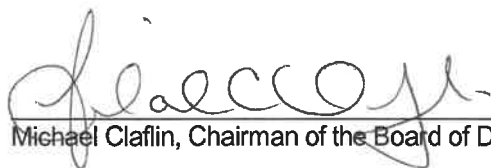
**F. Adjourn – 11:30 AM**

There being no further business before the Board of Directors, Mr. Wyman moved to adjourn the meeting. Mr. Manning seconded. The motion carried by a unanimous vote of the Board.

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Michael Claflin, Chairman of the Board of Directors