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

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

**December 14, 2021
10:00 AM**

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

CDFA BOARD OF DIRECTORS VIA VIDEOCONFERENCE: Robert Tourigny (remote attendance due to health issues and safety protocols).

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

STAFF VIA VIDEOCONFERENCE: Kevin Peterson, *Director of Economic Development*

PUBLIC: Mr. Phil Sletten, *New Hampshire Fiscal Policy Institute*.

Mr. Clafin called the meeting to order at 10:10 AM. Mr. Clafin welcomed Mr. Phil Sletten of the New Hampshire Fiscal Policy Institute to the meeting. No public comment was offered.

Mr. Clafin called for any announcements. There were none.

Mr. Clafin reviewed the meeting agenda and stated the meeting order will be adjusted to ensure there is physical quorum of the Board of Directors. Non-action items and the Executive Director update will be considered first. Mr. Clafin called for questions or comments. None were offered.

A. Executive Director Update

Ms. Easterly Martey updated the Board of Directors regarding a continued collaboration with the New Hampshire Charitable Foundation and the New Hampshire Center for Nonprofits, organizations with whom CDFA partnered with for successful deployment of the Nonprofit Emergency Relief Funds (NERF). The group has expanded to include the New Hampshire Municipal Association and the New Hampshire Association of Counties. The genesis for the expansion of this collaboration is to lend assistance in surfacing needs within New Hampshire communities and to try to align available resources to meet these needs.

Ms. Easterly Martey noted the group is interested in encouraging the Governor's Office for Emergency Relief and Recovery (GOFERR) to provide more technical assistance for communities and easier access to critical resources and information. The requests will be made via a letter to the Governor's office and GOFERR.

Feedback from communities indicate there is real need for technical support to administer Coronavirus State and Local Fiscal Recovery Funds provided by the federal American Rescue Plan Act of 2021. Opportunities to strategically invest resources and systems related to compliance and financial reporting are challenging to navigate, especially for smaller communities that may lack the capacity to dedicate resources to deploying funds. Ms. Easterly Martey asked the Board for their feedback.

The Board asked whether there have been conversations with GOFERR and the Governor's office regarding this topic. Ms. Easterly Martey noted all parties are aware of the request which will be forthcoming. The Board

expressed their appreciation for CDFA's engagement with other organizations to advance discussions with the State. The Board recognized the importance to commit funding to technical assistance to support municipalities.

Ms. Easterly Martey informed the Board that the NERF program has gained national recognition for being one of the most impactful programs for nonprofits during the COVID-19 pandemic. It is hoped this success and recognition will give CDFA and the other organizations a stronger voice.

B. New Hampshire Fiscal Policy Institute – Data Trends, COVID-19 Impacts, Business Trends and Federal Legislation and Investment Priorities (Infrastructure, Build Back Better) – 10:25 AM

Ms. Easterly Martey introduced and welcomed Mr. Phil Sletten of the New Hampshire Fiscal Policy Institute (NHFPFI).

Mr. Sletten provided a comprehensive overview of data which reflect the impact of the COVID-19 pandemic on Granite State citizens and the economy. Trends highlighted included, but were not limited to:

- Overall New Hampshire has experienced population growth, pre-pandemic and throughout the pandemic.
 - The most growth took place in the southeast region of the state and in areas where there is recreation (lakes region).
 - There are a few communities where there is population loss rather than growth, but that is the exception.
- Racial and ethnic diversity is growing in every New Hampshire County.
- Incomes generally rose pre-pandemic.
 - The southeast part of the State, due to the influence of Boston-metro region, has the highest incomes by region.
- The Gini index (a measure of income inequality between households) reflects smaller disparity than what is typically reflected on a national scale.

Mr. Sletten shared additional data which shed light on impacts from the ongoing pandemic. Some points of emphasis, gleaned from data and surveys, reflect a very uneven impact on people. In 2020, people with fewer resources – both education and financial - were left further behind and face greater challenges and uncertainty. Mr. Sletten discussed government policy responses to the pandemic – which included expanded unemployment benefits and direct aid to individuals - and noted overall these policies were effective as they limited significant growth in poverty.

Ms. Kristiansen arrived at 10:57 AM

Economic challenges exist in New Hampshire and these issues have been exacerbated by the pandemic, including:

- An already tight housing market saw an increase of 32% of the median home price while inventory supply was down by more than 65%.
- The labor market is nearly 6% smaller than it was at peak employment pre-pandemic, and fewer young adults (20 -34) and older adults (55 – 74) are seeking employment or considering returning to employment. (Caring for children was the primary reason for leaving employment for the younger group and retirement was the primary reason for leaving employment for the older group).
- Lower wage jobs and jobs in lower income sectors were more likely to have been lost during the pandemic.

Mr. Sletten briefly discussed what the employment sector may look like post-pandemic based on analysis of data from each New Hampshire County, including:

- Prior to the great recession, new and old companies realized the most job growth.

- During the great recession, new companies created the most jobs and old companies lost the most jobs.
- Hillsborough and Rockingham counties saw the most growth immediately after the recession from new and old companies.
- Currently, there are indications of surges in applications for new businesses.
- Overall, data indicates small and new companies are key economic drivers in most New Hampshire counties.

The Board noted this is a worthwhile area for CDFA to continue to support and provide financial resources. Small investments in new and young companies can have tremendous impact. It was noted a critical component of support for new and small businesses is to ensure people have access to:

- Affordable and quality childcare;
- Caregiving and support for, or those caring for, people with disabilities or the elderly;
- Affordable and quality housing; and
- Job training and education for underserved workers.

The Board thanked Mr. Sletten for his presentation.

Mr. Sletten left the meeting at 11:25 AM.

Mr. Tourigny left the meeting at 11:28 AM.

Mr. Clafin noted physical quorum for the meeting.

C. Agenda – 11:30 AM

Mr. Clafin reviewed the meeting agenda and reminded Directors discussion items and the Executive Director update were already discussed. Mr. Clafin called for a motion to approve the updated meeting agenda.

Motion – 11:30 AM

Mr. Wyman moved to approve the revised meeting agenda. Mr. Manning seconded. The motion carried by a unanimous vote of the Board.

D. Consent Agenda

Mr. Clafin reviewed the consent agenda, which included November 9, 2021 Board of Director Minutes, November 4, 2021 Community Development Advisory Committee Minutes, and August 17, 2021 Finance Committee Minutes. He called for questions or comments. None were offered. Mr. Clafin called for a motion.

Motion – 11:31 AM

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

Mr. Tourigny returned to the meeting at 11:32 AM

E. Diversity, Equity and Inclusion

Ms. Easterly Martey requested the Board continue to review and consider the memo in the Board packet related to Diversity, Equity and Inclusion. She noted the intention of the memo is to initiate and facilitate a broader conversation with the Board about this topic in 2022. Ms. Easterly Martey thanked the Board in advance for their consideration and expressed her enthusiasm for the anticipated thought leadership and idea exchange. She encouraged the Board to share any best practice models with which they are familiar.

F. Clean Energy Fund Future

Ms. Easterly Martey provided an overview of anticipated changes in CDFA's Clean Energy Fund. In June 2021, the Office of Strategic Initiatives informed CDFA that funds from the Enterprise Energy Fund (EEF) would be transferred to the new NH Department of Energy for use in a direct grant program for municipalities and schools. CDFA's contract for use of these funds would be amended through 12/31/2022 to allow for the transfer of funds. The loss of approximately \$3.7MM in lending capability will have a significant impact to CDFA's development of a long-term consistent source of clean energy financing for the entire state where much of the rest of the funding/financing landscape in NH is limited by inconsistencies in the utility service areas and uncertain funding that is directly tied to the systems benefit charge.

In response, CDFA proposes the following recommendations:

1. CDFA sign a one-year contract extension to allow time for the following actions.
2. Assign the current EEF loan pool to CDFA. NH DOE will assume the current uncommitted balance of EEF funds.

As CDFA has an ongoing commitment to its borrowers, CDFA requested of NH DOE, who in turn requested that US Department of Energy allow for the assignment of these loans to CDFA. US DOE has tentatively approved the reassignment, pending contract and documentation updates. Therefore, CDFA would purchase the loans from US DOE by providing payment on the remaining principal owed. The arrangement will also release future loan repayments to CDFA from federal lending restrictions.

3. To fund the EEF loan portfolio and transfer the 19 loans to the Clean Energy Fund, CDFA requested the following approvals from the Finance and Investment Committee:
 - Designation of \$500,000 of unrestricted funds to the Clean Energy Fund; and
 - Approval of the term sheet for a \$750,000 EQ2 from Bangor Savings Bank.

This would bring the available balance of the Clean Energy Fund to approximately \$2.5 M allowing for the purchase of the \$2.3 M EEF portfolio. This will leave a small balance of available funds in the Clean Energy Fund until principal repayments replenish it.

Bangor Savings Bank has also indicated that they would be willing to provide additional EQ2 funds if needed to capitalize the Clean Energy Fund, should CDFA experience additional demand before portfolio funds revolve.

The Board discussed whether there is an opportunity for CDFA to work with the State's new Department of Energy and State leadership to ensure there is good policy and positive impact in the clean energy sector. A proactive approach with the State may help CDFA be prepared for the significant funding gaps which may result from the restructuring of these funds.

Mr. Clafin called for a motion.

Motion – 11:59 AM

Ms. Manning moved to approve a designation of \$500,000 of unrestricted funds to the Clean Energy Fund and to approve the term sheet for a \$750,000 EQ2 from Bangor Savings Bank. Mr. Wyman seconded the motion. Mr. Clafin called for roll call vote.

- Mr. Clafin – yes
- Mr. Manning – yes
- Ms. Harrington – yes
- Mr. Rayno – yes

- Ms. Kristiansen – yes
- Mr. Wyman – yes
- Mr. Tourigny – yes

The motion carried by a unanimous vote of the Board.

G. CDFA Clean Energy Policy

Ms. Easterly Martey stated CDFA has carefully considered the many challenges projects in all areas currently face in terms of the pandemic and securing critical funding. A recent decision by the Public Utilities Commission – whereby energy audits and efficiency rebates may be eliminated – may make incorporation of energy efficiency and renewable energy measures in facility projects prohibitively expensive. In light of this, CDFA staff has suggested modification of its current energy policy. The change would adjust the policy from requiring certain energy-related measures to recommending them for organizations applying for CDFA funding.

Mr. Clafin called for a motion

Motion – 12:02 PM

Ms. Harrington moved to amend CDFA's Clean Energy Policy as recommended. Mr. Manning seconded. Mr. Clafin called for roll call vote.

- Mr. Clafin – yes
- Mr. Manning – yes
- Ms. Harrington – yes
- Mr. Rayno – yes
- Ms. Kristiansen – yes
- Mr. Wyman – yes
- Mr. Tourigny – yes

The motion carried by a unanimous vote of the Board.

H. CDBG Economic Development Application – Grafton County/Mid-State Health Center –12:03 PM

Ms. Easterly Martey reviewed an application approved and recommended by the Community Development Advisory Committee in the amount of \$490,000 for Grafton County to be subgranted to Mid-State Health Center. The project will renovate an existing building into a children's learning center, creating capacity to serve sixty children, preserving six jobs and creating eight jobs. Ms. Easterly Martey pointed out this is an example of layered investment by CDFA as the applicant has received other types of funding from CDFA to ensure this critically needed facility is completed for the benefit of the community.

Mr. Clafin called for questions or comments. None were offered. Mr. Clafin called for a motion.

Motion – 12:05 PM

Mr. Wyman moved to approve the CDBG Economic Development application in the amount of \$490,000, to be granted to Grafton County and subgranted to Mid-State Health Center for renovation of an existing building into a children's learning center. Ms. Harrington seconded. Mr. Clafin called for roll call vote.

- Mr. Clafin – yes
- Mr. Manning – yes
- Ms. Harrington – yes
- Mr. Rayno – yes
- Ms. Kristiansen – yes

- Mr. Wyman – yes
- Mr. Tourigny – yes

The motion carried by a unanimous vote of the Board.

Mr. Tourigny left the meeting at 12:06 PM

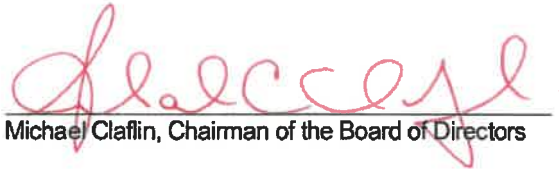
I. Adjourn – 12:06 PM

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

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Michael Clafin, Chairman of the Board of Directors