



14 Dixon Avenue, Suite 102
Concord, NH 03301
Tel: 603.226.2170
Fax: 603.226.2816
www.nhcdfa.org

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

**Second Start
17 Knight Street
Concord, NH 03301**

**February 14, 2023
10:00 AM**

CDFA BOARD OF DIRECTORS PRESENT: Cynthia Harrington, *Chair*; John Manning; *Secretary/Treasurer*; Mary Ann Kristiansen; Robert Tourigny; Michael Clafin; Diane Fitzpatrick and Ross Bartlett.

STAFF: Katherine Easterly Martey, *Executive Director*; Ian Hart, *Chief Financial Officer*; Melissa Latham, *Director of Communications and Policy*; Kevin Peterson, *Director of Economic Development*; George Hunton, *Director of Tax Credit Programs*; Mollie Kaylor, *Director of Housing and Community Development*; Scott Maslansky, *Director of Clean Energy Finance*; Chris Monroe, *Community Development Manager*; and Maureen Quinn, *Board Relations and Tax Credit Program Manager*.

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

Ms. Harrington called the meeting to order at 10:06 AM. Ms. Easterly introduced Mr. Bill Mealey, the Executive Director of Second Start, and thanked him for hosting CDFA at their facility. Mr. Mealey welcomed CDFA's Board of Directors and staff and shared information about the various programs Second Start offers and the impact the programming has for the community.

Ms. Harrington opened the Board of Directors meeting at 10:17 AM.

Ms. Harrington reviewed the meeting agenda; she called for any questions, comments, or changes. None were requested.

Motion – 10:17 AM

Mr. Clafin moved to approve the meeting agenda as presented. Mr. Manning seconded, and the motion carried by a unanimous vote of the Board of Directors.

Ms. Harrington welcomed a member of the public, Mr. Phil Sletten from the New Hampshire Fiscal Policy Institute, to the meeting. She called for public comment; none was offered.

Ms. Easterly Martey introduced two newly appointed Directors to CDFA's Board, Ms. Diane Fitzpatrick and Mr. Ross Bartlett. Ms. Fitzpatrick and Mr. Bartlett introduced themselves; Ms. Easterly Martey asked all other Directors and staff to introduce themselves as well.

A. Consent Agenda

Ms. Harrington reviewed the Consent Agenda, which included minutes from the following meetings:

- December 13th, 2022 Board of Directors Minutes;
- December 1st, 2022 Community Development Advisory Committee Minutes
- December 13th, 2022 Finance Committee Minutes; and

- November 8th, 2022 Credit Committee Minutes.

The Board requested that items 2.5 – Gilmanton Winery and Vineyard loan, 2.6 – Mill Brook Solar LLC loan, and 2.7 – Q/E 12/31/2022 Financial Statements, be removed from the consent agenda and considered separately. The consent agenda will include items 2.1 – 2.4.

She called for questions or comments. Ms. Fitzpatrick and Mr. Bartlett stated they would abstain from voting as they were not present at any of these meetings.

Motion – 10:21 AM

Mr. Clafin moved to approve the consent agenda, as presented and Mr. Tourigny seconded, and the motion passed with four (5) yeas and two abstentions.

B. Action Items

Gilmanton Winery and Vineyard – 10:22 AM

Mr. Hart reviewed a Clean Energy Fund loan, approved by the Credit Committee on February 7th, 2023 in the amount of \$199,000. The loan will be used to install five (5) ground mounted solar photovoltaic. The loan is contingent on confirmation of a USDA REAP grant award and confirmation of approval for a Belknap Economic Development Council parallel loan for \$53,000. The Gilmanton Winery and Vineyard is a relatively small organization; this large solar array is anticipated to have a significant impact on their energy consumption and cost savings.

Ms. Harrington called for questions or comments. None were offered.

Motion – 10:27 AM

Mr. Manning moved to approve the Clean Energy Fund loan, in the amount of \$199,000, as recommended by the Credit Committee, with all staff approved conditions. Mr. Bartlett seconded and the motion carried by a unanimous vote of the Board.

Mill Brook Solar, LLC – 10:28 AM

Mr. Hart reviewed a Clean Energy Fund loan, approved by the Credit Committee on February 7th, 2023 in the amount of \$50,000. The loan will be used to install a rooftop solar array and is expected to offset nearly \$9,000 annually in electric costs.

Mr. Hart noted no vote of the Board of Directors is required as the award amount is able to be approved by staff because it is less than \$100,000.

Quarterly Financials – 10:29 AM

Mr. Hart reviewed the quarterly financials for period end 12/31/2022. Of note:

- In December 2022, CDFA moved its operating accounts into cash sweep accounts; Mr. Hart noted the yield on these accounts (previously earning between 0.0% and 0.3% to 3.0% in December and then to 3.5% in January) is a significant improvement on earnings for the \$5.7M in these accounts. This increase in earnings was not fully budgeted for and this will be a significant plus for income moving forward.
- Liabilities were impacted by the reduction in Unrestricted Net Assets and nearly offsetting increase in the Clean Energy Fund.

- Income Statement reflects 71% of tax credit dollars have been collected at the mid-year, pointing to strong and steady financial performance in the Tax Credit Program.

The Board briefly discussed the sale of tax credits and whether staff is confident regarding the program's success, particularly if there is an economic downturn. Mr. George Hunton noted the program is on track, albeit slower, to secure purchasers for all tax credits.

Ms. Harrington called for a motion.

Motion – 10:33 AM

Mr. Bartlett moved to approve the Quarter End financial statements as of 12/31/2022, as presented. Mr. Clafin seconded and the motion carried by a unanimous vote of the Board.

C. Organizational and Business Values– 10:33 AM

Ms. Easterly Martey informed the Board that staff had worked with CDFA's strategic planning facilitators to consider and evaluate CDFA's existing values and to make updates which reflect CDFA's approach to decisions and business practices. The Board agreed that values oftentimes are things not specifically written down, but are things inherent in what an organization does. Several Directors shared perspectives of their organization's values and how those values inform actions and decisions. The Board emphasized and agreed that a strong set of values – values based on ensuring the needs of people come first – can anchor difficult decision making. The Board discussed the importance of all organizations being receptive to ideas and change. Mission, vision and values are all critical to organizations seeking to make a positive difference, but it is equally important that values are part of the regular and everyday practice of an organization.

D. Trends and Counter Trends – CDFA Objectives – 10:51 AM

Ms. Easterly Martey welcomed Mr. Phil Sletten of the New Hampshire Fiscal Policy Institute (NHFPFI) to the meeting. She noted CDFA has used data from NHFPFI to identify trends – ranging from population growth, use of SNAP (food stamps), housing costs, uninsured population, wages etc. – which manifest into need and/or help identify where investment is needed most and for what purpose.

Mr. Sletten addressed the Board briefly and discussed the data NHFPFI extracts and how it can be useful.

The Board and staff spent time discussing trends and counter trends.

Mr. Sletten left the meeting at 11:45 AM

E. Revised CDFA Values

Ms. Easterly Martey addressed CDFA's values, as they currently exist. She noted significant thought and effort went into developing these values to ensure they each are a fair representation of core CDFA principles. The proposed 2023 revisions were developed with guidance from the Board Strategic Planning interviews, and drafted by the staff and the Strategic Planning consultants, Talmira Hill and Bill Maddocks.

The Board discussed the changes made to the values and agreement that these updates are reflective of the direction of the organization.

Ms. Harrington called for a motion.

Motion – 11:47 AM

Ms. Fitzpatrick moved to accept the proposed revisions to CDFA Values, as presented. Mr. Clafin seconded and the motion carried by a unanimous vote of the Board.

Ms. Easterly Martey provided an example of CDFA's values in action through the update of the organization's credit policy, new variable interests rates, and consistent use of the definition for vulnerable populations across programs.

F. CDBG Funding

In the absence of Mr. Gaetjens-Oleson, Ms. Easterly Martey presented the grant and gap funding requests approved by the Community Development Advisory Committee in January 2023.

CDBG-CV Permanent Supportive Housing Grant

The County of Merrimack requested \$1,000,000 in CDBG-CV funds to be subgranted to Concord Coalition to End Homelessness in support of the acquisition and rehabilitation of a building into eight (8) units of permanent supportive housing. One hundred percent of the units will benefit low- and moderate- income individuals.

Ms. Easterly Martey noted this has been a critical category of funding, allowing CDFA to invest in housing projects which provide a range of critical services to vulnerable populations struggling to maintain secure and safe housing. The Board requested this type of investment be considered for rural areas as well as larger population centers,

GAP Funding

- \$357,870 in supplemental funds for Cheshire County – Hundred Nights Water Street Shelter to address projected cost increases.
- \$400,000 in supplemental funds for Cheshire County – Monadnock Affordable Housing Corporation/ 105 Castle Street to address projected cost increases.
- \$202,000 in supplemental funds for Rockingham County – One Sky Community Services to address projected cost increases.
- \$400,000 in supplemental funds for the City of Claremont – Claremont Development Authority to address projected cost increases.

Ms. Harrington called for further questions or comments. None were offered. Ms. Harrington called for a motion.

Motion – 11:58 AM

Mr. Tourigny moved to approve the CDBG-CV permanent supportive housing grant for the County of Merrimack fbo Concord Coalition to End Homelessness as well as the four gap funding requests, as outlined, and as approved by the Community Development Advisory Committee on January 5, 2023. Mr. Manning seconded and the motion carried by a unanimous vote of the Board.

G. Credit Management Policy Update – 12:00 PM

Mr. Hart provided an update to the Board regarding the Credit Management Policy, noting there is one new addition to the policy which was approved by the Credit Committee on February 7, 2023 and the Finance Committee on February 14, 2023. The update to the policy establishes timeframes for projects to access and utilize funds. The update also provides authorization for the Executive Director to reduce or cancel loans which are less than \$100K. Loans in excess of \$100K may be reduced or cancelled provided there is consultation with the Board of Directors.

Mr. Hart also noted minor edits were made to some of the language in the policy. The word 'grant' has been removed and the word 'fails' has been replaced by 'Does not'.

Ms. Harrington called for a motion.

Motion – 12:02 PM

Mr. Clafin moved to approve the updated Credit Management Policy. Mr. Bartlett seconded and the motion carried by a unanimous vote of the Board.

H. Tax Credit Reallocation

Ms. Fitzpatrick and Mr. Tournigny stated they will recuse from any action taken on this item.

Ms. Easterly Martey summarized a special tax credit round of tax credit awards, targeted towards the City Center area of Manchester. She noted the funds were not used as originally intended, as the project did not go forward for a variety of reasons. Ms. Easterly Martey noted CDFA has nearly \$300,000 which it will set aside for a special funding round of tax credits, likely to be offered as an application category in 2024. These funds may be supplemented by additional funds recovered from tax credit projects. It is hoped that projects serving youth from this city area will apply for this special round of funding to ensure the benefit from the original award impacts a very similar geographic area and demographic.

Ms. Harrington called for a motion.

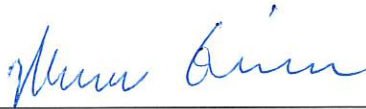
Motion – 12:11 PM

Ms. Kristiansen moved to approve the reallocation of funds from the NHIA project to a special tax credit funding round in 2024, with an intent to target the funding towards youth serving organizations. Mr. Bartlett seconded and the motion carried with five (5) yeas and two (2) abstentions.

I. Adjourn – 12:12 PM

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

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Cynthia Harrington, Chairman of the Board of Directors