



## Community Development Advisory Committee Meeting Minutes

**NH Community Development Finance Authority  
14 Dixon Avenue  
Concord, NH 03301**

Thursday May 4, 2023  
2:00 PM

COMMUNITY DEVELOPMENT ADVISORY COMMITTEE PRESENT: Nancy Merrill; Matt Walsh; Matt Sullivan; Carmen Lorentz; Anne Duncan Cooley; and Ignatius MacLellan.

STAFF: Katherine Easterly Martey, *Executive Director*; Kevin Peterson, *Director of Economic Development*; Molly Donovan, *Director of Economic Development*; Mollie Kaylor, *Director of Housing and Community Development*; Melissa Latham, *Director of Communications and Policy*; Melanie Steenbeke, *Contract Manager*; Priscilla Baez, *Contract Manager – Community Center Investment Program*; and Maureen Quinn, *Board Relations Manager*.

PUBLIC: Justin Slattery, *Belknap Economic Development Council*, and Michelle Beaudin, *Grafton Regional Development Corporation*.

Ms. Easterly Martey called the meeting to order at 2:02 PM. She noted Mr. Gaetjens-Oleson was not available to be in attendance and his absence, she would be chairing the meeting.

### **Motion – 2:02 PM**

Ms. Easterly Martey called for a motion to open the meeting. Ms. Lorentz moved to open the meeting and Ms. Merrill seconded and the motion carried by a unanimous vote of the Committee.

Ms. Easterly Martey reviewed the meeting agenda and called for any questions or changes. None were offered. She called for a motion.

### **Motion – 2:04 PM**

Mr. Sullivan moved to approve the agenda, as presented. Mr. Walsh seconded and the motion carried by a unanimous vote of the Committee.

#### **A. Consent Agenda**

Ms. Easterly Martey reviewed the consent agenda, which included the minutes from the April 6<sup>th</sup>, 2023 Community Development Advisory Committee meeting. She called for questions or comments; none were offered. Ms. Easterly Martey called for a motion.

### **Motion – 2:05 PM**

Ms. Lorentz moved to approve the consent agenda, as presented. Mr. Walsh seconded and the motion carried by a unanimous vote of the Committee.

#### **B. CDBG Economic Development Application: Grafton County – NH Alliance of Regional Development Corporations Business Technical Assistance Program**

Ms. Duncan Cooley noted she has a conflict with this application as well as the 2023-24 Microenterprise Technical Assistance Program as she is the Executive Director of the Grafton Regional Development Corporation.

Ms. Duncan Cooley left the meeting at 2:05 PM

Mr. Peterson summarized and presented the application to the Committee. Grafton County, on behalf of New Hampshire's nine Regional Development Corporations (RDCs), is seeking \$267,000 to provide technical assistance to New Hampshire businesses. CDFA recommends funding the application with an award of \$267,000. 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 \$16,000, the project would divide \$171,000 equally among the nine RDCs (\$19,000 per RDC) and make available an additional \$80,000 on a competitive basis to be used for outside consultant support to businesses – services that are beyond the scope or expertise of RDC staff.

#### **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 for each \$20,000 in CDBG funding awarded.

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.

For this proposal, CDFA collects the following documentation from each RDC:

- 1) Annual information (board list, organizational chart, loan portfolio, CDBG projects, job-creation efforts, etc.);
- 2) Financial information, including the most recent audited financial statement and management-prepared interim financials for the current year;
- 3) Matching-funds and job-creation commitments; and
- 4) An annual work plan for the proposed program year.

CDFA reviews these documents and conducts a financial review of each RDC. Financial reviews indicated that there are no significant financial issues that would preclude successful deployment of the business technical assistance activities proposed as part of this application.

Mr. Peterson stated this application is recommended for funding, in the amount of \$267,000 with the following contingencies:

- Sufficient funds are available and allocated by HUD;
- The project is able to secure all identified matching funds;
- All other usual and customary CDBG contract terms; and
- The use of funds conforms with HUD regulations and CDFA guidance.

Ms. Easterly Martey called for questions or comments. None were offered. Ms. Easterly Martey called for a motion.

## **Motion – 2:09 PM**

Ms. Merrill moved to approve the application as presented, with all staff recommended contingencies. Ms. Lorentz seconded and the motion passed with five (5) yeas and one (1) recusal.

### **C. CDBG Economic Development: 2023-24 Microenterprise Technical Assistance Program**

Mr. Peterson summarized and presented the application to the Committee. He noted that last year the demand for micro funds exceeded what was available, pointing to the importance of these funds for small micro businesses. "Microenterprise Development Assistance" has been a funding category in the New Hampshire State Community Development Block Grant (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. Each microenterprise owner must qualify as low- or moderate-income (LMI) before receiving services. Microenterprise funding has enabled many New Hampshire small businesses to receive much-needed technical assistance for business planning, marketing, financial management and business structuring to help them develop and expand their businesses.

The CDFA CDBG Application and Program Guide allows a unit of local government (in this case, a county) to apply for up to \$750,000 in funding (an increase from \$500,000 per applicant last year) for training, technical assistance, direct grants and other support to qualifying microenterprises. For the 2023-24 program year (starting on July 1, 2023), nine separate subrecipients indicated an interest in deploying CDBG microenterprise program funds, with three counties applying for the funds on behalf of those subrecipients.

For the current (2022-23) Microenterprise program year, CDFA added several new program elements:

- Direct grants of up to \$5,000 per client for machinery/equipment purchases;
- Down payment assistance grants of up to \$10,000 per client for purchase of a business-related property; and
- Up to \$100,000 in capital for micro lending by Subrecipients, to be matched dollar-for-dollar by low-interest loan capital from CDFA.

The program design also enables subrecipients to receive up to 20% of the total direct-service funding to help cover 'program activity costs' associated with program management, delivery and marketing. These program elements are proposed to continue in the 2023-24 program year.

Based on input from subrecipients, grantees and an outside consultant who specializes in Federal program accounting and compliance, CDFA incorporated several additional program elements for the 2023-24 program year:

- Incentive funds (\$1,000 per qualifying client) to encourage subrecipients to focus their outreach on and marketing to microenterprise business owners who
  - come from 'target populations (BIPOC, Immigrant, LGBTQIA+, Disabled or Gender non-conforming) or
  - whose business is located within a designated 'Community Center Area' (CCA);
- Indirect cost reimbursement of 10% of total program funds (to cover a portion of a subrecipient's general operating expenses);
- Environmental review funds to cover the cost of HUD-required environmental consulting and assessment associated with some direct and down payment assistance grants; and
- Capacity funds to help a subrecipient to continue or expand outreach to target populations, expand or enhance its micro program in creative ways, provide more and varied services to clients, etc.

All nine subrecipients requested incentive funds and six requested capacity funds.

Mr. Peterson summarized the funding requests and recommended funding awards as follows.

**Recommendation**

CDFA's CDBG Action Plan allocates \$2,630,253 for Economic Development, including the Microenterprise Program. Based on significant research and evidence that validates the benefits of investing in microenterprises as a way to build equity and family wealth, the positive experience with direct grants, and expanded marketing to target populations resulting from the Community Navigator program, staff recommends approval of a total of **\$1,807,850** CDBG-Economic Development funding for the upcoming Microenterprise Program year (July 1, 2023 through June 30, 2024). This amount represents an increase of \$491,435 (37%) over the current (2022-23) program year award. The staff recommendation is summarized below, by county:

<b>Subrecipient</b>	<b># of Micro Beneficiaries</b>	<b>Program Award</b>	<b>Admin Award</b>	<b>TOTAL AWARD</b>
<u>Grafton County</u>				
BEDC	25	91,650	9,165	<b>100,815</b>
CEDC	15	139,250	13,925	<b>153,175</b>
GRDC	40	223,600	22,360	<b>245,960</b>
WEDCO	15	78,000	7,800	<b>85,800</b>
WREN	25	147,150	14,715	<b>161,865</b>
<i>Grafton subtotal:</i>	<i>120</i>	<i>\$ 679,650</i>	<i>\$ 67,950</i>	<i><b>\$ 747,615</b></i>
<u>Cheshire County</u>				
Hannah Grimes	50	314,900	31,490	<b>346,390</b>
SBDC	40	196,500	19,650	<b>216,150</b>
<i>Cheshire subtotal:</i>	<i>90</i>	<i>\$ 511,400</i>	<i>\$ 45,140</i>	<i><b>\$ 562,540</b></i>
<u>Sullivan County</u>				
REDC	75	425,750	42,575	<b>468,325</b>
RVCC	18	86,700	8,670	<b>95,370</b>
<i>Sullivan subtotal:</i>	<i>93</i>	<i>\$ 512,450</i>	<i>\$ 51,245</i>	<i><b>\$ 563,695</b></i>
<b>TOTALS:</b>	<b>303</b>	<b>\$ 1,703,500</b>	<b>\$ 170,350</b>	<b>\$ 1,873,850</b>

Final allocations reflect a number of factors:

- The subrecipient score (see attached scoring table);
- An increase in the number of subrecipients (from eight to nine), which means more funding for program management and operations;
- A minimum of fifteen clients served as a threshold for a meaningful program;
- The population of the proposed service areas (more client capacity and funding allocated to the more populated southern half of the state);
- An increase in the funding requested for target populations/community center areas, machinery/equipment grants, down payment assistance and subrecipient capacity-building; and
- The limit of \$750,000 in funding may be awarded to any one applicant. In Grafton County, allocations to the five subrecipients are guided by both this limit and subrecipient scoring, which reflects the overall strength of the narrative, client demand, marketing plan, etc.

Funding for CDBG administration represents 10% of the program awards for each County applicant, which is consistent with the current program year.

**Staff recommends this application be funded with the following conditions:**

- Sufficient funds are available and allocated to the State by the US Department of Housing and Urban Development (HUD);
- All other usual and customary CDBG contract terms; and
- The use of funds conforms with HUD regulations and CDFA guidance.

Ms. Easterly Martey called for questions or comments. None were offered. She called for a motion.

**Motion – 2:29 PM**

Ms. Lorentz moved to approve the application, as presented, and with all staff recommended conditions. Mr. Sullivan seconded and the motion passed with five (5) yeas and one refusal.

**Ms. Duncan Cooley returned to the meeting at 2:30 PM**

**D. 2023 Community Center Investment Program Update**

Ms. Easterly Martey provided an overview of the first round of Community Center Investment Program applications. On March 23, 2023, nearly 225 people attended a workshop specific to the program and the application process. CDFA staff met with over 70 potential applicants for pre-application meetings.

The first round of applications includes 45 applications seeking in excess of \$31 million dollars. A number of Committee members disclosed conflict(s) with some of the applications and while they can attend the May 30, 2023 meeting, they will need to recuse from participation.

Ms. Easterly Martey noted in for applications to be scored, basic thresholds require compliance. These include:

- Readiness to break ground in six months
- Have met and complied with CDFA energy policy established in the Application and Program guide
- ADA accessibility at project completion
- Match funds (a minimum of 15% of the award sought) are secured, and
- Multiple needs (at least two) are met by the project, including:
  - Community
  - Civic
  - Recreation
  - Social
  - Other

Scoring criteria has been established and it has many similarities to the CDBG scoring, with points assigned to particular categories that are prioritized in this funding. Some of the components of the application which are being scored include: communities lacking financial capacity, needs and impact of the proposed project, public access, connection to target population(s), bonus points for collaboration with other partners in the community being served, readiness, and energy use and efficiencies.

Ms. Easterly Martey stated there has been interest from a broad range of communities in New Hampshire. CDFA engage the NH Center for Nonprofits and the Regional Planning Commissions to promote the program. Two consultants who have worked for and with CDFA have been hired to help with application review. Additionally, an Administrative Review process – whereby an applicant may request a second review of their application – will be offered after initial funding decisions are made.

The Committee discussed what the definition is for “lower capacity organization” and what funding opportunities may exist if the CCIP is not best for them. The Committee briefly discussed predevelopment loans offered from the New Hampshire Housing Finance Authority. This may be suitable for organizations working in the housing sector. The Committee thanked Ms. Easterly Martey and CDFA’s staff for their work on this program, recognizing the effort required to deploy new funding in a way that is consistent with expectations while meeting the demand from communities across the State.

**E. Adjourn – 3:00 PM**

Ms. Lorentz moved to adjourn the meeting. Mr. Walsh seconded, and the motion carried with a unanimous vote of the Committee.

Respectfully submitted,



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Maureen Quinn, Board Relations Manager



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Katherine Easterly Martey, Acting Committee Chair