



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

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

**May 9, 2023
10:30 AM**

CDFA BOARD OF DIRECTORS PRESENT: Cynthia Harrington, *Chair*; Benjamin Gaetjens-Oleson, *Vice Chair*; Mary Ann Kristiansen; Michael Clafin; John Manning; Peter Rayno; Jared Reynolds; Ross Bartlett; and Diane Fitzpatrick.

STAFF: Katherine Easterly Martey, *Executive Director*; Ian Hart, *Chief Financial Officer*; Melissa Latham, *Director of Communications and Policy*; Molly Donovan, *Director of Economic Development*; Scott Maslansky, *Director of Clean Energy Finance*; and Maureen Quinn, *Board Relations, and Tax Credit Program Manager*.

Ms. Harrington called the meeting to order at 10:36 AM. She noted there were no announcements.

Ms. Harrington reviewed the meeting agenda; she called for any questions, comments, or changes. Mr. Hart requested an Action Item be added and requested an item from the Finance Committee agenda related to the transfer of funds from the Job Retention Fund to the Predevelopment Fund be considered by the Board of Directors. Ms. Harrington noted this item would be included under the Action Item section of the agenda, and Item 3.1a will be taken up by the Board of Directors.

Motion – 10:37 AM

Ms. Fitzpatrick moved to approve the meeting agenda, as amended. Mr. Bartlett seconded, and the motion carried by a unanimous vote of the Board of Directors.

Ms. Harrington called for any public comment. None was offered.

Ms. Easterly Martey introduced and welcomed Ms. Molly Donovan to the meeting. Ms. Easterly Martey noted that Ms. Donovan has been hired as CDFA's Director of Economic Development, a position from which Mr. Kevin Peterson is retiring.

A. Consent Agenda

Ms. Harrington reviewed the Consent Agenda, which included the following materials:

- April 11th, 2023, Board of Directors Minutes;
- April 6th, 2023, Community Development Advisory Committee Minutes;
- April 11, 2023 Finance Committee Minutes;
- Wilkins Lumber Co., Inc. – Clean Energy Fund loan;
- Town of Plymouth – Municipal Energy Reduction Fund loan; and
- Concord Coalition to End Homelessness – Predevelopment Fund loan.

Ms. Harrington asked whether there were any questions or comments regarding the consent agenda. None were offered.

Motion – 10:38 AM

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

B. Quarter End 3/31/2023 Financials

Mr. Hart provided a brief overview of the quarter end financials as of March 31, 2023. He noted the overall financials are strong and there are no areas of concern. Mr. Hart pointed out the following items related to the quarterly financials:

- There is a request to transfer funds from the Job Retention Fund to the Predevelopment Fund and this request, should it be approved by the Board of Directors, will create a change in the financials since the 12/31/2022 Q/E statements;
- Tax Credit funds are trending well; all pledges due by 6/30/2023 will be invoice early in an effort to ensure all anticipated funds are received timely;
- Operating expenses reflect modest savings in salaries, owing to attrition and position vacancies. Some costs related to travel and Consultant fees for the Tax Credit program will experience an uptick;
- Interest rates continue to have variances, but overall the prevailing rates are favorable for generating additional operating revenue.

Mr. Hart noted that he provided a thorough review of the draft FY2024 budget with the Finance Committee. Budget items discussed included new programs, favorable interest rates, and an increase of available funds for lending in the Clean Energy Fund. Mr. Hart noted the final budget will be presented to the Board in June.

Mr. Hart called for any questions or comments. None were offered. He called for a motion.

Motion – 10:42 AM

Mr. Rayno moved to approve the Quarter End 3/31/2023 Financial Statements, as presented. Mr. Bartlett seconded.

Mr. Clafin requested the proposed motion be modified to reflect the Finance Committee recommends approval of the Quarter End 3/31/2023 Financial Statements. Mr. Rayno restated his motion and moved to approve the Quarter End 3/31/2023 Financial Statements, as recommended by the Finance Committee. Mr. Bartlett seconded and the motion carried by a unanimous vote of the Board of Directors.

C. Transfer of Funds from Job Retention Fund to Predevelopment Fund

Mr. Hart stated CDFA seeks to transfer \$600,000 from the Job Retention Fund to the Predevelopment Fund. He stated the predevelopment loan funds are in demand and additional funds will enable more loans to be funded. The Job Retention Fund has had minimal demand over several years. It is proposed that \$600,000 be moved from the Job Retention Fund to the Predevelopment Fund. There will be \$600,000 remaining in the Job Retention Fund. Mr. Hart called for questions or comments. None were offered. He called for a motion.

Motion - 10:44 AM

Mr. Gaetjens-Oleson moved to approve the transfer of \$600,000 from CDFA's Job Retention Fund to the Predevelopment Fund. Mr. Clafin seconded and the motion carried by a unanimous vote of the Board of Directors.

The Board asked what the original intent of the Job Retention Fund was and why there is little demand. Ms. Easterly Martey noted the fund was created in response to the recession in 2008 and the intent was to provide working capital to the State's network of Regional Development Corporations to stabilize employment and to

keep people employed. She further noted should there be renewed demand for these funds, CDFA could flex and add more capital to the fund.

D. Community Development Block Grant Applications – 10:48 AM

Mr. Gaetjens-Oleson noted he was not at the May 4th, 2023 Community Development Advisory Committee meeting and asked Ms. Easterly Martey, who chaired the meeting, if she would present the applications.

Microenterprise Technical Assistance Application

Ms. Easterly Martey noted that this funding is applied for annually; it has been determined this program provides critical financial support for small business development, a vital component in job creation in some of the more rural areas of the State. The importance of this program, coupled with measurable outcomes and impact, has resulted in a larger award this year, with each of the three applicants eligible to apply for \$750,000, up from \$500,000. Ms. Easterly Martey also noted lessons learned from the Community Navigators program, which also supports microenterprises, helped inform how to best reach disadvantaged groups and how to have more impact. She noted this program has nine (9) subrecipients who will work with the micro entrepreneurs. The program includes direct grants of \$5K which can be used for machinery and/or equipment to support the business. The program also allows for \$10K towards acquisition and/or purchase of property. These two types of grants have helped remove barriers for emerging businesses by providing access to critical capital needed to help secure business infrastructure or a property from which to operate the business.

The total proposed award amount is \$1,873,850 with the three applicants approved to receive allocations as follows:

- Grafton County: \$747,615
- Cheshire County: \$562,540
- Sullivan County: \$563,695

NH Association of Regional Development Corporation Business Technical Assistance Application

Ms. Easterly Martey stated this funding is applied for annually, with each RDC eligible to apply for \$19,000; an additional \$80,000 is pooled and accessible through a competitive application process to provide technical assistance which is outside the scope of expertise of the RDC to eligible applicants. It was noted this funding level remained unchanged as the RDCs possess good capacity.

The Board of Directors briefly discussed the challenge in the North Country as the Northern Community Investment Corporation begins to shutter its program. Ms. Easterly Martey noted NCIC has thirteen (13) people working in economic development and it will be important to keep these people working in this sector in New Hampshire. Ms. Donovan shared that there is also a Community Economic Development application in this year's tax credit round which is a partnership between two RDCs to collaborate and pool resources to deploy business lending resources in the northern region of New Hampshire.

The Board asked whether CDFA assesses outcomes to better understand how funding makes significant impact but also to point to where additional investment may be needed. Ms. Easterly Martey stated outcomes are measured and information related to this can be made available.

The total proposed award amount is \$267,000.

Motion – 11:08 AM

Mr. Bartlett moved to approve the CDAC recommended and approved applications, as presented. Mr. Rayno seconded.

Ms. Kristiansen noted she would abstain from the vote. Hannah Grimes Center is a subrecipient of funding in the Microenterprise Technical Assistance application.

Ms. Harrington called for a vote. The motion passed eight (8) yeas and one (1) abstention of the Board of Directors.

E. Clean Energy Fund Application: Newport Solar II, LLC – 11:09 AM

Mr. Maslansky provide an overview of the Clean Energy Fund application from Newport Solar II, LLC in the amount of \$289,350 for installation of a 1.55MWDC ground mounted solar array. The proposed loan is for 10 years at CDFA's base rate of 7%. The array is expected to generate 1,800,690 kWh annually which will be sold to 6 NH businesses, including 5 farms. Each business is projected to save 10% off their Eversource electric supply rates. The loan will be secured by subordinated assignment of equipment and the subscription agreements from the 6 NH businesses which will realize energy savings.

The Board discussed the structure of the deal, and specifically reviewed risk criteria, including a \$2.5MM line of credit with Mascoma Savings Bank. The Board noted the line of credit is due on July 1, 2023 and asked whether the line of credit will be extended, which is important in the current lending environment. The Board stated they will not add any other conditions to this loan but confirmation of the line of credit is critical.

Ms. Harrington called for additional questions or comments.

Motion – 10:33 AM

Mr. Clafin moved to approve the Clean Energy Fund loan to Newport Solar II, LLC, in the amount of \$289,350, for a term of 10 years at CDFA's base rate of 7%, as proposed and with the collateral represented in the loan write-up. Mr. Bartlett seconded and the motion carried by a unanimous vote of the Board of Directors.

F. Visioning Exercise – 11:26 AM

Ms. Easterly Martey reviewed the visioning exercise from the April Board meeting and thanked the Board for their thought leadership and guidance. She shared that, based on the strategic plan and the visioning exercise, there are three key areas of development for greater focus, and these are:

1. Commitment to reach and provide opportunity for underserved communities and people
2. Commitment to clean energy program and investments which incorporate elements of clean energy
3. Commitment to development of a capacity plan and or system to ensure a robust capacity development infrastructure exists in the State

Ms. Easterly Martey summarized the April discussion where there was a focus on identifying challenges, trends, successful initiatives, and endeavors in the State. She suggested the exercise should focus on challenges and opportunities in each of the three areas focus areas and asked the Board to consider whether this focus would land CDFA in five years and if that is consistent with the vision for CDFA. Ms. Easterly Martey also shared the 'multiplier effect' impact. She noted that oftentimes where CDFA has made investments, the impact becomes tenfold greater because the investment is a catalyst for systemic change. The Board agreed that CDFA does well with advancing systemic change, through engagement and collaboration, and this type of focus moving forward is worthwhile. It was noted CDFA has been very successful in keeping a focus on smart energy polices, and investment in microenterprises.

The Board noted that one persistent challenge for CDFA is stagnant funding; the Tax Credit program has not seen an increase in over twenty years, despite the program's success and high demand. Multiple attempts to secure an increase have been initiated but never successful. The Board and Ms. Easterly Martey agreed that the vision for broad, statewide investment is critical, but a focus on strategy is needed to ensure this vision is realized. It was emphasized that CDFA's investments create impact well beyond the project. An effort to continue the advancement of resources to partners in the State will contribute to this continued impact.

The Board discussed the broader visioning statement and how to reflect these concepts into the statement. It was agreed that CDFA's work extends beyond working with underserved communities, but really has a focus

on economic development statewide, including investment in critical infrastructure like affordable housing, childcare, job creation, substance misuse disorder (addressed through the Recovery Friendly Workplace Initiative). CDFA was characterized as being a stable and driving force for community and economic development in the State, while leading with strategic thought. The Board shared some of the following ideas for consideration and incorporation into the development of a broad vision statement:

- CDFA sees the big picture and can affect change
- CDFA does not have a specific agenda; the organization can flex as needed
- Housing stock is central; without quality housing, a quality of life cannot be attained
- Community Progress Indicators (CPIs) help quantify where investment can be most impactful and leverage other investment
- CDFA is apolitical; CDFA believes in convening, collaborating and partnership to advance the greater good
- CDFA does not compete for funding; CDFA is a resource for other funders to consider best practices for fund deployment and positive impact
- CDFA's leadership has positioned the organization to be a well regarded leader in the State, creating positive change in an efficient and pragmatic way.

G. Community Center Investment Program – 12:01 PM

Ms. Easterly Martey provided a brief overview of the Community Center Investment Program. She noted that in the first round of funding, CDFA staff engaged in over 70 pre-application meetings with organization interested in the program. There were 46 applications received, requesting more than \$31 million; applications were received from across the State.

Ms. Easterly Martey noted CDFA used a set of thresholds to do a preliminary review of applications. These thresholds are consistent with the application and program guide and have provided a way for reviewers to have a consistent basis of initial review. Ms. Easterly Martey stated that there are some very good projects which do not necessarily fit well into this program and those applicants will be encouraged to consider submitting an application for CDBG funding and/or Tax Credit funding. The applications which passed threshold will be reviewed by CDFA's Community Development Advisory Committee on May 30th, 2023.

H. Adjourn – 12:08 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, Chair Board of Directors