NH Community Development Finance Authority
Meeting of the Board of Directors

Claremont Makerspace
46 Main Street
Claremont, NH 03743

August 8, 2023
10:45 AM

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

STAFF: Katherine Easterly Martey, Executive Director; Ian Hart, Chief Financial Officer; Melissa Latham, Director of Communications and Policy; Mollie Kaylor, Director of Housing and Community Development; Scott Maslansky, Director of Clean Energy Finance; Molly Donovan, Director of Economic Development; Rebecca Boisvert, Director of Community Center Investment Program; Chris Monroe, Senior Program Manager; Felicity Winters, Executive Assistant; and Maureen Quinn, Board Relations and Tax Credit Program Manager.

PUBLIC: Nancy Merrill, City of Claremont; and Jeremy Katz, Claremont Makerspace.

Ms. Harrington called the meeting to order at 10:45 AM. She noted members of the public in attendance, and she welcomed Ms. Nancy Merrill of the City of Claremont and Mr. Jeremy Katz, one of the founders of the Claremont Makerspace.

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

Motion – 10:46 AM

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

Ms. Harrington called for any public comment. Ms. Easterly Martey invited Ms. Merrill and Mr. Katz to address the Board.

Ms. Merrill welcomed CDFA to the City of Claremont and the Claremont Makerspace (CMS). She noted CMS is centrally located in Claremont and stated CDFA has been a critical partner, investing in economic development in Claremont. Investment by CDFA in various projects has helped the process of rebuilding and revitalizing the city. Ms. Merrill thanked the Board for their continued support of Claremont and the strong partnership fostered between CDFA and the City of Claremont.

Mr. Katz introduced himself to the Board. He noted ‘Network Effects’ – whereby every new entrant into a network strengthens and adds value to the network, which in turn attracts more entrants – has been at evident at CMS and in Claremont in general. He thanked CDFA for its investment in the Makerspace, and noted the investments made planted the seeds for regeneration. He pointed to the ‘Cold Start Problem’ – a concept which considers how a process (in this case revitalization) can get started, and then build. In the case of CMS, investments generated a start, which then gained momentum and attracted further investment, partnership, and membership.
Ms. Merril noted the City of Claremont sold CMS the building for $18,42; this enabled CMS to secure a facility but also contributed to the rehabilitation of a large structure in the city center, a critical investment in revitalization process.

A. Consent Agenda

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

- June 13, 2023, Board of Directors Minutes;
- June 13, 2023, Finance Committee Minutes;
- February 14, 2023, Executive Committee Minutes; and
- May 9, 2023, Executive Committee Minutes.

Mr. Bartlett moved to approve the Consent Agenda, as presented. Ms. Fitzpatrick seconded.

Mr. Cleflin requested two corrections to the June 13, 2023, Board minutes.

- Page 10, Motion – 11:29 AM – the minutes do not reflect which Director made the second to the motion; and
- Page 10, in the third paragraph under Section F (Statewide Family Childcare Workforce Project), the word ‘lifted’ needs to changed to the word ‘implemented’.

Mr. Hart noted the Executive Committee minutes from February 14, 2023, and May 9, 2023 have the term ‘Agenda’ at the top of the minutes. He requested the work ‘Agenda’ be removed.

Motion – 10:59 AM

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

B. Audit Update and Revised FY24 Budget – 11:00 AM

Mr. Hart noted the audit process has been positive and productive. He stated the Auditor has recommended a revision to the CDFA FY2024 operational budget. The proposed changes are mostly within the realization of the Community Center Investment Program revenue and interest. Of particular note:

- Restricted Loan Interest increases from $29,053 to $677,751, and
- Net Restricted Surplus increases from $2,280 to $650,978.

In addition, the following changes are proposed as they relate to Operating Revenue and Expenses:

- Unrestricted Bank Interest Income decreases from $948,698 to $300,000;
- Community Center Investment Program increases from $1,000,000 to $1,086,103;
- The net impact on Total Operating Revenue is a reduction from $5,487,291 to $4,924,696;
- The Net Operating Surplus decreases from $1,276,213 to $713,618;
- Discretionary Grants shift from $1,271,500 to $621,500, and
- Net Surplus increases from $4,713 to $92,118.

Mr. Hart noted these changes currently reduce the expansion of funds in the Clean Energy Fund from $1,000,000 to approximately $350,000.

Motion – 11:03 AM

Mr. Tourigny moved to approve the Finance Committee’s recommendation to adopt the revised budget, as outlined and presented. Mr. Cleflin seconded and the motion carried by an unanimous vote of the Board.
C. Discussion – 11:04 AM

Leveraging Federal Historic Investment: Roles for CDFA

Ms. Easterly Marley asked the Board to share their thoughts around leveraging historic federal investment and the impacts — both anticipated and unanticipated — on New Hampshire communities. She noted the Community Progress Indicators (CPIs) that CDFA has incorporated into evaluation and assessment of community need were built out and represent historical data and perspective at the beginning of the memo provided.

Ms. Easterly Marley stated part of CDFA’s community economic development strategy has always included outreach to community partners and to communities. One challenge in the State which persists is the capacity, or lack thereof, within smaller communities and organizations to apply for and to deploy funding.

The Board discussed the uniqueness of having so much funding available and considered how long these funds will be available and what kind of impact to anticipate when these funds are no longer available. Throughout the pandemic, there were funds available to provide support and stabilization for income loss. Most of these funds are fully expended. The shift in funding now is focused on infrastructure/operation, community centers and other development areas.

It was noted construction projects are challenged by costs which escalated dramatically during the pandemic. Projects which may have been successful pre-pandemic often fail because the cash flow in the current economic environment does not work. Escalating costs coupled with high interest rates, deployed by the Fed to curb inflation, have further entrenched systemic problems in project construction and development. To further challenge construction, there is a shortage of contractors, adding more pressure to the system. The Board also discussed the idea that these problems are not unique to New Hampshire, but are being experienced nationally. The housing sector is an example of a sector plagued by persistent issues, such as project costs, demand/timing, and a shortage of workforce. CDFA has been able to continue to support construction projects, most of which have been successful. This in part was aided by CDFA’s ability to provide a Gap Funding resource to projects which demonstrated need for funding to bridge shortfalls.

The Board questioned whether the CDFA Tax Credit program has experienced a downturn in the purchase of tax credits. It was noted there has not yet been a significant shift in demand. Ms. Easterly Marley noted CDFA has used the CED subset of the tax credit program to support capacity for emerging nonprofits; consideration continues to be given to where else critical need exists. A discussion ensued about whether CDFA can support projects through ‘mission’ interest rate subsidies or ‘buydowns’, particularly for projects which align with CDFA priorities but may otherwise struggle. Mr. Hart stated CDFA has updated its’ lending program to offer reduced lending rates to eligible organizations. The program is aligned to be just like an interest rate subsidy or rate reduction program. Ms. Easterly Marley informed the Board that the NH Bankers Association is considering creating a pooled fund, available to nonprofits, for acquisition costs.

Discussion around other types of impactful investments by CDFA ensued, and included:

- Struggling municipalities
- Capacity development
- Project development.

The question was raised whether smaller funding opportunities are available. Ms. Easterly Marley noted the Community Navigator program focused on investments ranging from $5,000 - $20,000. Data is just starting to filter in on outcomes and will further inform CDFA on the merit of smaller investments. Ms. Easterly Marley also pointed to the Tax Credit program’s Community Economic Development (CED) program, targeted towards capacity building. One major challenge of smaller investments to organizations historically lacking is capacity is that it requires intensive management by staff. Ms. Easterly Marley noted CDFA will do a five-year lookback to determine return on investment (ROI) and try to identify gaps to best determine where investment is lacking and needed.
The Board asked whether a capacity building and funding administration training class could be offered to town employees and upon completion, a $5,000 grant is awarded to the Town to be invested in a project of their choosing. Ms. Easterly Martey noted CDFA had run an i2i grant competition for several years, with a focus on idea generation, community engagement, and small grant awards ($2500). The goal was to bring community together to share ideas about projects, and ultimately, to encourage them to apply for CDFA funding. Ms. Molly Donovan pointed to recent results from Invest NH, which offered a modest $250 stipend to volunteers willing to get trained and then volunteer within their communities. There was enormous turnout from volunteers, far exceeding what was anticipated, but reflecting a strong commitment from individuals to work with communities to create positive impact. Capacity development can be a critical catalyst for organizations. Lessons learned from previous investments, engagements, training, can help inform future investments and choices with the hope of creating greater impact.

Development of community goals is important and work with regional partners and groups, including a 5 year visioning process, can lead to alignment of data, goals, desired outcomes and accomplishments. This will require collaborative and multi-disciplinary teams.

A challenge faced in communities considering acceptance of state and/or federal funding is the perception this causes loss of local autonomy. While this mindset is not necessarily new, the tendencies seem to have become more exacerbated with a more vocal resistance. Complicity is easy; people fear change and this issue seems to be acute in New Hampshire. Absent change and investment, many of these smaller towns and communities will continue to struggle and become less desirable places for people to live. CDFA can try to play a role by distilling federal funding to a practical application where communities may be more willing to consider accepting these funds.

The Board suggested St. Anselm’s College Zoning Atlas may be a critical tool in removing barriers as it is a transparent approach to development. St. Anselm has nothing to gain and as a neutral voice, the Zoning Atlas they created is a way to determine what can be built and where, with no politically motivated agenda(s) involved. The Board considered important words and phrases to carry forward as these ideas are further explored. The words are phrases are transparency, communication, education, thought products (new ideas), and collaboration.

Community Center Investment Program Update – 12:01 PM

Ms. Easterly Martey provided the Board with an update on the Community Center Investment Program. She noted that CDFA has been working to provide guidance and technical assistance to organizations from the first round of funding whose applications were not successful. Many applicants were unable to establish a fundamental program requirement, which is that their organization/center is providing at least two types of services and/or activities to qualify as a community center under this program’s thresholds.

One concept developed from the first round of CCIP is consideration of providing $7500 grants for project development activities. This may help develop a cohort of consultants who can are knowledgeable about CDFA’s funding sources and may bring in a broader and more diverse set of applicants over time.

Ms. Easterly Martey introduced Ms. Rebecca Boisvert, CDFA’s Director of the Community Center Investment Program, to the Board of Directors. She noted Ms. Boisvert has provided sound and strong leadership to the program. It is expected the second round of funding will be very competitive as many applicants from the first round who were not funded have expressed intent to submit a new application. There are also many applications expected from organizations who were not ready to apply for the first round of funding.

The Board asked about the Administrative Review process, noting that two organizations had requested this formal review of their application. Ms. Easterly Martey noted there was no adverse reaction; the meetings were well received with a very positive tone and akin to a technical assistance session, with a focus on reviewing scoring and other application criteria. All technical assistance sessions, including the two Administrative Review processes, helped organizations better understand the eligibility criteria and were designed to be both instructive and informative.
Board of Directors Visioning Exercise – 12:13 PM

Ms. Easterly Martey and Ms. Harrington reviewed the latest iteration of the Visioning Exercise with the Board. The Board continued to review and edit what has been proposed, hoping to establish a message which is powerful and succinct, while also actionable and broad, yet specific to goals CDFA wants to see achieved.

The Board discussed incorporating key words identified in discussions to represent their intent. It was suggested that the words mission, vision, and value should be woven into the overarching message for the vision statement.

The Board agreed to continue their work on this initiative and to revisit this at the Annual Meeting in September.

D. Adjourn – 12:20 PM

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

Respectfully submitted,

[Signature]
Maureen Quinn, Board Relations Manager

[Signature]
Cynthia Harrington, Chair Board of Directors