



Supporting Successful Implementation: Meeting Compliance Requirements

A significant portion of the Community Development Finance Authority's (CDFA) resources support the implementation of community development, economic development, and clean energy projects in New Hampshire. At the heart of this work is the delicate balance between complying with federal rules and regulations to ensure funds are used properly and addressing the unique needs of nonprofits and communities across the Granite State. CDFA's approach is multifaceted, providing guidance in various formats to ensure that grantees are successful in navigating complex federal requirements while remaining aligned with the specific needs and goals of the communities served.

To alleviate these challenges, CDFA offers a range of support, including written guidance, one-on-one technical assistance, and video resources on its own YouTube channel, all designed to provide tailored support. A recent third-party study of CDFA's partner experiences found that participants who interacted with CDFA throughout 2024 value the staff for being customer-oriented and community-centered. For Senior Project Manager Chris Monroe, whose work includes analyzing funding applications and managing contracts for approved projects, this commitment to meeting grantees where they are ensures that they are not overwhelmed by compliance demands but rather empowered to fulfill them effectively.

"We try to have a holistic approach to project management and are mindful that there might be different aspects that we haven't been factoring in. For example, if a project is using an activity eligible for federal funding that we haven't worked with before, we strive to educate ourselves on that process and make sure we're providing as best guidance as possible."

Central to CDFA's efforts is the implementation guide, a thorough guide developed by staff that is regularly updated to reflect regulatory changes and new Housing and Urban Development (HUD) guidance. This manual is available to potential applicants and grantees and walks them through procurement and project implementation. Additionally, CDFA provides support when the grant administrations have case-specific questions.

"Sometimes, people look through our implementation guide and aren't quite able to pull out the resources they need to, says Chirs Monroe. "Then, I step in to provide additional technical assistance and help them navigate those federal requirements, state requirements, and best practices related to how they're implementing their project," he adds.

CDFA's Grants Management System (GMS), in particular, plays a pivotal role in this integrated system. As Chris Monroe explains, "We don't accept paper or email applications; everyone must apply through GMS." This digital platform centralizes the entire grant process, from application submission to fund disbursement, allowing applicants to upload compliance documentation, process payment requisitions, and manage all aspects of their grant. With the GMS housing these critical functions, CDFA ensures that grantees have a reliable, user-friendly tool that supports transparency and accountability throughout their projects.

By aligning requirements across these platforms, CDFA provides a cohesive and predictive framework that grantees can rely on. This approach not only streamlines the compliance process by promoting a deeper understanding of the requirements among project teams but also helps CDFA build relationships with grantees.

Embracing Flexibility in Compliance to Support Grantees

CDFA's role extends beyond merely communicating federal requirements; it actively supports grantees in meeting these requirements through a collaborative and iterative process. Internal teams at CDFA continuously refine their approaches to ensure consistency and clarity in communication, creating a looped learning system where feedback informs ongoing improvements. Compliance conversations take place early in the project planning process, allowing for the proactive identification of potential challenges and the development of strategies to address them.

A distinctive aspect of CDFA's approach is its flexibility in compliance. As part of its commitment to equity and to making resources reach traditionally underserved groups, the organization offers alternative approaches to meeting requirements, ensuring that innovative project designs are not stifled by rigid regulations. This flexibility is underscored by CDFA's exemplary audit records, which demonstrate the organization's ability to maintain high compliance standards while supporting creative solutions.

"We put a lot of work into understanding where we have wiggle room in the federal and state guidance while ensuring grantees are going through the process as best as possible" explains Chris Monroe. "With the Community Development Block Grant (CDBG) and some state programs, there's something called Maximum Feasible Deference, which increases the options of the fund administrator if something is not objectively in the guidance," he adds. In other words, as long as CDFA's decision respects the meaning behind the regulation, there might be alternative ways to accomplish what it intends to do outside of how the regulation is written.

An example of this flexibility in action is CDFA's Community Center Investment Program. "This shows how we can accommodate entities that need support, as it was technically a grant program but we were able to structure the awards as a forgivable loan," says Chris Monroe. "As a result, the projects were able to move at a much quicker pace and have a lot less regulatory burden, which was good because a lot of these applicants were lower capacity organizations or they hadn't accessed federal funds before, so they had less anxiety about whether they were doing something wrong," he recalls.

Additionally, within this conscious effort to "disperse funds in a wider net", CDFA has made the information in the implementation guide and its website easier to understand, as federal guidance and regulations often use a lot of jargon that poses access barriers. "If you do a language assessment on federal guidance, it says what education level you need to read it. It's usually past college and that's not equitable. So we try to simplify the language when communicating the guidance regulations," says Chris Monroe. This is especially important to ensure that the information can also be accurately captured by translation tools and made accessible to community partners who don't speak English.

These changes have allowed CDFA to reach new grantees in communities that haven't otherwise contacted with these resources, such as the towns of Tamworth, through the Community Center Investment Program, and Northumberland, through CDBG.

"As we became more flexible with applications and have done more outreach into underserved areas, we have more people who haven't typically applied looking at our process," highlights Chris Monroe. "We're seeing an increase in lower capacity organizations or organizations that don't have a history of accessing federal funds in the way that we provide them," he adds.

One of the tools CDFA uses to guide its outreach is the Community Progress Index, which provides relevant data that helps identify priority communities and measure project impact. "We use that as a tool for approving applications, as well as identifying areas in the state that need more investment of federal money, and then try to work directly with those municipalities based on their score they're presenting to make those programmatic decisions on who to outreach," says Chris Monroe.

Supporting Technical Infrastructure

CDFA's commitment to compliance excellence extends beyond its operations. The organization shares its learnings with other state and federal partners, contributing to a broader understanding of compliance and policy flexibility. This collaborative approach ensures that the needs of local communities are represented at higher levels, ultimately leading to more effective and inclusive solutions on the ground.

In addition, CDFA plays a crucial role in strengthening the technical infrastructure of nonprofits and municipalities across New Hampshire. Recognizing that strong networks and comprehensive training are essential for successful project implementation, CDFA partners with regional planning commissions and other intermediaries to build capacity within these organizations.

CDFA's training programs cover a wide range of topics, including project management, compliance, and program design. These programs are designed to equip organizations with the skills and knowledge they need to navigate the complexities of federal funding and to implement projects that make a meaningful impact in their communities.

A prime example of CDFA's role in supporting technical infrastructure is its involvement in designing a new program to distribute \$14 million in additional COVID-19 relief funds. "We were able to help with operation costs or equipment and supplies purchases, things that we weren't able to do in the past," recalls Chris Monroe. "And we saw a lot of different sub-applicants come in for that, that didn't historically come in for our resources," he says. CDFA's approach was instrumental in ensuring that these funds were allocated efficiently and effectively, meeting the urgent needs of communities while adhering to federal requirements.

The success of this program, and many others like it, can be attributed to what might be considered CDFA's "secret ingredient" — its ability to maintain a delicate balance between strict compliance and supportive flexibility. This balance is not just a matter of policy or decision-making; it is embedded in the technical infrastructure that CDFA helps to build within New Hampshire's nonprofit and municipal sectors. Through this work, CDFA ensures that organizations are not only equipped to meet today's challenges but are also prepared for future opportunities. This forward-thinking approach is essential for the sustained success of community development initiatives throughout the state.