



**Community Development Finance Authority  
Credit Committee Meeting**

**CDFA Office  
102 Dixon Avenue  
Concord, NH 03301**

**September 12<sup>th</sup>, 2023  
8:35 AM**

CDFA FINANCE COMMITTEE PRESENT: Peter Rayno, *Committee Chair*, Cynthia Harrington, *CDFA Board Chair*, Connor Theroux.

STAFF: Ian Hart, *Chief Financial Officer*, Scott Maslansky, *Director of Clean Energy Finance*, Felicity Winters, *Executive and Marketing Assistant*.

Mr. Rayno called the meeting to order at 8:35 AM. Mr. Rayno noted there were no announcements; there were no members of the public in attendance. There was no public comment.

Mr. Hart recommended moving Agenda Item 4.2 CDFA's Loan Loss Allowance Policy & Process to the November meeting. Mr. Rayno called for a motion to approve the agenda as amended.

**Motion – 8:35 AM**

Ms. Harrington moved to approve the meeting agenda with revisions. Mr. Theroux seconded, and the motion carried by a unanimous vote of the Committee.

**A. Consent Agenda – 8:36AM**

Mr. Rayno called for questions or comments on the May 2<sup>nd</sup>, 2023 draft minutes. None were offered.

**Motion – 8:36 AM**

There being no questions or comments, Ms. Harrington moved to approve the Credit Committee minutes, as presented. Mr. Theroux seconded, and the motion carried by a unanimous vote of the Committee.

**B. Credit Committee Leadership – 8:37 AM**

Mr. Rayno stated the Credit Committee's leadership for the new fiscal year was established recommended at the August Board meeting.

**C. Restructuring of BEDC: Laconia Colonial Theater Loan – 8:38 AM**

Mr. Hart proposed restructuring the Belknap Economic Development Committee (BEDC)

predevelopment loan. The original loan was for \$400,000 loan with an interest rate of 4%, and was taken out to fund the final construction of the Colonial Theater in Laconia. It has been previously extended, and the maturity date was June 30, 2023, with approximately 25% of the loan paid off. After the loan was overdue, Mr. Hart reached out to the BEDC Executive Director, Justin Slattery. They negotiated an extension to June 30, 2024, with fully amortized payments to avoid a balloon payment at the end. In the event that they are not able to pay it off by June 30, 2024, the loan will shift from the current interest rate to the Market Rate beginning July 1, 2024.

The Committee discussed increasing the borrowing rate on the balance of the loan to be in line with the current loan calculations, and suggested an amortization schedule that would align with the Laconia Colonial Theatre's revenues.

With no further questions, Mr. Rayno called for a motion to approve to bring the amendment to the full Board for approval, increasing the interest rate to 5.5% interest, and negotiating a mutually agreeable amortization schedule with BEDC.

#### **Motion – 8:52 AM**

Ms. Harrington moved to approve the motion, Mr. Theroux seconded, and the motion carried by a unanimous vote of the Committee.

#### **D. Loan and Allowance Listing: June 30, 2023 – 8:54 AM**

Mr. Hart discussed highlights from the FY2023 Q4 Loan and Allowance Listing. CDFA's loans earned \$34,000 in interest in Quarter 4, and \$151,000 for the year, plus another \$1,000 for late fees and other charges. At year-end, CDFA had \$4.9 million outstanding, \$1.9 million approved for disbursement, and \$6 million eligible for lending. Much of the \$6 million is in highly restricted funds like the Municipal Energy Revolving Fund and Better Buildings, that can be difficult to qualify beneficiaries. He then provided select loan-specific updates.

With no further questions, the Committee proceeded to the following Agenda item.

#### **E. Subordination re: Capital Hotel II CEF Loan – 9:08 AM**

CDFA was approached by Duprey Hospitality, the managers of Capital Hotel II LLC and the Grappone Conference Center, requesting that CDFA subordinate its Capital Hotel Company II LLC loan. The loan had a June 30, 2023 balance of \$146K, an interest rate of 3.0%, and a maturity date of September 20, 2026. The Committee discussed the mortgage, and noted that the subordination request would increase the risk of the loan. The Committee recommended that CDFA pursue a higher interest rate on the balance of the loan to account for the additional risk. Mr. Hart indicated he would bring the recommendation to the Executive Director and update the Committee at the following meeting.

Mr. Hart asked if there were any further questions, none were offered.

#### **F. Extension of CEDC Predevelopment Loan – 9:27 AM**

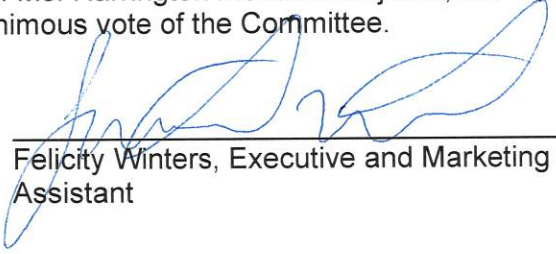
Mr. Hart noted that the CEDC Predevelopment Loan, with an outstanding balance of \$50,000 plus interest, was extended to December 31, 2023.

Mr. Hart asked if there were any further questions, none were offered.

**G. Adjourn**

**Motion – 9:35 AM**

Mr. Rayno motioned to adjourn the meeting. Ms. Harrington moved to adjourn, Mr. Theroux seconded, and the motion carried by a unanimous vote of the Committee.



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Felicity Winters, Executive and Marketing Assistant



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Peter Rayno, Chair  
CDFA Credit Committee