

**Community Development Finance Authority
Credit Committee Meeting**

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

**June 3rd, 2024
9:00 AM**

MINUTES

CDFA FINANCE COMMITTEE PRESENT: Peter Rayno, *Credit Committee Chair*, Kyle Schneck, *Credit Committee Member*.

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 9:01 AM. Mr. Maslansky requested to add a meeting item for discussion of other applicants and Mr. Rayno called for a motion to add this item.

Motion – 9:01 AM

Mr. Schneck motioned to approve the addition of item 4.3 to discuss other applicants, Mr. Hart seconded, and the motion carried by a unanimous vote of the Committee.

Mr. Rayno noted there were no announcements; there were no members of the public in attendance. There was no public comment.

Motion – 9:02 AM

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

A. Consent Agenda – 9:04 AM

Mr. Rayno called for questions or comments on the March 5th, 2024 draft minutes. None were offered. There being no questions or comments, Mr. Rayno motioned to approve the minutes.

Motion – 9:04 AM

Mr. Schneck moved to approve the March 5th, 2024 draft minutes, as presented. Mr. Maslansky seconded, and the motion carried by a unanimous vote of the Committee.

Mr. Rayno called for questions or comments on the March 12th, 2024 draft minutes. None were offered. There being no questions or comments, Mr. Rayno motioned to approve the minutes.

Motion – 9:05 AM

Mr. Schneck moved to approve the March 12th, 2024 draft minutes, as presented. Mr. Maslansky seconded, and the motion carried by a unanimous vote of the Committee.

B. Review & Consideration: Lakes Region Community Developers – Gale School Belmont – 9:07 AM

Mr. Maslansky explained the history of the Gale School and their request for an early disbursement as a policy exception. Mr. Maslansky explained that CDFA has typically asked for collateral, like a mortgage, but CDFA cannot put a mortgage on this because the property will be owned by another entity for the next seven years. CDFA has previously put a lien on the One Hundred Nights project and explains that CDFA could do this with the Gale School project. Mr. Maslansky explained the closing is set for August. Mr. Maslansky explained that the bridge loan has not been finalized and that the applicants plan to go to Franklin Savings Bank for assistance.

The Committee asked whether the applicants were utilizing cash for the project. Mr. Maslansky explained that the applicant's primary source of funds are from grants, including CDFA-approved CDBG and Tax Credits. The Committee asked how the relationship will work, and Mr. Maslansky explained that the two tenant organizations will rent from the property owner, Lakes Region Community Developers or its related entity, due to the New Markets Tax Credit Structure. The Committee asked if CDFA knows the length of the leases, and Mr. Maslansky explained that he can find this information out and inform the Committee. The Committee inquired about the negative net income through the first quarter. At the Committee's request, Mr. Maslansky stated that he would circle back with the proposed borrower on the explanation for the negative net income in Quarter One.

The Committee asked how much money is in the Community Development Loan Program and Mr. Hart answered with \$1.1 million and stated that if the loan was approved as proposed, CDFA would have \$700,000 to loan to future projects. The Committee asked why staff recommended a total of \$400,000. Mr. Maslansky explained that in the New Markets Tax Credit budget, there is only \$350,000 listed for the CDFA loan, but that the applicant requested \$400,000. The Committee shared concerns that the loan should not exceed \$300,000, the Board-approved limit for Community Development Fund loans.

With no further questions, Mr. Rayno called for a motion to approve a Community Development Fund loan of \$300,000, conditional on staff receiving a satisfactory explanation for the applicant's Quarter One negative net income and reject the waiver request for a loan greater than \$300,000.

Motion – 9:34AM

Mr. Hart motioned to approve the award of a Community Development Fund loan of \$300,000, conditional on staff receiving a satisfactory explanation for the applicant's Quarter One negative net income and reject the waiver request for a loan greater than \$300,000. Mr. Schneck seconded, and the motion carried by a unanimous vote of the Committee, with an abstention from Mr. Maslansky.

C. Loan and Allowance Listing: March 31, 2024 – 9:35 AM

Mr. Hart reviewed the Fiscal Year 2024, Quarter 3 Loan and Allowance Listing with the Committee.

- **BEDC Laconia Colonial Theater.** Mr. Hart explained that the BEDC: Laconia Colonial Theater was delinquent. Its second extension was going to mature June 30, after which it would be subject to market rates. The Committee stated there were mixed messages about adding a higher rate after the loan matures. Mr. Hart explained that at the time the second extension was executed, CDFA communicated there would be no further extensions. Mr. Hart explained that, in the event of default, CDFA could execute a lien against BEDC's revenues. The Committee recommended that staff consider working with CDFA's attorney's on presenting a letter of demand on or after July 1, requesting the borrower pay the loan principle, interest, and fees within a certain timeframe.
- **Weathervane Theatre Players Inc.** Mr. Hart explained that the Weathervane loan has been paid off.
- **Rochester Agricultural & Mechanical.** Rochester Agricultural has administered payments, which CDFA has received, and the borrowers are getting close to being up to date on payments.
- **Amherst Country Club.** Mr. Hart noted that Amherst Country Club had received the final disbursement of its 10-year, \$452,000 loan.

D. Mountain Top Music Clean Energy Fund Loan – 9:54 AM

Mr. Maslansky explained that Mountain Top Music is requesting a loan to help pay for installation of Solar PV by ReVision Energy, including site design, site prep, permitting, procurement and installation of PV system and utility interconnection. The Committee discussed logistics associated with the loan documents based on special requests from the applicant.

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

E. Other Loan Applicants – 10:02 AM

Mr. Maslansky explained that the Sugar River Storage in Claremont was in the process of applying for a Clean Energy Fund loan to implement geothermal energy at their site. The storage facility had a fire last year in a section of their mill, and the applicant is now facing a steep increase in its insurance premiums. As a result, they inquired as to whether CDFA would be willing to waive the loss insurance requirement. The Committee stated that CDFA's only concern is that the building is insured, not the specific insurance policy. However, approval of a loan would be conditional on the applicant having insurance at the time of loan disbursement.

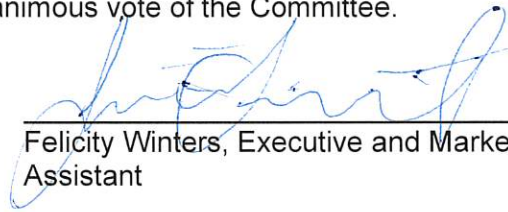
Mr. Hart asked if there were any further questions, none were offered.

F. Adjourn

Motion – 10:06 AM

Mr. Rayno motioned to adjourn the meeting. Mr. Hart moved to adjourn, Mr. Maslansky

seconded, and the motion carried by a unanimous vote of the Committee.



Felicity Winters, Executive and Marketing
Assistant



Peter Rayno, Chair
CDFA Credit Committee