

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

**Community Action Partnership of Strafford County
577 Central Avenue, Suite 10
Dover NH 03820**

**May 14, 2024, 10:00 AM
MINUTES**

CDFA BOARD OF DIRECTORS PRESENT: Cynthia Harrington, *Chair*; Benjamin Gaetjens-Oleson, *Vice Chair*; John Manning, *Treasurer*; Mary Ann Kristiansen, Robert Tourigny; and Ross Bartlett.

STAFF: Katherine Easterly Martey, *Executive Director*; Ian Hart, *Chief Financial Officer*; Molly Donovan, *Director of Economic Development*; Rebecca Boisvert, *Director of Community Centers Investment Program*; Kim Pacocha, *Director of Accounting*; Felicity Winters, *Executive and Marketing Assistant*; and Maureen Quinn, *Board Relations and Tax Credit Program Manager*.

GUESTS: Betsy Andrews Parker and Tanisha Johnson, *Community Action Partnership of Strafford County*

Ms. Harrington welcomed the Board to the meeting at 10:06 AM. She and Ms. Easterly Martey introduced Ms. Betsy Andrews Parker, the Chief Executive Officer of the Community Action Partnership of Strafford County. Ms. Andrews Parker welcomed CDFA's Board of Directors to the Community Action Partnership of Strafford County and thanked CDFA for its continued partnership and support of projects which have been impactful for the organization. Ms. Andrews Parker noted she looks forward to continued collaborative efforts to develop and deliver critical services to those in need in the Seacoast region. Ms. Andrews Parker introduced her colleague, Ms. Tanisha Johnson, Director of Child and Family Services for the Community Action Partnership. Ms. Johnson thanked CDFA for its commitment to social justice issues, including Diversity, Equity, Inclusion, and Justice.

Ms. Harrington called the meeting to order at 10:20 AM

She announced the important agenda items which will be covered in the next three Board meetings. In June, the Board will be presented with the FY2025 Budget, the round of tax credit projects, and an update on the living strategic plan. There is no meeting in July. In August, the Board will be provided with an update of the customer service survey and results and the Board will be asked to review the Employee Manual. The September meeting is the Board's annual meeting; it will be held at CDFA and Mr. Benjamin Gaetjens-Oleson will transition to the role of Board Chairman.

Ms. Harrington reviewed the meeting agenda and called for any edits or changes. It was requested to amend the agenda to review action items (Section 4 of the agenda) after the Banking Sector presentation (Section 3.1 of the agenda) to accommodate Directors who have time constraints.

Motion – 10:21AM

Mr. Bartlett moved to approve the meeting agenda, as amended. Mr. Gaetjens-Oleson seconded, and the motion carried by a unanimous vote of the Board.

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

A. Consent Agenda

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

- April 9, 2024, Board of Directors Minutes;
- February 13, 2024 Executive Committee Minutes; and
- February 1, 2024, Community Development Advisory Committee Minutes;

It was noted that the Finance Committee minutes from March 12th, 2024 and April 9th, 2024 will be presented to the Board at the June 11th meeting. She called for a motion.

Motion – 10:22 AM

Mr. Gaetjens-Oleson moved to approve the Consent Agenda, as presented. Ms. Bartlett seconded, and the motion carried by a unanimous vote of the Board.

B. Banking Sector Presentation – 10:23 AM

Mr. Bartlett provided a presentation of the Banking Sector in New Hampshire. He noted that the banking sector is currently experiencing challenges caused by a number of factors, primarily caused by fallout from the COVID-19 pandemic. Federal funds were deployed throughout the pandemic to provide essential support to businesses and individuals. Mr. Bartlett used the Payroll Protection Program (PPP) as an example. Banks were paid fees to administer the PPP. When that program sunset, a revenue stream was lost and that was compounded by an historic 500 basis point increase in eighteen months for funds/lending. The impact of this dramatic inflation significantly slowed lending, another critical source of funding for banks, creating a very challenging landscape, particularly for Community Banks.

Mr. Bartlett made a distinction between Community Banks and large/national banks. New Hampshire has a significant number of community banks – 186 with assets of \$10 Billion or less. This year – in an uncertain economy – 21 of those community banks lost money and a number of others had very marginal earnings. While Community Banks traditionally invest in their communities because it is part of their mission and it is directed by the Community Reinvestment Act (CRA) the current economy is significantly restricting community banks' ability to make these critical investments. Mr. Bartlett explained there are four major components of the CRA, including donations, service, lending and investments. He noted as community banks struggle in the current economic environment, there is a spidering effect in communities – meaning tightening resources are having an impact on the communities banks serve.

It was suggested that 2024 is likely to be the most trying year for community banks in terms of profitability. As profits diminish, banks abilities to have liquidity (convert assets to cash quickly) can impact their ability to balance with the Federal Reserve. If a bank cannot balance daily, it will fail. There are indications in New Hampshire that higher interest rates – which have slowed or derailed projects – coupled with other revenue losses will lead to the consolidation of banks. This impacts an organization like CDFA because many community banks are not able to be as supportive of the tax credit program like they used to be. As banks grapple with these challenges, they are looking for ways to do more with less, there is less hiring, and efficiencies are being sought. Mr. Bartlett also noted banks have an efficiency revenue calculation which also can point to a bank's overall health/strength. The efficiency revenue considers how much needs to be spent to make money. For instance, a healthy economy may support a bank spending \$.70 or \$.80 to make \$1.00. In this economy, there are some banks whose efficiency revenue is more than \$1.00 being spent to make \$1.00. This is a troubling trend for any bank.

C. Community Development Block Grant Funding Round and Other Applications – 10:44 AM

Mr. Gaetjens-Oleson provided an overview of the Housing and Public Facilities Funding Round, with an overview of each of the projects reviewed and recommended by CDAC.

Housing - Funding Available

- Town of Conway/Avesta Housing; \$500,000 to support construction of a 40-unit, mixed-income residential building in Conway;
- County of Merrimack/Fellowship Housing Opportunities; \$194,300 to install an elevator and create better accessibility for nineteen units of affordable housing for individuals who qualify as low-to moderate-income.
- City of Laconia/Laconia Area Community Land Trust dba Lakes Region Community Developers; \$500,000 to complete critically needed capital improvements at Millview Apartments, consisting of eighteen units of affordable apartments. 100% of the residents qualify as low-to moderate-income.
- City of Franklin/Woodside Haven, LLC; \$500,000 to rehabilitate 36 units of affordable housing. 100% of the residents qualify as low-to moderate-income.

Housing - Insufficient Funds

- County of Hillsborough/Bridge Street Realty Trust; \$500,000 to renovate an existing, vacant property to create 6 units of affordable housing in Hillsborough. This project is recommended for funding should additional funding become available.
- Town of Northwood/One Sky Community Services; \$490,150 to rehabilitate a home which can house between 3 and 6 individuals with severe developmental disabilities, all of whom qualify as individuals of low-to moderate-income. This project is recommended for funding should additional funding become available.

Public Facilities – Funding Available

- City of Laconia/Boys and Girls Club of Central New Hampshire; \$345,829 to rehabilitate the outdoor learning space at the Laconia Early Learning Center. A minimum of 65% of the children come from families who qualify as low-to moderate income.
- City of Keene/Base Hill Cooperative; \$500,000 to replace an aging water distribution system in this residential community where 66% of the residents qualify as low-to moderate-income.
- Town of Merrimack/Jewel Estates Cooperative; \$500,000 to replace an aging water distribution system in this residential community where 86% of the residents qualify as low-to moderate-income.

Public Facilities – Not Recommended for Funding

- Town of Northumberland/Granite Guild; \$400,000 to purchase and renovate the town's historic train station to create a Community and Arts Center. This project lacked readiness and capacity and was not recommended for funding. CDFA staff will work with this applicant and subrecipient to provide technical assistance so a future application may have greater likelihood for success.

Mr. Gaetjens-Oleson presented two amendment requests, reviewed and recommended by the Community Development Advisory Committee. Ms. Easterly Martey stated that the Consolidated Plan will be changing in another year and based on the work currently being accomplished through both the Microenterprise Program and the NH Alliance of Regional Development Corporations, it made sense to offer contract amendments to allow for this work to continue for the next year.

Microenterprise Award Amendment

The Counties of Grafton, Cheshire and Sullivan requested contract amendments to support the work in the Microenterprise Program and to extend the contract date and to renew 2023 funding. The total amount of funding requested is \$1,806,805, and the subrecipients are:

- Belknap Economic Development Corporation
- Coos Economic Development Corporation
- Grafton Regional Development Corporation

- Wentworth Economic Development Corporation
- Women's Rural Entrepreneurial Network
- Hannah Grimes Center
- NH Small Business Development Center
- Regional Economic Development Center
- River Valley Community College

SUPPORTING THE NH SMALL BUSINESS ECOSYSTEM – COUNTY OF GRAFTON/NH ALLIANCE OF REGIONAL DEVELOPMENT CORPORATIONS/BUSINESS TECHNICAL ASSISTANCE PROGRAM

CDFA evaluated the experiences and outcomes in the SBA Community Navigator Pilot Program and learning from the NH Small Business Ecosystem Assessment. The goal is to strengthen support for small businesses across the state anticipates changes to the 2025 CDBG Microenterprise program in response to this work. With this in mind, CDFA chose to offer contract amendments to support the continuation of important activities currently underway in the Microenterprise Program.

Grafton County, on behalf of New Hampshire's nine Regional Development Corporations (RDCs), is seeking \$267,000 of CDBG Economic Development funds to provide technical assistance to New Hampshire microenterprises. RDCs will contribute matching funds (\$267,000) to support this work.

Planning Grant

City of Claremont/Turning Point Network – serving victims of sexual assault, domestic violence, dating violence, sex trafficking and stalking - requested \$25,000 to support feasibility studies to rehabilitate a building into four (4) units of permanent housing for survivors of domestic and/or sexual assault/violence and other situations.

Ms. Harrington called for any questions or comments regarding these CDBG applications. There were none. Ms. Kristiansen stated she would recuse from the vote since she is affiliated with a subrecipient of the funding for the Microenterprise Program.

Motion – 10:52 AM

Mr. Tourigny moved to approve the applications presented and reviewed, with the recommendations brought forth by the Community Development Advisory Committee. Mr. Manning seconded and motion passed with five (5) yeas and one (1) abstention.

Motion – 10:40 AM

Mr. Bartlett moved to add the Community Development Block Grant 2024 Action Plan to the Action Item section of the meeting. Mr. Gaetjens-Oleson seconded, and the motion carried by a unanimous vote of the Board.

D. New Hampshire Small Business Ecosystem Assessment

Ms. Donovan stated she is pleased to present information learned from a study and analysis on New Hampshire's small business ecosystem. She stated CDFA and its program partners are focused on building the capacity of New Hampshire communities to be strong, resilient, vibrant places to live, work, and play. A critical component of this overarching goal is building and sustaining an economy which is inclusive. In New Hampshire, there is a substantial portion of the economic ecosystem which is comprised of micro and small businesses and these businesses are essential to the ecosystem. The current economic structure was not built for everyone. Consideration is being given to how to adapt the ecosystem to be more broadly inclusive.

Ms. Donovan noted there are typically two types of entrepreneurs: opportunity entrepreneurs and necessity entrepreneurs. Opportunity entrepreneurs typically are those who have recognized a market niche and

developed a product and/or service to fill that niche. On the other hand, necessity entrepreneurs typically exist because of necessity; they may be driven by a lack of alternative employment opportunities due to economic hardship, unemployment or a lack of access to traditional job opportunities. With nearly 99% of the state's businesses qualifying as small businesses, it is imperative to assess the current ecosystem and make changes and adaptations to create greater opportunity for all businesses to realize greater success. Ms. Donovan stressed that the majority of diverse and underserved populations are not aware that there is a small business ecosystem in the State which can offer pathways to critical business development support and sustainability. If this sector of the economy is not more broadly included, there will be a loss of innovation and service based businesses, as well as continuation of an exclusionary system

There are four stages of small business development, including: idea, launch, grow, and sustain. New Hampshire traditionally has lacked the resources and infrastructure to assist entrepreneurs, micro and small businesses with idea development and successful business launch. There is a need for mentorship and comprehensive access to information and resources. Ms. Donovan pointed out the challenges for necessity entrepreneurs – housing, healthcare, childcare – are daunting and more can be done to ensure information and guidance are available to support this segment of the economy.

Ms. Donovan noted the Community Development Advisory Committee has recommended appointment of a Task Force to undertake further study and work around these issues. The Board asked for an explanation of the purpose of the proposed Task Force. Ms. Easterly Martey noted that the following goals are being considered:

1. Understand what has been learned, particularly from the Microenterprise program, and shift those learnings to meet the needs of necessity entrepreneurs;
2. Identify other funding sources which may be available to this business group,
3. Develop best practices by evaluating what other models and/or states are doing to create a more inclusive small business ecosystem; and
4. Determine a good measurement tool/system to understand and evaluate best practices/impact/outcomes.

The intent is to keep the focus on underserved small businesses to provide pathways for success for this critical segment of the business ecosystem.

Motion – 11:09 AM

Mr. Bartlett moved to authorize the Community Development Advisory Committee (CDAC) to form and appoint members to a task force to study and develop strategies for the small business ecosystem. Ms. Kristiansen seconded and the motion carried by a unanimous vote of the Board.

E. Diversity and Inclusion Statement – 11:10 AM

Ms. Winters provide the latest draft of the Diversity, Equity and Inclusion Statement with the Board. Ms. Easterly Martey noted this statement is based on dedicated and collaborative work from the staff through our internal Diversity, Equity, and Inclusion team. Along with guidance and input from Tanisha Johnson, Jayme Simoes, and Jules Good.

Motion – 11:13 AM

Mr. Gaetjens-Oleson moved to approved CDFA's Diversity, Equity, Inclusion and Justice statement, as updated and presented. Mr. Bartlett seconded and the motion carried by a unanimous vote of the Board.

F. Community Center Investment Program – 11:14 AM

Ms. Boisvert provided a brief update on the CCIP. This program was widely sought with a significant number of applications; it pointed to the uniqueness of the funding opportunity and how much demand there was for that

type of funding. Ms. Boisvert noted in the second and final round of funding, eleven projects were successful in meeting the criteria to be scored, but there were insufficient funds to make awards to all of the projects. CDFA petitioned the State of New Hampshire consider allocation of additional funds in the amount of \$3.1 million for this program. Preliminary approval from the State has been given to this supplemental funding. Governor & Council is expected to approve this on May 15, 2024 and the Fiscal Committee is expected to finalize this amount on May 17, 2024.

Mr. Gaetjens-Oleson left the meeting at 11:17 AM

Motion – 11:19 AM

Mr. Bartlett moved to approve and accept additional funding from the State of New Hampshire to fund additional CCIP applications assuming final approval from New Hampshire's Governor and Council and the Fiscal Committee is received. Mr. Gaetjens-Oleson seconded and the motion carried by a unanimous vote of the Board.

The Board congratulated staff for their efforts and success in securing more critically needed funding for this program. Ms. Easterly Martey noted that the scoring metrics used in CCIP proved to be very good; staff intends to incorporate some of these scoring metrics into the CDBG program since they were so effective.

G. Living Strategic Plan Update

Ms. Easterly Martey noted development of the living strategic plan is ongoing to ensure the plan is relevant and provides the organization with clear direction and purpose. As the living strategic plan continues to evolve, consideration is being given to embedding data trends into the plan to ensure funding and other initiatives best meet the need of communities.

The Board discussed how to characterize 'data' in the living strategic plan and whether the terms ecosystem and narrative still suit the plan if it is focused on data. The Board expressed their appreciation for staff efforts to ensure data – and other resources – are included in the living strategic plan. This positions CDFA to have a broader understanding of how resources can be deployed to leverage greater impact for people and communities.

Motion – 11:32 AM

Mr. Bartlett moved to accept the proposed changes to the living strategic plan with inclusion of data narrative, on an interim basis. Mr. Manning seconded and the motion carried by a unanimous vote of the Board.

H. FY2025 Budget Update – 11:32 AM

Mr. Hart provided an update on the development of the FY2025 budget. The themes for the budget recommended by staff and adopted by the Finance Committee are planning for financial diversification & revenue growth and business continuity. He noted that the organization is well positioned for FY2025, with plenty of funding available for programmatic functions. Two programs with one-time funding will conclude in FY 2025: Workforce Child Care and funding for participation on the Council on Housing Stability.

CDFA continues to pursue new funding opportunities which align with CDFA's core business. Pathways to Removing Obstacles to Housing (PRO Housing) and Preservation and Reinvestment in Community Enhancement (PRICE) are two funding opportunities being pursued. A proposed FY 2025 budget will be brought to the Board in June.

Mr. Bartlett left the meeting at 11:45 AM

I. Executive Director Update

Ms. Easterly Martey noted she provided a written update to the Board. She called for any questions or comments and invited the Directors to address any questions or concerns.

J. Adjourn – 11:48 AM

There being no further business before the Board of Directors, Ms. Kristiansen moved to adjourn the meeting. Mr. Tourigny 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