

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

**14 Dixon Avenue, Suite 102
Concord NH 03301**

**November 12, 2024, 10:00 AM
MINUTES**

CDFA BOARD OF DIRECTORS PRESENT: Benjamin Gaetjens-Oleson, *Chair*; Peter Rayno, *Vice Chair*; Diane Fitzpatrick, *Secretary/Treasurer*; Robert Tourigny; Ross Bartlett, Carmen Lorentz; and Cody Morrison.

STAFF: Katherine Easterly Martey, *Executive Director*; Melissa Latham, *Director of Policy & Communications*; Kim Pacocha, *Director of Accounting*; Nate Olson; *Data and Compliance Specialist*; and Maureen Quinn, *Board Relations and Tax Credit Program Manager*.

PUBLIC: Ms. Betsy McNamara, *Full Circle Consulting*.

Mr. Gaetjens-Oleson opened the meeting at 10:03 AM. He noted no members of the public in attendance; he stated he had one announcement. Mr. Gaetjens-Oleson welcomed Cody Morrison of Monadnock Economic Development Corporation, to the meeting and noted he was recently appointed to CDFA's Board of Directors. Mr. Gaetjens-Oleson invited Mr. Morrison to introduce himself to the Board. The Directors and staff in attendance also introduced themselves.

A. Agenda

Mr. Gaetjens-Oleson reviewed the meeting agenda. He noted an item should be added to the agenda, and stated a loan reviewed and approved by CDFA's Credit Committee on November 5, 2024, should be included with the Action Items section of the meeting agenda. Ms. Easterly Martey noted Mr. Hart is not able to be present for the meeting; she will present those items assigned to him. Mr. Gaetjens-Oleson noted he would accept a motion to approve the agenda, as amended.

Motion – 10:07 AM

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

B. Consent Agenda

Mr. Gaetjens-Oleson reviewed the Consent Agenda, which included the following items:

- October 8, 2024, Board of Directors Minutes;
- October 3, 2024, Community Development Advisory Committee Minutes;
- August 6, 2024 Executive Committee Minutes
- June 11, 2024 Finance Committee Minutes;
- July 30, 2024 Credit Committee Minutes
- FY2025 Q1 Loan & Allowance Listing.

He called for questions or comments. It was noted that a typographical error exists in the July 30, 2024, Credit Committee minutes, on page 2, Section D, the 'Relending and Collateral Discussion'. It was requested the minutes be modified to change:

- '...the Community Development Fund had received interest in relending loans with Lakes Region Community Developers and another with Coos Economic Development Corporation (CEDC).'

to

- '...the Community Development Fund had received interest in relending loans.'

Motion – 10:11 AM

Ms. Lorentz moved to approve the consent agenda, as amended. Ms. Fitzpatrick seconded, and the motion passed with five (5) yeas votes of the Board. Mr. Morrison abstained as he was not yet fully participating in the Board of Directors meetings when many of these meetings occurred.

C. Tax Credit Sales – Community Economic Development Fund– 10:12 AM

Ms. Easterly Martey provided a brief overview of the Community Economic Development subset of the tax credit program. She noted CDFA sells tax credits in the first year of funding for a handful of CED projects. This enables the funded organizations to focus on mission and capacity development to best position them for success. Ms. Easterly Martey introduced Ms. Betsy McNamara, a consultant working with CDFA in the Tax Credit Program. Ms. Easterly Martey noted Ms. McNamara has a breadth of experience, spanning more than twenty years, with the tax credit program and the following strengths/needs led to her engagement with CDFA:

1. Ms. McNamara is experienced in selling tax credits, both for projects and now for CDFA.
2. Most tax credit projects span two years, and to set projects up for success, Ms. McNamara offers training and guidance, particularly the development of a case for support – critical in the approach to solicit tax credit purchases.
3. The Director of the Tax Credit program retired in June 2024. Ms. McNamara is helping to develop resources and guidance documents which should create long-term sustainability for the program.

Ms. Easterly Martey noted CDFA needs to sell \$225,000 in tax credits for FY25. She recognized Bank of New Hampshire as a committed partner to the program and cited their significant purchases of tax credits the last several years to support the CED program.

Ms. McNamara thanked Ms. Easterly Martey for the introduction. She encouraged the Directors to consider how they might advise the organization to approach new donors. Ms. McNamara briefly summarized the three projects for which CDFA is fundraising in FY25, and noted they are Goodworks, Centro Latino de New Hampshire, and Franklin Business & Industrial Development Corporation. Ms. McNamara asked the Directors whether introductions and/or connections can be shared with CDFA.

The Board asked about several organizations, particularly the New Hampshire Automotive Dealers Association (NHAMA). Ms. Quinn offered work with the NHAMA president continues, and CDFA continues to provide materials relevant to program updates and opportunities. Ms. Easterly Martey shared she presented to the NHAMA in a virtual workshop to promote the CED program and the overall tax credit program.

The Board suggested that the relationship is power – asserting the personal connection is the powerful connector to organizations and partnerships. Ms. Easterly Martey shared she works closely with business leaders from all types of businesses to develop positive relationships. The Board asked whether capacity investments could be grouped by mission or region so if particular mission(s) resonate with donor(s) there is a broader array of investment options for consideration.

Mr. Tourigny joined the meeting at 10:25 AM

The Board suggested a review of New Hampshire banks' Community Reinvestment Act (CRA) Assessment Area. This points to a bank's need and level to invest in New Hampshire. The Board then discussed a number of relationships with different banks and businesses.

Ms. McNamara left the meeting at 10:30 AM

D. CDFA Program Guidance – 10:33 AM

Ms. Easterly Martey stated work has been done to update CDFA's application and program guides. Many of the updates are based on feedback from applicants, community partners, and others. It was also noted that the recently adopted Inclusion Policy has been added to the application and program guides. Ms. Easterly Martey noted the context of these updates came from the following questions:

- How does CDFA think of readiness?
- How does CDFA think of capacity building?

She acknowledged to this end, CDFA has created new workshops to address these topics. It is hoped this enables potential applicants to better understand the criteria which constitute strong and viable applications. Transparency remains paramount to the application review process and the Tax Credit's Investment Review Committee (IRC) – and the process used to review applications - is now included so applicants understand the application evaluation process.

Ms. Easterly Martey noted it is important to balance higher impact projects and/or those projects which serve priority populations and/or areas against risk. A reluctance to take on some risk could lead to less transformative impact. She noted this type of intangible benefit is more challenging to measure but always warrants consideration.

Mr. Gaetjens-Oleson asked for a motion.

The Board expressed their support of the updates but requested additional time to review the materials. It was suggested a motion could be made to accept the recommended changes, but additional feedback and suggestions could be incorporated.

Motion – 10:39 AM

Mr. Tourigny moved to approve the Application and Program Guides, with suggested updates and with the understanding that additional updates may be incorporated with another motion at a later time. Mr. Rayno seconded, and the motion carried by a unanimous vote of the Board.

E. Childcare Pilot Program Update– 10:40 AM

Ms. Easterly Martey stated the State launched a pilot program, focused on strengthening the home-based childcare provider network. \$17M was infused into this program and CDFA worked with the New Hampshire Department of Health and Human Services to develop a structure to distribute this funding statewide to help support and build greater sustainability for this critical sector of the childcare industry in the State. She noted it is hoped lessons learned from this pilot program will carry momentum forward for the benefit of the many working families who rely upon this type of childcare.

Ms. Latham provided an overview of the program and outcomes and accomplishments realized.

- Investing in the childcare sector is a priority for CDFA; access to affordable, quality childcare is critical to working families as it sets the foundation for families to grow and prosper in NH communities.
- The program was influenced by two other initiatives undertaken by CDFA, the Community Navigators program and Small Business Ecosystem Assessment, both programs influenced by a focus on underserved small businesses.

- Resources/capacity building was available to seven (7) regions in the State through a competitive funding round; six (6) regions were funded.
- Funding focused on:
 - Outreach and engagement
 - Connecting to Community Partners and Community Anchors
 - Navigating business and supports
- \$1.45 million was invested to expand and retain access to family based childcare
- Nine (9) Regional partners were funded
- Two hundred and twenty-five (225) aspiring and established family childcare providers were engaged
- Significant effort went into identifying, and attempting to address, barriers which found:
 - Understanding unique needs and capacity
 - Navigating local zoning restrictions and regulations
 - Understanding the licensing process
 - Accessing resources
 - Creating language and technology access
 - Mitigating the 'cliff' effect (earn and/or increase income can cause loss of some and/or all benefits)
- Centralized resources provided economies of scale and scope
- Regional engagement and adaptation resulted in responsive programming
- Significant outreach efforts yielded results
- Access to grant resources critical to barriers for start-up, expansion, and engagement
- State needs to develop sustainable program design
- Statewide resources have been developed, and they include:
 - Guide to becoming a family childcare provider
 - Small business pathways for family childcare providers
 - Business health assessment
 - Family childcare provider resource library
 - Statewide zoning study on home-based care regulations

Ms. Latham summarized the work of this program and noted the importance of childcare and the intersection and alignment with CDFA's microenterprise work. The Board asked why only six of the seven service regions were funded; Ms. Latham noted the lack of capacity impacted the ability to create a viable application. She noted the North Country had good success with the program, building upon existing partnerships and collaboration efforts already in place. Ms. Easterly Martey and Ms. Latham stressed that this program has created a good starting point for strengthening the family based childcare sector but more work needs to be done to ensure more sustained growth happens. Working to reduce challenges – such as friction between State Licensing and providers, or finding ways to help providers accept State scholarship funding – will help build this program into a robust resource which is in critical demand. The Board thanked Ms. Latham and Ms. Easterly Martey for their commitment to this initiative.

F. Community Progress Indicators – 11:14 AM

Ms. Easterly Martey introduced Mr. Nate Olson to present an update on the Community Progress Indicators (CPIs). Mr. Olson thanked Ms. Easterly Martey and provided an overview of what CPIs are and why they are important. He noted the purpose of CPIs is as follows:

- Measure socioeconomic well-being at the municipal and county level
- Centralize diverse data sources
- Guide grantees on strategic community investment decisions
- Inform CDFA for future program development
- Track community changes over time to identify trends
- Facilitate regional comparison and benchmarking

Mr. Olson stated CDFA uses thirteen (13) indicators which measure basic human needs, access to opportunity, and community sustainability and vibrancy. A blend of Federal and New Hampshire data sources are used,

many with different release dates; CDFA elects to update the CPIs and the related Index (each community's unique CPI score consolidated into a summary Core Data Index number) once a year. Mr. Olson added the Index number is an excellent tool to help understand where need may be greatest and the purpose of the Index is to:

- Consolidates the thirteen (13) CPIs into a standardized score of 0 – 70 (a higher number reflects greater community distress and need)
- Guide CDFA resource allocation
- Enables data driven prioritization of community investments
- Measures relative changes in community need over time
- Facilitates regional comparison and benchmarking

Mr. Olson noted the Core Data Index will be updated on December 15th, providing CDFA with updated data which can be used in considering funding applications. Mr. Olson noted a trends analysis, based on the updated data, will be provided in February 2025. Of particular concern is a trend indicating that communities with greater need (or a higher Index score) continue to trend higher in index score, pointing to a widening disparity between communities. Lower scoring communities have seen minimal shifts in their index scores.

Ms. Easterly Martey noted CDFA does try to identify communities with high Index scores and which have not traditionally engaged with CDFA to determine if there are opportunities for impactful investment. The Board asked how readily impact from investments can be determined. Ms. Easterly Martey suggested it typically takes five (5) years for change and impact to become more evident in a community.

The Board thanked Mr. Olson for his presentation. Mr. Gaetjens-Oleson called for additional questions or comments. None were offered. He called for a motion.

Motion – 11:41 AM

Mr. Bartlett moved to accept the updated Community Progress Indicators data and the associated Core Data Index numbers, as presented. Mr. Morrison seconded and the motion carried by a unanimous vote of the Board.

G. CDBG Housing and Public Facilities Funding Round – 11:42 AM

Mr. Gaetjens-Oleson stated CDFA's Community Development Advisory Committee met on November 7th to review and consider a total of seven (7) applications submitted for funding. There were three (3) housing applications and four (4) public facilities applications. He noted there was sufficient funding available and all seven applications were recommended for funding. He summarized the application round for the Board.

Ms. Lorentz stated she would recuse herself from review and action on the housing round since she is affiliated with one of the subrecipients in the round.

Ms. Lorentz left the meeting at 11:43 AM

HOUSING APPLICATIONS:

- The Town of Whitefield is requesting \$500,000 to be subgranted to AHEAD (Affordable Housing Education and Development) to acquire and renovate an historic building in downtown Whitefield, creating four (4) units of rental housing on the second and third floors. Three units will be available to individuals who qualify as low- and moderate-income and there is an assurance that these units will have long term benefit to those who qualify as LMI. This project will preserve a building which is deteriorating and a cornerstone building on the Whitefield Common.
- The Town of Hillsborough is requesting \$500,000 to be subgranted to Bridge Street Realty Trust to renovate an empty, historic property in downtown Hillsborough, NH, and create six (6) units (mix of 1- and 2-bedroom units) of affordable housing. All units (100%) will be occupied by persons who are of

low- and moderate-income. This project will add critically needed affordable housing units to the region. A lien will be put in place to preserve long-term affordability for at least twenty (20) years.

- The Town of Meredith is requesting \$500,000 to be subgranted to Laconia Area Community Land Trust dba Lakes Region Community Developers (LRCD) to replace four (4) manufactured homes in the thirteen (13) unit Frances Court Park, which is owned by LRCD. All four units (100%) will be rented to individuals who are of low- and moderate-income, and these units will be preserved long-term for those who qualify as LMI.

Mr. Gaetjens-Oleson called for questions or comments. None were offered. He called for a motion.

Motion – 11:43 AM

Mr. Rayno moved to approve the three (3) CDBG Housing applications, as reviewed and recommended. Mr. Morrison seconded, and the motion passed with six (6) yeas. There was one recusal.

Ms. Lorentz returned to the meeting at 11:44 AM

PUBLIC FACILITIES APPLICATIONS

- The Town of Gorham is requesting \$500,000 to be subgranted to Gorham Community Learning Center (GCLC) to support the acquisition and rehabilitation of a vacant building where they intend to relocate and expand their existing childcare center. At the new facility, GCLC will be able to secure a license for seventy (7) infants/children, which will add thirty-one (31) new childcare spaces and add four to five full-time childcare jobs. Thirty-six (36) (51.43%) of the of the seventy (70) children served at the new center will be from families who are of low-to moderate-income. CDBG funds will be used for acquisition costs. Renovations are also needed for the interior to reconfigure the space appropriately. A performance lien will be place on the property for ten (10) years to ensure long-term benefit.
- The City of Laconia is requesting \$419,250 to be subgranted to Partnership for Public Health, Inc. (PPH) to make accessibility and energy improvements to their circa 1850s building located near downtown Laconia. Renovations will allow PPH to better serve the more than 4,000 (79% of whom qualify as low- and moderate-income) clients being helped by this nonprofit. Renovations will improve safety for employees and clients and improve energy efficiency, while will reduce overhead costs and help focus funds on impactful programming and sustainability.
- The Town of Henniker is requesting \$500,000 to be subgranted to White Birch Community Center, Inc. (WBCC). Funds will be used to renovate the facility that will house a food pantry, senior center and a family resource center (new program). The White Birch Community Center will be a handicap accessible, centrally located social service center which will provide and coordinate a multitude of services for 634 persons, 351 of whom (55%) qualify as individuals of low- and moderate-income. The project will include renovated space for the Henniker Food Pantry, expanding space and improving accessibility for Senior Center progrms, starting a new Family Resource Center to assist with coordination and accessibility of programs and services, and co-location of a town service office.
- The Town of Conway is requesting \$500,000 to be subgranted to the Way Station to support renovations to the building where the nonprofit organization serves individuals experiencing homelessness. The project will renovate the existing day resource center space and create three new transitional housing units for their clients. Homeless individuals are a HUD Presumed Group, therefore the low- to moderate-income beneficiary percentage required is 51%, although the actual percentage is likely closer to 100%. The project will address improved accessibility and improve energy conservation. Additionally, the electrical system will be upgraded, there be asbestos abatement, installation of new windows and a new sprinkler system.

Mr. Gaetjens-Oleson called for questions or comments. None were offered. He called for a motion.

Motion – 11:47 AM

Ms. Fitzpatrick moved to approve the four (4) public facilities applications as reviewed and recommended. Ms. Lorentz seconded, and the motion carried by a unanimous vote of the Board.

H. CDFA FY2025 Quarter 1 Financials

Ms. Easterly Martey provided a brief overview of Q1 (Q/E 9/30/2024) Financial Statements. She noted the following items:

- The Community Center Investment Center program has expended \$4.7 million in claims in the last year, including \$1.7 million in the last quarter
- Tax Credit Receivables continue to be sluggish, and are down 59% from the same time last year. Additional engagement, discussed earlier in the meeting, is being pursued to bolster sales
- Revenues and expenditures far exceeded budget as the bulk of program expenditures assumed in FY24 were realized in FY25
- CDFA's three largest operating expense categories (salaries, benefits, and Program Consultant & Professional Fee Expense) were effectively on budget for Quarter 1
- There is a net operating surplus at the end of Q1, with revenues at 17% of budget and total operating expenses at 22% of budget.

Mr. Gaetjens-Oleson called for questions or comments. None were offered. He called for a motion.

Motion – 11:51 AM

Mr. Bartlett moved to approve CDFA Q1 financials, as presented. Mr. Tourigny seconded, and the motion carried by a unanimous vote of the Board.

I. 2024 Accounting Policy Update

Ms. Fitzpatrick stated she would like to bring forward the 2024 Accounting Policy Update. She noted the agenda needs to be amended to include this item for consideration. Mr. Gaetjens-Oleson called for a motion.

Motion – 11:52 AM

Mr. Tourigny moved to amend the meeting agenda to include the 2024 Accounting Policy Update. Ms. Fitzpatrick seconded and the motion carried by a unanimous vote of the Board.

Ms. Fitzpatrick reviewed the 2024 Accounting Policy update, and noted it was reviewed and recommended for approval by the Finance Committee. She asked if there were any questions or comments. None were offered.

Motion – 11:54 AM

Mr. Morrison moved to approve the 2024 Accounting Policy update, as presented. Mr. Bartlett seconded, and the motion carried by a unanimous vote of the Board.

J. CDFA Credit Management Policy Update

Ms. Easterly Martey provided a brief overview of the Credit Management Policy Update. She asked if there were any questions or comments. None were offered.

Motion – 11:55 AM

Mr. Bartlett moved to approve the Credit Management Policy update, as presented. Ms. Lorentz seconded and the motion carried by a unanimous vote of the Board.

K. Sugar River Storage, LLC – Clean Energy Fund Loan

Mr. Rayno presented the Clean Energy Fund loan application from Sugar River Storage, LLC. The applicant, located in Claremont, NH, seeks \$330,245 in the form of a loan at 5.5.% (base rate of 7.5% less one percent for a priority community and less 1% for a disadvantaged business) with a term of ten (10) years/twenty (20) years amortization. He noted the Credit Committee completed an extensive review of the loan request and has recommended approval of funding of this loan application.

Mr. Gaetjens-Oleson called for questions or comments. None were offered. He called for a motion.

Motion – 11:59 AM

Mr. Bartlett moved to approve the Clean Energy Fund loan to Sugar River Storage, LLC, with all terms and conditions as detailed in the loan write-up. Mr. Morrison seconded and the motion carried by a unanimous vote of the Board.

L. Executive Director Update

Ms. Easterly Martey offered an update to the Board regarding a proposed increase to CDFA's Tax Credit allocation. Consideration is being given to a bill which would increase CDFA's Tax Credit allocation to \$10 million. The increase would include a \$3 million set aside for the New Hampshire Preservation Alliance, dedicated to the preservation and rehabilitation of historic housing properties. She noted there is currently broad legislative support for this proposal, particularly since it would help address the State's housing shortage. The increase in funding would be permanent.

The Board expressed interest in the proposal.

M. Adjourn – 12:03 PM

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

Respectfully submitted,



Maureen Quinn, Board Relations Manager



Benjamin Gaetjens-Oleson, Chair Board of Directors