

**Community Development Finance Authority  
Credit Committee Meeting**

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

**July 30, 2024  
8:46 AM**

CDFA FINANCE COMMITTEE PRESENT: Peter Rayno, *Credit Committee Chair*, Cynthia Harrington *Board Chair*, Ross Bartlett, *CDFA Board Members*, Connor Theroux, Kyle Schneck, *Credit Committee Members*.

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 8:46 AM. Mr. Rayno noted there were no announcements; there were no members of the public in attendance. There was no public comment.

**Motion – 8:46 AM**

Mr. Bartlett moved to approve the meeting agenda, as presented. 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 June 3<sup>rd</sup>, 2024 draft minutes. None were offered.

**Motion – 8:47 AM**

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

**B. Review & Consideration: Sugar River Storage Geothermal (Clean Energy Fund) – 8:48 AM**

Mr. Maslansky explained that Sugar River Storage is requesting a loan for the development of a geothermal heating system located at 247 Sullivan Street in Claremont NH, a 116,000 Sq. Ft. commercial property with 35 leasable units. The total proposed geothermal project cost is \$534,084. The Borrower has requested a loan from CDFA in the amount of \$330,245, or 62% of the total cost. A USDA REAP grant totaling \$203,839 will provide that balance of project funds. It should be noted that to date Sugar River Storage has already paid \$239,000 in cash to start construction on the geothermal project.

Mr. Maslansky discussed the applicants' financials with the Committee. He explained that the applicant is in the process of completing demolition and partial reconstruction following a fire in 2023. Due to the fire, the applicant had not yet obtained hazard insurance for the subject property.

**Mr. Schneck entered the meeting at 9:00am.**

Mr. Maslansky explained that the geothermal wells are outside the building and the equipment would be in the building connected to the same loop as the existing boiler. The demo is 85% complete and is estimated to be completed in September. The Committee asked whether the borrower had a Certificate of Occupancy (CO). The Committee further asked whether the applicant had cash-on-hand to complete the project themselves, and Mr. Maslansky explained that the borrower requested the loan to maintain their reserves.

Mr. Hart explained that the Clean Energy Fund had a balance of \$930,000 out of the \$4.6 million total. The Committee asked if the funds only get replenished if and when loans get repaid, and Mr. Maslansky stated that is true. The Committee asked if CDFA did a site visit, and Mr. Maslansky stated that a site visit was completed.

The Committee discussed potential contingencies under which it would approve the loan request, including confirming the borrower is not in default on existing loans, possesses a Certificate of Occupancy, has sufficient insurance, and that CDFA is not fourth place in collateral position.

Revisiting the subject of the fire, Mr. Maslansky stated that the fire was caused by arson and started by someone unrelated to the borrower. The Committee asked if this was an open investigation and if there is a police report. Mr. Maslansky stated that this was not an open case, and he will confirm if there is a police report.

Mr. Maslansky stated that the applicant has an existing Clean Energy Fund loan for Mill Brook Solar, obtained two years ago, and the borrower has a good repayment history. The Committee asked about Bank Prov's relationship. Mr. Maslansky explained that Bank Prov is the lender for a Sugar River Solar, Inc. loan for which there is a mortgage on the subject property. The Committee asked if the Bank Prov debt is on the cash flow for this Sugar River Storage loan. Mr. Maslansky stated that it is not, as it is a separate entity.

The Committee asked if the borrower can proceed with construction and then CDFA can back-bill for this loan. Mr. Maslansky explained that CDFA has not historically lent to a project after it is complete, although there may not be a policy against this.

The Committee suggested tabling consideration of the loan, subject to the conditions discussed.

**Mr. Schneck left meeting at 9:37am.**

**Motion – 9:38 AM**

~~Mr. Rayno requested a motion to table consideration of the loan until the applicant addressed the following conditions: completion of reconstruction and renovations; the receipt of a Certificate of Occupancy; the acquisition of conventional replacement value insurance and liability insurance; clarification as to whether or not they are in default with their lenders; updated~~

cash flows showing positive cash flow; updated rent roll; and reconfirmation of who holds the mortgages on the property, including mortgages related to Sugar River Solar. Mr. Bartlett made this motion with clarification and contingencies, and Ms. Harrington seconded. The motion carried by a unanimous vote of the Committee.

### **C. Loan and Allowance Listing: June 30, 2024 – 9:38 AM**

Mr. Hart stepped through highlights from the Loan and Allowance reports for FY 2024 Quarter 4 and FY 2024 Year-End. He stated that BEDC had paid their loan in full, and the Collection Notice recommended by the Committee was instrumental to securing that final payment. Since the loan has been paid in full, the contingencies and encumbrance placed on their grant disbursements has been removed.

#### **Ms. Harrington left the meeting at 9:39am.**

The NH Preservation Alliance loan was listed as maturing on July 23. Prior to maturity, the NH Preservation Alliance requested an extension for payoff. CDFA approved an extension to July 23, 2026, but CDFA expects the loan will be paid off before then.

Mascoma Community Healthcare had a loan with CDFA that was written off in Fiscal Year 2023, but the loan forgiveness letter was finally signed by the borrowers in July 2024. The loan will be removed from future reports.

Mr. Hart states that the FY 2024 budget approved by the Board included \$350,000 to be added to the Clean Energy Fund. The two reports reflect the increased fund value of \$4.6 million.

Mr. Hart reviewed the Year-End report, noting that CDFA started the year with a \$4.9 million balance, and ended with \$5.2 million balance; disbursed more than \$1 million in loan funds, earned \$166,000 in interest, and was repaid \$684,000 in principal.

With no further questions, The Committee moved to the next item.

### **D. Relending and Collateral Discussion – 8:54 AM**

Mr. Maslansky explained that the Community Development Fund had received interest in relending loans with Lakes Region Community Developers and another with Coos Economic Development Corporation (CEDC). He asked the Committee whether it was typical in a relending situation for the collateral to be held by CDFA or the relending agency. The Committee confirmed that the relending agency would most typically hold the collateral agreement with the final borrower, and that CDFA would have a single separate lien with the relending agency for the entire relending loan.

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

### **E. Other Loans – 9:08 AM**

Mr. Hart explained that a Concord business had inquired about a sizeable Clean Energy Fund loan, but it was unclear whether they intended to complete the application. If warranted by this or other completed loan applications, he asked if the Credit Committee could meet September 10. Mr. Bartlett stated that he would not be able to be involved in that discussion. Mr. Hart

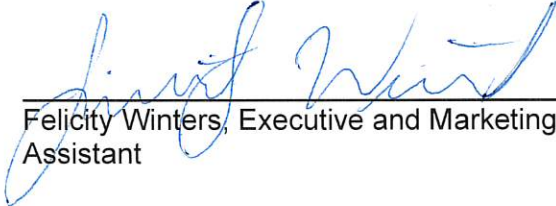
stated he would follow up if a meeting was needed, else the next meeting would tentatively take place in October.

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

**F. Adjourn**

**Motion – 9:51 AM**

Mr. Rayno motioned to adjourn the meeting. Mr. Bartlett 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