



April 24, 2020

Dear Director Little and Members of the GOFERR Legislative Advisory Board,

Thank you so much for your commitment to the communities, businesses and the people of New Hampshire. In light of the rapidly-changing circumstances in the State with respect to COVID-19, this update outlines the steps the Community Development Finance Authority (CDFA) is taking to meet the needs in our State.

The Community Development Finance Authority (CDFA) is a state-chartered, independent community and economic development entity serving all of New Hampshire. We provide a variety of financial resources, including the competitive deployment of grants, loans and State tax-credit equity. CDFA resources enable our partners to identify a community need, explore ways to meet that need, and ultimately, develop and implement a solution.

Our impact is seen in revitalized downtowns, high-quality childcare facilities, renovated housing, clean energy projects, business expansion to provide jobs, and a healthy and vibrant nonprofit sector. For the fiscal year that ended on June 30, 2019, CDFA invested \$16 million in grants, tax credit equity and loans into dozens of New Hampshire communities. Those investments supported eighty separate projects, affecting nearly 200,000 people. Our investments touched down across the state, resulting in new and rehabilitated housing; new jobs and stronger small businesses; more efficient, comfortable and resilient buildings; and significant energy savings.

CDFA administers programs that effectively deploys funds to create the most community-driven impacts and public benefits, complies with state and federal regulations and adapts to the evolving needs of New Hampshire communities. CDFA'S program administration is guided by the following principles,

1. Effective Deployment
 - CDFA is focused on getting resources to those who need it most, our CDBG program is ranked #5 nationally in the deployment of resources.
 - Projects have leveraged tens of millions of dollars in matching capital.
2. Direct and Efficient Use of Funds with Community Driven Impact
 - Municipalities and small developers can access CDBG funds, keeping project development costs low and access to funds local.
3. Transparency and Accountability
 - CDFA operates an all online grant application, review, and monitoring system; maintains accounting and bookkeeping for multiple separately-sourced and regulated funding sources; and conducts regular competitive application and review rounds for projects statewide.
 - As a result of managing public resources, CDFA is regularly subjected to public audits and monitoring, and all are routinely positive.

Current Needs

We are seeing significant need for short term solutions, including,

- Essential nonprofit organizations are projecting significant financial issues in the near term that will affect their ability to provide services,
- Housing solutions for homeless populations and housing insecurity created by economic crisis,
- Financial and technical assistance for small businesses,
- Investments into main street infrastructure and businesses,
- Municipalities, particularly under resourced ones are having a hard time dealing with emergency service needs, emergency communication and planning and unable to set up technology to meet needs and move communities forward.

There are major areas in need of investment in the midterm including,

- Childcare and Educational facilities
 - Physical infrastructure and additional expenditures (deep cleaning, supplies) for early childhood now allowed under emergency licensing,
 - Support to allow for reopening,
 - Imbedding parent and child mental health and social work related supports in childcare settings,
 - Community based instructional programs to make up for disruption of student instruction, focused on underserved communities that lacked connection to remote learning resources.
- Housing
 - Funding for the development of permanent affordable housing
- Nonprofits
 - NH depends on these organizations to deliver a whole host of social and health based programs,
 - Public facilities and significant community based services for vulnerable and disabled populations including Community Health Centers, Mental health providers, develop state wide network of resiliency (ACES) supports for individuals and families during and post crisis,
 - Nonprofit service delivery program supports to build more significant long term capacity in the system

We are deeply concerned about the significant number of NH residents battling addiction or recently entering recovery and the strain that limited services and isolation will have on their disease. Data about small, rural businesses in NH shows that they have rebuilt slower with less assistance than larger industries after every economic downturn and that this will deeply impact their viability.

CDFA's current response is focused on three areas:

1. Providing flexibility for our existing Grantees and Borrowers, [information here](#),
2. Shifting existing resources including U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) resources and executing on plans to rapidly deploy additional CDBG resources to meet immediate needs and plans for rebuilding, and
3. Created the [NH Nonprofit Response Fund](#) to meet the immediate needs of NH's nonprofits

The demand for fund far exceeds the funds that CDFA administers and currently has available to meet the needs.

Prioritizing needs

To manage this crisis, we believe the State could consider:

- Direct investment of resources in communities, people and industries with the most need according to relevant, current data;
- Have a process that deploys funds with integrity and transparency, to organizations who work collaboratively to create a strong recovery and growth, and
- Focused on the long term by making investments that have public benefit for the state.

Data for needs in Communities

CDFA assembles and uses relevant demographic, fiscal and other data, along with public input, to guide funding priorities. In 2019, CDFA embarked on an initiative to update its data collection, analysis and visualization capacity. The initiative created the [CDFA Community Progress Indicators](#) to measure community need, using up-to-date, relevant and varied data sources.

In addition to Community data, the investment decisions could also be guided by data on the [effects of the Pandemic on workers](#) and industries.

Investments focused on the strengths of NH's economy, including,

- The character of communities including Downtowns and Town Centers, by investing in creating co-working space for recovering business, investing infrastructure improvements including facades and improvements to public space.
- Diverse economy with small business and entrepreneurs,
- And natural resources and tourism.

I welcome the time to meet with you and discuss opportunities to make focused investments to support the redevelopment and economic well-being of the State.

Please let me know if I can answer any questions and whether there is anything additional that CDFA can do to support the State and its residents.

Thank you for your leadership and support during this difficult time.

Sincerely,



Katherine Easterly Martey
Executive Director