

GOFERR  
Stakeholders Advisory Committee  
Written Responses  
As of April 24, 2020

**Tuscan Brands**, Joseph Faro, Principle (Page 2)

**The Music Hall**, Patricia Lynch, Ex. Director (Page 7)

**S&I Realty LLC/Bellamy Fields and Watson Fields**, Dr. John Hopkins (Page 14)

**Seacoast Mental Health Center and NH Community Behavioral Health Association**, Jay Couture, President and CEO (Page 17)

**The Learning Path**, Donna Hajjar, President (Page 24)

**NH Alliance of Regional Development Corporations**, Justin Slattery (Page 30)

## **Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board**

Thank you for agreeing to provide information to assist the GOFERR Stakeholder Advisory Board ("SAB"). Your contribution is critically important to allow the SAB perform its purpose of developing recommendations to the GOFERR for the allocation and expenditure of federal Covid-19 emergency funds to address fundamental needs of the State of New Hampshire.

Because the Covid-19 crisis has impacted almost everyone and every institution across New Hampshire, SAB expects to gather a substantial amount of information from many sources. In order to accomplish this task effectively and efficiently, SAB requests that all persons who submit information (including those persons who are scheduled to provide oral comments before a SAB meeting) please follow these guidelines.

The SAB is hopeful that many interested persons will submit information and ideas on how the State can best allocate federal emergency relief funds. We plan to read all comments, and for those who make oral presentations to the SAB, we intend to ask questions based on the written submissions.

There is no particular format for the comments, and but we request that you focus your comments as efficiently as possible, and try to limit the number of pages to less than 10.

In order to help the SAB members to the greatest extent possible, we request that you try to address each of the information items listed below. The SAB members have identified these information items as highly relevant to their overall task. While some commenters are likely to provide additional information, and others may not be able to address each item, we request that you try to address the following items in your submission:

- (1) Please identify your position and your organization.  
Joseph P. Faro / Principle Tuscan Brands
- (2) Please identify what economic sector your enterprise operates within.  
Hospitality/ Food and Beverage
- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.  
Our restaurants are closed for dine in business and are limited to take out only, which is approximately a 90% reduction in revenue
- (4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.  
We believe that our revenues will be impacted approximately 35-50%. First, social distancing regulations will dramatically reduce dining room capacities in our restaurants and Bar seating is not going to be allowed. In addition, approximately 25% of our business is Private dining or event driven business, which we anticipate will be drastically reduced as large gatherings are not considered acceptable social distancing.

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Based on these severe revenue reductions and our overhead being a constant, my Company will struggle to be profitable.

- (5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.

We have qualified for a PPP Loan to cover 8 weeks of Payroll and associated overhead costs, but this is no where near enough to cover the long term effects of the Covid 19 "new normal"



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- (6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:
- (a) The funds will serve a public use and provide a public benefit.
  - (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.
  - (c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
  - (e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.
  - (f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.
  - (g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.
  - (h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.  
I think the funds will be necessary to supplement the operating results of the next 12-18 months Max. That is my estimate of the economic impact of this Pandemic event to my company.
- (7) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.  
We could create a separate line item for a period of time and classify said funds as COVID 19 relief funds"
- (8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.  
We could state our revenues vs last year same period and the associated relief funds correlating to the same period

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- (9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.
- (10) What would your business, agency, organization, sector do with the funds that cannot be done currently?  
**Fund ongoing operations**
- (11) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?  
**NH Small business is at risk. Not just the Hospitality sector. Choices were made in the attempt to slow the spread of this pandemic that were completely out of our control and have affected small business owners in a tremendously negative way.  
We are all going to need to band together to protect NHs great economic future.**

\* \* \* \* \*

SAB anticipates that its members will be reaching out to diverse interests and persons to request submission of comments, and we thank you in advance for considering these requests. We are all in this together, New Hampshire!

Please check the GOFERR website for current information on how to submit comments. All recommendations and information submitted in response to this request will be available for public inspection and copying in their entirety. For further information, please contact Joe Doiron at the GOFERR offices.



The Music Hall  
Written Comments to the GOFERR Stakeholder Advisory Board

(1) Please identify your position and your organization.  
Patricia Lynch, Executive Director, The Music Hall

(2) Please identify what economic sector your enterprise operates within.  
Service industry; specifically nonprofit arts center

(3) Please describe how your enterprise and economic sector has been impacted by Covid-19.

As the largest performing arts organization in the state, and a landmark destination, Covid 19 has had a devastating effect on our business and our ability to be an economic driver and a catalyst for renewal. Under normal circumstances, with 52 weeks of programming (averaging 200 live performances and 400 film screenings), The Music Hall engages 130,000 patrons in the arts and learning each year, including approximately 10,000 students, elementary-age children from more than 80 schools and 30 homeschool groups as well as at-risk teens. But due to the Covid-19 crisis, those numbers will be significantly down for 2020 and beyond, estimating 50% capacity for the next 12 months. We have been forced to postpone and cancel events: concerts, presentations, readings, and other live performances as well as film screenings and HD broadcasts. Included in this are the majority of our matinees for young people for this season; we were expecting more than 4,000 students for four shows in March, April, and May. The lack of events affects ticket purchases and concessions sales as well as memberships, sponsorships, and donations. The lack of audience has put a significant halt to economic activity of Portsmouth. Recognizing that the public will remain cautious even after restrictions are relaxed, and that sponsorships and contributions may require years to return to pre-crisis levels, we anticipate our financial difficulties will continue long after we reopen.

(4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

The Music Hall is estimating an operating loss of \$1.6 million from the start of the theater's closure (March 2020) through the next 12 months. This includes significant cost cutting measures and assumes reopening in July, but only at 50% capacity. As our doors are closed to the public and we are unable to present any shows, we have furloughed the part-time staff. Due to a recent, dedicated effort to grow our cash reserves to be in line with nonprofit industry benchmarks, we have been able to retain our full-time staff, who are working from home. We have never had the security of an endowment so these tightly monitored cash reserves are our only "rainy day fund" and will not be able to sustain us for an extended period of time.



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The coronavirus has already had a devastating economic impact on America's nonprofit arts sector as a whole, a \$166 billion industry. Financial losses to date are estimated at \$3.2 billion, based on a national survey by Americans for the Arts. This number includes actual revenue losses to date from admissions (ticket sales, subscriptions, memberships), non-admissions income (concessions, gift shop sales, sponsorships, contributed income), and unexpected expenditures (new cleaning and disinfecting protocols, adoption of new technologies, cancellation fees). More than one-third of survey respondents expect to make reductions in staff, and 26% have already reduced their creative workforce. Current indications from the CDC and President Trump suggest that social distancing and other measures could extend through the summer. Given that losses documented in the survey have occurred only in the last two months, Americans for the Arts anticipates additional billions in potential revenue losses for the nonprofit arts and culture field.

(5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support specifically intended to help address Covid-19 impacts.

The Music Hall was awarded funds through the PPP loan. As the program is designed, this will provide support to keep our full time staff fully employed for the next 8 weeks. This funding will not be sufficient to mitigate all of our losses beyond the next 8 weeks.

The Music Hall does not anticipate receiving much or any of the \$75 million appropriated to the National Endowment for the Arts through the CARES Act. Sixty percent of those funds are designated for direct grants to nonprofit arts organizations. Unfortunately, The Music Hall is not eligible for this funding as our most recent grant from the organization was received two months prior to the start of the eligibility period. The remaining 40 percent of the NEA appropriation will go directly to state and regional arts agencies to distribute through their funding programs. We are not certain how much will be awarded to the New Hampshire State Council on the Arts or how they will distribute these funds but we anticipate any award to The Music Hall will be nominal.

(6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector, and please comment on how these ideas would achieve the following important public goals:

- (a) The proposed use of funds will serve a public use and provide a public benefit.
- (b) The proposed use of funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.



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- (c) The proposed use of funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
- (e) The proposed use of funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector.
- (f) The proposed use of funds is not in conflict with local or regional development plans and policies.
- (g) The proposed use of funds is structured in a way that will help the community and the State at large, and not just the particular private business or organization.
- (h) The proposed use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

The Music Hall respectfully requests that the state of New Hampshire grant the organization a one-time award of relief funds in the amount of \$250,000. The arts have the power to be a robust tool as we work to return New Hampshire to normal; The Music Hall can play a key role in strengthening the economy, enhancing education, improving outcomes for youth, supporting talent acquisition and retention, and building stronger neighborhoods.

- The Music Hall brings 130,000 patrons to downtown Portsmouth, New Hampshire, every year. Our patrons, residents and non-residents of the state, spend an average of \$27 to \$37 per person on event-related expenditures, from dinner and drinks in local restaurants and bars, to parking, souvenirs, and babysitters. Attendees from out of town often stay overnight in a local hotel. Our neighbors, including the 20+ restaurants and 20+ shops within walking distance, recognize and appreciate that Music Hall events bring foot traffic to their places of business.
- Annually, the Music Hall contributes approximately \$9 million to the local economy through show- and visitor-related spending, according to the Arts and Economic Prosperity IV survey conducted by Americans for the Arts.
- By offering programming in every season, The Music Hall contributes to making Portsmouth a 12-month destination that is attractive to retirees and young professionals alike, with year-round jobs for service employees, and a local economy that is linked to continual cultural viability.
- Portsmouth's former city manager, John Bohenko, who served for 22 years, referred to The Music Hall as "the economic engine of downtown."
- The Music Hall has been operating with a balanced budget for the past 10 years; the organization has not run a deficit since 2009, the worst year of the Great Recession.
- A single historic theater in a medium-sized city sustains 159 full time equivalent jobs, according to the League of Historic American Theaters ("Where Main Street Meets Wall Street").

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- A vibrant cultural and community hub with a 30-year track record and the support of 4,000 member households, 350 devoted volunteers, 300 regional businesses, and 60 nonprofit partners, The Music Hall has deep roots. Our singular nature and our commitment and contribution to the continued vitality of our region has been recognized locally, regionally, and nationally.
- The Music Hall has been a leading partner with the City of Portsmouth. In 2017, The Music Hall and the City partnered to upgrade Chestnut Street, site of our Historic Theater, collaborating to fulfill a piece of the City's Comprehensive Improvement Plan. Results include enhanced way-finding, safer vehicle and pedestrian access on Chestnut Street, and the creation of a green gathering space in downtown, all of which will help invigorate the city through increased visitation of local businesses and cultural landmarks.
- A professional staff (including a 6-member leadership team, 24 full-time, and 65 part-time employees), with the assistance of a skilled Board, has grown operating budgets from \$1.7 million to \$6 million in the past 15 years while raising more than \$15 million to successfully conduct a nationally-recognized restoration campaign.
- The best and last surviving example of a 19th-century opera house in New Hampshire, The Music Hall's 1878 Historic Theater is the oldest theater in the state, the second oldest in New England, and the 14th oldest in the United States.
- The arts are fundamental to our humanity. They inspire us, they bring us joy, they help us to grow and express ourselves, and they build bridges between cultures.

(7) Please describe how the receipt and use of the public relief funds described in question 6 would be accounted for in your organization's financial statements.

This money, which will be used for critical operations and to mitigate devastating losses, will be accounted for on our financial statements as a special federal Covid-19 emergency grant. It will be clearly delineated as a one-time grant award. We are audited annually, have a skilled finance committee made up of dedicated financial professionals that oversees detailed financial operations of the organization, and multiple checks and balances in place. We are very experienced in handling restricted funds and have successfully managed restricted funds from foundation and federal sources in the past.

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(8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

The Music Hall is experienced in managing public funds. Grants from foundation and government sources are a critical funding stream in The Music Hall's multi-stream budget plan for both annual and capital campaigns. Music Hall staff manage an array of program and general operating support grants; notable funders in recent years include the NH Land and Community Heritage Investment Program (\$100,000 for the rehabilitation of our lobby, successfully completed, with additional monetary rewards for the regularity of our annual reporting), the National Endowment for the Arts (\$10,000 matching grant for our School Days Series, program and reporting successfully completed), Jane's Trust (\$100,000 for the Streetscape Campaign, campaign and reporting successfully completed), and Fidelity Foundation (\$100,000 for the Streetscape Campaign, campaign and reporting successfully completed).

(9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

The Music Hall is the largest of the four major performing arts centers in New Hampshire; the other three community pillars are the Capitol Center for the Arts in Concord, the Colonial Theatre in Keene, and the Lebanon Opera House. Cultural organizations like our neighbors, Strawbery Banke Museum and the Seacoast Science Center, also contribute to the vitality of the state. Though there is healthy competition among our individual organizations, we operate under the shared philosophy that a thriving cultural community benefits all, and work cooperatively to share ideas that result in exciting and diverse programming for New Hampshire audiences. We represent local people planning local entertainment and sending dollars into the local restaurants, hotels, and other businesses.

Arts and cultural organizations in New Hampshire are responsible for direct expenditures totaling \$57 million; support more than 2,200 full-time equivalent jobs creating household income of more than \$47 million; and generate local and state government revenues of more than \$6 million, according to Arts and Economic Prosperity 5, a national economic impact study conducted by Americans for the Arts. Our patrons, more than 2 million residents and non-residents of New Hampshire, spend an average of \$20 to \$50 per person, per event, delivering \$60 million in arts-related spending to our downtowns.

The Music Hall  
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The health of local business, the restaurants and shops that create a distinct identity for downtown Portsmouth and attract visitors to the Seacoast and New Hampshire at large, also contribute to our success and we are vital to theirs. We fuel these small businesses with our audiences, employees, volunteers, and visiting artists, all of which, park, and shop as part of the experience of visiting and or working at The Music Hall.

The Music Hall plays an active role in regional tourism efforts, and staff serve on the Chamber Collaborative of Greater Portsmouth.

(10) What would your business, agency, organization, sector do with the funds that cannot be done currently?

We cannot assure our anchor position as a nationally renowned arts organization without the help of these funds. Quite simply they will be an integral part of the raft we are building to navigate these unprecedented waters.

11) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

The Music Hall has been told many times that it is the "great room" of the Seacoast. In the coming months and years ahead, this great room will be more necessary than ever as we rebuild our economy. We will also need to rebuild our spirits. The studies on isolation and loss of productivity through depression and the increased risk of suicide and negative behaviors are proven hard data. The Music Hall, along with the arts and culture sector of NH, play a vital role in the development of community social capital, and it is with that capital that the hard work ahead becomes manageable.





## GOEFERR REPLY

I am John Hopkins Dr. P.H., developer and majority share holder of SGI Realty LLC which operates two facilities and 100 beds of 804/805 licensed assisted living, called Bellamy Fields and Watson Fields in Dover.

Assisted Living sector, specializing in dementia and end of life care; state licensed by Bureau of Health Facilities. Revenue from all private pay; no Medicaid beds. Consequently, staff did not receive a \$300/week payment that was earmarked for workers in Medicaid facilities.

Outbreak of virus at Bellamy Fields and expected deaths will reduce income by \$50,000 or more a month for the foreseeable future. Potential for staff layoffs- 170 employees, primarily female and many single income parents, after 10-15 years of steady work would be dramatic.

Post-outbreak, special cleaning, then back to business, serving hospitals and nursing rehabilitation facilities for assisted living for people with Alzheimer's disease and related disorders who will be sheltering with families during the pandemic but need special dementia care eventually. I anticipate a year to re-build the census.

Peoples United Bank holds my loans and I'm applying for federal funds from the Paycheck Protection Program.

6. Assisted living, in my model, is a resource for elderly with chronic disease and financial assets which they must use for their own health and quality of life expectations. People must expend their assets and use resources like Medicare for primary and complimentary health care. I can maximize both for the health and quality of life for elders.

The use of public funds in my model could be tuition and training reimbursement for nurses' aides and nursing "voc-tech" programs. The labor pool in geriatrics is dangerously shallow and the demands for geriatric practitioners is huge. Training people for good jobs with health insurance would be my suggestion for public money. For health care workers as single parents, child care subsidies, school lunch, child wellness programs and such would be great public benefits

7. I will not use public funds directly.

8. same as 7

9. work force training and support for long term care staff and their families to improve the size and quality of the geriatric health services proportional to the predicted demand for elder care in acute and residential models.

10. I'd like to be able to "sponsor" good staff for additional training, like aides going to nursing school and I'll hold their jobs, modify their work schedules etc. to keep them in geriatrics and improve their career paths.

11. the pandemic will have social and economic repercussions that won't be apparent for six-twelve months. Don't distribute the funds too quickly!





## Draft Questions

- (1) Please identify your position and your organization.

Jay Couture, President and CEO of Seacoast Mental Health Center and President of the NH Community Behavioral Health Association (NHCBHA).

- (2) Please identify what economic sector your enterprise operates within.

Healthcare. Specifically, we are one of ten state designated Community Mental Health Centers in NH.

- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.

As an essential healthcare provider we needed to continue operations to meet the needs of those living with mental illness in our region. While most services were transitioned to telehealth, that is not possible for all services.

We operate an 8-bed group home for individuals with severe and persistent mental illness (SPMI) that requires 24/7 staffing. There is no alternative placement option for a resident who might test positive for COVID-19 but does not require a hospital level of care. The Homeland Security alternative housing options do not include housing for individuals with SPMI who require 24/7 supervision and care.

We have 150-170 clients who receive their medication via injection. This can not be done via telehealth, but instead requires direct patient contact even if the individual is COVID-19 positive. While we have consolidated injection clinic times in both office locations and send nurses to the individual's home if they are COVID-19 positive, we have been challenged to maintain an adequate supply of PPE.

As included in the Community Mental Health Agreement (the state's court settlement agreement re: provision of community based mental health services) we operate an Assertive Community Treatment Team. Often described as a hospital without walls, there are some individuals treated on this team who require in person services to meet their needs at this time.

Psychiatric emergencies can not be put off to a post COVID-19 time. Our emergency services staff are still providing in person crisis assessments, involuntary emergency admissions and conditional discharge revocations.



We are a sector that has been plagued by low wages and a workforce shortage for years. COVID-19 has exacerbated our staffing issues as staff have had to stay home to self isolate due to travel or illness or stay home due to lack of childcare and the need to supervise e-learning for their child(ren). We have had more than two dozen of our two hundred staff need to be out of work.

We are capturing information about the financial impact that will be presented to GOFERR during a presentation from NHCBA on Monday 04/27/2020. That said, we have seen decreases in our fee for service revenue including self pay and commercial insurance. The Governor's Executive Order #8 allowing for reimbursement for telehealth is of great assistance, but there are some community based supports that do not translate well into a telehealth environment. Our clinical staff are also finding that telehealth visits can be shorter than an in person visit and may not reach the time threshold to be coded as a billable service or as a billable service with a higher reimbursement rate.

In addition to the services we have traditionally provided, we are providing more non-reimbursable supports to assist our clients in remaining at home during the Stay at Home order. This has included supports such as picking up groceries or medications that are then delivered to the client's doorstep.

Our staff are experiencing the same stressors as the general community at the same time that they are working to assist our current clients and the general community in addressing their mental health needs. This is taking a toll our staff and will increase the risk of burn out over time.

- (4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

Workforce issues will be exacerbated. Community need for mental health service will increase and include populations who have not previously sought out our services. We particularly expect to see this in our Child and Family Services Department as children and adolescents grieve the loss of social structure and interaction and then experience anxiety issues as they work to rematriculate once they are expected to return to school. Some children will miss milestones such as prom or graduation that can never be replaced. Some children who never had the opportunity to say good-bye to their day care or lower school playmates will have a difficult transition to a new school environment whenever live classroom experiences are revived. Families who lose loved ones to COVID-19 may have lasting trauma related to the inability to say good-bye or have a funeral service for closure.



- (5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support specifically intended to help address Covid-19 impacts.

We have worked with the Medicaid Managed Care entities on some changes to our alternative payment mode that provide some temporary relief from certain financial metrics. This relief will end on 06/30/2020.

We have received approximately \$59k from Medicare that was automatically sent to providers as part of a stimulus/relief program.

We applied for a Payroll Protection Loan, but the fund ran out of money before our loan was processed and approved. We have been informed that based on where we are in the pipeline that the next round of funding may run out before our application is processed.

We are exploring eligibility for grant funds to support the purchase of additional and updated technology to support the remote provision of telehealth by our clinical staff.

- (6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector, and please comment on how these ideas would achieve the following important public goals:

- (a) The proposed use of funds will serve a public use and provide a public benefit.

As a state designated community mental health center we are providing services that the state would otherwise be responsible for providing. Our services can literally be the difference between life and death for an individual in need. Across all media platforms you can see coverage of the increased need for mental health services at this time. This is true in an environment where we knew we did not have existing capacity to meet the pre-COVID-19 need as evidenced by the 2018 Ten Year Plan to restore and expand services throughout our state.

- (b) The proposed use of funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.

Mental health and substance use disorder services are part of the essential healthcare services that increase the social welfare and



economic prosperity of the state and promote the general welfare of the state's citizens. Work is part of mental health and substance use disorder recovery. When individuals living with mental illness or addiction are able to receive the right treatment at the right time costs are lower and recovery happens. Individuals who receive appropriate treatment are able to re-enter the workforce if they have been absent and can decrease the amount of time they need away from work due to their illness. One in Five individuals will experience a mental illness. Providing the right care at the right time matters for that person, their family and the community/state at large.

- (c) The proposed use of funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.

As an essential healthcare provider we must be able to recruit and retain a workforce with specific skills and credentials in order to operate. The provision of services by these staff provides both an individual and community wide benefit.

- (e) The proposed use of funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector.

Providing funds will stabilize the continued operation of the mental health center. We are contracted with the state to provide specific, necessary mental health services which include services required in the state's Community Mental Health Settlement Agreement. When we are successful we are better able to meet the requirements of our obligation to the state and to our communities in furtherance of improved mental health for all.

- (f) The proposed use of funds is not in conflict with local or regional development plans and policies.

There is no proposed use of funds that would be in conflict with local or regional development plans or policies.

- (g) The proposed use of funds is structured in a way that will help the community and the State at large, and not just the particular private business or organization.



As a 501(c)3 nonprofit organization our mission is to provide a broad, comprehensive array of high quality, effective and accessible mental health services to residents of the eastern half of Rockingham County. The provision of mental health and substance use disorder services by our organization and our sister centers throughout the state supports the state in meeting its obligations to meet the mental health needs of the residents of the State of New Hampshire and improves the health and quality of life for individuals and communities we serve.

- (h) The proposed use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

Yes

- (7) Please describe how the receipt and use of the public relief funds described in question 6 would be accounted for in your organization's financial statements.

We would expect that the receipt of any public relief funds would come with instructions regarding the expected accounting in our organization's financial statements and we would adhere to those requirements.

- (8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

We would ensure that we are able to report on the receipt of funds and how those funds were expended.

- (9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

To ensure the full spectrum of necessary care hospitals, particularly those with psychiatric units, Peer Support and Peer Recovery Organizations, and organizations that offer housing must all have adequate resources that can be made available to those with mental illness or substance use disorders who have a need for those levels of care.

- 10) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

Specific recognition of the need to support Community Mental Health Centers is often missing from federal and state policy. For example, recent federal policy allowing for licensed practitioners to practice to the top of their license was directed at hospitals and primary care providers, but did not extend this relief to community mental health centers. We are now advocating for this with both state and federal authorities, but given the role we play as the leading provider of outpatient mental health services in our state, it would be most helpful if we were included in healthcare policy improvements occurring at this time.



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There is no particular format for the comments, and but we request that you focus your comments as efficiently as possible, and try to limit the number of pages to less than 10.

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- (1) Please identify your position and your organization.

The Learning Path, Inc          Donna Hajjar, President  
Established June 1999  
Two locations: Atkinson and Salem  
Currently enrolled children – 165  
Staff members/teachers – 45  
We are a “NH Licensed Plus” Preschool

- (2) Please identify what economic sector your enterprise operates within.

Preschool/Child Care Sector



**Guidelines for Written Comments  
to the GOFERR Stakeholder Advisory Board**

- (3) Please describe how your enterprise and economic sector has been impacted by Covid-19.

Due to Covid-19, I was force to temporarily close my two schools. March 27 was the last date we operated. On March 13, before we even closed, 75% of staff chose to self-quarantine and collect unemployment. I was forced to furlough our remaining 10 staff members on March 30, 2020. All 45 teachers are now collecting unemployment.

Before the Covid-19 scare, 165 children were enrolled. The average weekly incoming tuition for a center my size is approximately \$30,000.00. There has been **no** incoming tuition as of march 30, 2020.

- (4) Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.

I am expecting to be closed for April, May and June 2020, leaving me no incoming tuition to support my current on-going monthly overhead costs. I do not see being in business for much longer, as I am currently using dollars from my operating account, which is almost depleted.

The average monthly overhead costs for centers my size is approximately \$35,000.00 (this does not include payroll).

- (5) Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local)

or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.

I am a for-profit company. I am not eligible to apply for grants offered by the private sector who award grants only to non-profit organizations.

I have applied for the PPP. I was not eligible because I closed my business two weeks prior to the required timeframe.

I applied to the SBA on April 6. As of today (April 24) I have not heard if I have been approved. I called the SBA office, I was told that the process is delayed due to the amount of applications submitted.

## **Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board**

6) Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:

- (a) The funds will serve a public use and provide a public benefit.
- (b) The funds will preserve or increase the social welfare or economic prosperity of the state, and will promote the general welfare of the state's citizens.
- (c) The funds will promote the orderly development of economic and social activities, create or preserve employment opportunities, or protect the physical environment.
- (e) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector, and will enhance the resiliency of the organization to survive future economic or health challenges.

The funds will help assist with the success of my small business. With these funds, on-going monthly expenses can be paid to the vendors that serve and deliver to my company, most of them are small businesses, as well. My staff of 45 can return to work without a decrease in salary. My company can remain a much needed, well respected part of the community.

I fear that Bankruptcy is in the future if funds are not received soon.

Available high-quality child care is crucial to the residents of NH. Our teachers have a strong bond with the children and families that we serve. We support children whose parents are pilots, salon owners, first responders, mechanics, doctors/nurses, politicians, city/state employees, restaurant and grocery employees, realtors, small business owners, and so many others. Closing our child care centers has affected so many of our community workers and their ability to perform their work effectively and efficiently, if at all.

We also work closely with the public school districts. We provide before-and-after care and education for special needs children in the community. We are involved in the Early Intervention process, working closely with Easter Seals. We identify and evaluate children showing developmental delays. Our teachers attend IEP meetings and are involved with modifications for children who have been identified with special needs or circumstances. Being closed, our special needs students who were making developmental improvements have possibly halted, or even declined developmentally.

## **Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board**

We are an approved location for families meeting the financial criteria to receive assistance for childcare (State Scholarship). Foster children and children at risk (Protective and Preventative) are also part of our student enrollment. While we are closed, these children are at risk in the home environment.

- (f) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.
  - (g) The funds are structured in a way that will help the community and the State at large, and not just the particular private business or organization.
  - (h) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.
- (7) Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.

My company, through my accountant, would isolate the funds and the use of the grant income. We would show expenses used and show receipts of spending.

- (8) Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.

After consulting with my CPA, Karen Shapiro, she suggested a way to provide detailed accounting of this public relief and use of the funds as a component of my 2020 profit/loss statement.

- (9) Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.

My landlord, who owns both of my locations, has been affected. I did not pay my rent/CAM fees for the month of April and will not be submitting payment in May or June.

Monthly rent/CAM for buildings the size that I rent can cost up to well over \$20,000.00.

My philosophy in business is to support and purchase from other small businesses in my community, such as custodial and cleaning services, landscapers, pest control, supply companies, etc. I have had to stop all buying of products, which directly affects these small businesses.

## **Guidelines for Written Comments to the GOFERR Stakeholder Advisory Board**

- (10) What would your business, agency, organization, sector do with the funds that cannot be done currently?

The funds would help pay our monthly on-going bills. We are going to lose the ability to pay very soon.

- 11) We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?

I have no comment for this question. However, I have been listening in on the meetings with the legislators and the GOFERR call-ins. I am grateful that the people on the advisory boards are caring about the small businesses in NH and want to hear our financial concerns.

\* \* \* \* \*

SAB anticipates that its members will be reaching out to diverse interests and persons to request submission of comments, and we thank you in advance for considering these requests. We are all in this together, New Hampshire!

Please check the GOFERR website for current information on how to submit comments. All recommendations and information submitted in response to this request will be available for public inspection and copying in their entirety. For further information, please contact Joe Doiron at the GOFERR offices.





**To:** GOFERR Stakeholder Advisory Board

**From:** NH Alliance of Regional Development Corporations

**Date:** April 24, 2020

**Re:** Presentation of Written Comments

### **Introduction**

The NH Alliance of Regional Development Corporations (the “Alliance”) is a long-standing network of 10 nonprofit regional economic development corporations (RDCs), which cumulatively have more than 300 years’ experience providing economic development services to businesses and communities across New Hampshire. Each RDC is governed by its own Board of Directors and bylaws, but each maintain a basic core goal: to offer technical assistance, financing, and economic development services - primarily for the purposes of helping to create and retain jobs in the State, and to help increase the tax base of the State’s communities.

During stable times, the RDCs are a direct conduit between public financing programs and new, emerging, and growing companies. RDCs have worked in various capacities with USDA/Rural Development, US Department of Housing and Urban Development (HUD), the US Small Business Administration (SBA), the US Economic Development Administration (EDA), the Business Finance Authority of New Hampshire (BFA), and the NH Community Development Finance Authority (CDFA) to deliver a wide array of economic development services. During recessionary times we fill the wider gap between entrepreneurs and the traditional market. We have seen the ups and downs in the economy and have always adjusted programs quickly to meet the needs of the businesses and communities we serve.

*We have never seen anything like this.*

We appreciate the opportunity to answer the GOFERR Stakeholder Advisory Board (SAB) questions prior to presentation before the Board. We submit this on behalf of all RDCs (listed on Appendix A), each of whom know their respective regions intimately and all of whom are prepared to step in immediately to help fill the financing needs of New Hampshire’s small businesses.

Between the 10 RDCs, we are currently managing more than 600 active loans to small business. We have made thousands of more loans over the more than 25-year existence of the RDCs. A great majority of our active loans are in various levels of distress. The RDCs have given their borrowers meaningful concessions – such as blanket loan forbearances for up to 180 days – to deal with the Covid-19 impacts. Forgoing revenue to our own organizations hurts our own future financial condition; but it was an easy decision to make. We exist to help businesses and communities grow through good times, and survive



through bad, and we all operate with the tightest budgets possible – we refuse to let this crisis stop us in our mission. We have a job to do.

It is our sincere hope that the SAB will agree to fund the RDCs through direct grants that we can use for patient, low-interest, flexible, partially-forgivable financing to New Hampshire's small businesses which have nowhere else to obtain it.

The narratives that follow are presented in the format the SAB has provided. To save time, we have attempted to be as concise as possible. If you need any further detail, we would be happy to provide it.

**Please identify your position and your organization**

The RDCs are led by professionals with many years' experience. Each RDC and their respective Executive Director/President is listed in Appendix A.

**Please identify what economic sector your enterprise operates within**

The RDCs all operate within the non-profit economic development sector. We are a resource (loans and technical assistance) to all business and non-profit sectors, including: electronics, breweries, distilleries, airports, manufacturing, construction, recreational facilities, aviation technology, trades education, performance arts, restaurants, tourism businesses, training centers, the arts, museums, child-care centers – virtually every segment of New Hampshire's economy.

**Please describe how your enterprise and economic sector has been impacted by Covid-19**

Business from virtually all sectors of New Hampshire's economy have been affected by the Covid-19 crisis, and this has impacted business owners, the employees, and the customers. The impact on one business has a cascading impact on all businesses through manufacturing and supply chains, distribution, sales, and customers. It is essentially a perfect storm of economic crisis. We believe this can be remedied through hard work and tough decisions.

The RDC's have been impacted by Covid-19 because we depend on income from our loan portfolios as our primary income. As our customers become unable to repay debt, our profit and loss statements and our balance sheets suffer. It is important to note that our primary concern is the impact on our delivery of our services, not how the crisis has affected our bottom line. What is more important is the impact to the services we can provide our businesses and communities.

In the past several weeks, we have seen an exponential growth of a need for our services. Businesses from all sectors of the economy have reached out to the RDCs for help surviving. We have seen the toughness and resilience of our State's business community, and many of us continue to make loans through this crisis.

For example, the *Mount Washington Valley Economic Development Council* just deployed \$578,000 to 27 businesses at an average loan amount of \$25,000. This funding was approved and deployed within two weeks after the Covid-19 crisis started. The *Regional Economic Development Corporation of Southern NH* has tentatively approved \$425,000 in financing to 15 businesses, at an average loan amount of \$20,000.

Funds we can deploy for emergency loans for this type of response are limited and will run out. The demand will not be met by the resources currently available to the RDCs. This type of rapid response to

the immediate and future small business needs can be implemented across the State by the RDCs – quickly and efficiently.

**Please provide an assessment of how you project your organization and economic sector will be impacted over the next 12 months by Covid-19.**

Our assessments of how the RDCs and the business sectors will be impacted over the next 12 months are below:

*Regional Development Corporations:*

- Demand for RDCs services will continue over the next 3-9 months for emergency funding to businesses during business closures and major disruptions. RDCs will have limited funds (as they stand now) to meet the needs of the businesses. We will do all that we can to continue to help with the limited resources presently available.
- Demand for the RDCs will eventually shift from “emergency” financing to “re-opening” financing. Businesses will eventually re-open, but recovery will be slow. RDC’s funds that were used for emergency financing will be unavailable to help during the recovery.

*NH Business Sectors:*

- Financing needs for re-opening will include working capital for inventory, accounts payable, and operating expenses.
- Federal programs will not continue to be re-filled after the trillions of dollars spent on the Covid-19 response. **Banks will be caught between regulation and the needs of their customers.** Non-traditional, non-bank financing such as RDCs need to fill that gap. Bankable deals may still be able to rely on SBA guarantees through the 7a and 504 Programs, but many businesses will not qualify. The need for non-bank financing from RDCs will explode.
- Banks will be hesitant to finance certain businesses, with loan to value ratios having already dropped from 85-90% to 70-75%. Accounts receivable will build eventually but bank discounted value rates will drop to reflect the uncertainty of payment to the business. Small businesses that do not carry receivables will be without an avenue for financing. RDC financing can be flexible and, in some instances, which can be tied to job retention, partially forgivable.

**Please explain whether your enterprise or economic sector has or is receiving, or may possibly receive in the future, any other governmental support (federal, state or local) or charitable funds specifically intended to help address Covid-19 impacts; and explain whether the identified need might be covered by other governmental or charitable sources of funding or support programs.**

RDC’s have historically worked with US Housing and Urban Development, USDA/Rural Development, US Small Business Administration, US Economic Development Administration, Business Finance Authority of NH, and the NH Community Development Finance Authority. The RDCs have been intermediary re-lenders, or sub-grantees of funds disbursed for small business and community development projects. Our success dealing with various programs to disburse capital to the State’s businesses is unmatched.

We are confident that we have the experience, processes, and best practices to implement funding recommended by SAB.

Before the Covid-19 crisis, access to some of these programs had become very difficult. RDC's have encountered change from regulations and rules to policy and guidance, making these funds unpredictable and harder to get. This has not stopped the RDCs from working tirelessly to get them for our clients.

We receive limited operational funding from HUD and CDFA in recognition of our important role. Other federal processes are many months or years long. The need is immediate, and we cannot rely on the historic Federal programs to meet the urgent needs of the businesses that need help.

**Please provide comments on one or more ideas on how some portion of public relief funds could be provided to your enterprise and economic sector (including, if possible, an estimate of the amount of funds), and please comment on how these ideas would achieve the following important public goals:**

(a) The funds will serve a public use and provide a public benefit

Nonprofits perform duties for the public benefit where the government does not or cannot. That is why the IRS provides tax-exemption to the RDC's. We work for the public benefit: economic development, job creation/retention, encouraging tax revenue through business growth, etc. We are all nonprofit organizations and our missions uniformly address public benefits.

(b) The funds will preserve or increase the social welfare or economic prosperity of the state and will promote the general welfare of the state's citizens.

We have entered a unique time of New Hampshire's history where the public benefit involves essentially shutting down our economy - to the benefit of the public welfare and the detriment of economic prosperity. Soon the general welfare of the State will tilt less toward survival and more to health of the business community. If allocated funds for business financing, the RDC's will be on the front line of promoting the economic prosperity of the State and the employment of its citizens. We have been on the front line for more than 25 years.

(c) The funds will promote the orderly development of economic and social activities, create, or preserve employment opportunities, or protect the physical environment.

The funds will be used as financing to small business to do just that: to promote the orderly development of economic and social activities and to create or preserve employment. ***There is no network of nonprofits in New Hampshire that knows more businesses than the RDC's.*** We know their owners, their employees, their pasts, their plans for the future, the challenges they have already overcome and the challenges they now face. We know their needs and they feel comfortable working with us. *Our request is simple: provide us the resources to do what we are best at – helping small businesses survive, help them grow, incent them to retain employees, and get them the resources they need quickly to get the New Hampshire economy moving again.*

(d) The funds will contribute significantly to the continued operation, competitiveness and future success of the organization and the economic sector and will enhance the resiliency of the organization to survive future economic or health challenges.

RDC's are nothing if not resilient. We all operate revolving loan funds which provide most of our operating revenue. We all work with limited overhead and limited staff while maximizing our impacts. We are unique in that our reliance on on-going operating support from grantors goes down the busier we are and the more loans we make. Our request to SAB focuses on funds for lending through our long-standing programs and we are not seeking grant monies for operating funds. We will design the program to provide minimal administrative reimbursement for our efforts<sup>1</sup> and will receive minimal return of interest for as long as the funds are deployed (excepting the portion that may be forgivable). Any non-forgiven funds used through an allocation recommended by SAB will revolve into perpetuity. Loan funds will be used in future years for similar purpose and will have beneficial impact to the New Hampshire economy in the years ahead.

(e) The use of funds is not in conflict with local or regional development plans and policies, or any other provision of state or federal law.

The funds will be used in direct accordance with regional development plans. We are a network of regional economic development corporations. We have support of the communities and businesses within our regions and we will use the funds in the scope and manner by which we were awarded nonprofit status. The RDC's are used to working with state and Federal regulations and reporting requirements. Any such requirements imposed on this funding will be met by the RDC's.

(f) The funds are structured such that they will help the community and the State, and not just the particular private business or organization.

Our proposed loan program shown in Appendix B is designed to help businesses and the State economy during the crisis and during the recovery. It is not designed as a tool for operational support for the RDC. We must cover our costs to originate and process these loans. Our goal is to provide as much sensible financing to small businesses in New Hampshire, with the flexibility to tailor that financing within broad program guidelines, while keeping the cost of those funds as low as possible. We are very cognizant of the issue of loan forgiveness to private businesses. While the Federal Payroll Protection Program (PPP) has been deploying funds, it has yet to be determined what the impact of this program will be. We have all heard the stories of small businesses being unable to access those funds because they did not have a strong enough advocate with a bank or other SBA-approved lender. Certain instances of the forgivable nature of the PPP loans may be controversial at some point. The RDC program will allow limited forgivability of loans so long as jobs were retained over a 2-year period (as opposed to an eight-week period imposed by the PPP). The RDC's will impose more stringent requirements than the PPP – such as personal guarantees and/or UCC-1 filings on all business assets - so that repayment is more assured. Our program is designed to give the business a strong helping hand, not a hand-out.

(g) The use of funds is consistent with the one-time availability of the public relief funds and will not require future continuing operational support from the public sector in order to maintain success.

The RDCs have been successful by many metrics for more than 25 years. The funds we are requesting do not create new programs – they allow for an immediate expansion of programs we have been running

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<sup>1</sup> We are proposing a 2.5% administration fee on draw down of funds for loans. This is lower than what the SBA allows. The borrower will not be responsible for paying this fee. These reduced administrative fees will help cover costs of originating, deploying, and servicing these loans and for reporting the outcomes in whatever intervals are required.

all along. Not only will we not require continuing operating support, we have designed a program where most of the funds we receive (except for that portion that may be forgiven) will revolve back to the RDCs, to be deployed as financing to businesses in perpetuity.

**Please describe how the receipt and use of the public relief funds described in question 6 could be accounted for in your organization's financial statements.**

All RDC's operate revolving loan funds. Most RDCs' operate several loan funds, which involve separate agency funding and cannot be co-mingled. Grant funds we receive that are intended for lending capital are received as income (because they are not a liability) but are recorded as loan receivables when deployed as financing. An equal amount of grant income to the RDC will end up on our balance sheets as 'loans receivable'.

All RDC's operate with Boards of Directors, who provide oversight and loan approvals. All financial statements of RDC's are audited every year, as required by Federal funders.

We would be glad to provide audited financial statements to SAB.

**Please describe specific measures for public reporting on the receipt and use of the public relief funds, so that the State may satisfy any public reporting obligations that may be imposed with respect to such funds.**

RDC's are adept at collecting information from borrowers to ensure that funds are being used in accordance with any requirement.

In this case, we would envision requiring the following:

- Establishing a baseline of employment of all business who receive financing as of January 1, 2020.
- Requiring certified payroll reports every six-months to track employment numbers.
- Requiring a final certified payroll at the time of any loan forgiveness to ensure the requirements of the RDCs loan program have been met.

**Please identify other important organizations or functions in the State that have an important impact on your organization or economic sector, and, if possible, provide ideas of how those organizations and functions may be assisted by public relief funds in a manner that would help your organization or economic sector.**

BFA has been a valuable partner of the RDCs over the years – providing lending capital (at a cost) to the RDC's for economic development projects. We think there is a critical role of the BFA to help finance businesses during the crisis and the recovery. We envision a two-tier loan program through the SAB process: a loan program provided through the BFA for larger financing needs and a loan program through the RDCs.

*History has proven, State bodies could not have the relationships that the RDC's have with the businesses within our regions.* BFA and CDFA simply cannot allocate the staff capacity to handle the hundreds of loans that will be made through the RDC program.

Businesses have supported the RDC's through tax credit purchases. We request that any funds provided to BFA also be available (with BFA approval) to RDCs for larger loans within our regions at very low cost,

and no recourse on the RDCs. Currently, all financing through the BFA to the RDC's is at a cost and the BFA does have recourse against the RDC's loan portfolio.

**What would your business, agency, organization, sector do with the funds that cannot be done currently?**

RDCs have established emergency financing programs to address the COVID-19 crisis, and many have deployed that financing within a short period of time. Those funds are running out. With the funds requested, we could continue our work to address the dire economic crisis and would be able to meet the financing demands of the State's small businesses.

A \$50 million allocation to the RDCs could result in 1,000 critical loans to businesses within a short period of time, assuming the average loan is \$50,000. Assuming 50% of those funds revolve back to the RDCs over a period no longer than 5 years, we would have revolving \$25 million in business lending in New Hampshire in perpetuity<sup>2</sup>.

**We consistently hear different stories of what is occurring and what is needed; given the opportunity, please comment on what do you think should be said or considered that hasn't received much attention?**

We would re-iterate one simple point: The Federal government has committed immense funds for the crisis – both in public health and into the economy. The goal is to get through this crisis, and we have seen the resolve of New Hampshire citizens and businesses in every corner of the State. The RDC's are an optimistic group of nonprofits and we believe that the nature of the New Hampshire economy is stronger than the damage caused by this virus. *We also see that the Federal funds expended thus far – particularly the PPP – have been designed to get through the short term, immediate crisis. Our plan is to help business move on from the crisis.* We want to be able to help when the doors are opened, the customers come back, the orders start again, and the capital needs of businesses from all regions of this State present themselves. We want to be there not to compete with banks, but to compliment what they can do - through participated loans or subordinated debt if necessary - and to provide what they simply cannot: financing for businesses that do not qualify at the banks. There will be challenges that will present themselves that nobody can now predict, but the RDCs have seen a lot, and we have designed programs that can address those challenges.

We express our deep gratitude for your work and for the ability to present our ideas.

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<sup>2</sup> **Important Note:** Loan forgiveness envisioned in this plan would be for initial loans only. Revolved funds will not have forgiveness as part of the ongoing financing, but it will have flexible terms and will be used only for portions of projects that are not provided by traditional bank programs.



## **APPENDIX A**

### **NH Regional Economic Development Corporations**

Justin Slattery, Executive Director  
**Belknap Economic Development Council (Belknap EDC)**  
*Established 1992*

Stephen Heavener, Executive Director  
**Capital Region Development Council (CRDC)**  
*Established 1953*

Daniel Gray, President  
**Coastal Economic Development Corporation (Coastal EDC)**  
*Established 1989*

Lise Howson, Executive Director  
**Coos Economic Development Corporation**  
*Established 1996*

Anne Duncan Cooley, Chief Executive Officer  
**Grafton Regional Development Corporation (GRDC)**  
*Established 1997*

Jac Cuddy, Executive Director  
**Mount Washington Economic Development Council**  
*Established 1991*

Laurel Adams, President  
**Regional Economic Development Center of Southern New Hampshire (REDC)**  
*Established 1994*

Dennis McCann, Executive Director  
**Strafford Economic Development Corporation (SEDC)**  
*Established 1997*

Denise Roy Palmer, Executive Director  
**Wentworth Economic Development Corporation (WEDCO)**  
*Established 1993*

Arthur Robert, President  
**Monadnock Economic Development Corporations (MEDC)**  
*Established 1995*

## **APPENDIX B**

### **NH Regional Economic Development Corporations**

#### **Loan Program Outline**

- \$50 million small business loan program distributed amongst 10 RDCs equally
- Loan applications will be underwritten to test credit
- Applicants must prove to greatest extent possible that bank financing is not available
- Loan amount: up to \$100,000 maximum per business
- Interest rates no greater than 3.0%
- Six-month period of no interest accrual, then;
- Six-month period of interest only, then;
- Loan amortizes over a period up to 48 months.
- After two years (one year of amortization), 50% of the remaining loan balance will be forgiven if the business can prove it has retained baseline employment (established at closing).
- Remaining balance amortizes over the remaining term.
- Personal guarantees of all persons owning 20% or more of the business
- UCC-1 filing on all business assets (fully subordinated to existing or new bank financing)
- Administrative fee of 2.5% of loan draw down, plus \$500 legal and recording fees.  
Borrower does not pay these fees.
- All principal repaid to the RDCs will be permanently restricted to their revolving loan funds.