



CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANT

APPLICATION AND PROGRAM GUIDE

For additional program details or questions contact:
Community Development Finance Authority
Tel: 603-226-2170
www.nhcdfa.org

12/31/2019

TABLE OF CONTENTS

CHAPTER 1: PROGRAM OVERVIEW	3
CDFA's Vision & Mission	3
Community Development Block Grant (CDBG) Program Overview	3
CHAPTER 2: NATIONAL OBJECTIVES AND ELIGIBLE ACTIVITIES	6
CHAPTER 3: ELIGIBILITY AND GUIDELINES/ METHODS OF DISTRIBUTION.....	7
Housing Grant Requirements.....	17
Public Facility Grant Requirements.....	19
Economic Development Grant Requirements.....	21
Economic Development – Direct Technical Assistance for Businesses Grants Requirements.....	23
Economic Development – Microenterprise Development Grant Assistance Requirements.....	23
Emergency Grant Requirements.....	24
Planning Grant Requirements.....	24
APPENDIX A: HOW TO APPLY	26
APPENDIX B: EVALUATION RATING AND RANKING CRITERIA.....	30
Scoring of Public Facility, Housing and Emergency Grant Applications.....	31
Scoring of Economic Development Grants	34
Scoring of Microenterprise Development Assistance Grants	45
Scoring of Planning Grants	48
APPENDIX C: Minimum Underwriting standards for Economic Development Financing	51
APPENDIX D: Microenterprise Development Grant Assistance Program Guidance.....	53
APPENDIX E: Core Data Index.....	58
APPENDIX F: ECONOMIC DEVELOPMENT SPECIAL ELIGIBILITY AREAS - New markets Tax Credits (NMTC) and Opportunity Zones	53
APPENDIX G: CDFA ENERGY POLICY RECOMMENDATIONS 2020	660

CHAPTER 1: PROGRAM OVERVIEW

The Community Development Finance Authority (CDFA) is a statewide nonprofit public authority. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan and equity programs.

CDFA'S VISION & MISSION

CDFA is the financial engine that drives community economic development across New Hampshire focused on maximizing the value and impact of community development, economic development and clean energy initiatives throughout New Hampshire. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan and equity programs.

We see a future New Hampshire whose communities are economically and socially resilient, reflect and respect their natural surroundings, and are places where people want to live, work and play.

CDFA invests in the people of New Hampshire by:

- deploying a well-tuned, effective investment system;
- enabling partners to make transformational and sustainable changes; and
- taking an innovative approach to development finance.

CDBG PROGRAM OVERVIEW

CDFA administers the State of New Hampshire's annual federal allocation of Community Development Block Grant (CDBG) funds for eligible municipalities.

The Community Development Block Grant (CDBG) Program is designed to provide assistance to units of general local government in improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. The CDBG program has been funded through the State since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan, created in accordance with 24 CFR Part 91, and this Application and Program Guide.

In the following sections, a description of New Hampshire's CDBG Program is presented along with the amount of funds available and the method of distribution (MOD) of those funds. Also presented are the categories of grants to be made available, selection criteria, eligible activities, and the eligibility requirements for applicants.

CDFA will conduct grant workshops to assist municipalities and other interested parties in the preparation of grant applications and the administration and management of funded projects in accordance with program requirements. In addition, CDFA is available to provide technical assistance to municipalities and non-profit organizations regarding the CDBG program.

Funding Objectives

The primary objective of the CDBG program is the development of viable communities by expanding economic opportunities, providing decent housing and a suitable living environment principally for persons of low and moderate income.

Section 1.3 Use of the Application and Program Guide and the Implementation Guide

The CDBG Application and Program and Implementation Guides can be found on CDFA's website: <http://www.nhcdfa.org/resources/publications-and-forms>.

The purpose of the Application and Program Guide is to:

- Provide information on National Objectives and Eligible activities and New Hampshire's priorities for funding.
- Encourage participation in the public input process for determining CDBG program goals.
- Give clear steps and policies for completing an application.
- Define clear evaluation steps, criteria and policies for funding decisions.

The purpose of the Implementation Guide is to:

- Assist grant administrators in the day-to-day administration of CDBG projects.
- Provide practical information on how to implement a CDBG project that will meet legal, financial, and program obligations.
- Provide the grant administrator with a simple, step-by-step approach for the implementation of CDBG-funded projects, including grant approval, set-up, compliance with applicable requirements, audits and close-out.
- Provide tools to assist in CDBG project implementation. The tools include tips, lists, forms, and sample documents that are in the chapter or in the attachments to each chapter.

The Guides are organized by major topic. All applicable forms referred to in the handbook are located at the end of the handbook chapters. The major topics include:

Application and Program Guide

- Program Overview
- National Objectives and Eligible Activities
- Activity Selection and Implementation (Method of Distribution)

Implementation Guide

- Grantee Requirements
- Environmental Review
- Financial Management
- Procurement and Contract Requirements
- Labor Standards
- Acquisition
- Relocation
- Reporting and Recordkeeping
- Monitoring and Closeout
- Glossary (Definitions)

Note, however, that this document is intended as a guide and reference, not as a substitute for thorough knowledge of State and Federal laws and regulations referenced herein.

Though not all-inclusive, this guide covers the major areas of CDBG administration, provides required and suggested forms and instructions, and provides references for applicable State and Federal laws and regulations.

As necessary, revisions or additions to this Guide will be issued via Circulars. This guide will be retained and kept up-to-date on a yearly basis to ensure effective administration of CDBG grants. The current version of the guide can be found on the CDFA website.

Waivers

CDFA may waive non-statutory program requirements. A request for a waiver will be approved only when it is determined necessary to further the objectives of the Community Development Block Grant (CDBG) program, is consistent with the Housing and Community Development Act statutes, the HUD regulations, and the CDFA's community development objectives.

Waivers may be requested by the Grantee using the CDFA Waiver Request Form. The request must contain the following:

1. Reason(s) for the waiver, including justification of the reasons beyond the recipient's control to warrant a waiver;
2. Actions taken by the recipient to overcome the problem(s);
3. Specific CDBG requirements that are proposed to be waived; and
4. Identification of the plan to complete the project.

Other Resources and Information

It is very important to note that the applicable regulations and requirements are subject to change. Grantees are responsible for ensuring that they are in compliance with all applicable rules. This can be accomplished by periodically checking the websites listed below to see if updated or revised regulations have been issued:

New Hampshire websites:

<https://www.nhhfa.org/consolidated-plan>

<http://www.nhcdfa.org/block-grants/>

Guide to National Objectives and Eligible Activities for State CDBG Programs:

<https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>

CDP Income Calculator

<https://www.hudexchange.info/incomecalculator/>

HUD Office of Community Planning and Development Training:

<https://www.hudexchange.info/trainings/>

HUD Office of Healthy Homes and Lead Hazard Control:

https://www.hud.gov/program_offices/healthy_homes

HUD Office of Labor Standards and Enforcement (OLSE):

https://www.hud.gov/program_offices/davis_bacon_and_labor_standards

HUD Office of Environment and Energy (OEE):

<https://www.hudexchange.info/programs/environmental-review/>

Department of Labor:

<http://www.dol.gov/>

For more information or assistance, grantees are encouraged to contact CDFA staff.

CHAPTER 2: NATIONAL OBJECTIVES AND ELIGIBLE ACTIVITIES

Chapter 2: National Objectives and Eligible Activities describes the federal requirement that all CDBG-funded activities fulfill one of three National Objectives established by Congress. The content of this chapter is outlined beginning on page 19 of CDFA's Community Development Block Grant Implementation Guide found here: <http://www.nhcdfa.org/document/nsp/91>.

CHAPTER 3: ELIGIBILITY AND GUIDELINES/ METHODS OF DISTRIBUTION

Section 3.1 Funding Method of Distribution

New Hampshire's Community Development Block Grant (CDBG) program is offered to eligible cities and counties for a wide range of activities as authorized under Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended. The state annually expects to receive new CDBG funds for distribution to non-entitlement cities and counties for eligible projects. The CDBG funds covered by this Method of Distribution (MOD) include: new funds, unobligated program year funds, any program income received and grant funds recaptured from projects funded in prior grant years. The Community Development Finance Authority (CDFA) will manage the competitive award and funding process for eligible projects under this Method of Distribution.

3.1.1 Citizen Participation

To establish goals for the 2020 CDBG program year and ensure proposed changes were based on data, trends and public participation, CDFA undertook the following process:

- Hosted listening sessions across the state in August 2019;
- Conducted a survey of municipalities and other stakeholders;
- Solicited public input through one-on-one outreach; and
- Researched and evaluated best practices and program models.

The goals identified through the outreach efforts include increasing funds available to municipalities, building capacity and providing support for downtown revitalization and redevelopment.

CDFA also engages in the State Citizen Participation Plan outlined here:

https://www.nhhfa.org/assets/pdf/Citizen_Participation_Plan_2019.pdf.

Every applicant and recipient of CDBG funds must comply with the citizen participation requirements provided in federal law and described in this chapter. Some of the requirements will be checked by CDFA during application review; others will be verified when grant projects are monitored.

See Implementation Guide Chapter 4: Grantee Requirements for more information about required Citizen Participation (<http://www.nhcdfa.org/document/nsp/91>).

3.1.2 Consistency with New Hampshire's Consolidated Plan

Priorities for CDBG funds must be consistent with the policies and priorities contained in the State of New Hampshire Consolidated Plan for Housing and Community Development. The Consolidated Plan is approved by the U.S. Department of Housing and Urban Development (HUD). The Annual Action Plan, which includes the MOD for the CDBG funds, is the annual update to the Consolidated Plan and has been developed with participation from New Hampshire Housing Finance Authority, State of New Hampshire Department of Health and Human Services, the Housing and Community Development Planning Council, and the public input received during the 30-day public comment period.

3.1.3 CDBG Priorities

Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state's program, but allows a state to establish funding priorities among the types of eligible activities. The State of New Hampshire's funding priorities for each year will be described within the MOD. In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the MOD.

There is a broad range of activities that may be assisted with CDBG funds as defined in Section 105(a) of the HCDA, as amended. States that administer a non-entitlement CDBG program are required to establish procedures for distributing the funds and identification of the activities (priorities) which will be eligible for

funding under the state's program. These priorities are described within the MOD. The priorities eligible for funding under New Hampshire's CDBG program are described below.

State Objectives

Grants shall also include as many of the following additional state objectives as appropriate:

- Implementing the housing and community development plan and conforming to the municipality's master plan and ordinances;
- Preserving and promoting existing neighborhoods and community centers;
- Restoring and preserving properties which have historic, cultural, architectural or aesthetic value;
- Solving community problems with long term benefits and innovative solutions;
- Successfully raising funds or securing matching funds and resources from public and private sources; or
- Funding needed projects for which other private or public funding is not available and is consistent with the national objectives; or
- Community development grants shall, at a minimum, provide improved housing in accordance with section 8 standards, public facilities or employment opportunities primarily to low and moderate income persons or households. Grants shall not benefit moderate-income persons to the exclusion of low-income persons.

Current Year (2020) Objectives

- Increase the funds and capacity for communities to develop and implement community economic development projects.
- Provide additional resources for the development of affordable housing that supports the revitalization of New Hampshire's downtowns.
- Align economic development tools to better leverage public and private resources that have a positive community impact.
- Reduce the regulatory burden on communities seeking access to resources by streamlining state and federal program policies and administration requirements.

3.1.4 Priority Activities Offered through New Hampshire's CDBG Program

To accomplish the national and state objectives, there shall be five grant categories, as follows:

1. Housing
2. Public facilities
3. Economic development grants, which shall consist of the following subcategories:
 - a. Business Loan
 - b. Real Estate Development
 - c. Public Infrastructure
 - d. Grant to a Nonprofit
 - e. Microenterprise Development
 - f. Job Training
 - g. Business Technical Assistance
4. Emergency grants
5. Planning grants

3.1.5 Targets

CDFA receives an annual allocation from HUD for the CDBG program. After subtracting amounts allowed for Administration (2% plus \$100,000) and Technical Assistance (1%), CDFA intends to award available funds in the categories listed below, using the percentages shown. Funding priority target percentages may be adjusted annually to be more in line with the increased demand for certain types of projects, current trends and based on citizen participant plan conducted through the Consolidated and Action Plan process.

	Target %
Annual Allocation From HUD	
Housing	30%
Public Facilities	30%
Economic Development	30%
Emergency	5%
Planning	2%
Technical Assistance / Administration	3%

The final Annual Allocation from HUD amount will be posted on CDFA's website.

3.1.6 Program Year

CDFA's program year runs from January 1 through December 31. A draft annual Action Plan is typically available to the public in November/December. The final Action Plan is prepared and sent to HUD once there is a final federal appropriation and transmittal of the funding amount from HUD.

3.1.7 Funds Remaining

On January 1st of any given year, any un-obligated or recaptured funds, earlier program year funds or program income will be applied in conformance with the proposed or HUD-approved fiscal year target percentages and will be awarded in accordance with either the proposed or HUD-approved MOD.

3.1.8 Obligating Funds

CDFA has two federal requirements which must be met: 24 CFR 570.494(b)(2) and 24 CFR Part 570.494(b)(1) which requires each state to obligate and announce (excluding state administration) 100% of each annual grant to Units of General Local Government (UGLG's) within 15 months of the state signing its grant agreement with HUD. To comply with the requirements CDFA prioritizes its obligation and announcement of CDBG funds as follows:

- CDBG awards will be obligated and announced from the current annual grant within 15 months of the state signing the grant agreement with HUD (24 CFR Part 494(b)(1); and
- Any recaptured, liquidated funds and program income on hand will be expeditiously obligated and announced in accordance with (24 CFR Part 570.494(b)(2).

Any recaptured, liquidated funds and program income received by CDFA will be tracked and disbursed to projects eligible for funding under the current MOD.

3.1.9 Grantee Eligibility and General Requirements

All 10 counties along with incorporated cities and towns, except for the entitlement communities, shall be eligible to apply for funding under the CDBG program.

Entitlement Communities are not included in the state's Community Development Block Grant (CDBG) program because they receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). Those entitlement communities are: Manchester, Nashua, Portsmouth, Dover, and Rochester.

Administration of Activities

Activities which are eligible may be undertaken by the grantee/recipient through:

- Its employees; or
- Agreements with a contractor or sub recipient through procurement procedures governed by 24 CFR 85.36 or OMB Circular A-110, whichever applies.

Financial Assistance

Subject to the specific requirements of each type of grant or subcategory, the following uses may be eligible for CDBG funds:

- A direct grant to a grantee;
- Grants, loan guarantees, interest rate subsidies or loans to an eligible sub recipient by the grantee;
- Interest rate subsidies or other favorable terms from a bank participating in the project with the grantee; or
- Any other innovative financing used either singly or in combination with items listed above, with permission from CDFA.

Project Timeline

All grants from the CDBG-funded housing award must be completed within 18 months after execution of the funding contract with CDFA. Any unobligated funds in the CDBG award may be recaptured by CDFA after this time period.

Matching Funds

All project funds necessary to complete the proposed project must be available and committed at the time the application is received by CDFA.

Unexpended Grant Funds

Grant funds not used for activities as shown in the approved contract budget will be recaptured and made available to other communities in accordance with the rules contained within this MOD.

CDBG funds cannot be used for facilities owned and/or maintained by a state or federal agency. CDBG funds cannot be used to offset locally budgeted funds or to replace state or federal funds. All CDBG projects must comply with OMB Circular A-87 "Cost Principals for State and Local Governments" and 2 CFR 300. In addition, 24 CFR 570.489(d) (2 CFR 200.444) requires that CDBG funds are not used for general expenses required to carry out other responsibilities of state and local governments.

Joint Projects

Two or more local governments (for example, a city and a county, or two cities) may work on an application for a regional project. In such cases, only one jurisdiction can be the primary applicant and act as the responsible party under the contract with the state. Joint applications where two or more parties are equally responsible will not be accepted.

Regional projects are activities that benefit more than one jurisdiction and address a common problem in a region. The maximum funding available for a joint application shall be the same as for an individual applicant.

Pass Through

Cities and counties cannot "pass through" the awarded funds to another city or county to carry out the project activities. The recipient must carry out the project activities and remain fully responsible for the grant-

funded project's compliance with all federal and state requirements. In other words, the project must be under the direct control of the grant recipient at all times.

Project Phasing

Projects cannot be divided into phases to obtain multiple CDBG grants for the same facility. Some examples of project phasing not allowed under the program include:

- Separating a public works project into phases, such as collection system improvements in one-phase and treatment system improvements into another phase in order to apply for more than the maximum grant within a five-year period; or
- Building one portion of a public/community facility now, and then building the remaining portion later, in order to qualify for two grants for the same facility.

Limits on Applications

To comply with federal requirements pertaining to the timely distribution and expenditure of funds, the Community Development Block Grant program will have the following application limits for all projects assisted in whole or in part with Community Development Block Grant funds in any one program year:

1. Community Development Housing Grants-
A Grantee may apply for Housing projects for the total limit of \$500,000 per program year;
2. Community Development Public Facility Grants-
A Grantee may apply for Public Facilities projects for the total limit of \$500,000 per program year;
3. Economic Development Grants-
A Grantee may only apply for projects from the following categories and shall not exceed \$500,000 per program year:
 - a. Business Loan
 - b. Real Estate Development
 - c. Public Infrastructure
 - d. Grant to a Nonprofit
 - e. Job Training

Microenterprise Development - Grantee may also apply for additional \$500,000 for projects in this category in addition to the \$500,000 limit for categories listed in a through e, above.

Business Technical Assistance - Grantee may also apply for additional \$300,000 for projects in this category in addition to the \$300,000 limit for categories listed in a through e, above.

4. Planning Grants:
 - a. The maximum grant award of \$25,000 shall be made only for studies, which include architectural, engineering design or redesign, energy design review, energy audit and/or economic analysis, and a plan or approach to the study which has the potential for achieving the goals stated in the proposal.
 - b. There shall be no yearly limit on the number of planning grant applications that can be submitted and received.
5. Emergency Grants:
A Grantee may only apply for one project per year from one of the following categories:
 - a. A municipality with a population of 10,000 or under shall not exceed \$350,000 for a one-year grant(s); or
 - b. A municipality in this category with a population above 10,000 shall not exceed \$500,000 for a one year grant(s).

3.2 Administration Requirements

Audit Cost

Community Development Block Grant (CDBG) funds can pay for A-133 audit costs in proportion to the federal CDBG funds received by the city or county. The eligible share of the A-133 audit cost cannot exceed the ratio of these federal grant funds received to the recipient's total annual expenditures and incurred obligations – times – the cost of the audit. For example:

CDBG receipts \$100,000
Total Expenditures and Incurred Obligations \$1,000,000

Ratio:
(CDBG Receipts)/ (Total (Federal?) Expenditures and Incurred Obligations)
(\$100,000)/(\$1,000,000)=0.1 0.1

Total Cost of A-133 Audit \$5,000

Eligible CDBG reimbursable portion of the audit cost
(Total Audit Cost) x (Ratio)
(\$5,000) x (0.1) = \$500 \$500

Grant Administration Fee

For all categories that allow grant administration as an eligible activity, up to 10 percent of the grant award, but not more than \$25,000 may be used to pay for grant/project administration costs, including overall project management, coordination, monitoring, and evaluation. Recipients may use some of the grant/project administration allowance to conduct activities to further Fair Housing in their communities.

In addition to the grant administration allowance the following limitations apply:

Environmental Review

Up to a maximum of \$5,000 per project is allowed to prepare and complete a full environmental review record including any associated wetlands delineations, 8-step floodplain/wetlands processes, biological assessments, pedestrian survey's, SHPO communication etc., to meet all the requirements of the most current Grant Management Handbook and approved by CDFA, if needed. The complete record must be ready for public comment. Any amount of funds in excess of the \$5,000 must be paid for with local or non-CDBG funds.

Legal Fees

There is no maximum limit on costs associated with legal fees directly related to the project as long as the fee is reasonable and consistent with fees charged for projects with a similar scope of work in the local market.

Property Appraisal Fees

There is no maximum limit on costs associated with property appraisal fees related to property acquisition as long as the fee is reasonable and consistent with fees charged for projects with a similar scope of work in the local market.

Grant Writing Fee

For Housing, Public Facilities, Urgent Need and Economic Development Category

To prepare funding applications to CDFA, consultant fees for writing grant applications shall be allowable for up to \$4,000 per application; Municipalities that write their own applications shall be eligible to receive up to \$4,000 per application based on actual documented costs; and Sub recipients shall not be eligible to receive any grant funds for application writing. Only projects that are funded will be eligible for reimbursement.

For a Planning Application

Consultant fees for writing and preparing grant applications shall qualify as administrative costs, but shall not exceed \$1,500 per application. Municipalities that write their own applications shall be eligible to receive up to \$1,500 per application based on actual documented costs; and Sub recipients shall not be eligible to receive any grant funds for application writing. Only projects that are funded will be eligible for reimbursement.

Other Administration Costs

Project Cost - Program Management Services (Only applies to housing rehabilitation projects.)

Up to 20 percent of the grant award may be used for the combined costs associated with grant administration and program management. Of this amount no more than is reasonable to complete the project may be used for grant administration costs. Program management costs are expenses directly related to carrying out eligible program activities such as working with low and moderate income eligible clients. These costs are not considered to be grant/project administration costs because they provide a direct service to clients eligible under the low and moderate income national objective. Refer to the Guide for Grant Administration/Activity Delivery Costs/Program Management Costs for identification of the eligible grant administration, environmental review, attorney fees, appraisal costs, program management and other costs.

Limitations on Architectural and Engineering Costs

CDFR will not approve grant awards that include budgets that contain more than the following percentages for architectural and engineering work regardless of whether the item is paid for with grant funds or other funding resources:

There is no maximum limit on costs associated with Architectural and Engineering costs directly related to the project as long as the fee is reasonable and consistent with fees charged for projects with a similar scope of work in the local market.

The reasonable work generally includes: project design, surveying, preparation of bid and contract documents, review of bids, project/construction oversight, preparation of as-built drawings and operation and maintenance plans. Professional services contracted out by the engineering/architectural firm for project geotechnical evaluation, surveying, core samples, or other extra services are not generally included in the above stated limit for engineering and architectural costs. For further assistance, contact CDFR staff.

Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer or architect licensed to do work within the State of New Hampshire.

Limits on Construction Contingencies

Construction contingencies are limited to a maximum of 10 percent of the projected construction line item cost.

Pre-Agreement Costs

In any project assisted in whole or in part with CDBG funds, costs incurred after a grant award has been made but prior to execution of a grant contract are not eligible for reimbursement unless there are provisions in the grant contract allowing for payment of specific pre-agreement costs. The activities must also be eligible and undertaken in accordance with the requirements of the Community Development Block Grant program/future contract requirements and the federal environmental review rules at 24 CFR Part 58. Consult with CDFR staff during project development for pre-agreement cost activities.

If pre-agreement costs are to be requested, the applicant must provide a letter with the application, requesting pre-agreement costs that clearly explains and identifies:

1. The amount of funds needed, by budget line item;
2. An explanation as to why pre-agreement costs are necessary for the completion of the project;
3. The timeline in which the funds will be expended; and

4. Documentation the federal environmental review rules at 24 CFR Part 58 have been met.

Costs incurred prior to award of the grant to a municipality are generally not eligible for reimbursement in any project assisted in whole or in part with CDBG funds. Exceptions can be made for the following activities, with prior written approval by CDFA:

- a. Environmental reviews
- b. Income Surveys
- c. Grant Writing
- d. Legal Services
- e. Noticing related to relocation and/or acquisition activities;
- f. Any other activities deemed as a reasonable cost by the authority (waiver required)

The application must describe the pre-agreement costs within the project description and show the costs in the project budget.

Ineligible Costs

Any activity not listed under eligible costs is generally considered ineligible. Check with CDFA with any further questions

Work Performed by Staff of the Grantee (Force Account)

Grantees planning to pay their own staff with grant funds for administration and/or force account work including, but not limited to, engineering, design and inspection services, construction labor and operation of locally owned equipment must consult with CDFA and receive approval prior to submitting an application.

Guide for Grant Administration/Activity Delivery Costs/Program Management Costs

<i>Activity</i>	<i>Grant Administration Cost (yes/no)</i>	<i>Activity Delivery Cost (yes/no)</i>	<i>Pre Application – Eligible Costs</i>	<i>Maximum amount allowed</i>
Preparing budgets, schedules, contract amendments	Yes	No	No	No maximum – reasonable and necessary to complete
Drafting Requests for Proposals and agreements with consultants for grant administration or other consulting work (Architect and Engineer)	Yes	No	Yes	
Setting up systems to assure compliance with state and federal program requirements. For example: labor standards files and a grant accounting system.	Yes	No	No	
Monitoring project progress against the grant contract scope of work and budget and reporting to elected officials.	Yes	No	No	
Preparing disbursements/cash requests, reports, and other documents for submission to the CDFA.	Yes	No	No	

Participating in CDFA monitoring visits and responding to monitoring findings and concerns.	Yes	No	No	the activity. Approval from CDFA required.
Preparing a project completion report, assisting an auditor with required grant information.	Yes	No	No	
Costs of publishing the Fair Housing Resolution.	Yes	No	Yes	
Purchase of capital equipment, such as computers and file cabinets for grant administration.	No	No	No	
Training on CDBG grant administration requirements.		No	No	
Preparation of the environmental review and all related costs	Yes	Yes	Yes	Maximum \$5,000 per project.
Federal Labor Standards Compliance work related to conducting on-site employee interviews, verifying payroll data, reviewing payrolls, attending pre-construction conferences, and obtaining compliance with these requirements.	Yes		No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Attorney fees for preparing or reviewing contract documents or property acquisition activities.	No	Yes	Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Audit Costs.	No	Yes	No	CDBG portion of the audit cost
Professional appraiser fees related to property acquisition.	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Construction Contingency	No	Yes	No	10% of the estimated construction cost
Architectural	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required..
Engineering	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Eligible Activities under MICRO				No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.

Housing Rehab - Collecting client applications, verifying application to determine eligibility.	No	Yes	Yes	Up to 20% of the grant award
Non Housing Rehab Projects - Collecting client applications, verifying application to determine eligibility.			Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
On-site inspections, bid preparation, contracting, client/contractor troubleshooting, compiling cost data on individual rehabilitation homes.	No	Yes	Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.

Section 3.3 New Hampshire Priority Activities

The New Hampshire CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The NH priority national objective is to benefit to low- and moderate- income (LMI) persons. An activity that does not meet the national objective is not compliant with CDBG requirements and may be subject to remedial actions. All projects and the individual activities funded in whole or in part with CDBG funds must meet the national objective:

- **Benefiting Low- and Moderate-Income (LMI) Persons**

The LMI National Objective is often referred to as the primary National Objective as the regulations require that States expend at least 70 percent of their CDBG funds on activities that benefit low-and moderate-income people as defined below. In addition to ensuring that the required percentage of CDBG funds serve people in the overall LMI category, UGLGs must also ensure that the activities proposed, when taken as a whole, will not benefit moderate-income people to the exclusion of low-income people.

The National Objectives are described in detail in Implementation Guide Chapter 2: National Objectives and Eligible Activities.

Section 3.4 Categories of Funding – Grant Requirements

To accomplish the national and state objectives, CDFA sets priorities and goals in the State's Consolidated Plan. The Consolidated Plan is the five-year plan for the use of HUD funds block-granted to the state to address community development, housing, and homeless needs. New Hampshire's Consolidated Plan is developed by the Housing and Community Development Planning Council and is created through a citizen participation process. Through this process CDFA determines the categories and subcategories of funds to be awarded.

HOUSING GRANT REQUIREMENTS

Eligible housing activities shall include:

1. Homeowner Rehabilitation, rehabilitating housing which does not meet physical condition standards for HUD housing that is decent, safe, sanitary and in good repair as defined in 24 CFR 5.703 including:
 - a. Improving the efficient use of water and energy;
 - b. Inspecting, testing and abating lead-based paint;
 - c. Exterior painting;
 - d. Providing elderly or handicapped access;
 - e. Water, sewer, street and sidewalk improvements; and
 - f. Maintenance of a housing inspection program, including a provision for a housing inspector.
2. Rental Housing Activities, rehabilitating housing which does not meet physical condition standards for HUD housing that is decent, safe, sanitary and in good repair as defined in 24 CFR 5.703 including:
 - a. Historic preservation.
3. Infrastructure in support of housing.
4. New construction in Census Designated Places, a designated revitalization zone or other municipally designated area by a CBDO as defined by federal regulation.
5. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

Housing Activities and Program Requirements

The rent shall not exceed 100 percent of the "Fair Market Rent for Existing Housing" published by HUD under 24 CFR 888 in the Federal Register for no less than 5 years following completion of the project.

CDFA Energy Policy 2020

CDFA's energy policy applies to any project proposing a physical alteration to existing energy systems (building envelope, mechanical systems, lighting, etc.) or for new construction (includes additions and gut rehabilitation).

The intention of the Energy Policy is that projects will complete appropriate evaluation of comprehensive energy opportunities prior to, or concurrent with, the planning/design of the project in order to inform a design that: 1) reduces future operating and maintenance costs; 2) improves occupant comfort and health; and/or 3) improves building durability. Please refer to Appendix E, CDFR Energy Policy Recommendations 2020 for guidance.

Housing Rehabilitation – Neighborhood Revitalization Program Requirements

The following shall be eligible for financial assistance:

1. Landlords; and
2. Low and Moderate Income Homeowners;
3. Public Housing Authorities
4. Private or Public Nonprofit

Additional Conditions for Landlord Eligibility

Landlords shall be eligible to receive financial assistance in order to rehabilitate housing units under the following conditions:

- A. At least 51 percent of the units in the building are occupied or if vacant, shall be reserved for low and moderate income households;
- B. The landlord agrees to rent vacant units rehabilitated with CDBG funds to low and moderate income household(s) for no less than 5 years following completion of the project;
- C. All other units in the same building meet the HUD occupancy standards whether or not all units utilize CDBG funds.
- D. To meet the requirements described above in the case of a 2-unit structure, only one of the units shall be required to be occupied by a low and moderate income household.
- E. Landlords shall be eligible to receive financial assistance for the housing unit(s) actually rented to a low and moderate income household(s) in a building in which less than 51 percent of the units are occupied by such households, provided that:
 - a. The landlord agrees to adhere to the requirements above; and
 - b. CDBG funds shall not be used to rehabilitate the units in the building that will not be occupied by low and moderate income households.
- F. Landlords shall be eligible to rent at the full fair market rent level to tenants with section 8 certificates or vouchers.
- G. Landlords shall rent at no more than the fair market rent for a one-bedroom unit for an independent group residence, shared or congregate housing unit.
- H. Landlords shall rent at no more than 60 percent of the fair market rent for an efficiency housing unit or a single room occupancy housing unit.
- I. Housing units rehabilitated with CDBG funds shall meet the following standards:
 - a. Housing that is decent, safe, sanitary and in good repair as defined in 24 CFR 5.703, or state and municipal housing or building, electrical and plumbing codes where they exceed the HUD standards;
 - b. The state's current life safety code;
 - c. The state's **amended** 2015 IECC code; and
 - d. Where applicable, the state's architectural barrier free design code.
- J. The relevant rehabilitation standards above shall not apply where the sole activity consists of:
 - a. Painting the exterior of residences of low and moderate income households;
 - b. Removing material or architectural barriers from the residences of the elderly or handicapped; or

- c. Water, sewer, street and sidewalk improvements on private property in support of housing.
- K. The following funding limits shall apply to housing rehabilitated or assisted with CDBG funds:
 - a. For rehabilitation of apartment units, single family and mobile/manufactured homes CDBG funds shall not exceed HUD maximum allowable cost per unit; and
 - b. For single room occupancy housing CDBG funds shall be limited to HUD maximum cost per residential unit.
- L. The relevant limits above shall not apply where the rehabilitated multi-family housing shall provide a long term benefit primarily to low and moderate income households by:
 - a. Providing housing at rent levels specified in above; or
 - b. Providing homeownership opportunities at affordable costs.
- M. The grantee shall place a 5-year lien on any residential building which has been rehabilitated with CDBG funds.
- N. A municipality may operate a revolving loan fund for a housing project provided:
 - a. That low as well as moderate income households will benefit;
 - b. At least an equal amount of matching loan funds will be available from banks and/or other financial institutions at market or below market interest rates;
 - c. The municipality has the long term capability to administer the revolving loan fund after the grant closeout; and
 - d. Evidence of such long term capability may be a contract with a bank or administering agency to provide such services.

PUBLIC FACILITY GRANT REQUIREMENTS

Eligible Public Facility activities shall include:

- A. Public Facilities Grants for Water and Sewer
- B. Public Facilities Grants for Public Property
- C. Public Facilities Grant for Public Services Requirements
- D. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

A. Public Facilities Grants for Water and Sewer

Eligible activities for public facilities grants for water and sewer shall include:

1. Extending or replacing water or sewer lines;
2. Constructing water or sewer treatment facilities;
3. Constructing water storage tanks or reservoirs;
4. Digging of wells; and
5. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

B. Public Facilities Grants for Public Property

Eligible activities for public facilities grants for public property shall include:

1. Constructing elderly/handicapped access to existing public buildings and property;
2. Acquiring, constructing, reconstructing, rehabilitating or installing:
 - a. Streets;
 - b. Street lights;
 - c. Sidewalks;
 - d. Parks;
 - e. Playgrounds;
 - f. Recreation areas;
 - g. Malls;
 - h. Walkways; and

- i. Easements;
- 3. Acquiring, constructing, rehabilitating or renovating:
 - a. Schools for use as schools;
 - b. Libraries; and
 - c. Museums;
- 4. Acquiring, constructing or rehabilitating medical facilities;
- 5. Acquiring, constructing or rehabilitating nursing homes;
- 6. Developing municipal master plans; and
- 7. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.
 - The maintenance of items listed in (2) shall be ineligible.

Program Requirements

In order to be eligible to apply for a water or sewer grant, the New Hampshire Department of Environmental Services shall have determined that the improvement shall be required for public health and safety for municipal, village district or public utilities commission regulated private, water or sewer systems and will provide documentation that the proposed project is in violation.

A municipal or village district water or sewer system shall be eligible for financial assistance only if it meets the following criteria:

- Its current annual metered residential water rate, or current annual sewer rate, whichever applies, for either 12,000 cubic feet or 90,000 gallons per year shall:
 - a. Exceed one percent of the moderate family income from the latest decennial census;
 - b. Exceed 2 percent of the moderate family income from the latest decennial census for combined residential water and sewer rates for that level of use; or
 - c. Exceed the levels in a. or b. above upon completion of the proposed project.

A private or county water or sewer system shall be eligible for financial assistance only if the following conditions are met:

- (1) A private water system shall be eligible to receive financial assistance from an applicant municipality or county only if rate approval shall be required by the New Hampshire public utilities commission; and
- (2) A county water or sewer system serving primarily institutionalized populations shall be eligible only if matching funds authorized for such improvements meet or exceed \$1,500 per bed.

The threshold requirements above shall not apply to the following:

- The cost of water meters or of water or sewer connections either between or immediately fronting the residential structures of low and moderate income households; and
- The cost of new wells or of water or sewer line extensions to service areas in support of a housing or an economic development project.

CDFA Energy Policy 2020

CDFA's energy policy applies to any project proposing a physical alteration to existing energy systems (building envelope, mechanical systems, lighting, etc.) or for new construction (includes additions and gut rehabilitation).

The intention of the Energy Policy is that projects will complete appropriate evaluation of comprehensive energy opportunities prior to, or concurrent with, the planning/design of the project in order to inform a design that: 1) reduces future operating and maintenance costs; 2) improves occupant comfort and health; and/or 3) improves building durability. Please refer to Appendix E, CDFA Energy Policy Recommendations 2020 for guidance.

Matching Funds Requirement

Notwithstanding any additional requirements which might apply to a specific public facilities grant for public property, all of the activities listed as eligible shall have a minimum match ratio of 1:1 of CDBG funds to non-CDBG funds. If the applicant cannot raise the required matching funds, the applicant shall not apply.

C. Public Facilities Grant for Public Services

Eligible activities for public facilities grants for public services shall include:

1. The use of up to 15 percent of the total CDBG grant awarded to provide public services as described in 42 U.S.C. 5305(a)(8) of the federal act, but only if the applicant:
 - a. Has not provided such services during the 12 months immediately preceding the date of submission of the application; and
 - b. Submits a self-sustaining plan for continued funding of such a service once grant funds are expended;
2. Acquiring, constructing, reconstructing, or rehabilitating the community centers, homeless shelters or neighborhood facilities in which public services shall be provided; and
3. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

ECONOMIC DEVELOPMENT GRANT REQUIREMENTS

Eligible activities for economic development grants shall include:

1. Acquiring, constructing, reconstructing, or rehabilitating commercial or industrial buildings;
2. Purchasing machinery and equipment;
3. Training of employees when conducted under the following circumstances:
 - a. As a public service pursuant to the eligibility restrictions of the public service chapter; or
 - b. When new jobs are being created and there is a lack of skilled persons in the labor market to fill the new jobs;
4. Acquiring land;
5. Making public facility improvements; and
6. Any other activity that CDFA determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

Eligible Entities

The following shall be eligible for financial assistance from the grantee:

1. For-profit sub recipients; and
2. Nonprofit sub recipients

For-profit sub recipients Eligibility Requirements

For-profit sub recipients shall be eligible to receive financial assistance under at least one or more of the following conditions:

1. The assistance shall meet the objectives in 24 CFR 570.482(e)(2);
2. The assistance is used solely for the added cost to be incurred by the business as a result of hiring unskilled workers and training them; or the assistance is used solely for teaching higher skills to existing employees in order to retain them.

Nonprofit sub recipients Eligibility Requirements

Nonprofit sub recipients shall be eligible to receive financial assistance under the following conditions:

1. Where the assistance shall meet the objectives in 24 CFR 570.482(e)(2);
2. Where the assistance shall be for the purpose of loaning funds to a business and capitalizing a revolving loan fund with the repayments; or
3. Where the assistance shall be for the acquisition or improvement of land or buildings owned by the nonprofit.
4. Municipalities without any sub recipient shall be eligible to receive financial assistance where the assistance is for the purpose of making public facility improvements in support of economic development.

CDFA Energy Policy 2020

CDFA's energy policy applies to any project proposing a physical alteration to existing energy systems (building envelope, mechanical systems, lighting, etc.) or for new construction (includes additions and gut rehabilitation).

The intention of the Energy Policy is that projects will complete appropriate evaluation of comprehensive energy opportunities prior to, or concurrent with, the planning/design of the project in order to inform a design that: 1) reduces future operating and maintenance costs; 2) improves occupant comfort and health; and/or 3) improves building durability. Please refer to Appendix E, CDFA Energy Policy Recommendations 2020 for guidance.

Matching Funds Requirement

All Economic Development activities listed as eligible shall have a minimum match ratio of 1:1 of CDBG funds to non-CDBG funds. If the applicant cannot raise the required matching funds, the applicant shall not apply.

Program Requirements

In order to be eligible to apply for an economic development activity, the applicant shall document the following:

- That the project creates or retains a minimum of one job for every \$20,000 of CDBG funds requested; or
- That the project creates or retains a minimum of one job for every \$35,000 of CDBG funds requested for jobs created in New Market Tax Credit and Opportunity Zone designated areas (see Appendix D: Economic Development Special Eligibility Areas - New Markets Tax Credits (NMTC) and Opportunity Zones).

The applicant also shall document either of the following:

- That at least 60% of the jobs shall be taken by or are presently occupied by low- and moderate-income persons; or
- Where existing jobs are to be retained and are not presently occupied by at least 60% low- and moderate-income persons but can be expected to meet this percentage prior to project closeout and where the applicant requires the business(s) to meet this percentage benefit, then the project shall be deemed eligible.

Documentation Requirements

In order to be considered for an economic development grant the applicant shall:

- Document the expected rate of return to the business ownership, relative to the industry in which it is participating;
- Document through *pro formas* and financial projections for the business that an adequate cash flow shall exist to repay the debt resulting from the project, as well as any other debt that the business has incurred; and
- Include a detailed analysis prepared by a certified public accountant or a certified economic development professional documenting the cash value of the CDBG assistance to the business.
- Applications shall include the following documentation that demonstrates that the project is feasible.
 1. A description of management capabilities and qualifications;
 2. Financial history that is sufficient to determine the following:
 - a. The operating cycle;
 - b. Cash flow;
 - c. Cash management;
 - d. Permanent working capital;
 - e. Use of discretionary funds;
 - f. Profit and loss projections; and
 - g. Balance sheet projections;
 3. Market plans and projections; and
 4. Confirmed project component costs by an engineer or an independent appraiser

Grantees or sub recipients shall neither propose nor provide grants to for-profit businesses or organizations.

ECONOMIC DEVELOPMENT – DIRECT TECHNICAL ASSISTANCE FOR BUSINESSES GRANTS REQUIREMENTS

Municipalities shall be eligible to apply for up to \$300,000 for a one-year grant. This grant shall not count against the municipal annual funding limits. The total amount available for this activity in one year is \$300,000.

- Economic Development Program Requirements apply to this sub section.
- Municipalities shall be eligible to apply on behalf of nonprofit regional development organizations in order to deliver economic-development technical-assistance services in their region.

Additional Direct Technical Assistance Program Requirements

Funding awards to grantees shall be made based on the past performance of the regional development organization(s) on whose behalf the funds are being applied for. Documentation shall include, at a minimum, the following for each regional development organization involved with the application:

1. The most current audited financial statement;
2. Management-prepared financial statements for the current fiscal year, including balance sheet, profit and loss, and cash flows;
3. A report on the outcomes identified in the work plan for the previous program year if prior grantee.
4. A description of progress made with respect to job creation if prior grantee; and
5. An annual work plan for the proposed program year.

ECONOMIC DEVELOPMENT – MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE REQUIREMENTS

Municipalities shall be eligible to apply for up to \$500,000 for a one-year grant. This grant shall not count against the municipal annual funding limits.

- Economic Development Program Requirements apply to this sub section.

Additional Microenterprise Program Requirements

The applicant must show that both lending and technical assistance will be available, even if only one area is to be funded by the grant application;

- Municipalities shall be eligible to apply on behalf of sub recipients who will carry out microenterprise development activities.
- Eligible activities shall include all the activities set forth in 24 CFR 570.482 (c).
- Loans made to microenterprises shall not exceed \$50,000 per business.
- Grantees shall neither propose nor provide grants to for-profit businesses or organizations.
- Applicants shall include documentation that demonstrates the project is feasible including, at a minimum, the following:
 - a. A description of management and project staff capabilities and qualifications;
 - b. Description of the length and scope of the services to be provided;
 - c. Financial history that is sufficient to determine cash flow, with the following documentation:
 - i. A pro forma budget analysis;
 - ii. Matching funds available;
 - iii. Fees and other income; and
 - iv. Drawdowns.
 - d. Permanent working capital for the project, with the following documentation:
 - i. The amount of internal funds that will be used to continue the project after the budget period;
 - ii. Other sources of operating capital; and
 - iii. Market plans and projections.
 - e. Confirmed project component costs by outside consultants, if any;

- f. Evidence that the grantee or sub recipient has the long-term capacity to administer the project after the grant closeout; and
- g. Sub recipients shall not substitute grant funds for existing financing of overhead costs.

In addition, the Grant Administration must comply with the guidance documented in Appendix D.

EMERGENCY GRANT REQUIREMENTS

- Emergency grant applications shall be submitted under the subcategory of housing, public facilities or economic development.
- Housing and Public Facility applications shall be scored according to the ranking and rating criteria and must receive the minimum score required in order to be considered for a final grant award.
- Economic Development Grants applications shall be scored according to the ranking and rating criteria and must receive the minimum score required in order to be considered for a final grant award.
- CDBG funds shall be awarded to applicants whose project shall provide immediate relief because of:
 - a. Emergencies resulting from natural disasters;
 - b. Unanticipated events which have a serious and immediate threat to public health and safety; or
 - c. Unanticipated actions which have resulted in plant closures or permanent layoffs of employees jeopardizing the economic stability of the community.

The stated emergency should have occurred within the past 18 months

- There shall be no limit on the number of applications which may be submitted except that economic development applications under this section shall only be eligible after the economic development set-aside has been awarded. Emergency grants shall be subject to the following funding limits:
 - a. CDBG funds awarded to a municipality in this category with a population of 10,000 or under shall not exceed \$350,000 for a one year grant(s).
 - b. CDBG funds awarded to a municipality in this category with a population above 10,000 shall not exceed \$500,000 for a one year grant(s).
- Emergency applications will be accepted on a rolling basis until set aside is expended.

PLANNING GRANT REQUIREMENTS

Project Requirements

- The objectives of a planning grant shall be to determine whether or not:
 - a. The project proposed is feasible and/or to recommend specific action(s) to be undertaken; and
 - b. A minimum of 51 percent of the intended beneficiaries shall be low- and moderate-income persons or households.
- Upon completion of the study, a public hearing with opportunity for oral and written comment shall be held to discuss its recommendations and conclusions.

Eligible Activities

Eligible activities shall include the study, analysis and planning of any eligible activity, including architectural and engineering redesign, marketing studies, energy design review, energy audits and other studies which may lead to a community development or economic development grant application.

Ineligible activities shall include:

- Final architectural and engineering designs;
- Municipal master plans;
- Construction; and
- Any other activity that the authority determines to be inconsistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

Administrative Requirements

- Each application shall be submitted under the housing, public facilities, or economic development subcategory.
- Where two or more types of activities are proposed, the application shall be submitted and scored in the subcategory which reflects the principal activity and for which at least 51 percent of the funds have been requested.
- Applicants shall design and implement studies which can be completed within a 12-month period.
- There shall be no yearly limit on the number of Planning Grant applications which can be submitted and received.
- The following restrictions shall apply to the funds awarded for Planning studies:
 - a. Eligible administrative costs shall not exceed 15% or \$3,500 where the maximum of \$25,000 has been awarded;
 - b. Consultant fees for writing and preparing grants shall qualify as administrative costs, but shall not exceed \$1,500 per application; and
 - c. Any subcontract for non-administrative services over \$2,000 shall be bid in accordance with the competitive negotiation procurement process described in 24 CFR 85.36(d)(3).

APPENDIX A: HOW TO APPLY

Submitting a CDBG funding application to CDFA results in either an award or a notice of non-selection. Municipalities that are selected to receive a grant are sent an approval letter. This begins the process of setting up the grant and ensuring that all contractual documents are in place. These application policies apply to CDBG applications submitted to CDFA.

All applications must be completed and submitted on CDFA'S Grants Management System (GMS) www.nhcdfragrants.org. CDFA announces all funding opportunities at the beginning of the program year in January by issuing a Notice of Funding Availability (NOFA). Online applications in GMS will be opened in advance of the application deadline dates listed in the NOFA.

Typical Deadline(s): Applications will be accepted yearly on the following schedule below.

Program Area	Deadline	Application Opened
Housing and Public Facilities – Round 1	Last Monday in January 4:00 PM	1 st Week in November
Housing and Public Facilities – Round 2	Last Monday in July 4:00 PM	1 st Week in April
Microenterprise	3 rd Friday in March 4:00 PM	1 st Week in November
Emergency	On a rolling basis, until all funds are obligated	1 st Week in January
Economic Development	On a rolling basis, until all funds are obligated	1 st Week in January
Planning	On a rolling basis, until all funds are obligated	1 st Week in January

In general, the application and award process for CDBG funding consideration shall follow the steps below:

STEP 1 – Pre-Application Meeting with CDFA

All potential applicants contact CDFA to review the proposed project concept prior to submitting an application. CDFA will work with the potential applicant to review information to determine:

- There is every reasonable likelihood that the proposed project will meet a federal national objective;
- The applicant is not otherwise ineligible to apply under the program (refer to Implementation Guide Chapter 2 for more information); and
- The proposed matching funds, if any, will be secured and readily available at the time of application.

STEP 2 – Application Submission

If the proposed project is determined to qualify for CDBG funding, the proposed eligible applicant is invited to submit a complete application for CDBG funding consideration.

All applications must be submitted through CDFA's online grants management system and received by CDFA by the application deadline. All applications must meet State and Federal Threshold requirements including:

1. All parts of the application have been properly completed and all attachments were provided;
2. Applicant is eligible;

3. Requested amounts are within the program limits (i.e. max grant limit, grant administration, engineering/architectural, environmental review, labor standards, construction contingency etc.);
4. Financial viability of the project
5. In the case of a joint application:
 - a. Copies of all necessary intergovernmental agreements;
 - b. Relevant minutes of meetings and authorizations;
6. All applicants shall submit a housing and community development plan which shall:
 - a. Identify community development and housing needs which currently exist or are anticipated during the next three years;
 - b. Specify both short- and long-term community development objectives which are consistent with the national and state objectives listed in Implementation Guide Chapter 2; and
 - c. State, as a matter of policy, that involuntary displacement of households from their neighborhoods shall be minimized;
 - d. If a housing and community development plan is currently on file at the authority and has been adopted no more than three years prior to submission of an application, the applicant may submit a summary;
 - e. If a housing and community development plan has been revised, an update shall also be submitted; and
 - f. The applicant shall provide as part of the housing and community development plan, or its update, the minutes of the public hearing held to obtain citizen's comments on the plan.
7. All projects must meet the following readiness criteria:
 - State and Local Planning and Zoning Board approvals and other permits necessary to construct the project must be started and likely to be approved with evidence in application.
 - The project must execute the grant agreement within 6 months of the CDFA's Community Development Advisory Council's approval. If the project is not able to proceed within 15 months following the date of grant contract execution, CDFA may terminate the grant and re-obligate the funds.
8. Positive Grantee Capacity Assessment – part of evaluation process and described in the Rating and Ranking criteria.
9. Positive Sub Recipient Financial Review – part of evaluation process and described in the Rating and Ranking criteria.

The Federal CDBG threshold review will consist of the following items:

- ✓ All activities are eligible under the CDBG program and meet the national objective;
- ✓ Evidence of the authority it received from its local governing body, such as selectmen, town meeting, county commissioners, or city council, to apply for a CDBG grant;
- ✓ Evidence of compliance with statutory public notice and hearing requirements including minutes of at least one public hearing held to provide citizens with information and an opportunity for oral and written comment;
- ✓ Evidence that the Residential Anti Displacement and Relocation Plan for the project was adopted by the municipality's governing body at a properly noticed public hearing prior to the submittal of the application;
- ✓ Evidence of authorization by the relevant governing body to its Authorized Official to apply; and
- ✓ The housing and community development plan shall be adopted by the municipality's governing body at a properly noticed public hearing prior to the public hearing on the application. The housing and community development plan public hearing may occur at the same time as the one held on the CDBG application.

STEP 3 – Application Review, Rating and Ranking

Once an application is received, projects will be assigned to the review team which will conduct a more in-depth assessment of the project. The first step in the review process is to determine if the application contains all the required State and Federal threshold requirements.

When reviewing the State and Federal threshold requirements, if the application is found to be:

- Complete - It will be forwarded to the review staff for full review. The process will consist of the

application being scored against other applications in that round. CDFA staff will rank all complete applications in accordance with the criteria contained in the most current MOD.

- Incomplete - CDFA staff will provide written notification to the applicant that they have fifteen (15) calendar days to submit any necessary information to make the application complete, if federal and state laws allow.

If, at any point during the application reviewing or rating process, it is determined the project does not meet the requirements or that it needs further development (i.e. to meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act or the Federal Environmental Review requirements), a recommendation will be made to the Executive Director to suspend the reviewing and rating (scoring) process. The respective staff will document areas where further development is needed to determine if the application can be submitted in the next round or is ineligible for CDBG funds.

Upon receipt of additional information, if the application is found to be:

- Incomplete – It will not be reviewed in that round and will require re-submittal during a future application cycle. Staff will notify the applicant of the incomplete status.
- Complete - It will move forward in the process. The process will consist of the application being rated (scored) against other applications in that round.

The scoring criteria used to determine ranking and rating can be found in Appendix B of this guide.

STEP 4 – Approval

Duties of the Community Development Advisory Committee (CDAC)

- As provided in RSA 162-L:15 and RSA 162-L:16, the function of the CDAC shall be to provide advice and consent to the Executive Director and the authority in awarding grants, in adopting application rules and procedures and in developing criteria for awarding the federal funds provided.
- Funding recommendation summaries are prepared by the authority staff and approved by the Executive Director for consideration by the CDAC. The summary of the recommendations will be presented to the CDAC at its' regularly scheduled meetings for review and consent.
- The authority may award a CDBG grant amount that is different from the amount requested by the applicant. Applicants are not penalized for requesting the maximum grant amount, but the authority reserves the right to award a grant amount it deems appropriate to complete the project.
- If municipalities, which have applied for CDBG funds, received no funding or fewer funds than requested, they are eligible to request an administrative review by the authority. Requests must be made no later than 15 days after the CDAC meeting and must adhere to the Administrative Review procedures listed below.
- The authority will notify applicants in writing of their funding status no later than 30 days after the decision by CDAC. In cases where an administrative review is requested, steps outlined under Program Hearing Procedures and Administrative Reviews will be followed.

Role of Governor, Attorney General and Executive Council

Pursuant to RSA 162-L:16, following the Executive Director's determination of final grant awards and the consent of the CDAC, the approval of the governor and executive council shall be required. A contract between the applicant and the authority shall then be signed. In order for funds to be released, the contract shall be approved by the governor, attorney general and executive council.

Program Hearing Procedures and Administrative Reviews

- Committee Hearings. All CDAC meetings shall be open to the public and an opportunity for public comment shall be provided at each meeting.

Administrative Review Procedure and Time Limits

This section shall be applicable to municipalities which have applied for CDBG funds for housing, public facilities, economic development and emergency grants and which either received no funds or fewer funds than requested.

1. A municipality may apply for an administrative review of the scoring of its application by filing a written request within 15 calendar days of the date that they receive their award letter from CDFA.
2. The request for an administrative review shall be signed by the Authorized Official of the municipality and shall contain the reasons for the requested review. The request shall not introduce new information but shall only explain or clarify information contained in the application submitted.
3. The executive director shall review the written request and shall also review the evaluation process and award recommendations previously made. Within 15 calendar days of receipt of the request, the executive director, based on the information in the request as well as the scoring criteria, shall recommend to the CDAC that it affirm or modify its prior decision.
4. Within 30 days of the executive director's recommendation, the CDAC shall, based on the executive director's review of the scoring criteria affirm or modify its prior decision.

STEP 7 – Notice of Decision

The authority will notify applicants in writing of their funding status no later than 30 days after the decision by CDAC. In cases where an administrative review is requested, steps outlined under Program Hearing Procedures and Administrative Reviews will be followed.

Grantees must return the executed Grant Agreement within 30 days of receipt from CDFA.

APPENDIX B: EVALUATION RATING AND RANKING CRITERIA

If the application is determined to be complete and meets the threshold criteria, it will enter the ranking and rating process against other applications in that round. CDFA staff will rank all complete applications in accordance with the criteria contained in the most current MOD.

Prior to scoring, the authority shall evaluate applications using the Federal and State Thresholds (listed below and in Program sections of this Guide):

- All projects shall conform to the goal of the state enabling legislation described in RSA 162-L:12 and to the primary objective as described in 42 U.S.C. 5301(c) of the federal act, which is to benefit mainly low- and moderate-income persons and households without excluding low-income persons and households; and
- To determine whether an activity meets a national objective, the criteria in 24 CFR 570.483 shall be used (which is outlined in Chapter 2 of this Guide).

Grantee Capacity Assessment

To evaluate an applicant's capacity and performance to carry out a proposed community development project, the following conditions shall apply:

- For prior grantees, the applicant's present capacity to undertake a new program shall be evaluated as well as the applicant's prior performance by using the following criteria:
 - There have been a significant number of failed projects or monitoring findings that raise questions about applicant capacity; or
 - There has been a monitoring finding that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be implemented within 30 days.
- Whether the applicant currently has more than \$250,000 in unspent and obligated CDBG funds;
- The efforts made by such an applicant to provide housing for low- and moderate-income households generally.

Sub recipient Financial Review

CDFA will underwrite the sub recipient to determine whether CDBG funds are needed and that the project can or will be carried out by the applicant or nonprofit sub-grantee.

Where a revolving loan fund is proposed for economic development activities, the applicant's or sub recipient's ability to administer the fund shall be evaluated by using the following criteria:

- Evidence of a long-term capability including but not limited to a contract with a bank or administering agency to provide such service; and
- A written plan for the re-use of the recaptured loan funds.

The Threshold evaluation shall result in one or more of the following actions:

- A request for clarifying information;
- Limited modifications to the proposed project;
- Reduced funding;
- Elimination of activities that do not meet the national objective or are ineligible;
- Elimination of activities that do not support the principal activity;
- Denial of funding for the project for clear failure to comply with one or more of the criteria; or
- CDFA may not move forward with rating and ranking an application or withhold unallocated funds, require return of unexpended funds, or require return of program income.
- Scoring of the application.

SCORING OF PUBLIC FACILITY, HOUSING AND EMERGENCY GRANT APPLICATIONS

Applications shall be awarded points based on the following factors:

Application Scoring	Maximum Score
Community Needs	70
Project Specific Needs	340
Maximum TOTAL Score	410

Community Needs

Data to be used to establish the Community Need scores can be found in Appendix E: Core Data Index, Up to 70 points. Data are gathered from a variety of sources, including the US Census Bureau, NH Department of Health and Human Services, NH Housing Finance Authority, and the NH Office of Strategic Initiatives.

Project Specific Needs

A score of 50 points shall be awarded for the application showing the greatest need and impact when compared to the other applications in the same subcategory; the remaining applications shall receive fewer points according to the following point values:

Need and Impact	Points
Showing the greatest need and impact	50
Substantial	40
Moderate	25
Minimum	10
None	0

Area Benefit

Up to 50 points shall be awarded, based on the percentage of low and moderate income persons or households, residing in the target or service area at the time of application, whether or not such persons or households directly benefit by using either:

1. A statistically valid survey that meets the requirements
2. Census data most closely corresponding to the target area, or service area where applicable.
3. The points awarded for this category shall equal the percentage of low- and moderate-income households in the project area minus 10 points. No score shall be above 50 points or less than 0 points.

Direct Benefit

Up to 50 points shall be awarded on the basis of the percentage of funds requested which shall provide a direct benefit to low and moderate income persons or households based on the following point values:

Housing	Public Facilities	Points
51-60%	51-55%	0
61-70%	56-60%	10
71-80%	61-65%	20
81-90%	66-70%	30
91-95%	71-75%	40
96-100%	Over 75%	50

Leverage Ratio

Calculation: Leveraged Funds amount / CDBG Funds amount. E.g. 650,000/500,000 = 130% leverage ratio

	Percentage of CDBG	Points
No Non-CDBG	0	0
Non-CDBG	1 % to 24%	0

Non-CDBG	25% to 49%	10
Non-CDBG	50% to 99%	20
Non-CDBG	100% to 199%	30
Non-CDBG	200% to 299%	40
Non CDBG	300% or over	50

Priority

Priority of proposed activities shall be awarded points in the following manner:

Percentage of funds to be used for high priority activities: ___ % divided by 2 =

Percentage of funds to be used for medium priority activities: ___ % divided by 4 =

For project activities which are eligible;	50
For project activities which are eligible but listed as moderate priority;	25
or project activities which are eligible but listed as low priority in; or	0
A prorated score, based on the percentage of requested funding amounts for lower priority activities, between 0 and 49 for projects which combine an eligible activity with a low priority activity.	

Low Priority	Medium Priority	High Priority
Water/Sewer for Nursing Homes and Medical Facilities	Acquiring, constructing, reconstructing, or rehabilitating the community centers or neighborhood facilities in which public services shall be provided	Constructing elderly/handicapped access to existing public buildings and property
Acquiring, constructing, rehabilitating or renovating schools (as schools), libraries, and museums		
Acquiring, constructing, reconstructing, rehabilitating or installing streets, street lights, sidewalks, parks, playgrounds, recreation areas, malls, walkways, and easements.		
Acquiring, constructing or rehabilitating medical facilities		
Developing municipal masters plans		
Acquiring, constructing, rehabilitating or renovating nursing homes		Extending or replacing water or sewer lines
		Constructing water or sewer treatment facilities; constructing water storage tanks or reservoirs; digging of wells.

Public services in support of homeless shelters or child care facilities.		Acquiring, constructing, reconstructing, or rehabilitating homeless shelters or child care facilities in which public services shall be provided.
---------------------------------------------------------------------------	--	---------------------------------------------------------------------------------------------------------------------------------------------------

Centers & Neighborhoods

Up to 10 points for impacts on centers and neighborhoods shall be awarded as follows:

Activity	Points
If the activities shall preserve and promote existing neighborhoods and centers, and where applicable, shall eliminate or reduce slums and blight or shall protect and preserve historically and culturally valuable structures and sites	10
If the activities shall have a limited impact on existing neighborhoods and centers and where applicable, on slums and blight or on historically or culturally valuable structures and sites	5
If the activities shall harm existing neighborhoods and centers and shall not eliminate or reduce slums and blight where such exist or shall harm historically or culturally valuable structures or sites	0

Cost Per Beneficiary

Points shall be awarded for other impact concerns for housing applications based on the following criteria:

- (1) The most appropriate description of the project shall be selected in each of the areas below; and
- (2) The resulting points shall then be totaled and compared to other applications in the same subcategory.

Up to 20 points for number of beneficiaries benefiting relative to cost, shall be awarded as follows based on comparison to applications in the same subcategory:

Benefit	Points
if the project shall benefit more households/individual and the relative cost is low as compared to other applications;	20
if the project shall benefit fewer households/individuals and/or the cost in CDBG funds per household is higher as compared to other applications	10
if the project will benefit a small number of households/individuals and/or the relative cost in CDBG funds per household is high.	0

For housing applications, the number of housing units shall be used in calculating cost per beneficiary. For public facility applications, the number individuals shall be used in this calculation.

Long-Term Benefit – Housing and Emergency (Housing)

For housing applications, up to 40 points for long term benefit shall be awarded as follows:

if a majority of the project funds shall have a long term benefit for low and moderate income households by: a. Establishing a mechanism for maintaining long term rent levels b. Providing homeownership opportunities at costs no greater than those described in the housing grant section	40
if a majority of the project funds might have a long term benefit for low and moderate income households but the mechanism for maintaining long term affordability has not been addressed or the project funds shall be used for the rehabilitation of single family owner occupied housing	20
if a majority of the project funds shall not have a long term benefit for low and moderate income households	0

Long Term Benefit - Public Facilities and Emergency (Public Facility)

For public facilities applications, up to 40 points for long-term benefit shall be awarded as follows:

A score of 40 points if a majority of the project funds shall have a long term benefit to low and moderate income persons by either: a. The nature of the improvements b. Through long term lease agreements	40
A score of 20 points if a majority of the project funds might have a long term benefit but either (1)a. or b. above has not been addressed in the application	20
A score of 0 points if a majority of the project funds shall not have a long term benefit to low and moderate income persons.	0

Readiness for Implementation – Housing and Emergency (Housing)

For housing applications, up to 20 points for readiness for implementation shall be awarded as follows:

(1) If architectural or engineering design is 25% Construction Drawings and cost estimates by a duly licensed architect or engineer has been completed leading directly to project implementation and the project plans to (2) meet full 2015 IECC Code.	20
application does not contain one of the applicable criteria listed in (1) above	10
if an application does not contain 2 of the applicable criteria listed in (1) above and has only the minimum preliminary architectural or engineering design required.	0

Readiness for Implementation - Public Facilities and Emergency (Public Facilities)

For public facilities applications, up to 20 points for readiness for implementation shall be awarded as follows:

(1) If architectural or engineering design is 25% Construction Drawings and cost estimates by a duly licensed architect or engineer has been completed leading directly to project implementation and the project plans to (2) meet full 2015 IECC Code.	20
application does not contain one of the applicable criteria listed in (1) above	10
if an application does not contain 2 of the applicable criteria listed in (1) above and has only the minimum preliminary architectural or engineering design required.	0

SCORING OF ECONOMIC DEVELOPMENT GRANTS

Applications shall be scored and shall receive no less than 265 points if the application is a business loan or real estate development project, or 250 points if the application is a public facilities infrastructure grant in support of economic development or a grant to a nonprofit, in order to be considered for a final grant award.

	Maximum Score	Minimum Score
Business Loan	530	265
Real Estate Development	530	265
Public Infrastructure	495	250
Grant to a Nonprofit	495	250

The application shall propose and document the public benefit to be achieved as a result of the project.

Minimum Underwriting Standards

CDBG funds that are intended to be used for economic development financing in New Hampshire must meet basic minimum underwriting standards that are based on the following criteria:

- HUD minimum standards for investments
- Business loan underwriting standards

CDBG funds are investments made by the public and as a result carry with them unique requirements and expectations that reflect a defined public policy value. As a result, the statewide minimum standards defined in this document are used to evaluate all CDBG economic development investments. These standards are constructed to provide regional underwriting autonomy at a local level while maintaining a statewide minimum standard.

HUD minimum standards for investments

The Economic Development Entity is required to complete underwriting that proves the following guidelines as stated in HUD CFR 570.482 Appendix A, specifically that:

- (i) That project costs are reasonable;
- (ii) That all sources of project financing are committed;
- (iii) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- (iv) That the project is financially feasible;
- (v) That the return on the owner's equity investment will not be unreasonably high; and
- (vi) CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

The EDE must retain records in accordance with record retention requirements, to include, at a minimum, the following: (1) Financial statements of the business for a minimum of the past three (3) years from the date of submittal of the application; (2) Payment terms of the suppliers to the business; (3) Payment terms of the business to its buyers; (4) Current inventory; (5) Payroll cycle; (6) Inventory cycle; (7) Aging of receivables; (8) Balance due and payment terms of subordinated officer debt; (9) Detailed listing of sales and general administrative costs; and (10) Any other documentation that exists to provide the information needed to evaluate the financial indicators of a specific business

A summary of the Underwriting is required with the application and must be submitted on Form – Underwriting Summary (Appendix C).

Economic Development Entity Threshold Indicators

Applications proposing an Economic Development Entity (EDE) as a sub recipient shall be eligible to receive up to 155 points but must receive a minimum of 75 points in order to be scored further.

EDE's Experience at acquiring grants

Up to 10 points shall be awarded for the EDE's experience as follows:

if the EDE has or had more than 6 projects;	10
if the EDE has or had between 2 and 5 projects	5
if the EDE has or had 1 or no projects	0

History of serving LMI

Up to 15 points shall be awarded for the EDE's history of serving LMI constituents through job creation, as follows:

if the EDE has a demonstrated history	15
if the EDE has no demonstrated history	0

Experience in making commercial loans

Up to 15 points shall be awarded for the EDE's experience in making commercial loans, as follows:

if the EDE has more than 10 years of experience	15
if the EDE has between 5 and 10 years of experience	10
if the EDE has between 3 and 5 years of experience;	5
if the EDE has less than 3 years of experience	0

Collection history

Up to 5 points shall be awarded if the EDE has experience making commercial loans, as measured by their collection history, as follows:

if an EDE has a successful history	5
if an EDE has no history or a negative history.	0

Experience in re-lending RLF funds

Up to 5 points shall be awarded if the EDE has demonstrated experience in re-lending RLF funds, as follows:

if the EDE has re-lent RLF funds;	5
if the EDE has not re-lent RLF funds.	0

Participated in real estate-related projects

Up to 10 points shall be awarded if the EDE has participated in real estate-related projects, as follows:

if the EDE has or had 6 or more real estate projects;	10
If EDE has or had between 1 and 5 real estate projects;	5
if the EDE has or had no real estate projects.	0

EDE's lending experience

Up to 25 points shall be awarded for the EDE's lending experience, as follows:

if the EDE has or had one or more participation loans with a commercial bank;	5
if the EDE has or had one or more participation loans with a non-profit lending institution;	5
if the EDE has closed at least one CDBG project during the previous 5 years;	5
if the EDE has or had access to other RLF funds, such as RBEG, RBOG, and IRP;	5
if their board of directors is comprised of community representatives as a requirement of their by-laws.	5

Scope of the EDE service area

Up to 10 points shall be awarded for the scope of the EDE service area, as follows:

if the EDE serves more than 5 municipalities	10
if the EDE serves at least 2 and not more than 5 municipalities;	5
EDE serves only 1 municipality.	0

EDE manages its own Revolving Loan Fund

Up to 15 points shall be awarded if the EDE manages its own revolving loan fund (RLF), and documented with an audit or compiled financial statements, as follows:

if the EDE's RLF is more than \$2,000,000;	15
if the EDE's RLF is at least \$1,000,000 and less than \$2,000,001;	10
if the EDE's RLF is at least \$100,000 and less than \$1,000,000;	5
if the EDE's RLF is less than \$100,000.	0

EDE has the capacity for loan origination

Up to 15 points shall be awarded if the EDE has the capacity for loan origination, closings, and disbursements and collections, as follows:

if the EDE has in-house capacity;	15
if the EDE has a long-term arrangement with a qualified outside entity;	10
if the EDE contracts on a project-by-project basis;	5
if the EDE has no capacity	0

EDE manages its own RLF

Up to 30 points shall be awarded for the EDE's management and experience, as follows:

if the EDE's loan portfolio is reviewed regularly by the board of directors or loan committee;	5
if the EDE utilizes an adequate financial management and accounting system;	5
if the EDE uses an attorney for loan closings;	5
if the EDE maintains a funded loan loss reserve (LLR), and has documented LLR guidelines;	5
if at least one EDE staff member has 5 or more years of commercial financing experience;	5
if at least one EDE staff member has a recognized economic development certification or post-graduate related degree	5

Public Benefit

The maximum point value for this category shall be 420 points.

Community Needs

Data to be used to establish the Community Need scores can be found in Appendix E: Core Data Index. Data are gathered from a variety of sources, including the US Census Bureau, NH Department of Health and Human Services, NH Housing Finance Authority, and the NH Office of Strategic Initiatives. Up to 70 points.

Up to 10 points for the applicant's unemployment rate, as established by the current data provided by the New Hampshire department of employment security for the applicant's labor market area shall be awarded as follows:

Unemployment rate	Points
if the rate is more than 25% above the current state average	10
if the rate is 13.1% to 25% above the current state average;	8
if the rate is 3.1% to 13% above the current state average	6
if the rate is 0% to 3% above the current state average	3
if the rate is below the current state average.	0

Up to 10 points awarded for the applicant's median family income, as established by HUD based on section 8 income data as shown in Appendix E shall be awarded as follows:

Median family income	Points
if the median family income is 21% or more below the state average;	10
if the median family income is 11% to 20% below the state average;	8
if the median family income is up to 10% below the state average	6
if the median family income is equal to the state average;	3
if the median family income is above the state average.	0

Up to 10 points shall be awarded based on the applicant's percentage of dropout rate from grades 9-12 in the applicant's school district, or if the applicant is a county, the average percentage dropout rate for all school districts in the county, as follows:

Dropout rate from grades 9-12	Points
if the dropout rate is at least 7%;	10
if the dropout rate is 5.0% to 6.9%;	5
if the dropout rate is 3.0% to 4.9%;	3
if the dropout rate is 0% to 2.9%.	0

Up to 20 points for net job creation by the business shall be awarded as follows:

Net job creation	Points
if more than 30 net jobs are created	20
if 21 to 30 net jobs are created	15
if 11 to 20 net jobs are created	10
if 5 to 10 jobs are created	5
if fewer than 5 jobs are created.	0

Where the economic development activity cost per net job created is less than \$20,000, up to 10 points shall be awarded as follows:

Cost per net job	Points
if the project shall require less than \$6,000 of CDBG funds per net job created;	10
if the project shall require \$6,001 to \$16,000 of CDBG funds per net job created;	5
if the project shall require more than \$16,000 of CDBG funds per net job created.	0

Up to 20 points shall be awarded based on the percent of jobs available to low and moderate income persons, as follows:

Jobs available to low- and moderate-income persons	Points
if 91% or more of the jobs are available to low and moderate income persons;	20
if at least 81% but less than 91% of the jobs are available to low and moderate income persons	15
if at least 71% but less than 81% of the jobs are available to low and moderate income persons	10
if at least 61% but less than 71% of the jobs are available to low and moderate income persons;	5
if 60% or less of the jobs are available to low and moderate income persons.	0

Up to 20 points shall be awarded for the percentage of the applicable labor market area average entry wage per job as published in the most current New Hampshire Occupational Employment and Wages Report from NH employment security, economic and labor market information bureau for comparable jobs for at least 80% of the net jobs created as follows:

Average entry wage	Points
if the average entry wage per job is greater than 115% of the labor market area average entry wage;	20
if the average entry wage per job is 101% to 115% of the labor market area average entry wage	15
if the average entry wage per job is 86% to 100% of the labor market area average entry wage	10
if the average entry wage per job is 70% to 85% of the labor market area average entry wage;	5
if the average entry wage per job is below 70% of the labor market area average entry wage.	0

Employee Benefits

Up to 160 points shall be awarded for benefits to be received for at least 80% of the net jobs created based on the following criteria:

Up to 30 points if the business provides group medical insurance, as follows:

Group medical insurance	Points
if the business pays 76% - 100% of the cost	30
if the business pays 51% - 75% of the cost	20
if the business pays 50% of the cost	10
if the business pays less than 50% of the cost	5
if the business does not pay any of the cost, or insurance is not offered	0

Up to 10 points if the business provides group dental insurance, as follows:

Group dental insurance	Points
if the business pays 76%-100% of the cost	10
if the business pays 51% - 75% of the cost	8
if the business pays 50% of the cost	4
if the business pays less than 50% of the cost	2
if the business does not pay any of the cost, or if insurance is not offered	0

Up to 10 points if the business provides group vision insurance, as follows:

Vision insurance	Points
if the business pay 76%-100% of the cost	10
if the business pays 51% - 75% of the cost;	8
if the business pays 50% of the cost;	4
if the business pays less than 50% of the cost; or	2
if the business does not pay any of the cost, or if insurance is not offered;	0

Up to 20 points based on the extent of the medical insurance coverage, as follows:

Medical insurance coverage	Points
-----------------------------------	---------------

if the business offers medical insurance coverage for the employee and dependents;	20
if the business offers medical insurance coverage for the employee only;	0

Up to 10 points if the business provides paid vacation time off, as follows:

Paid vacation time off	Points
if the business provides 10 or more days	10
if the business provides between 5 and 9 days	5
if the business provides fewer than 5 days off, or no paid time off	0

Up to 10 points if the business provides paid sick time off, as follows:

Paid sick time off	Points
if the business provides 5 or more days	10
if the business provides between 1 and 4 days	5
if the business provides no paid sick time off;	0

Up to 5 points if the business provides paid holidays, as follows:

Paid holidays	Points
if the business provides 9 or more days	5
if the business provides between 6 - 8 days	3
if the business provides fewer than 6 paid holidays	0

Up to 5 points if the business provides paid bereavement off, as follows:

Paid bereavement off	Points
if the business provides 3 or more days	5
if the business provides between 1 and 2 days	3
if the business provides no paid bereavement time off	0

Up to 5 points if the business provides a life insurance plan, as follows:

Life insurance plan	Points
if the business provides the plan at no cost to the employee	5
if the business provides a plan requiring an employee contribution	3
if the business provides no life insurance plan	0

Up to 5 points if the business provides a short-term disability insurance plan, as follows

Short-term disability insurance plan	Points
if the business provides the plan at no cost to the employee	5
if the business provides a plan requiring an employee contribution	3
if the business provides no short-term disability insurance plan;	0

Up to 5 points if the business provides a long-term disability insurance plan, as follows:

Long-term disability insurance plan	Points
if the business provides the plan at no cost to the employee	5
if the business provides a plan requiring an employee contribution	3
if the business provides no long-term disability insurance plan;	0

Up to 20 points if the business provides a tax-exempt retirement plan, or equivalent, as follows:

Tax-exempt retirement plan	Points
if the business contributes to the plan;	20
if the business provides a plan to which only the employee contributes;	10
if the business provides no tax-exempt retirement plan or equivalent	0

Up to 10 points if the business provides for employees' childcare, as follows:

Childcare	Points
if the business provides childcare on-site	10
if the business contributes to the cost of employees' childcare	5
if the business does not contribute to employees' childcare	0

Up to 5 points if the business provides other employee benefits, as follows:

Other employee benefits	Points
if the business provides profit-sharing;	1
if the business provides flextime	1
if the business provides a wellness program	1
if the business provides a bonus program	1
if the business provides an additional, specific benefit	1

Up to 30 points for level of training for at least 80% of the net jobs created shall be awarded as follows:

Training	Points
if the business pays at least 50% of the tuition to an institution of higher learning for an associate's degree or higher	30
if the business pays at least 50% of the tuition to an institution of higher learning for job-related courses	20
if the business has an apprentice training or vocational training program of 6 months or more duration	10
if the business provides GED instruction on paid time	5
if the business has only on the job training	0

The percent of full time permanent jobs to be created shall be awarded one point for each percentage point over 80% (up to a total of 20 points).

Full time permanent jobs	Points
if the percentage is 80% or greater	1 point each %
if the percentage is less than 80%.	0

Up to 5 points for the percentage of jobs to be dedicated to special needs groups, shall be awarded as follows:

Jobs to be dedicated to special needs groups	Points
if the percentage is 25% or greater	5
if the percentage is less than 25%.	0

Up to 20 points for regional employment diversification shall be awarded as follows:

Regional employment diversification	Points
if the business represents an industry new to the applicant's labor market area;	20
if the business offers an upgrading of skills in an existing industry in the applicant's labor market area	10
if the business has no effect on employment diversification in the applicant's labor market area	0

Up to 10 points for long-term commitment to the region by the business shall be awarded as follows:

Long term commitment	Points
if the business owns or will own real property	10
if the business has or will have a lease on the project property for 5 or more years	5
if the business has or will have a lease agreement on the project property for between 3 and 4 years	3
if the business has or will have a lease agreement for less than 3 years	0

Up to 5 points for the extent that the project shall reduce the local demand for social service assistance shall be awarded as follows:

Reduce the local demand for social service assistance	Points
if the business can document an active partnership with the social service agencies in the applicant's labor market area	5
if the business cannot document a partnership with the social service agencies in the applicant's labor market area	0

Up to 15 (could be more 18 if meets all category) points shall be awarded for the extent that the project shall contribute towards the revitalization of a downtown area or historic rehabilitation, as follows:

Revitalization	Points
if the project contributes to the revitalization of a downtown area	10
if the project building has been determined by the New Hampshire division of historic resources to be eligible for listing in the state or national register of historic places;	5
if the project uses historic rehabilitation tax credits, as defined in 36 CFR 67;	3
if the project has no effect on the revitalization of a downtown area or historic rehabilitation	0

Business Benefit

The applicant shall document the benefit to the business to be achieved as a result of the project. The maximum point value for this category shall be 110 points for business loans and real estate projects and 75 points for public infrastructure projects in support of economic development and grants to non-profits creating jobs.

Pick one of the following categories:

Categories	Maximum in this category
Business Loans	110
Public Infrastructure Projects in support of ED	75
Non-profits creating jobs	75

Business Loans

The Application and Underwriting summary shall describe the business need for assistance and the value of the proposed loan assistance package to the business, with points awarded as follows:

Up to 20 points based on the availability of non-CDBG match funding compared to the CDBG grant amount, as follows:

Non-CDBG match	Points
if the match ratio is greater than 3:1	20
if the match ratio is between 1:1.1 and 3:1	10
if the match ratio is equal to 1:1	0

Up to 20 points based on the payment capacity of the business to support the proposed debt, as follows:

Payment capacity	Points
if the total debt coverage ratio is at or less than 1.3	20
if the total debt coverage ratio is greater than 1.3 but less than 1.5	10
if the total debt coverage ratio is 1.5 or greater	0

Up to 20 points based on the cash value of the CDBG assistance, as follows:

Cash value of the CDBG assistance	Points
if the value of the assistance is between 0% and 5% of the CDBG grant amount	20

if the value of the assistance is between 5.1% and 10% of the CDBG grant amount	10
if the value of the assistance is between 10.1% and 15% of the CDBG grant amount	5
if the value of the assistance is greater than 15% of the CDBG grant amount	0

Up to 50 points for the effect of the proposed loan on the financial stability of the EDE, as follows:

Effect of the proposed loan	Points
if income from loan fees and interest is sufficient to contribute towards staff and overhead;	10
if a minimum of 5% of income from loan fees and interest will be contributed towards a loan loss reserve	5
if a minimum of 5% of income from loan fees and interest will be contributed towards capitalization of the RLF	5

Up to 10 points based on the term of the loan, as follows:

Term of the loan	Points
if the principal is returned to the RLF in 3 years or less	10
if the principal is returned to the RLF in more than 3 years and up to 5 years	5
if the principal is returned to the RLF in more than 5 years	0

Up to 5 points based on the security position on real property, as follows:

Security position on real property	Points
if the CDBG funded debt holds first or second position	5
if the CDBG funded debt holds third position	3
if the CDBG funded debt holds less than third position	0

Up to 5 points on the security position on machinery and equipment, as follows:

Security position on machinery and equipment	Points
if the CDBG funded debt holds first or second position	5
if the CDBG funded debt holds third position	3
if the CDBG funded debt holds less than third position	0

Up to 5 points based on the security position on all other business assets, as follows:

Security position on all other business assets	Points
if the CDBG funded debt holds first or second position	5
if the CDBG funded debt holds third position	3
if the CDBG funded debt holds less than third position	0

Up to 5 points based on the security position of personal guarantees of the business owner(s), as follows:

Security position of personal guarantees of the business owner(s),	Points
if the CDBG funded debt has an unconditional guarantee	5
if the CDBG funded debt has a limited guarantee	3
if the CDBG funded debt has no guarantee	0

Business Need for Assistance

The detailed analysis and narrative shall describe the **business need for assistance** and the value of the proposed real estate assistance package to the business, with points awarded as follows:

Up to 20 points based on the availability of non-CDBG match funding compared to the CDBG grant amount, as follows:

Non-CDBG match	Points
if the match ratio is greater than 3:1	20
if the match ratio is between 1:1.1 and 3:1	10
if the match ratio is equal to 1:1	0

Up to 20 points based on the financial ability of the private business to create or retain jobs, as follows:

Financial ability	Points
if the total debt coverage ratio is at or greater than 1.5	20
if the total debt coverage ratio is greater than 1.3 but less than 1.5	10
if the total debt coverage ratio is at or less than 1.3	0

Up to 20 points based on the rent to be paid by the private business as compared to local market rates, as follows:

Rent	Points
if the rent is greater than market rate	20
if the rent is equal to market rate	10
if the rent is less than market rate	0

Up to 20 points based on the cash value of the CDBG assistance, as follows:

Cash value of the CDBG assistance	Points
if the value of the assistance is between 0% and 5% of the CDBG grant amount;	20
if the value of the assistance is between 5.1% and 10% of the CDBG grant amount;	10
if the value of the assistance is between 10.1% and 15% of the CDBG grant amount;	5
if the value of the assistance is greater than 15% of the CDBG grant amount;	0

Up to 20 points based on the effect of the lease payments generated from the real estate development on the financial stability of the EDE, as follows:

Income from proposed rent	Points
if the income from the proposed rent is sufficient to pay for the debt service on the construction debt of the project	10
if the income from the proposed rent is sufficient and will be contributed to an operating reserve for the proposed real estate	5
if the income from the proposed rent is sufficient and will be contributed to staff or overhead	5

Up to 10 points based on the sale of the proposed real estate, as follows:

Sale of the proposed real estate	Points
if the proposed real estate has a lease with an option to buy in 5 years or less	10
if the proposed real estate has a lease with an option to buy in more than 5 and up to 7 years	5
if the proposed real estate has a lease with an option to buy in more 7 years, or no option to buy, or an option to buy at an unknown time	0

Infrastructure improvement to the municipality and the business

The detailed analysis and narrative shall describe the business need for assistance and the value of the proposed infrastructure improvement to the municipality and the business, with points awarded as follows:

Up to 20 points based on the availability of non-CDBG match funding compared to the CDBG grant amount, as follows:

Non-CDBG match	Points
if the match ratio is greater than 3:1	20
if the match ratio is between 1:1.1 and 3:1;	10
if the match ratio is equal to 1:1	0

Up to 20 points based on the financial ability of the business to create the proposed jobs, as follows:

Debt coverage ratio	Points
if the business' debt coverage ratio is at or greater than 1.5	20
if the business' debt coverage ratio is greater than 1.3 but less than 1.5	10
if the business' debt coverage ratio is at or less than 1.3	0

Up to 25 points based on the municipality's available debt capacity, as follows:

Municipality's available debt capacity	Points
if the CDBG costs are 41% or more of municipal debt capacity	25
if the CDBG costs are 31% to 40% of municipal debt capacity	20
if the CDBG costs are 21% to 30% of municipal debt capacity	15
if the CDBG costs are 11% to 20% of municipal debt capacity	10
if the CDBG costs are less than 11% of municipal debt capacity	5

Up to 10 points based on the economic and community effects of the project on the municipality, as follows:

Economic and community effects	Points
if the project will have a positive, defined economic multiplier impact	2
if the project will increase the town's tax base	2
if the project increases the market value of a municipality's industrial park	2
if the project has positive effect on the health or safety of the project vicinity	2
if the project reflects implementation of a specific aspect of the municipality's master plan.	2

Nonprofit creating jobs

The detailed analysis and narrative shall describe the nonprofit business need for the assistance, with points awarded as follows:

Up to 20 points based on the availability of non-CDBG match funding compared to the CDBG grant amount, as follows:

Non-CDBG match	Points
if the match ratio is greater than 3:1	20
if the match ratio is 1:1.1 to 3:1	10
if the match ratio is equal to 1:1	0

Up to 20 points based on the financial strength of the nonprofit, as follows:

Financial strength of the nonprofit	Points
if the nonprofit has reserves or documented future income which will support the on-going operation of the project	10
if the nonprofit has successfully conducted fundraising for at least 2 years	10

Up to 20 points based on the management strength of the nonprofit, as follows:

Management strength of the nonprofit	Points
if the nonprofit has been in existence for 6 or more years	10
if the nonprofit has been in existence for at least 2 years and up to 5 years	5
if the executive director has more than 2 years in the field of the nonprofit	5
if a majority of the members of the board of directors of the nonprofit have served for 2 or more years	5

Up to 15 points based on the economic and community effects of the project, as follows:

Economic and community effects	Points
if the project addresses a labor shortage in a field with community benefit	5
if the project provides training with a benefit to economic stability for a specific population, defined by the applicant, at-risk of unemployment	5
if the project has a positive effect on the health or safety of the community served by the nonprofit	5

SCORING OF MICROENTERPRISE DEVELOPMENT ASSISTANCE GRANTS

Applications are eligible to receive up to a total of 580 points. Each application must receive a minimum score of 170 points in the “Public Benefit Indicators” section (out of 310 available points), and a minimum score of 115 points in the “Project Design Indicators” section (out of 270 available points), for a total minimum score of 285 points.

Public Benefit Indicators

Each application may receive up 310 points in the Public Benefit section. A minimum score of 170 points in this section is required to continue scoring the application.

(1) For provision of services to low- and moderate-income persons:

Additional provision of services	Points
if services are provided to 76 or more persons on an annualized basis	50
if services are provided to 60-75 persons on an annualized basis	35
if services are provided to 40-59 persons on an annualized basis	20
if services are provided to 25-39 persons on an annualized basis	10
if services are provided to fewer than 25 persons on an annualized basis	0

(2) For provision of loans to microenterprises whose owners qualify as low and moderate income, or whose current employees are predominantly low and moderate income, or whose future hires will be low and moderate income:

Low and moderate income owners	Points
if 76 or more loans will be made on an annualized basis	50
if 51-75 loans will be made on an annualized basis	35
if 26-50 loans will be made on an annualized basis;	20
if 10-25 loans will be made on an annualized basis;	10
if fewer than 10 loans will be made on an annualized basis	0

(3) For the number of businesses assisted:

Business Assistance	Points
if 41 or more businesses will be assisted on an annualized basis	25
if 31-4 businesses will be assisted on an annualized basis	15
if 21-30 jobs will be created/retained on an annualized basis	10
if 10-20 jobs will be created/retained on an annualized basis	5
if fewer than 10 jobs will be created/retained on an annualized basis	0

(4) For the percent of LMI businesses assisted:

LMI Businesses assisted	Points
if 91-100% of the businesses assisted are LMI	25
if 81-90% of the businesses assisted are LMI	15
if 71-80% of the businesses assisted are LMI	10
if 61-70% of the businesses assisted are LMI	5
if 60% or fewer of the businesses assisted are LMI	0

(5) Area need: Up to 50 points shall be awarded based on the municipal/county scores in the CDFA “Core Data Index.” The maximum point value that can be achieved in the Core Data Index is 70 points. For this section, the municipal/county score achieved in the Core Data Index is multiplied by 0.71.

(6) Demonstrated User Demand: Up to 30 points shall be awarded for demonstrated user demand, as evidenced by a listing of microenterprises and potential micro entrepreneurs waiting for services or historical statistical data of service usage, and need for services to microenterprises, including training, technical assistance and credit, as follows:

Demonstrated user demand	Points
if none of the above services are available in the project area and there is a documented user demand;	30

if any of training, technical assistance or credit are not available in the project area and there is a documented user demand	15
if all of the above services are available in the project area or there is no documented user demand	0

(7) Reduction in Demand for Social Services: Up to 30 points shall be awarded to the extent that the project reduces the local demand for social service assistance, as follows:

Local area benefit	Points
if the project substantially reduces the local demand for social services by reducing the need for local welfare assistance and reducing the need for human services	30
if the project significantly reduces the local demand for social services	15
if the project minimally reduces the local demand for social services	5
if the project has no effect on reducing the local demand for social services.	0

(8) A maximum of 50 points shall be awarded for support of management capacity and structure of the sub recipient organization to provide microenterprise development assistance (total of a and b, as follows).

(a) Up to 30 points for management capacity:

Management capacity of the sub recipient	Points
if the job descriptions and resumes of both the current sub recipient staff and the anticipated project staff demonstrates microenterprise development experience;	5
for one year or more of experience in providing business skills training;	5
for one year or more of experience in providing technical assistance to owners of microenterprises	5
for one year or more of experience in providing support services to owners of microenterprises	5
for one year or more of experience in providing loans to owners of microenterprises;	5
for one year or more of experience in loan processing, tracking and collection;	5

(b) Up to 20 points for organizational structure:

Organizational structure of the sub recipient	Points
if the sub recipient organization is a community development finance institution as defined at 24 CFR 570.482(f)(3)(v)(H);	20
if the sub recipient organization is a nonprofit organization with a revolving loan fund	10
if the sub recipient organization is a nonprofit organization with no revolving loan fund	5
if the sub recipient organization is a for-profit organization.	0

Project Design Indicators

The applicant shall provide a detailed description of the project design. Each application may receive up to a total of 270 points in the Project Design section. A minimum of 115 points in this section is required to continue scoring the application.

(1) Up to 30 points shall be awarded for the experience of the sub recipient organization to provide microenterprise development assistance:

Experience of the sub recipient	Points
if the organization has had more than one year of experience providing services to microenterprise	30
if the organization has less than one year of experience providing services to microenterprises	15
if the organization has had no experience providing services to microenterprises	0

(2) A maximum of 60 points shall be awarded for strategic planning (total of a, b and c, as follows):

(a) Up to 25 points for an outreach/marketing plan:

Outreach/marketing plan	Points
if the outreach/marketing plan specifically describes the targeted low and moderate income population and how they will be informed about the availability of the services proposed	25
if the outreach/marketing plan contains no specific information about the targeted low and moderate income population and how they will be informed about the availability of the services proposed	10
if there is no outreach/marketing plan described	0

(b) Up to 10 points for screening of participants to determine eligibility:

Screening of participants	Points
for screening participants for both income and assets	10
for screening participants for income	5
no screening of participants is proposed	0

(c) Up to 25 points for screening and training of participants to determine entrepreneurial potential and gaps in entrepreneurial skills:

Determine entrepreneurial potential	Points
if the proposed services include a training and self-evaluation of life skills and entrepreneurial skills and attributes	25
if the proposed services include only a self-evaluation of entrepreneurial skills and attributes	10
if the proposed services do not provide any screening of participants to determine entrepreneurial skills and attributes	0

(3) A maximum of 30 points shall be awarded for business skills training, including, but not limited to, business start-up information, financial management, marketing, management skills, and taxes (total of a, b and c, as follows):

(a) Up to 10 points for classroom training offered per participants:

Classroom Training	Points
if the duration of training is 30 hours or more	10
if the duration of training is between 10 and 29 hours	5
if the duration of training is fewer than 10 hours	0

(b) Up to 10 points for peer training:

Peer Training	Points
if peer training includes both group facilitation training and loan approval training;	10
if peer training is for group facilitation only	5
if no peer training is provided	0

(c) Up to 10 points for training outcomes:

Training Outcomes	Points
if training outcomes are defined and there are measurable/demonstrable business skills	10
if training outcomes are defined but there are no measurable/demonstrable business skills	5
if there are no defined outcomes or measurable/demonstrable business skill outcomes.	0

(4) A maximum of 70 points shall be awarded for business technical assistance (total of a, b, c and d, as follows):

(a) Up to 10 points for the scope of business technical assistance:

Business technical assistance	Points
if the technical assistance is provided by the sub recipient	10
if the technical assistance is provided through referrals	5
if no technical assistance is provided	0

(b) Up to 10 points for the length of time technical assistance is provided:

Length of time	Points
if the technical assistance is provided during the entire project	10
if the technical assistance is provided on a time limited basis	5
if no technical assistance is provided	0

(c) Up to 10 points for the qualifications of the technical assistance providers:

Qualifications	Points
if the technical assistance provider is on staff	10
if the technical assistance provider is a paid consultant	5
if the technical assistance provider is a volunteer	0

(d) Up to 40 points if support services to low- and moderate-income owners of microenterprises is provided:

Support Services	Points
if transportation costs to training sessions are provided	10
if child care is provided during training sessions	10
if individual counseling about non-business support services is provided	10
if any other support services are provided	10

(5) A maximum of 80 points shall be awarded for the lending services available to microenterprises through the project:

Lending services	Points
if there is a firm guarantee, documented by a letter of commitment and a lending budget, that capital will be available throughout project	10
if the cost of capital is at or below market rate	10
if there are written underwriting and lending guidelines	10
if there are screening procedures for approving loans	10
if there are written procedures for loan origination, closing, disbursements and collection;	10
if there are procedures for identifying problem loans	10
if the lending organization has a successful collection history	10
if the lending organization has a loan loss reserve	10

SCORING OF PLANNING GRANTS

Applications shall be awarded a maximum of 26 points based on the criteria in (a) through (l).

(a) Up to 2 points for the ranking of adjusted median household income, shall be awarded as follows:

Adjusted median household income	Points
if the points for adjusted median household income are higher as compared to the other applications	2
if the points for adjusted median household income are average as compared to the other applications	1
if the points for adjusted median household income are lower as compared to the other applications	0

(b) Up to 2 points for the ranking of percent of human services assistance, shall be awarded as follows:

Human services assistance	Points
if the points for percent of households receiving human services assistance are higher as compared to the other applications	2
if the points for percent of households receiving human service assistance are moderate as compared to the other applications	1

if the points for percent of households receiving human service assistance are lower as compared to the other applications	0
----------------------------------------------------------------------------------------------------------------------------	----------

(c) Up to 2 points for percentage of unemployed, in the applicant's labor market area for the most recent reporting period, shall be awarded as follows:

Percentage of unemployed	Points
if the percentage of unemployed is higher as compared to the other applications	2
if the percentage of unemployed is moderate as compared to the other applications	1
if the percentage of unemployed is lower as compared to the other applications	0

(d) Up to 2 points for the number of potential low and moderate income beneficiaries shall be awarded as follows:

Potential low and moderate income beneficiaries	Points
if the number of potential low and moderate income beneficiaries is higher as compared to the other applications	2
if the number of potential low and moderate income beneficiaries is average as compared to the other applications	1
if the number of potential beneficiaries is lower as compared to the other applications	0

(e) Up to 2 points for the percentage of potential beneficiaries that are low and moderate income shall be awarded as follows:

Percentage of potential beneficiaries that are low and moderate income	Points
if the percentage of potential beneficiaries that are low and moderate income is higher as compared to the other applications	2
if the percentage of potential beneficiaries that are low and moderate income is moderate as compared to the other applications	1
if the percentage of potential beneficiaries that are low and moderate income is lower as compared to the other applications	0

(f) Up to 2 points for long term benefit if the proposed study were implemented shall be awarded as follows:

Long term benefit	Points
if the proposed study, if implemented, will have a long term benefit for low and moderate income beneficiaries	2
if the proposed study, if implemented, might have a long term benefit to low and moderate income beneficiaries but has not been addressed	1
if the proposed study, if implemented, will not have a long term benefit to low and moderate income beneficiaries	0

(g) Up to 2 points for firmly committed funds shall be awarded as follows:

Committed funds	Points
if the amount of matching funds is higher as compared to the other applications	2
if the amount of matching funds is average as compared to the other applications	1
if the amount of matching funds is lower as compared to the other applications	0

(h) Up to 2 points for the number of previous CDBG grants received by the applicant shall be awarded as follows:

Previous CDBG grants	Points
if a lower number of previous CDBG grants have been received as compared to the other applicants	2
if an average number of previous CDBG grants have been received as compared to the other applicants	1
if a higher number of previous CDBG grants have been received as compared to the other applicants	0

(i) Up to 2 points for the innovation of the proposed study as compared to CDBG projects over the most recent two-year period shall be awarded as follows:

Innovation of the proposed study	Points
if 0 or one similar CDBG project has been awarded over the most recent 2 year period	2
if 2 or 3 similar CDBG projects have been awarded over the most recent 2 year period	1
if 4 or more similar CDBG projects have been awarded over the most recent 2 year period	0

(j) Up to 2 points for the probability that the proposed study will lead to implementation shall be awarded as follows:

Implementation	Points
if the proposed study shall directly lead to the implementation of a project	2
if the proposed study might directly lead to the implementation of a project but more work is necessary	1
if the proposed study shall not lead directly to the implementation of a project	0

(k) Up to 2 points for addressing special needs groups, homeless clientele and low income families with children shall be awarded as follows:

Addressing special needs groups, homeless clientele and low income families with children	Points
if a high number of special needs groups, homeless clientele and low income families with children shall be addressed as compared to the other applications	2
if a moderate number of special needs groups, homeless clientele and low income families with children shall be addressed as compared to the other applications	1
if a lower number of special needs groups, homeless clienteles and low income families with children shall be addressed as compared to the other applications	0

(l) Up to 4 points for the need for the study and an implementation project shall be awarded as follows:

Need for the study and an implementation project	Points
if there is a significant need for the study and an implementation project as compared to the other applications	4
if there is a moderate need for the study and an implementation project as compared to the other applications	2
if there is minimal need for the study and an implementation project as compared to the other applications	0

APPENDIX C: MINIMUM UNDERWRITING STANDARDS FOR ECONOMIC DEVELOPMENT FINANCING

CDBG funds that are intended to be used for economic development financing in New Hampshire must meet basic minimum underwriting standards that are based on the following criteria:

- HUD minimum standards for investments
- Business loan underwriting standards

CDBG funds are investments made by the public and as a result carries with them unique requirements and expectations that reflect a defined public policy value.

As a result, the statewide minimum standards defined in this document are used to evaluate all CDBG economic development investments.

These standards are constructed to provide regional underwriting autonomy at a local level while maintaining a statewide minimum standard.

HUD Minimum Standards for Investments

The Economic Development Entity is required to complete underwriting that proves the following guidelines as stated in HUD CFR 570.482 Appendix A, specifically that:

- (i) That project costs are reasonable;
- (ii) That all sources of project financing are committed;
- (iii) That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
- (iv) That the project is financially feasible;
- (v) That the return on the owner's equity investment will not be unreasonably high; and
- (vi) CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

The EDE will determine that the project meets the above mentioned standards using the following specifications about the minimum standards:

(i) Project Costs Are Reasonable

Review the project budget including detailed sources and uses of funds. If the budget is overinflated, there may be a waste of scarce public resources and a surplus can end up as an additional fee to a developer or entrepreneur; and conversely, if the budget is understated, the success of the project may be affected, which could reduce the income available for debt service. To determine whether the costs are reasonable the EDE should compare the applicant's proposal with costs of comparable projects and industry standards.

(ii) Sources are Committed

C DFA wants to avoid the risk of approving and disbursing funds to fund a portion of the project without sufficient funds from other sources to complete the development. Therefore, the EDE must prove that all other sources of funds need to be in place prior to application.

(iii) CDBG Funds are Not Substituted for Non-Federal Funds

The EDE needs to establish the need for public investment by,

- Demonstrating the owners limited personal equity,

- Demonstrating that a bank or private financing institution has reached their lending limit to the project or will not lend to the project.

(iv) Project Feasibility

The project or venture should be viable with the CDBG investment. The project should be able to achieve a level of operation that is successful in the near and long term. The project should provide sufficient cash flow to repay debt and provide a reasonable ROR on equity invested. Feasibility is a threshold, because an infeasible project will be unable to repay the public investment, or meet the community development objectives if the business fails or is foreclosed upon. Determination of feasibility requires an understanding of the industry, and the ability to test various assumptions about operations. EDE's need to be concerned that the venture remains feasible or viable for at least the term of the loan.

(v) Owner's Equity Return is Reasonable

An owner strives to receive a market-rate ROR on their project. This varies by market and type of venture. However, the ROR should be reasonable given the equity invested and risk taken. Generally, the greater the risk the higher the ROR demanded. So ventures need to be examined in comparison to similar ventures in similar regions. For real estate ventures, the return on equity should come from cash flow of the project, not a developer's fee or other borrowed funds. Repayment terms are consistent with the use of funds and based on a proper financial structure.

Developer's fee is limited to the following calculation:

- First \$3.0M developer is eligible for 10% of TDC
- For anything above \$3.0M developer is eligible for 8% of TDC

(vi) CDBG Funds Disbursed Pro Rata

CDBG funds should be disbursed in proportion to the percentage of the project they fund. One exception is where CDBG funds are allocated for an acquisition activity. The EDE should prepare a draft disbursement plan.

The EDE will be required to summarize each of their calculations/ determinations of the HUD minimum standards in the EDE underwriting summary.

APPENDIX D: ADDITIONAL INFORMATION FOR MICROENTERPRISE ADMINISTRATION

MICROENTERPRISE PROGRAM GUIDELINES FOR GRANTEES AND SUBRECIPIENTS

All Microenterprise Program applicants are subjected to a substantial programmatic review. All applicants must be approved for funding by CDFA's Community Development Advisory Committee and Board of Directors with final approval by New Hampshire's Governor and Executive Council. If approved, the following guidelines must be adhered to by all grantees and subrecipients.

TERM OF GRANT

The maximum term for a grant is 12 months. The program year is July 1st – June 30th.

PROGRAM SERVICE AREA

Microenterprise Program services are available to all eligible businesses/persons located within the State of New Hampshire's jurisdictional boundaries. Any service providers that receive applicants from entitlement communities must keep their total participation less than 30% of their total claim for the grant year.

ELIGIBLE PROGRAM PARTICIPANTS

All eligible program participants must meet the definition of a microenterprise. For this program's purposes:

- A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. The term "employee" includes all full-time or part-time employees and all owners of the business on the payroll at the time of intake application (this applies even if all owner's salary draws are not on a regular basis); or Persons over the age of 18 developing microenterprises, meaning persons who have expressed an interest in, or who after an initial screening process, are expected to be actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

Eligible participants must have a physical business address in the program service area. Individuals wishing to start a business are also eligible applicants, but they must provide proof their primary residence is located within the program service area. Exceptions can be made for microenterprises looking to move to New Hampshire upon request and written approval by CDFA.

Eligible participants must also either have experience in the business area of interest, have clearly identified vision of business goals or have the ability to understand and describe the market for their product or service, and the commitment to work hard for business success.

Employees of microenterprises will not be counted as beneficiaries separate from the owner of the microenterprise. If an employee wishes to participate in the program, the owner must first come in to qualify and designate employees that may come in on their behalf.

COUNTING EMPLOYEES

The determination of employees is defined by the number of full-time equivalent (FTE) employees a business has at the time of intake. CDFA adheres to the IRS policy of FTEs for its calculation. Simplified, an FTE

Is calculated on the basis of 2,080 hours per year worked.

Add up the total hours of service for which the employer pays wages to employees during the year (but not more than 2,080 hours for any employee), and divide that amount by 2,080. If the result is not a whole number, round to the next lowest whole number. (If the result is less than one, however, round up to one FTE.)

INELIGIBLE PROGRAM APPLICANTS

Ineligible applicants include applicants whose business (for existing) or private (for start-ups) address is outside the program service area. Non-profits are not eligible for microenterprise assistance.

MEETING THE CDBG NATIONAL OBJECTIVE

Under federal regulations, use of CDBG funds for microenterprise activities must meet the national objective of benefit to low/moderate income persons under the Limited Clientele definition. As such, all microenterprise owners must be documented as meeting the U.S. Department of Housing and Urban Development's low/moderate income definitions prior to receiving any services. The income verification form will be used to confirm income of program applicants.

Limited Clientele: "570.208 (a) (2) Limited clientele activities. (i) An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate-income persons." To qualify for this activity, the Microenterprise Program passes the following required test, "It must have income eligibility requirements which limit the activity exclusively to low and moderate income persons."

ELIGIBLE PROGRAM COSTS

Use of CDBG funds for the Microenterprise Program is restricted to certain eligible costs.

Eligible costs for the Microenterprise Program include, but are not limited to, the following:

- Technical assistance;
- Business advising;
- Grants, loans, loan guarantees;
- Business development workshops or classes;
- Online business training courses;
- General support services to including:
 - Child care/dependent care services;
 - Transportation to technical assistance services or loan processing service appointments;
 - Peer support groups;
 - Counseling; and
 - Assistance accessing and paying for the direct costs of training and education, such as tuition and fees.
- Job training for owner/employees.

Any questions regarding eligible costs should be directed to your grant administrator or CDFA staff.

NOTE ON SUPPORTIVE SERVICES

Supportive services must be properly documented if provided to program participants. Child care/dependent care services must be provided by a licensed and qualified provider and travel costs must be documented.

Supportive services are utilized to help eliminate any barriers impeding a program participant from starting or operating their microenterprise and must be utilized in that regard. If a program participant is no longer able to continue participation in the microenterprise program the provider offers, supportive services should cease immediately.

INELIGIBLE PROGRAM COSTS

The general rule for CDBG is that any activity, Economic Development or otherwise, not authorized under the provisions of 24 CFR 570.201 is not eligible for funding.

Ineligible costs for the Microenterprise Program include, but are not limited to, the following:

- Government expenses;
- Political activities;
- Purchase of equipment (though electronic equipment may be eligible contingent upon circumstances of use);
- Purchase of furnishings and personal property;
- Operating and maintenance expenses;
- Income payments;
- Direct costs such as the payment of any personal or business debt, payment of rent/lease payments, payment of cash or wages, payments for food or drink.

Any questions regarding ineligible costs should be directed to your grant administrator or CDFA staff.

SERVICE TIMEFRAME

Under federal regulations, a program participant may receive services for up to three years after completing income verification as an eligible microenterprise. If there is a lapse in service within that three-year period, the program participant must requalify as both low/moderate income and a microenterprise. Proper documentation must be submitted showing there was a time lapse in service.

This is three years across all service providers in the state. A program participant may not complete three years with Provider A and then move on to receive additional services from Provider B.

COST PER BENEFICIARY

The maximum cost allowable is \$2,500 per beneficiary served. An additional \$2,500 is available for completed loans.

MAX LOAN AMOUNT TO BENEFICIARIES

The maximum loan amount allowable to beneficiaries is \$50,000.

OTHER CDBG FEDERAL LAWS AND REGULATIONS

The Microenterprise Program follows the same laws and regulations as the CDBG Economic Development Program as administered by CDFA and the Code of Federal Regulations. More information regarding these guidelines can be found in the Community Development Block Grant Application and Program Guide.

IMPORTANT NOTE FOR MICRO-LOAN CLIENTS

An environmental review is required by the Department of Housing and Urban Development for each business funded with CDBG monies (24 CFR 58). The review must be completed prior to any project-related activities commencing with the business and it must encompass all aggregated project-related activities for the business.

The environmental review will comply with the Department of Housing and Urban Development's regulations regarding the National Environmental Policy Act (NEPA). The Grantee is required to complete and certify compliance with the NEPA. The level of environmental review is determined by the type of proposed project and associated activities. The loan applicant will be informed of any additional loan processing time due to the NEPA review. All grantees and subrecipients must adhere to the following program administration requirements.

CONTRACT REQUIREMENTS

Successful applicants will be required to execute a grant agreement with CDFA.

REQUIRED DOCUMENTATION FOR CLAIMS

For each program participant served, CDFA requires three items of documentation to support the record of services and participant eligibility. These three items should be attached to the claim for reimbursement.

1. Income Verification Form: Verifies the income for the program participant and must be filled out clearly and signed. The form should only be filled out at first contact and kept on file. The provider will need to submit the form each program year. County-specific Income Verification Forms can be found on CDFA's website under CDBG Resources "Economic Development Income Surveys."

2. Attachment IV/Business Tracking Report: Documents required reporting information such as number of employees, gross revenue of the business, and several other factors. The report is also used to provide CDFA information on the participant's outcome goals in the program and notable successes at project close out. The report can be used in conjunction with the provider's own intake procedure and edited by the provider to suit their own intake needs, but must include the basic information outlined in the report template. An example of this report can be found in Appendix C.

3. Business Tracking Spreadsheet: Used to track all program participants throughout the grant year.

NOTE ON CLAIM DOCUMENTATION

Each provider should set up an organized procedure for maintaining program participant files and preparing them for submission to their grant administrator. Incomplete or incorrect submission can result in rejection of provider claims and hold up the process of dispersing funds.

DOCUMENTING COVERAGE OVERLAP

New Hampshire is a small, rural state with a few key technical assistance providers delivering microenterprise services. Many of the providers funded through the Microenterprise Program offer distinct services that can truly benefit a business. It is the belief of CDFA that we are here to serve our beneficiaries first and would impart the same mission onto our service providers.

There will be times a beneficiary will visit two or more providers to receive the services they need to be successful. In these circumstances, CDFA requests providers clearly document the services they have offered the program participant. If they are unable to do so at the time of intake, it is expected this documentation will be provided prior to the close out of the grant. As CDFA is limited in the amount of

assistance that it can provide per beneficiary, the organization needs to maintain suitable documentation to show services are not being duplicated at multiple providers.

For example, John Doe goes to Provider A to receive business consulting services and attend a few workshops. He is either then referred or individually seeks services from Provider B where he is able to take advantage of their Small Business Marketplace to sell his goods and receive counseling to support that new step in his business.

This is an example of two distinct services from two separate providers. Both providers would be eligible to receive CDBG assistance for that program participant.

CLOSE OUT REPORT

The final status/close out report is due at the end of the grant period. This final report will include a narrative describing the progress toward achieving the proposed accomplishments listed in the application, namely the number of businesses serviced throughout the duration of the grant. If the provider was unable to meet the metrics for proposed number of businesses serviced, an explanation would be given at this time.

The narrative should be used as an opportunity to evaluate the successes of the Microenterprise Program and highlight any areas that may need some work in the upcoming grant year. The provider should highlight their ability to succeed in the six areas outlined by our Microenterprise Program Best Practices here within, and organized in the following areas:

- Outreach;
- Application/Intake;
- Service Delivery;
- Lending (or Access to Lending);
- Outcome Tracking; and
- Success Metrics.

If the provider has offered suitable documentation at each claim period to document the progress of each program participant, a single narrative will be accepted to close out the grant.

If the provider has not offered suitable documentation at each claim, they will be required to report on the status of all program participants.

APPENDIX E: CORE DATA INDEX

Information begins on next page.

CDFA's Data Initiative – New “Core Data Index”

The NH Community Development Finance Authority (CDFA) administers the State of New Hampshire's annual federal allocation of Community Development Block Grant funds for eligible municipalities. The primary objective of the program is the development of viable communities by improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income. As part of our mission to support community economic development across New Hampshire, CDFA assembles and uses relevant demographic, fiscal and other data, along with public input, to help guide planning and funding priorities, particularly for the federal Community Development Block Grant program.

This commitment is articulated in CDFA's Living Strategic Plan:

CDFA looks to meet communities' self-articulated goals, while fostering more coordinated, long-term thinking about the broader needs of communities on a statewide basis. CDFA will increasingly provide its technical and financial resources to all communities, large and small, and notwithstanding the varying capacities of communities.

In 2019, to meet this goal CDFA embarked on an initiative to update its data collection, analysis and visualization capacity. The initiative has the following components:

- Create a new “Core Data Index” to replace the CDBG “set factors” to measure community need, using more up-to-date, relevant and varied data sources;
- Align data with CDFA strategic priorities, including Basic Human Needs, Access to Opportunity, and Community Sustainability and Vibrancy; and
- Create a data-visualization platform that enables CDFA to display the ‘Core Data Index,’ as well as other data indicators, in a user-friendly and accessible way.

CDFA engaged NH Fiscal Policy Institute (NHFPI) and a fellow from the Carsey School of Public Policy at the University of New Hampshire to analyze possible data sources. NHFPI's recommendations served as the basis for creating the new Core Data Index. The 13 data measures used in the Index are shown on Table 1. CDFA staff created a scoring system that used these measures to develop a maximum total score of 70 points for each municipality or county.

The final scores for each municipality and county are shown on Table 2.

Each measure within the Core Data Index will be updated annually, and the overall Index will be analyzed and refined over time.

Early in 2020, CDFA will create a visualization platform to display each of the 13 data measures on www.nhcdfa.org. This data-visualization tool will help leaders and stakeholders to see information about their town or county, and to use this information to help develop community economic development plans, initiatives, projects and activities.

Table 1: Metrics Used in CDFA ‘Core Data Index’ – 2020

<i>Metric Description</i>	<i>Geography</i>	<i>Source</i>	<i>Statistical Reliability Weighting</i>	<i>Measure Relevance</i>	<i>Relative Weight</i>	<i>Data Year</i>	<i>Updates/ Notes</i>	<i>Topic to Measure</i>
<i>Basic Human Needs</i>								
Food Stamp Program (SNAP) enrollment	Municipality	NH DHHS	Heavy	High	High	Jan 2017	Monthly	Poverty
Free- and reduced-price school meal program enrollment	Municipality	NH DOE	Heavy	Medium	High	2018-19	Annual (Spring)	Poverty
Percent of household median income needed for rent based on 30% of income for housing	County	NH HFA	Moderate	High	High	2019	Annual (May/June)	Housing Affordability
Access to primary care physicians (per population)	County	UW County Health Rankings	Moderate	Medium	High	2019	Annual (some data time lag)	Access to Health Care
Percent of population uninsured	County	ACS	Moderate	High	High	2013-17	Annual (Dec) (Five-year averaged data update)	Access to Health Care
Median age	Municipality	2010 Census	Heavy	Medium	High	2010	New data every 10 years	Population Composition
Percent of population over age 65 relative to statewide avg.	Municipality	2010 Census	Heavy	Medium	Medium	2010	New data every 10 years	Population Composition
<i>Access to Opportunity</i>								
Taxable property value per capita	Municipality	NH DRA; PEP	Moderate	High	Medium	2018	Annual (typically in Summer)	Municipal Fiscal Capacity
Weekly wage of jobs	County	CEW	Heavy	High	Medium	2018	Annual (typically end of Summer)	Local Economy
Change in annual average employment	County	CEW	Heavy	High	Medium	2017-18	Annual (typically end of Summer)	Local Economy
Median household income above/statistically indistinguishable from/below state median	Municipality	ACS	Moderate	High	Medium	2013-17	Annual (Dec) (Five-year averaged data update)	Income
Percentage of total income tax returns with >\$100,000 in reported Adj. Gross Income	Municipality	US IRS	Heavy	Medium	Low	2017	Annual	Income
<i>Community Sustainability & Vibrancy</i>								
Percent municipal population growth, 2010 count versus most recent estimates	Municipality	2010 Census; PEP	Moderate	Medium	Low	2010, 2018	Annual (typically Summer)	Population Change

Column Header Notes:

- *Statistical reliability weighting:* Level of confidence that the data accurately reflect current conditions; “Heavy” weighting indicates higher confidence, “Light” weighting indicates lower confidence
- *Measurement relevance:* How well the data address what we are seeking to measure; “High” indicates a great degree of relevance, while “Low” indicates less relevance
- *Relative weight:* Within the core data index, how each factor is weighted to develop a final ‘score’ for each community (high, medium, low)
- *Updates/Notes:* Includes the frequency of data updates, based on historical releases, and the time of year when available; also includes recommendations around the amount of aggregated data to include in data updates (for example, five-year American Community Survey data releases rather than one-year data)
- *Topic to Measure:* Within each CDFA Strategic Plan category (Basic Human Needs, Access to Opportunity, Community Sustainability & Vibrancy), what the measure attempts to capture

Data Sources:

- NH DHHS – NH Department of Health and Human Services (SNAP enrollment)
- NH DOE – NH Department of Education (free- and reduced-price school meal program)
- NH HFA – NH Housing Finance Authority (% of median income needed for rent)
- ACS – American Community Survey – 5-year survey data collected by the US Census Bureau, most recent is 2013-17 (median household income, % of population uninsured, current population estimates)
- UW (University of Wisconsin) County Health Rankings – (access to primary-care physicians)
- 2010 Census – US Census Bureau data collected in 2010 (% population growth since 2010)
- PEP – US Census Bureau, Population Estimates Program (taxable value per capita, % municipal population growth)
- NH DRA – NH Department of Revenue Administration (taxable property value per capita)
- CEW – NH Employment Security, Economic & Labor Market Information Bureau, Census of Employment and Wages (weekly wage of jobs, change in annual average employment)
- US IRS – United States Internal Revenue Service (% of total tax returns with >\$100K in reported adjusted gross income)

Table 2 - CDFA Core Data Index – CDBG Scoring by County/Municipality

County/Municipality	Score
<u>Belknap County</u>	36
Alton	31
Barnstead	31
Belmont	35
Center Harbor	26
Gilford	31
Gilmanton	28
Laconia	37
Meredith	34
New Hampton	31
Sanbornton	30
Tilton	38
<u>Carroll County</u>	36
Albany	33
Bartlett	37
Brookfield	38
Chatham	35
Conway	41
Eaton	34
Effingham	43
Freedom	39
Hale's Location	27
Hart's Location	31
Jackson	27
Madison	36
Moultonborough	36
Ossipee	43
Sandwich	35
Tamworth	41
Tuftonboro	40
Wakefield	38
Wolfeboro	37
<u>Cheshire Country</u>	43
Alstead	45
Chesterfield	37
Dublin	38
Fitzwilliam	44
Gilsum	44
Harrisville	39
Hinsdale	50
Jaffrey	45
Keene	44
Marlborough	46
Marlow	47
Nelson	38
Richmond	44
Rindge	35
Roxbury	42
Stoddard	41
Sullivan	43
Surry	39
Swanzey	46

Troy	47
Walpole	38
Westmoreland	40
Winchester	54
<u>Coos County</u>	41
Berlin	53
Cambridge	21
Carroll	46
Clarksville	53
Colebrook	50
Columbia	48
Dalton	51
Dix's Grant	22
Dixville	33
Dummer	45
Errol	46
Gorham	45
Greens Grant	19
Jefferson	42
Lancaster	52
Milan	47
Millsfield	28
Northumberland	53
Odell	27
Pinkham's Grant	19
Pittsburg	48
Randolph	42
Shelburne	43
Stark	48
Stewartstown	51
Stratford	59
Thompson & Meserves Purchase	18
Wentworth's Location	34
Whitefield	50
<u>Grafton County</u>	35
Alexandria	34
Ashland	39
Bath	37
Benton	41
Bethlehem	37
Bridgewater	36
Bristol	37
Campton	32
Canaan	34
Dorchester	42
Easton	31
Ellsworth	35
Enfield	31
Franconia	33
Grafton	40
Groton	41
Hanover	22

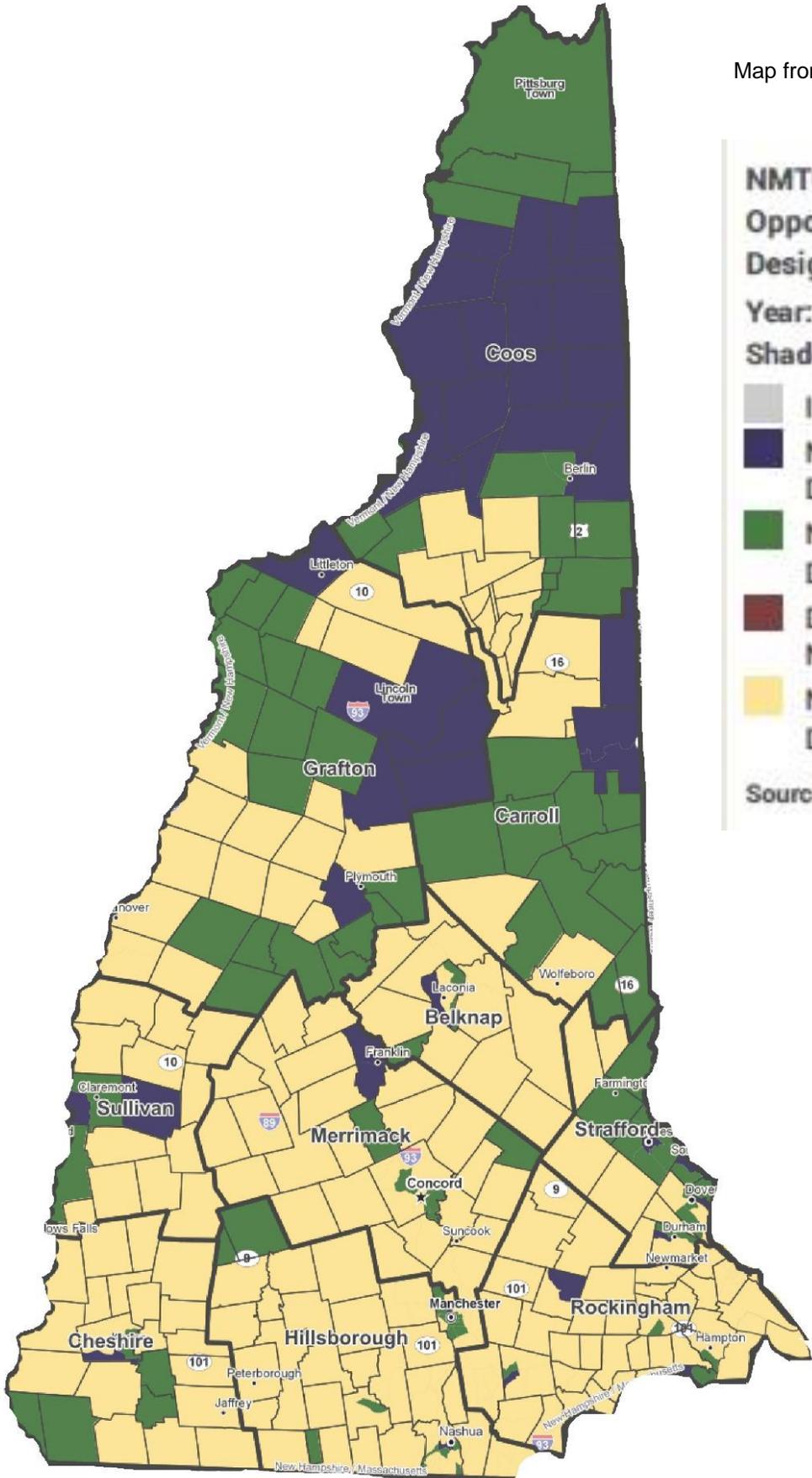
Haverhill	42
Hebron	32
Holderness	32
Landaff	36
Lebanon	31
Lincoln	32
Lisbon	42
Littleton	38
Lyman	37
Lyme	26
Monroe	32
Orange	32
Orford	30
Piermont	32
Plymouth	37
Rumney	37
Sugar Hill	30
Thornton	35
Warren	41
Waterville Valley	27
Wentworth	32
Woodstock	34
<u>Hillsborough County</u>	24
Amherst	17
Antrim	30
Bedford	17
Bennington	33
Brookline	14
Deering	32
Fracestown	23
Goffstown	24
Greenfield	29
Greenville	35
Hancock	26
Hillsboro	32
Hollis	18
Hudson	19
Litchfield	17
Lyndeborough	25
Manchester	34
Mason	23
Merrimack	19
Milford	25
Mont Vernon	17
Nashua	28
New Boston	16
New Ipswich	23
Pelham	16
Peterborough	29
Sharon	24
Temple	26
Weare	21
Wilton	25
Windsor	26

<u>Merrimack County</u>	26
Allenstown	34
Andover	28
Boscawen	31
Bow	18
Bradford	27
Canterbury	22
Chichester	21
Concord	33
Danbury	32
Dunbarton	17
Epsom	27
Franklin	40
Henniker	25
Hill	31
Hooksett	19
Hopkinton	22
Loudon	24
New London	22
Newbury	25
Northfield	31
Pembroke	25
Pittsfield	37
Salisbury	25
Sutton	25
Warner	26
Webster	19
Wilmot	25
<u>Rockingham County</u>	22
Atkinson	21
Auburn	17
Brentwood	21
Candia	23
Chester	16
Danville	23
Deerfield	22
Derry	29
East Kingston	21
Epping	26
Exeter	26
Fremont	20
Greenland	16
Hampstead	22
Hampton	25
Hampton Falls	21
Kensington	23
Kingston	22
Londonderry	18
New Castle	23
Newfields	20
Newington	21
Newmarket	26
Newton	22
North Hampton	21

Northwood	25
Nottingham	19
Plaistow	23
Portsmouth	26
Raymond	32
Rye	23
Salem	24
Sandown	19
Seabrook	34
South Hampton	24
Stratham	20
Windham	17
<u>Strafford County</u>	31
Barrington	26
Dover	32
Durham	26
Farmington	41
Lee	24
Madbury	22
Middleton	35
Milton	35
New Durham	31
Rochester	40
Rollinsford	31
Somersworth	41
Strafford	24
<u>Sullivan County</u>	35
Acworth	39
Charlestown	43
Claremont	46
Cornish	26
Croydon	35
Goshen	39
Grantham	25
Langdon	34
Lempster	35
Newport	46
Plainfield	26
Springfield	27
Sunapee	30
Unity	40
Washington	35

APPENDIX F: ECONOMIC DEVELOPMENT SPECIAL ELIGIBILITY AREAS - NEW MARKETS TAX CREDITS (NMTC) AND OPPORTUNITY ZONES

Map from www.policymap.com



NMTC Eligibility and Opportunity Zone Designation

Year: 2018

Shaded by: Census Tract, 2010

- Insufficient Data
- NMTC Eligible and Designated OZ
- NMTC Eligible but Not Designated OZ
- Designated OZ but Not NMTC Eligible
- Not NMTC Eligible and Not Designated OZ

Source: **CDFI Fund**

APPENDIX G: CDFA ENERGY POLICY RECOMMENDATIONS 2020

CDFA is providing the following requirements and recommendations for CDBG, Tax Credit and Clean Energy Fund applications. These policies apply to any project proposing a physical alteration to existing energy systems (building envelope, mechanical systems, lighting, etc.) or for new construction (includes additions and gut rehabs).

Intention: Projects will complete appropriate evaluation of comprehensive energy opportunities prior to, or concurrent with, the planning/design of the project in order to inform a design that: 1) reduces future operating and maintenance costs; 2) improves occupant comfort and health; and/or 3) improves building durability.

Exceptions: CDFA will consider any exceptions or adjustments on a case by case basis.

Note: *Italicized* Terms are defined at the end of the appendix.

Alterations			
	CDFA Program		
	CDBG	CEF	Tax Credit
Requirements	<i>Level II Energy Audit</i> if project impacts any energy-related building system Timeframe: <i>Application threshold</i> Note: <i>Level II Energy Audit</i> will be a Recommendation only for the CDBG 2020 January application round		<i>Level II Energy Audit</i> if project impacts any energy-related building system Timeframe: Prior to/concurrent with Design; Condition of disbursement of CDFA funds
	Documented consultation with appropriate utilities for incentives Timeframe: <i>Application threshold</i>		
	Implementation must meet 2015 NH State Energy Code		
Recommendations (may improve scoring or likelihood of full award)	Projects incorporate reasonable recommendations from <i>Energy Audit</i> that exceed current NH State Energy Code		
	<i>Commissioning</i> of any new energy system		
	High performance construction (LEED, Energy Star, Passive House, or Net Zero)		

New Construction – Goal is to Exceed 2015 IECC

	CDFA Program		
	CDBG	CEF	Tax Credit
Requirements	<i>Energy Design Charrette</i> Timeframe: <i>Application threshold</i> Note: <i>Energy Design Charrette</i> will be a Recommendation only for the CDBG 2020 January application round		<i>Energy Design Charrette</i> Timeframe: Prior to/concurrent with Design; Condition of disbursement of CDFA funds
	Consultation with appropriate utilities for implementation incentives Timeframe: <i>Application threshold</i>		
	Meet 2015 NH State Energy Code – Plus <i>Commissioning</i> on any new energy system		
Recommendations (may improve scoring or likelihood of full award)	Project incorporates reasonable recommendations from <i>Energy Design Charrette</i> that exceed current NH State Energy Code		
	High performance construction (LEED, Energy Star, Passive House, or Net Zero)		

Water/Wastewater Projects

	CDFA Program		
	CDBG	CEF	Tax Credit
Requirements	<i>Energy Auditⁱⁱ</i> Note: Energy Audit will be a Recommendation only for the CDBG 2020 January application round		NA

TERMS

Accredited Energy Professional or Organization - Work must be completed or signed off by a professional with one of the following designations appropriate to the work being completed, and with experience having completed at least two ASHRAE Level II energy audits: Professional Engineer (PE), Certification from the Association of Energy Engineers (AEE), or certification from the Building Performance Institute (BPI).

Application Threshold – Must be included as part of the initial application submittal.

ASHRAE Level I Energy Audit - Includes interviews, a preliminary energy use analysis and a walkthrough of the facility. A preliminary report details low-cost/no-cost measures, areas of concern, and potential capital improvements for further study. This level of detail is adequate for prioritizing energy efficiency projects and to assess whether a more detailed audit is necessary.

ASHRAE Level II Energy Audit – This includes the ASHRAE Level I analysis, but adds detailed energy calculations and financial analysis of proposed energy efficiency measures. Energy consumption is broken out by end-use, identifying areas which present the greatest efficiency opportunities. Utility rates are analyzed to determine if there are rate change opportunities, and key building representatives are interviewed for insights into building operational characteristics, potential problem areas, and to define financial and non-financial goals of the audit. This level of detail is adequate to justify project implementation.

The term “Energy Audit” in CDFA’s policy refers to an ASHRAE Level II Energy Audit.

Commissioning - A process that verifies and documents that the selected building systems have been designed, installed, and function according to the owner's project requirements and construction documents, and to minimum code requirements. Refers to the 2015 International Energy Conservation Code (IECC) requirement for Building Commissioning (Section C408 - System Commissioning) that was amended from the 2015 NH State Energy Code; Occupants must be trained on the Commissioning Plan and system operation.

Energy Design Charrette consists of a meeting of the design team and utility representative(s) to discuss energy efficiency opportunities and potential incentives.

ⁱ Consists of an ASHRAE Level II Energy Audit completed by Accredited Energy Professional or Organization.

ⁱⁱ Level I or Level II Energy Audit as recommended by an Accredited Energy Professional or Organization.