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The Community Development Finance Authority (CDFA) is a statewide, nonprofit authority 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.

At CDFA, we envision a future New Hampshire composed of communities that are economically and socially resilient, reflect and respect their natural surroundings, and are places where people want to live, work, and play.

To achieve this vision, 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.

The Community Economic Development Capacity Building Program is a subset of CDFA’s Tax Credit Program that focuses on strengthening organizations in New Hampshire committed to community economic development. CDFA’s Tax Credit Program was established by New Hampshire RSA 162-L, to: contribute to the development or redevelopment and economic wellbeing of target areas or target populations, improve the economic development of the state, increase or maintain threatened primary employment, or provide affordable housing opportunities to low and moderate income people. CDFA also seeks to increase the overall number of community economic development projects and advance the capacity of organizations seeking to support community economic development, throughout New Hampshire.

The program’s principal objective is to support communities, cooperatives, and nonprofits in building their capacity to advance community economic development and infrastructure projects that will support the needs of vulnerable community members.

The three priority areas of the Community Economic Development Capacity Building program are:

1. Increase collaboration across organizations and stakeholders;
2. Resource projects led by and/or directly benefiting vulnerable populations, including organizations with high financial need; or
3. Resource projects in places with a high percentage of vulnerable people, or which are low-wealth, rural or distressed urban communities.

The following are definitions of key program terms and should be used to further clarify the program priorities:

**Collaboration**: Two or more entities or organizations working together to complete a community economic development project. Collaborative applications can provide the potential of encouraging the development of effective and collaborative organizations.

**Infrastructure**: Investments in infrastructure are those that provide resources to support the advancement of a traditional or nontraditional project or initiative that addresses community economic development challenges or opportunities. Traditional infrastructure investments include building, renovating, and improving physical systems or spaces. Nontraditional infrastructure investments include creating new models, programs, or partnerships that improve internal or external practices or systems.

**Vulnerable / Target populations**: CDFA has continued its commitment to meeting the needs of our communities’ most vulnerable members and supporting their efforts to meaningfully engage in community economic development initiatives.
Based on the findings of the Analysis of Impediments to Fair Housing Choice in New Hampshire report, CDFA is redoubling our efforts to resource projects that are led by and support historically vulnerable community members, who are described in the report as: Black, Indigenous, and People of Color (BIPOC); immigrants; LGBTQ; disabled; women and gender non-conforming; rural; youth; and unhoused residents. Given CDFA’s reach and our ability to provide capacity building support to solutions that benefit all Granite Staters, we refer to these historically vulnerable community members as the “target populations”, we also allow applicants to define other target populations with supporting data in their application.

**Target areas:** Places with a high percentage of vulnerable people, which are low-wealth, rural, or distressed urban communities.

CDFA created a set of 13 [Community Progress Indicators](https://www.policymap.com) that help illustrate socioeconomic issues across the state. CDFA engaged with Policy Map (www.policymap.com) to create a publicly-accessible map-based visualization platform to display the Community Progress Indicators for each city and town in New Hampshire. This powerful tool enables community economic development stakeholders to better understand the issues and trends affecting their local community and region. The applicant is expected to define their target area in their application for funding with supporting data.

**TAX CREDITS**

Grants awarded under this program are provided to organizations in the form of tax credit equity, typically over a two-year period. Businesses with New Hampshire tax liability support awarded projects by purchasing the awardee’s credits, resulting in the nonprofit receiving a donation and the business receiving a 75 percent New Hampshire state tax credit for their contribution. The purchased credit can be applied against the Business Profits Tax, Business Enterprise Tax, or Insurance Premium Tax. The donation may also be eligible for consideration as a charitable contribution for state and federal tax purposes.

CDFA’s founding legislation and foundational guidance for the Tax Credit Program can be found in [New Hampshire RSA 162-L](https://www.statelibrarynh.org/research/reference/rulereview/RSA162-L.pdf).

We understand that selling tax credits can be challenging for organizations serving New Hampshire’s most vulnerable communities - hindered as they often are by geographic impediments and a lack of capacity. In State Fiscal Year 2023, CDFA will offer to sell up to 100% of that year’s tax credit equity, on behalf of the recipient (only for the first year for those grantees receiving two years of credits). Applicants wishing to sell awarded tax credits, on their own, will have the opportunity to communicate this on the application.

In our continued efforts to improve access, CDFA is also offering applicants resources to hire a grant writer should they need additional capacity, language access, or other technical support to successfully submit an application.

**ELIGIBILITY**

Eligible applicants include community development corporations, other nonprofit organizations and municipal governments involved in community development, and [employee and other types of cooperatives](https://www.nh.gov/commdev/cooperatives.cfm).

Definitions for eligible applicants are as follows:

- **Community development corporation** means a nonprofit corporation, organized under the laws of the state to carry out certain public purposes and with bylaws providing that it meets the requirements listed in New Hampshire RSA 162-L:1.

- **Other nonprofit organizations and municipal governments involved in community development** means a nonprofit organization organized under the laws of the state or a municipal government with a purpose to carry out activities related to community development, improvement, revitalization, or other consistent activities.
● Employee cooperative means a corporation in which the power to elect at least 2/3 of the corporation's directors is held by the employees and in which such elections are held on a one person-one vote basis.

● Other type of cooperative means any corporation in which the power to elect the governing body is held by the members of the corporation and in which elections are held on a one person-one vote basis. This may include cooperatives such as housing cooperatives and consumer cooperatives.

GUIDANCE

AVAILABLE FUNDING

CDFA will award up to a total of $750,000 in tax credits to the Community Economic Development Capacity Building program over two years. For the first time, Community Economic Development Capacity Building program applicants are eligible to request up to $75,000 a year for two years (Max $150,000 over two years).

A portion (20%) of the Community Economic Development Capacity Building program tax credit award is set aside to support the administration of the Tax Credit Program, as well as CDFA’s statewide investments, technical assistance, data collection, research, and general operations. Applicants should calculate and submit their total request based on this 80% effective award, taking the set-aside into account. For example, if your Community Economic Development Capacity Building program project needs $60,000 for implementation, the total request would be for $75,000 ($75,000 x .8 = $60,000).

FUNDING PRIORITIES

The following section provides further clarification and examples of the funding priorities that are described in the Program Overview and Objectives section.

Applications for the following activities are prioritized:

● Collaborative strategies that advance a traditional infrastructure project that will address a community economic development challenge. We are particularly interested in seeing intentional collaboration to build and advance the capacity of organizations led by and serving a target population.

● Projects or collaborations that build the capacity of target populations and organizations to implement community economic development solutions and traditional infrastructure projects.

● Groups and organizations that have been historically underserved and, therefore, have a greater financial need and a reduced ability to raise these funds from other sources.

Examples of high priority Community Economic Development Capacity Building Program type projects:

● An organization or set of partners that have a community asset (for example a building, community space, piece of land, a loan, etc..) in place and need to deepen community engagement or bring in additional relationships to figure out how to engage that asset in ways that will drive the greatest benefit to target populations.

● An organization or set of partners that have an asset or are looking to acquire an asset and need to identify the right legal, financial, and governance structure to manage the asset.

● A group that is looking to establish a new leadership or governance structure for its organization or project to address a community economic development challenge.

● A well-established organization looking to deepen or build a partnership with a smaller organization so that both have the capacity to engage in a traditional infrastructure project.

While not expressly disallowed, applications for the following activities will not be given priority:

● Operating expenses, deficit-reduction or expenses already incurred.

● Pre-development expenses and project costs that are supported through other CDFA funding streams. Pre-development expenses might include architectural designs, energy audits, market studies, appraisals and other expenses that are typical of the pre-development project phase.

● Activities that support an existing/launched/proceeding/underway organizational strategy.

● Requests that are typically the responsibility of federal, state, or municipal funding sources.

● Replacement of typical revenue sources (contributions, grants or earned income, etc.).
- Capital campaign activities not explicitly tied to a specific project or program.
- Projects whose primary beneficiaries are not New Hampshire residents/individuals and/or whose primary activities are not located in or benefit New Hampshire communities.

Examples of prior investments:
CDFA has awarded tax credit funds to the following organizations which clearly illustrate the funding priorities of the program.

- **City of Lebanon**: CDFA funds supported the City of Lebanon to develop a business plan and explore the development of a platform to prepare for the launch of Lebanon Community Power, a community choice aggregation program. A municipal aggregation program is an innovative, forward-looking program that if developed will provide an effective and local tool for the purchase of energy.

- **G.A.L.A. Community Center (Wolfeboro)**: CDFA funds supported the development of Makers Mill, a green makerspace and incubator, in Wolfeboro, through business planning and investments in the organization’s capacity.

- **Nashua Soup Kitchen**: CDFA funds provided opportunities to explore innovative options for improving access to food in four underserved neighborhoods of Nashua with significant low-income populations. Specifically, the program explored new ways to distribute food to more challenged populations, including the elderly and children who might be unable to either come to the existing facility or carry enough food due to distance and transportation issues.

- **Overcomers Refugee Services (ORS)**: Overcomers will use Tax Credits to deepen capacity and build an initiative to help refugees help other refugees become trained, employed, housed, and contributing citizens of New Hampshire. The project will enable the organization to improve systems, training, and support services that will help ORS explore new and expanded services. ORS is led by and works with immigrant community members. They have demonstrated strong community impact in their efforts to support immigrant community members in finding employment, starting small businesses, and placing them in stable housing.

- **Northern Forest Center (Lancaster)**: CDFA funds enabled the organization to increase its presence and impact within its community. Funded boots-on-the-ground approach to community economic development, engaged local businesses and leadership to create solutions specific to their needs and community.

- **Spark the Dream**: Spark the Dream has a vision of providing a place for young African immigrants to connect to their roots and culture. The capacity building funds will support Spark the Dream in acquiring a building so that they can provide critical learning and cultural programming to African children and youth in Manchester.

- **Business Alliance of People of Color**: The Business Alliance for People of Color will use funds to deepen capacity as they transition from an all-volunteer organization to hiring staff. The project will enable BAPOC to continue to build its model for leveraging local, state, and federal resources to expand diversity, equity and inclusion, wealth building and social capital for the betterment of New Hampshire’s minority owned businesses, underserved communities, and economic vitality.

- **Plymouth Area Renewable Energy Initiative**: CDFA funds furthered the development of the innovative, non-profit NH Solar Shares program. NH Solar Shares provided interested donors the opportunity to gift locally generated clean solar energy to low-income New Hampshire families needing assistance with their electric bills. The goal is to develop multiple, mid-size solar arrays using charitable donations where the value of the solar energy generated will be credited to low-income families’ electric bills and to develop an energy use education plan.
HOW TO APPLY

All applications must be completed and submitted on CDFA’S Grants Management System www.nhcdfagrants.org. More information on how to use the Grants Management System can be found on the CDFA Resource Hub (link).

The application requires applicants to detail their specific project, describe the extent to which it aligns with program objectives, and provide other pertinent information that will help CDFA determine the applicant organization’s capacity to complete a successful project.

An outline of CDFA’s Community Economic Development Capacity Building Program application can be found in Appendix A of this document.

CDFA’s Technical Assistance to Applicants
CDFA works with partners to advance new ideas, thinking, and innovation in community economic development & clean energy efforts, throughout New Hampshire. We work closely with partners during the pre-application phase to understand their needs, align those needs with our technical assistance and financing resources, and make connections with other potential sources of support, where feasible. Much of this work takes place when partners are only just beginning to explore and develop solutions to a specific community need. It is our hope that engaging CDFA in the pre-application stage of project development can help community leaders understand the technical and financial resources available, and strengthen a project’s likelihood for success by addressing any potential challenges, early on.

Visit this link to schedule your pre-application meeting and select the meeting option that best fits your needs. If you experience any difficulties scheduling an appointment, please call the CDFA office (603-226-2170).

In an effort to increase access and expand the pool of successful applicants, CDFA is offering the following support, in addition to our pre-application technical assistance:

Grant Writing Support
CDFA will provide qualifying applicants with financial resources to help prepare their applications. Please discuss your need during your pre-application meeting or see this page on Resource Hub to learn more.

Fiscally Sponsored Projects
Please review the guidance on CDFA’s Resource Hub if you are planning to apply with a fiscal sponsor. Please reach out to us directly if you have questions or concerns about how to apply as a fiscally sponsored project.

CDFA staff will not review draft proposals. However, the team will be happy to direct you to outside consultants and resources that may be helpful in crafting a successful application.

KEY DATES

Applicants should note the following dates and deadlines as they pertain to this year’s Tax Credit Round.

Application Workshops
The New Hampshire Community Development Finance Authority will host a series of online webinars for organizations interested in applying for the Tax Credit and/or Community Economic Development Capacity Building Programs in 2023 or learning more. A video providing a brief overview of the Tax Credit program can be viewed here.
The Tax Credit & Community Economic Development Capacity Building Program Overview webinars will be held on January 11 and January 17, 2023. Topics to be covered include an overview of the Tax Credit Program, eligible applicants, program objectives and guidelines, funding priorities, and key dates. Interested applicants only need to register for one of the program overview webinars as the same content will be covered at each event.

- January 11 (10:00 AM – 12:00 PM): Tax Credit & Community Economic Development Capacity Building Program Overview Workshop – Register Here
- January 17 (2:00 – 4:00 PM): Tax Credit & Community Economic Development Capacity Building Program Overview Workshop – Register Here

Those interested in applying for funding are strongly encouraged to also attend one of the Tax Credit & Community Economic Development Capacity Building Application Writing Webinars specifically focused on the application process. These webinars will be held on January 12 and January 18, 2023. Topics to be covered include a step-by-step overview of the application. Interested applicants only need to register for one of the application webinars as the same content will be covered at each event.

- January 12 (10:00 AM – 12:00 PM): Tax Credit & Community Economic Development Capacity Building Program Application Writing Workshop – Register Here
- January 18 (2:00 – 4:00 PM): Tax Credit & Community Economic Development Capacity Building Program Application Writing Workshop – Register Here

Online Application Available
Applications will be available on CDFA’s Grants Management System (GMS) beginning January 2023.

Application Deadline
Applications for the 2022 Tax Credit Round are due Thursday, March 09, 2023 by 4:00 PM. Late submissions and incomplete applications will not be accepted.

Award Announcement
CDFA will notify tax credit applicants the week of June 12, 2023 regarding funding decisions.

All award recipients are invited to attend a press conference announcing the funded projects the following week (specific date to be announced).

Tax Credit 101 Workshop
Tax Credit award recipients are required to attend the Tax Credit 101 Workshop the last week of June (specific date to be announced). The workshop will inform awardees about program logistics, resources, as well as helpful information for crafting a successful tax credit fundraising campaign.

EVALUATION

CDFA will review proposals for Community Economic Development Capacity Building funds based on the goals, measurable objectives, activities, components of the proposal and organizational need. All applicants are subjected to a substantial programmatic and financial review. Among other requirements, projects must provide a public benefit and demonstrate that similar funding was not otherwise available.

The first step in the review process is to review the eligibility of the applicant. Then reviewers will complete a desk review of the application, and a comprehensive underwriting of the applicant and the project in order to
evaluate the proposed project. A project is considered both on its own merits and as it compares to the other applicants in the same grant round.

Recommendations for funding will be based upon applicant’s goals, measurable objectives, activities, and needs. The internal review team at CDFA assesses applicants against the program objectives and four priority areas, and provides its assessment to the Investment Review Committee, composed of select CDFA staff and non-recused Board Members. Recommendations for funding will then be made by the Investment Review Committee to CDFA’s full Board of Directors. Following approval by the Board of Directors, CDFA staff will execute a contract with the successful applicants and manage the award through completion.

ADMINISTRATION

Network Engagement
Recipients may be asked to meet with CDFA staff and other Grantees to discuss the project and help to create a library of capacity building best practices.

Contract and Reporting Requirements
Successful applicants will be required to execute a grant agreement with CDFA. Certain additional information may be required to satisfy CDFA that applicant is eligible under RSA 162-L. Recipients will be required to report on the outcomes of the investment.

Conditions of Default
It is at the sole discretion of CDFA to automatically eliminate an applicant from consideration if there are existing or prior conditions of default in any agreements between CDFA and the applicant.
APPENDIX A: APPLICATION OUTLINE

Below you will find an outline of the application for the 2023 Community Economic Development Capacity Building Program. Applications must be submitted by 4:00 PM on March 9, 2023 through our online Grants Management System www.nhcdflagrants.org. Hard copy or emailed applications will not be accepted.

I. Applicant Information
   - Organization name, address, etc.

II. Project Information
   - Project title
   - Total amount requested
   - Request for Year 1
   - Request for Year 2

III. Narrative Requirements
   - Provide a narrative that describes the proposal. Please include details about how the proposal materialized, the partners involved, and the proposed project timeline.
   - What specific problem or community economic development challenge is this proposal aiming to address? Are there other efforts to address this issue or other community economic development gaps in your community? What specific economic development initiative or infrastructure project are you seeking to advance with more organizational capacity?
   - Please explain how your proposal addresses the priority areas of collaboration, benefiting target populations and/or areas.
   - Describe the long-term value of this proposal to your group’s community. Please consider what existing community systems will be impacted by this proposal and the collaboration it will facilitate or enhance.
   - How will this one-time infusion of resources allow your group to expand its capacity and ability to advance your project? When is the most ideal time for you to be able to access these resources to ensure you are on track with your project goals?
   - How will you know if this proposal is successful? What will look different if the proposal works as planned?

IV. Budget and Fundraising
   - Provide a budget with line items for the use of the Community Economic Development Capacity Building funding.
   - Would you like CDFA’s support in selling up to 50% of the projects awarded credits?
   - What challenges has your group experienced in accessing other resources? How might this proposal result in your group's ability to access additional public or private resources?

V. Attachments
   - List or link to Board of Directors (including affiliation)
   - Letters from committed donors
   - Articles of Incorporation
   - By-laws
   - Organizational chart
   - IRS Determination Letter
   - Proof of Good Standing – New Hampshire Department of Justice – Registered Charities List
   - Fiscal Year start and end dates
   - Operating Budget – Current Fiscal Year
• Operating Budget-to-Actual – Previous Fiscal year
• Most Recent Financial Statement - submit one of the following
  o Audited Financial Statement (required for organizations with operating budgets > $1 M)
  OR
  o Review Financial Statement (required for organizations with operating budgets $500,000 - $1 M)
  OR
  o IRS Form 990 (required for organizations with operating budgets <$500,000)

Please Note: The above list outlines the minimum requirements by organizational budget, but please submit the most detailed and comprehensive document that your organization has. For instance, if your organization has $400,000 in annual operating revenue, and you have an audited financial statement prepared each year, please submit the most recent audit (NOT the IRS 990). There is no need to submit multiple documents for this section.

• Management Prepared Financial Statements for current Fiscal Year (Balance Sheet, Profit and Loss, Cash Flow)
• Other Attachments – Applicant may upload any other relevant documents not listed in other attachment sections.
APPENDIX B: TRANSFORMATIONAL CAPACITY BUILDING FRAMEWORK

Transformational Capacity Building
7 approaches

1. Build trustworthy and culturally resonant relationships
2. Address underlying patterns of behavior rooted in history and culture
3. Encourage nonprofits to be specialists, not generalists
4. Cultivate networks to generate power and change systems
5. Invest in the inner well-being and growth of leaders.
6. Provide simultaneous, multilayered capacity-building opportunities.
7. Offer direct, flexible funding for transformative capacity building.

Sparking Change in New England's Smaller Cities
By: Kseniya Benderskaya and Colleen Dawicki

Community Economic Development framework

1. It starts with a team of cross-sector leaders committed to finding new ways to work together.
2. Improving outcomes for low-income residents requires their voices.
3. Teams are empowered to learn and adapt when data becomes a tool for learning and not just compliance.