



CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

COMMUNITY ECONOMIC DEVELOPMENT CAPACITY BUILDING

APPLICATION AND PROGRAM GUIDE

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COMMUNITY DEVELOPMENT FINANCE AUTHORITY

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.

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

To achieve this vision, CDFA invests in the people of New Hampshire by:

- Enabling its partners to make transformational and sustainable changes;
- Meeting the evolving needs of New Hampshire communities;
- Deploying a well-tuned, effective investment system which directly impacts local communities; and
- Taking an innovative and collaborative approach to development finance.

OUR APPROACH

We believe that all people in New Hampshire should have their basic human needs met, access to opportunity, and be a part of sustainable, vibrant communities. Our role at the Community Development Finance Authority is to provide communities with capital and technical assistance to achieve this vision. Success for us means showing up in ways that are relevant, impactful, and center the existing assets in a community.

HOW DATA SHAPES OUR STRATEGY

Data plays a pivotal role in our work. CDFA's Community Progress Indicators, a set of 13 metrics that assist in measuring socioeconomic well-being and community need at the municipal level in New Hampshire, assist the organization in meeting the evolving needs of New Hampshire communities by informing our strategic priorities and guiding the allocation of resources to the places that need those resources the most.

Identifying quality metrics in alignment with our vision and using them to identify and better understand statewide, regional and local trends helps CDFA support our partners in creating lasting impact within New Hampshire communities. Additional information on CDFA's Community Progress Indicators can be found on the [Resource Hub](#).

PROGRAM OVERVIEW AND OBJECTIVES

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 organizations, communities, cooperatives, and nonprofits in building their capacity to advance community economic development and infrastructure projects that will support priority populations.

CDFA's strategic vision calls for deploying capital in place-based strategies that support underserved populations, invest in underserved places, and fundamentally impact communities and strengthen local economies. CDFA capital is invested in both nonprofit organizations and cities and towns across the state. Our experience shows that for these investments to be successful, communities need several types of capacity – leadership, financial, grant writing and administrative expertise, project development and program planning – to support and sustain investments.

Capacity building can strengthen skills, abilities and processes that nonprofit organizations need to thrive, be resilient and sustainable. Capacity building support can help organizations successfully fulfill their mission and help to strengthen economy and community.

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

- Supporting networks, coalitions, and collaboration among community economic development efforts to create meaningful impact and change for communities.
- Organizations, projects or initiatives led by and/or directly benefiting priority populations.
- Place-based strategies that support priority populations, revitalize community, and strengthen local economies.
- Innovative models of governance, initiatives, or organizations where the innovation enhances the outcomes of community economic development.
- Efforts to engage the community broadly and deeply for community priority setting; identification of community economic development assets; and place reinvestment and revitalization.

DEFINITIONS

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

Asset based community development	Focuses on the assets of a community such as local community members, institutions, organizations and other community strengths to address issues and opportunities to improve the community.
Authorized Official	The Authorized Official (AO) is the person who has authority to approve the submission of a grant application and legally enter into a contractual agreement on behalf of the organization or municipality. The AO for a non-profit may be the Executive Director, Chief Executive Officer, a department head, Board officer, or another high-level team member. The AO for a municipality may be a town/city representative such as a town manager, town finance representative, Select Board, or someone who has been given such authority.
Capacity Building	An investment in the effectiveness and future sustainability of a nonprofit. Capacity building activities improve the organization's ability to meet the mission and may include leadership development; organizational effectiveness; financial oversight; fundraising and development capacity; strengthening governance; staff development; program development; pilot initiatives, program evaluation; diversity, equity, and inclusion initiatives; communications, volunteer management.
Collaboration	The process by which agencies, organizations, and businesses make formal, sustained commitments to work together to accomplish a shared vision.
Community Building (also called Placemaking)	The process to create or strengthen community among individuals within a geographic area or place. The strengthening of community can lead to trust, collaboration, civic pride, investment, leadership and belonging.

Community Economic Development	The effort to improve a specific place such as a town or neighborhood. There is an understanding that addressing and improving social issues and economic conditions are interrelated. Community members take an active role.
Community Engagement	Bringing people into the process to shape the outcome. When the engagement prioritizes a variety of styles of engagement then underrepresented voices are more likely heard.
Community Progress Indicators (CPI)	<p>Data plays a pivotal role in our work. The Community Progress Indicators (CPIs) are a set of 13 metrics that assist in measuring socioeconomic well-being and community need at the municipal level in New Hampshire. These indicators were chosen through collaboration with the New Hampshire Fiscal Policy Institute and a fellow from the UNH Carsey School of Public Policy. The CPIs are grouped into three categories: Basic Human Needs, Access to Opportunity, and Community Sustainability and Vibrancy.</p> <p>These metrics were chosen due to their level of statistical reliability, public accessibility, probability of continued collection, relevance to the three categories, as well as other factors. CPIs are publicly available on CDFA's Resource Hub and provide towns, cities, and counties across the Granite State access to up-to-date data and information about their community's needs, issues, strengths, and challenges. The data is updated annually and released in December each year.</p>
Evaluation	Program applicants are subjected to a substantial programmatic and financial review. Among other requirements, projects must provide a public benefit, be for a public purpose, and demonstrate that adequate funding was not otherwise available. Recommendations for funding will be based upon applicant's goals, measurable objectives, activities, and needs. A project is considered on its own merits and as it compares to the other applicants in the funding round.
Faith-based nonprofit	<p>CDFA will apply the following principles when considering an application from eligible, faith-based nonprofit organizations:</p> <ul style="list-style-type: none"> • Recipients may not discriminate against a project beneficiary on the basis of religion or religious belief. • Funds may not be used for explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization). Such activities may be offered outside of activities that are supported with CDFA resources. • Participation in any explicitly religious activities must be voluntary.
Infrastructure	Investments in infrastructure are those that provide resources to support the advancement of a project or initiative that addresses community economic development challenges or opportunities. Traditional infrastructure investments include building, renovating, and improving physical systems, spaces and places. Nontraditional infrastructure investments include creating new models, programs, or partnerships that improve internal or external practices or systems.
Municipality	Any city, incorporated town or village, or county in New Hampshire.
Nonprofit	A tax-exempt public charity that operates exclusively for public benefit under section 501(c)(3) of the Internal Revenue Code. Nonprofits must have up-to-date annual reports with the NH Secretary of State and Form 990 tax returns with the Internal Revenue Service. Qualifying nonprofits are those regulated by the Charitable Trusts Division of the NH Department of Justice, governed by volunteer boards with significant fiduciary obligations, and staffed by experienced professionals.

Priority Areas	Places with a high need as outlined in the Community Progress Indicators which measure socioeconomic well-being and community need at the municipal level in New Hampshire, including Basic Human Needs, Access to Opportunity, and Community Sustainability and Vibrancy.
Priority Populations	Black, Indigenous, and People of Color (BIPOC); immigrants and refugees; women; people with disabilities; LGBTQ and gender non-conforming; rural; youth; unhoused residents; low- and moderate-income. Identified priority populations are based on the findings of the Analysis of Impediments to Fair Housing Choice in New Hampshire. Applicants may define additional priority populations with supporting data in their application.
Public Support	The community has taken ownership of the proposed project and demonstrated the project will have support now and over the long term.

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](#).

We understand that raising tax credits can be challenging for organizations pursuing capacity building initiatives. CDFA will offer to raise 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 raise awarded tax credits on their own will have the opportunity to communicate this on the 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](#).

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 ($\$75,000 \times .8 = \$60,000$).

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:

- Projects or collaborations that build the capacity of priority populations and organizations to implement community economic development solutions and traditional infrastructure projects.
- Groups and organizations that have been historically under resourced 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 with priority 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 priority population organization developing new partnerships and/or collaborating with a well-established 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.

- **Positive Street Art** works to inspire a passion for the urban arts and to build strong communities through educational workshops, community events and artistic services. They will use Tax Credit funds to build staff capacity to facilitate new and sustained collaboration across organizations and stakeholders in Nashua and

the greater region. This will help to sustain and grow programming to support the community and build safe spaces for marginalized populations.

- **Victory Women of Vision** will use Tax Credits for a new leadership initiative for immigrants and refugees within the greater Manchester and Concord communities with the goal to build economic security and strengthen the safety net for New American families.
- **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.nhcdfragrants.org). More information on how to use the Grants Management System can be found on the [CDFA Resource Hub](#).

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 Tax Credit Program application can be found in Appendix A of this document.

CDFA staff offers applicants technical assistance, guidance on program objectives, and instruction on how to successfully complete an application. Technical assistance is provided through workshops, one-on-one training, and pre-application meetings.

In an effort to increase access and expand the pool of successful applicants, CDFA is offering the following support, in addition to the 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 a pre-application meeting or [review the program overview](#) on CDFA's 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 relate to the [PROGRAM / ROUND].

Application Workshops

CDFA 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 2024 or learning more.

The Tax Credit & Community Economic Development Capacity Building Program Overview Webinar will be held on January 16, 2024 at 10:00 AM. Topics to be covered include an overview of the Tax Credit Program, eligible applicants, program objectives and guidelines, funding priorities, and key dates. [Register Here](#).

Those interested in applying for funding are strongly encouraged to also attend the Tax Credit & Community Economic Development Capacity Building Application Writing Webinar on January 18, 2024 at 10:00 AM. Topics to be covered include a step-by-step overview of the application process. [Register Here](#).

Interested in updates on CDFA programs and workshops? Sign-up below to be added to our distribution list via <https://nhcdfa.org/signup/>.

Online Application Available

Applications will be available on CDFA's Grants Management System (GMS) beginning January 18, 2024.

Application Deadline

Applications for the 2024 Tax Credit Round are due Friday, March 8, 2024 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 10, 2024 regarding funding decisions.

All award recipients are invited to attend a press conference announcing the funded projects tentatively scheduled for 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 held at the end of June (specific date to be announced). The workshop will inform awardees about program logistics, resources, and helpful information for crafting a successful tax credit fundraising campaign.

EVALUATION

CDFA will review proposals for Community Economic Development Capacity Building funds based upon 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.nhcdgrants.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 organizational capacity are you looking to build? How do you know that is needed? How does increased capacity help you meet your mission, in general and specific community economic development challenges?
- What specific problem or community economic challenge does your organization and/or your work address? How will adding organizational capacity help work toward this challenge and future initiatives and infrastructure projects.
- Please explain how your proposal addresses the priority areas of collaboration, benefiting priority populations and/or areas.
- Describe the long-term value of this proposal to the community your organization serves. 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
 - Audited Financial Statement (required for organizations with operating budgets > \$1 M)
OR
 - Review Financial Statement (required for organizations with operating budgets \$500,000 - \$1 M)
OR
 - 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.
4. Population-level impact and sustainability depend on changing systems.