



Community Development
Block Grant Program
House Finance Committee – Division I
Budget Hearing

February 19, 2025

Dear Chairman McGuire and members of the House Finance Committee, Division I:

Over the next two fiscal years, the Community Development Finance Authority (CDFA) will administer approximately \$19 million in Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (contingent on confirmation of federal funding levels). Please note this total does not include the additional resources CDFA is deploying through special allocations made through the CDBG program. CDFA deploys CDBG funds to eligible municipalities to support the development of viable, sustainable and equitable communities by expanding economic opportunities, providing decent housing and a suitable living environment for persons of low- and moderate-income in New Hampshire.

The CDFA Board of Directors respectfully requests continued match funding from the State of New Hampshire in **the amount of \$560,000** over the next biennium. The request of \$280,000 in Fiscal Years 2026 and 2027 represents the federally required match of state funds towards program administration for New Hampshire's annual allocation of federal block grant resources under the CDBG Program. CDFA has the responsibility to administer this program under RSA 162-L:11-L:19.

Between July 1, 2022 and June 30, 2024, New Hampshire's Community Development Block Grant program: assisted 30,237 people through public services and public facility improvements; created or retained 37 jobs; rehabilitated or preserved 448 housing units; and provided technical assistance to 541 microenterprises.

CDFA has administered the annual allocation of federal CDBG funds on behalf of the State since July 2003, guiding the investment of more than \$204 million into New Hampshire communities. These critical resources have been deployed across the state and have made a significant impact on economic development, housing and community-based initiatives.

State CDBG funds are highly sought by municipalities and counties throughout New Hampshire, making the program highly competitive and resulting in highly effective projects. In addition, CDFA has consistently sought out ways to improve its operating efficiency to reduce its costs.

With the state's financial support, municipalities and counties within New Hampshire will benefit from approximately \$19 million in federal funds to improve the lives and well-being of low- and moderate-income citizens of the state.

Respectfully,

Katherine Easterly Martey
Executive Director



**Community Development Finance Authority
Remarks for House Finance Committee – Division I
February 19, 2025**

Good morning, I am Katy Easterly Martey, the Executive Director of the New Hampshire Community Development Finance Authority. Thank you for this opportunity to address you regarding our line item in the State Treasury Department's budget for Fiscal Years 2026 and 2027, which is New Hampshire's required match for administration of the federal Community Development Block Grant program, better known as CDBG.

The Community Development Finance Authority is a state-chartered, independent, nonprofit organization, and as such, our board is appointed by the Governor and Council. As a state authority, we are among a handful of unique entities that work in partnership with state and federal initiatives to strengthen New Hampshire communities through the distribution of resources to municipalities, nonprofits, and businesses.

I am here to request continued match-funding from the State of New Hampshire. The request of \$280,000 in Fiscal Year 2026 and \$280,000 in Fiscal Year 2027 represents the federally required match of state funds towards program administration for New Hampshire's annual allocation of federal block grant resources under the CDBG Program.

This budget request nearly meets the minimum state match and will enable CDFA to best meet the needs of New Hampshire communities. CDFA will increase the technical assistance and training provided to those leveraging these federal resources, as well as cover other increased costs associated with program administration.

For more than 20 years, CDFA has provided the State with an exceptionally cost-efficient system for administering CDBG resources. The CDBG Program is focused on the development of viable, sustainable, and equitable communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income people in New Hampshire. We are focused on administering a program that creates the greatest possible community-driven impacts and adapts to the needs of New Hampshire communities.

CDFA has awarded more than \$204 million in CDBG funds since 2003. These critical resources have been deployed across the state and have made a significant impact on economic development, housing, and community-based projects in our municipalities. In the past two years, New Hampshire's Community Development Block Grant program assisted 30,237 people through public services and public facility improvements; created or retained 37 jobs; rehabilitated or preserved 448 housing units; and provided technical assistance to 541 microenterprises.

The requested support will ensure New Hampshire has continued access to millions of federal dollars that are meeting needs critical to the economic success of our state and aligning with statewide efforts. Those efforts include the Department of Business and Economic Affairs' Economic Recovery and Expansion Strategy and the Council on Housing Stability's Three-Year Strategic Plan. New Hampshire's CDBG Program prioritizes investments in areas that support these strategies, including: the development of affordable housing; expansion of affordable, quality childcare facilities; creating critical infrastructure in our communities; and increasing access to quality, economic opportunities. In addition, CDBG projects in New Hampshire have leveraged tens of millions of dollars in matching capital.

The U.S. Department of Housing and Urban Development, also known as HUD, uses a formula to allocate its resources. We anticipate that New Hampshire's total CDBG allocation will be approximately \$19 million over the next biennium. CDFA receives its allocation directly from HUD and administers CDBG funds for non-entitlement municipalities.

All eligible New Hampshire municipalities and counties have the opportunity to access up to \$1.5 million, annually, in resources to support their affordable housing, public facility improvements, and economic development projects. These communities may also request emergency and planning resources. The projects that are awarded are community-driven efforts that local leaders and community members say are necessary to their town or county.

CDFA administers competitive grant rounds throughout the year. Our staff conducts extensive programmatic and financial review of each application. In addition, projects that meet all necessary criteria are voted on by the independent 11-member Community Development Advisory Committee, and further, confirmed by CDFA's 11-member Board of Directors. All 22 of the New Hampshire citizens who review and approve these projects are appointed by the Governor and Council and represent various sectors and communities involved in community economic development. Once CDFA's Board recommends funding, the proposed awards are sent to the Executive Council for final approval.

Federal funds come with significant requirements. To ensure these projects are successful, CDFA's professional staff provide training and technical assistance to our grantees throughout each phase of the project, from pre-application through implementation. We work closely with partners to find creative solutions and offer guidance on project development, as well as ease the burden of compliance and protect the investment of these taxpayer funds.

CDFA respectfully requests the State of New Hampshire continue to provide the federally required match funds, totaling \$560,000 for the 2026 and 2027 State Fiscal Years. Your support ensures continued deployment of nearly \$19 million of resources into New Hampshire for the community economic development projects critical to our communities.

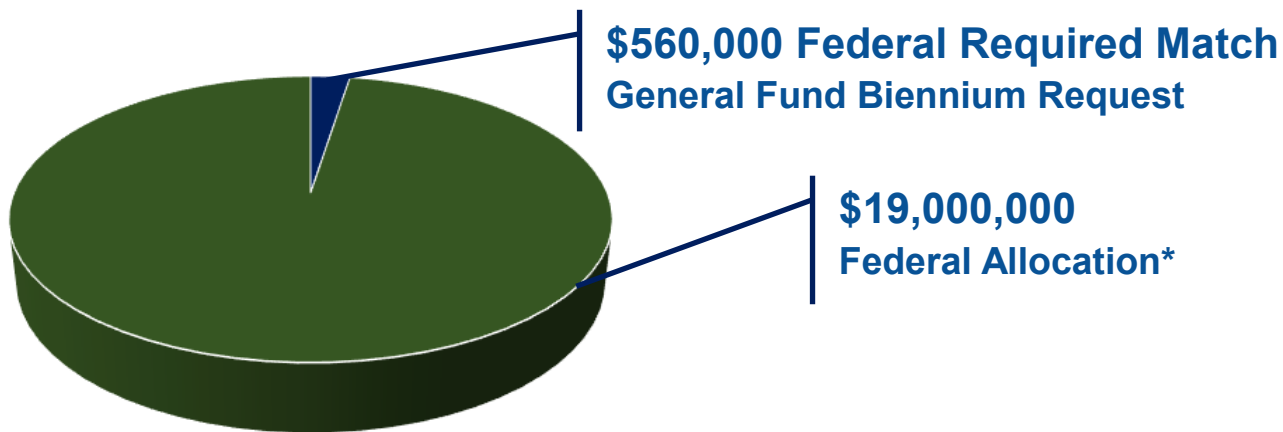
Thank you for considering our request. We are happy to take questions.



COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Supporting the development of viable, sustainable and equitable communities in New Hampshire by expanding economic opportunities, providing housing for persons of low- and moderate-income.

INVESTMENT IN NEW HAMPSHIRE



*Two-year estimate contingent on confirmation of federal funding levels.

IMPACT IN NEW HAMPSHIRE

New Hampshire's Community Development Block Grant program has significant impacts within our communities. From July 1, 2022 through June 30, 2024 the program:

- Assisted **30,237 people** through public services and public facility improvements;
- Created or retained **37 jobs**;
- Rehabilitated or preserved **448 housing units**;
- Provided technical assistance to **541 microenterprises**.

CDBG projects in New Hampshire have leveraged tens of millions of dollars in matching capital. Many of the state's most important and prominent initiatives have been partly financed by these resources.

CDFA has awarded more than \$204 million in CDBG funds since 2003. These critical federal resources have been deployed to communities throughout New Hampshire and have a significant impact on economic development, housing and community-based initiatives across the state.

CDFA State Fiscal Year 2024 Impacts

\$25.6 million infused into New Hampshire communities

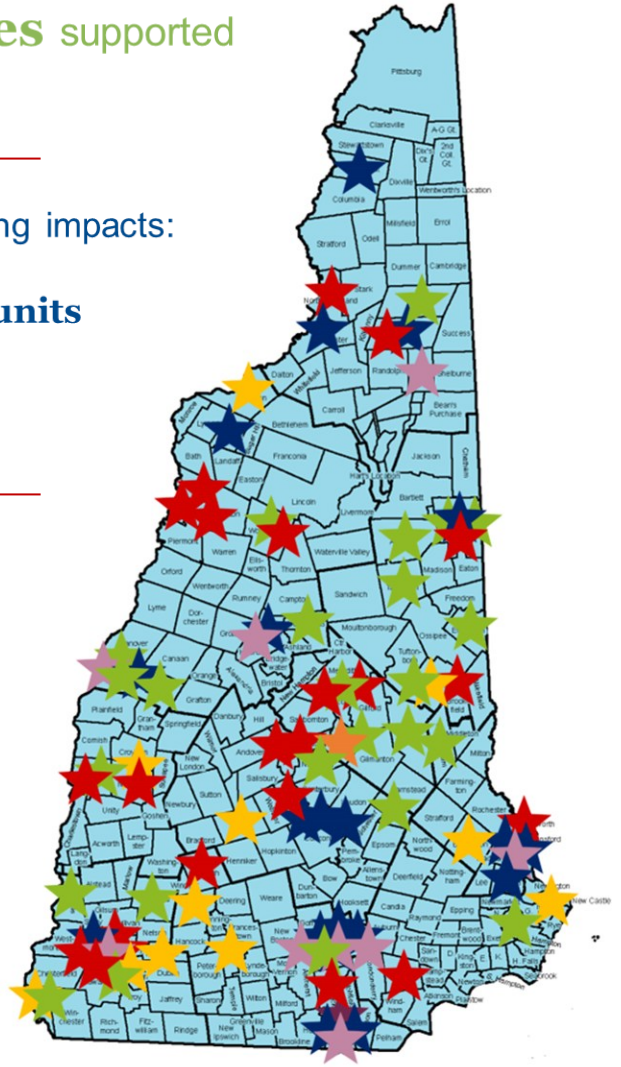
117 community-based initiatives supported

152 business donors engaged

Initiatives supported by CDFA reported the following impacts:

- Assisted **85,927 people**
- Rehabbed, preserved or created **257 housing units**
- Created or retained **366 jobs**
- Supported **300 micro businesses**
- Developed or rehabbed **729,120 square feet**

-  Tax Credit Program
-  Community Development Block Grant
-  Clean Energy Fund
-  Community Center Investment Program
-  Pre-Development Loan Program
-  Family Child Care Pilot
-  Community Development Fund



CDFA's ANNUAL REPORT

Additional details on CDFA's annual impact can be found in our [State Fiscal Year 2024 Annual Report](#).

nhcdfa.org/who-we-are/our-impact/

Information about the Community Development Block Grant Program can be found on [CDFA's Resource Hub](#).

resources.nhcdfa.org



Bringing Affordable Housing to Berlin: Brown School Project

True to its mission of building capacity in New Hampshire communities, the Community Development Finance Authority (CDFA) invested in an affordable housing project in Berlin that brought 20 new apartment units to the City in 2024.

With a population of approximately 9,500 and a poverty rate of 14.6% ([according to the U.S. Census](#)), along with rents that have markedly increased over the past decade, the City of Berlin requires more housing that is accessible to low- and moderate-income residents. In 2022, as part of its efforts to expand opportunities for housing development, the City identified the vacant Brown School at the corner of Norway and Main Streets for rehabilitation and conversion into housing. The elementary school had closed several years earlier as part of a city-wide downsizing effort.



TKB Properties, LLC, a subsidiary of New England Family Housing, developed the former Bartlett School into apartments in 2013 and was ultimately selected for the Brown School project. To jumpstart the initiative, the City of Berlin applied for Community Development Block Grant (CDBG) funding through CDFA. Recognizing the immediate and long-term value this project would provide, the project was awarded \$500,000 to the City of Berlin on behalf of TKB Properties, LLC. The development began in earnest after receiving the necessary approvals.

“The impact of these resources is really the catalyst for making this project happen,” says Kevin Lacasse, CEO of New England Family Housing. “After Covid, construction expenses escalated to the point where this project would not have been feasible otherwise. However, due to these resources, we have now delivered 20 much-needed apartments to the community.”

New opportunities abound

TKB Properties, LLC completed its renovation of the former Brown School in 2024. Of the 20 one- and two-bedroom rental housing units created, 75 percent (15 units) are designated as affordable housing. The remaining 5 units are market rate apartments. Several units in the development are also ADA-compliant.

“The Brown School project, funded in part with CDBG funds through CDFA, is key during a time where the community is facing a shortage of available rentals,” explains Pamela Laflamme, Director of Strategic Initiatives and Assistant City Manager, City of Berlin. “These are safe, high quality and affordable for our residents. CDFA has been an important partner in assisting local developers and the City to make projects work here in Berlin.”

Along with the affordable housing benefit the project delivers, it provides the City of Berlin with tax revenue that will support other municipal needs.

This winning strategy of preservation and rehabilitation breathed new life into an unused city property – while providing individuals and families the opportunity to secure housing they can afford. CDFA is committed to investing in projects like these that tangibly improve New Hampshire communities.



Crisis Center of Central New Hampshire Secures New Space, Deepens Impact with CDFA Support

The Community Development Finance Authority (CDFA) employs a multifaceted strategy to its work of improving communities across New Hampshire. Along with funding and technical assistance delivered to projects that expand housing, employment and childcare opportunities, CDFA is committed to strengthening the nonprofit sector to enhance community health and resiliency.

Its work with the Crisis Center of Central New Hampshire (CCCNH) in Concord exemplifies the value CDFA places on ensuring the vibrancy of nonprofit organizations, which positively impact individuals and make communities destinations for living, working and playing.

Established in 1978, CCCNH serves survivors of domestic violence, sexual violence, stalking and human trafficking. The majority of its clients – 76 percent – are low- to moderate-income individuals. CCCNH supports them with a wide range of services, including a 24-hour hotline, emergency shelter and housing, court accompaniment and support groups. In addition, the organization seeks to eliminate the occurrence of violence and abuse through education, training and outreach to community partners, counseling professionals and the public.

Headquarters help

After decades in operation, CCCNH realized the need to relocate and expand its physical space in order to successfully advance its mission. It partnered with the City of Concord to apply for Community Development Block Grant (CDBG) funding to purchase and renovate its new headquarters. Deeming the project valuable to the community-at-large, the \$500,000 in funds were awarded by CDFA to the City of Concord, on behalf of CCCNH.

The property was acquired in June of 2023 and renovation work began in earnest. Attention was focused on making spaces larger and more flexible to serve clients, staff and partners. In particular, a wheelchair lift was installed to ensure ADA-accessibility, security enhancements were made property-wide, an additional bathroom was constructed on the second floor and separate offices were created to promote meeting privacy and confidentiality.

The work was completed in a few short months, and CCCNH kicked off its operations its new location in November 2023 with a celebratory ribbon cutting. The property empowers CCCNH to hold larger community trainings, workshops and support groups on-site, and increase the number of community members they are able to serve.

“As a result of CDFA support, we have been able to create a safe, secure and accessible space to serve survivors of domestic and sexual violence in Merrimack County,” explains Jessica Vaughn-Martin, MSW, Executive Director, CCCNH. “We are visible to the community, accessible using all forms of transportation, and provide a trauma-informed space where survivors can feel comfortable, supported and secure as they start their healing journey.”



CRISIS CENTER
of
Central New Hampshire

Collaboration nets results

The City of Concord was a valuable partner to CDFA and CCCNH throughout the process, which assisted with streamlining and accelerating the project's successful completion. The City has successfully applied for and received more than \$25 million in CDBG funds since the program's inception in 1974.

"CDBG is an essential component of furthering the City's community development goals and objectives, and the Crisis Center project is a wonderful example of how leveraging federal funds can make important projects happen," says Timothy J. Thompson, AICP, Assistant Director of Community Development, City of Concord. "The CCCNH project has improved their ability to serve their 1,500 clients, the majority of which are low- to moderate-income and dealing with significant challenges and needs, and has proved to be an effective re-use of an 1800s-era building in the City's downtown core."

The CCCNH headquarters project is central to CDFA's mission and vision. There are many longstanding ripple effects that benefit community resiliency from infusing resources into nonprofit organizations like this one.



Making Affordable Housing a Reality in North Conway with The Bluebird Project

The development of affordable housing is central to the Community Development Finance Authority (CDFA)'s efforts to improve the livability and sustainability of communities statewide. Its work with The Bluebird Project, LLC in North Conway brought three affordable housing units and one unit that meets 80% Area Median Income criteria to a region facing extreme housing challenges.

"The Mount Washington Valley has seen a significant increase in the cost of living and cost of housing in the last 5-10 years," explains Eliza Grant, Bluebird Project principal and owner. "Single family home assessments in 2023 increased by 125% [since the last revaluation](#) [page 10], meaning a formerly \$200,000 starter home in Conway now costs \$450,000."

In addition, the apartment vacancy rate in the region is less than one-percent, making it difficult for residents to find and secure affordable and reliable housing.

The Bluebird Project, LLC is an entrepreneurial effort of Conway residents Grant and Kit Hickey. They purchased and renovated an existing building in Conway Village for affordable housing in 2022-2023, the Frunzi House, and identified a similar opportunity in the former vacation cottage rental units at the Spruce Moose Lodge and Cottages on Seavey Street in North Conway.



To purchase and convert these units into year-round, livable spaces, The Bluebird Project turned to the Town of Conway to apply for Community Development Block Grant (CDBG) funding. After a thorough review process, CDBG funding of \$495,000 was awarded to the Town of Conway on behalf of The Bluebird Project in 2022.

Future-focused housing

The CDBG funds made it possible for The Bluebird Project to purchase the four cottage units – the Spruce Moose Lodge will continue operations – and renovate three of them according to HUD Housing Quality Standards. These affordable housing units are slated to be accessible to low- and moderate-income residents for at least ten years.

The fourth unit required more time to rehabilitate and make available for rent, but the three affordable housing units were ready for occupancy in late 2022.

"The Bluebird Project is happy to support affordable housing in the Mount Washington Valley alongside CDFA and the CDBG program, which provides critically needed affordable housing. These grants help the community by housing teachers, local non-profit workers and other community members who otherwise may need to leave our community to seek housing elsewhere due to cost," Grant says. "We are thankful for the housing that has been provided to our community through this program."

Combining the innovation of an entrepreneurial team with local and federal resources made this project an affordable housing success for the Mount Washington Valley. CDFA values the strong partnerships and dedication to community that made this outcome possible.