



NH NONPROFIT RESPONSE FUND

APPLICATION AND PROGRAM GUIDE



For additional program details or questions contact:
Community Development Finance Authority
Phone: (603) 226-2170
Email: ResponseFund@nhcdfa.org | www.nhcdfa.org

April 9, 2020

NH NONPROFIT RESPONSE FUND PARTNERS

COMMUNITY DEVELOPMENT FINANCE AUTHORITY (CDFA)

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

CDFA sees 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 its partners to make transformational and sustainable changes; and
- Taking an innovative and collaborative approach to development finance.

BUSINESS FINANCE AUTHORITY

The Business Finance Authority (BFA) fosters economic development. The New Hampshire Business Finance Authority was created in 1992 to foster economic development and create employment in New Hampshire. The BFA accomplishes these objectives by working with New Hampshire's banking, business, and economic development sectors to develop and implement programs that expand the availability of credit in the state. The BFA's mission is to help New Hampshire businesses secure the capital they need to expand, succeed, and create more jobs.

THE NH CENTER FOR NONPROFITS

The NH Center for Nonprofits is a 501c nonprofit, statewide association dedicated to providing programs and resources that support nonprofit organizational capacity building and to partnering with sector leaders, businesses, and the broader community to elevate the visibility and status of the nonprofit sector.

PROGRAM OVERVIEW AND OBJECTIVES

CDFA has identified a need to assist New Hampshire's nonprofits in becoming more resilient during this time of economic disruption due to the Coronavirus – COVID-19. Nonprofits are vital engines in our states and assist in the everyday existence of our state's under-served population.

Nonprofit organizations assist their communities in so many ways, but specific heightened needs are arising due to COVID-19. This fund will focus on four areas, listed in order of priority:

1. Needs of community-based organizations at the front lines of the outbreak, specifically to support safety and separation while serving clients,
2. Costs associated with new activities or adaptation for activities directly related to COVID-19,
3. Increases in demand for services serving the most vulnerable populations due to COVID-19 (including increase in need due to loss of employment, social isolation), and
4. Reductions in nonprofit's revenue and other resources (volunteers, donated food) from traditional sources due to the COVID-19.

Also and separate, CDFA will invest in microenterprises in accordance to the details outlined in Appendix C.

Examples of possible applicants:

- Senior Services
- Services for Persons with Disabilities
- Legal Services
- Youth Services

- Transportation Services
- Substance Abuse Services
- Services for Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking
- Tenant/Landlord Counseling
- Adaptation and costs of childcare facilities and services
 - Imbedding parent and child mental health and social work related supports in childcare
- Abused and Neglected Children Services
- Community Health Centers, Mental health providers, organizations that (ACES) support resiliency for individuals and families
- Mental Health Services
- Food Banks, food delivery and food pantries
- Community-based organizing
- Resident services
- K-12 instructional programs to enhance and make up for COVID-19 disruption of student instruction, focused on underserved populations
- Remote Work/Learning Needs to support students of low-income families including software and technology hardware to help provide essential services remotely

Those needs, coupled with CDFA's interest in advancing its mission to invest in New Hampshire's people and communities, led to creation of the NH Nonprofit Response Fund.

Requests for funding should cover no more than 90 days of expenditures.

These funds may be used for:

- Working capital,
- Equipment purchases,
- Program expenses such as deep cleaning,
- And/or other expenditures.

ELIGIBILITY

Eligible applicants include community development corporations and other nonprofit organizations involved in community development.

GUIDELINES

Loan Amount

Eligible organizations may apply for a minimum of \$2,500 up to a maximum of \$100,000 in loan funds.

Loan Term

Up to 24 months, with the first payment due 6 months after closing.

Forgiven Loan portion

A portion of your request may be forgiven, the forgiven portion will be outlined in the commitment letter.

Interest

Loans will be 0% for the first 12 months and convert to 2.75% in the 13th month. Loans will accrue simple interest at a rate of 2.75% for months 13 through payoff of the loan. There will be no prepayment penalty.

Collateral/Guaranty

Loan collateral or a guaranty is not a required element of the NH Nonprofit Response Fund. Depending on individual circumstances, CDFA may seek security. Personal guaranties are not a required element of the NH Nonprofit Response Fund. For loans greater than \$50,000, CDFA/BFA may seek loan collateral for the loan.

HOW TO APPLY

On CDFA's Resource Hub [here](#), you will find an outline of the application for the NH Nonprofit Response Fund. Applications are accepted on a rolling basis until funds are expended. Applications may be submitted at any time after April 13, 2020 through CDFA's online application site (<https://resources.nhcdfa.org>). Please note this application will not be submitted via the Grants Management Systems (GMS). Hard copy or emailed applications will not be accepted.

Upon receipt of a completed application, CDFA will:

- Provide you a receipt of your submitted application,
- Determine the priority of application based on evaluation criteria in Appendix A,
- Evaluate using the following schedule,
 - First 15 high priority applications received, decision anticipated in 7 days;
 - Second 15 high priority applications received, decision anticipated in 14 days;
 - Non-high priority applications received, placed in queue as outlined in the pattern above and decision based on available funds.

If you have any questions, about your application and needs, please contact CDFA at 603-226-2170.

EVALUATION

All NH Nonprofit Response Fund applicants receive programmatic and financial review. Appendix A provides the scoring rubric.

Proposed expenditures for loan funding must meet the following conditions:

- Must have a public purpose or provide a clear public benefit. Such benefits must be quantifiable and presented as part of the application.
- Other funding sources are not available for the COVID-19 expenditures in the application or if funding becomes available the applicant agrees to return funds to CDFA.
- CDFA's support is necessary to enable COVID-19 activities and to help advance the nonprofit's mission.

APPENDIX A: THE NH NONPROFIT RESPONSE FUND SCORING RUBRIC

Review Category	High Priority	Medium	Low
Community Benefit	Funds used specifically for one or more of the following: Community-based organizations at the front lines of the outbreak, Costs associated with new activities or adaptation for activities directly related to COVID-19, and Increased demand for services serving the most vulnerable populations due to COVID-19.	Reduction in revenue and other resources from traditional sources due to COVID-19.	If application is not deemed High or Medium Community Benefit, the application is not eligible for funding.
Community Need and Support	Strong community need and/or support.	Some tentative community need and/or support.	If application cannot demonstrate clear need and/or support the application is not eligible for funding.
Need for funding	No other sources available; CDFA funds will make or break the success of the organization; or specific funding may be available in the future and CDFA funding will be used as bridge.	Some other near term funding sources may be available or organization has limited reserves or an endowment.	Significant other near term funding sources may be available or organization has significant reserves or an endowment.
Timeliness of need	Clear timeline defined and request is to cover no more than 90 days of expenditures.	Tentative timeline defined.	Timeline not very clear.
Organizational Capacity	Organization has positive track record and request has strong mission alignment.	No known concerns with Organization's track record and request has good mission alignment.	Little or poor Organizational track record and request has limited mission alignment.
Financial Capacity	Excellent or good balance sheet and positive cash flow, prior to crisis.	Fair balance sheet and neutral cash flow, prior to crisis.	Shaky financial situation or little to no experience.
Intangible/other factors	Strong intangible factors that warrant loan capital	Moderate intangible factors that warrant loan capital	Limited intangible factors that warrant loan capital

APPENDIX B: LOAN DOCUMENTATION AND ADMINISTRATION

The following loan documentation will be prepared for review and signature upon loan approval. Approximately two weeks is needed for loan documentation and processing.

Loan Commitment Letter

This letter includes the amount authorized by CDFA/BFA that may be drawn for the project, specific loan terms, and any special conditions pertaining to the loan commitment.

Loan Agreement and Promissory Note

Borrowers must enter into a loan agreement with CDFA/BFA using a standard master loan agreement form, which is designed to be easily amended to cover any anticipated subsequent CDFA/BFA loan commitments to the borrower for the same project. The loan agreement includes a 'maximum loan amount' that CDFA/BFA might provide to the project. In some cases, this amount will exceed the initial loan amount authorized by CDFA/BFA thus anticipating the possibility of future allocations. The promissory note is the evidence of indebtedness. This document also specifies the 'maximum loan amount' for which the borrower may qualify for a particular project.

Board Resolution

The board of directors of the borrowing organization must authorize borrowing up to the 'maximum loan amount', granting of collateral (if required), and designation of an individual to sign the documents with CDFA/BFA on the borrowing organization's behalf. A written resolution documenting the board's approval is required.

Collateral Agreement

This document, if collateral is required, would either be in the form of a mortgage deed on real estate or a UCC on equipment.

Disbursements

After all loan documents are executed, the borrower submits claims for reimbursement through GMS and attaches invoices approved for payment, as well as work products and other documentation. Detailed instructions for submitting claims in GMS are provided with signed loan documents.

Repayment Terms

The full amount of principal and accrued interest is due and payable on or before the maturity date outlined in the final financing package. There is no penalty for prepayment. CDFA/BFA may forgive all or part of this loan at the sole discretion of CDFA/BFA.

Reporting

Borrower must provide a brief progress report on the overall status with each claim request. If the borrower does not have a claim to submit in a calendar quarter, borrower must provide a brief written update on the overall status by the end of each calendar quarter (March 31, June 30, September 30, December 31).

APPENDIX C: MICROENTERPRISE GRANT PROGRAM

Thanks to the generosity of Citizens Bank, CDFA is allocating \$100,000 to support microenterprises in New Hampshire that are currently receiving services through the CDFA Microenterprise Technical Assistance Program.

Microenterprise Program helps foster economic development by supporting organizations that provide a full range of entrepreneurial training and technical assistance services to low- and moderate-income micro-business owners and start-ups (those with fewer than five employees). New Hampshire's Microenterprise Program, as administered by CDFA, has aided in creating resilient communities and empowered small business owners throughout the state to reach their goals.

From a small gourmet burger shop in Conway to an organic farm in Colebrook that provides foods to local markets and local food banks, the Microenterprise Program provides integral funding to technical assistance providers across the state. Without this funding, these small businesses would be unable to acquire critical services at a reasonable cost.

The needs of micro businesses are significant and acute in the current economic conditions due to the COVID-19 crisis. The Microenterprise Grant Program will provide grant funds to economic development organizations to provide direct grants to micro businesses owned by a low-or-moderate income individual, up to \$2,000 per micro business assisted in accordance to the following guidance.

Eligibility

Existing CDFA Microenterprise Technical Assistance Program partners may apply for funding to augment support for existing, qualifying microenterprises that are currently being supported through the CDBG Microenterprise Technical Assistance Program.

Available Funding

Each Micro TA partner may provide up to \$2,000 as a grant to each microenterprise owned by a low-or-moderate income individual that is currently enrolled as a qualified Micro program participant, up to a maximum of \$40,000. There is no limit to the number of microenterprises that can be served with the \$40,000 maximum.

Acceptable Uses of Funds

Funds shall be deployed as grants to these microenterprises for the following purposes:

- Working capital (occupancy costs, key employee payroll and benefits)
- Limited owner draw (up to \$1,000)
- Other critical needs that would help the enterprise stay in business
- Other uses as approved by CDFA

Microenterprises may receive no more than a total of \$2,000, even if that microenterprise receives services from more than one Micro TA partner. Up to 5% of the grant request may be used by the Micro TA partner for administration.

Application Information

Micro TA partners must provide the following information about each microenterprise served with these funds in the TA Quarterly Report:

- Business name and owner name
- Total number of employees
- Type of business
- Amount provided to business
- Use of funds
- Description of microenterprise circumstances and other impact of funds

All other application requirements for the NH Nonprofit Response Fund apply to this microenterprise grant program. If you have questions or need more information, please contact: Kevin Peterson, Director of Economic Development at kp@nhcdfa.org