



CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANT

APPLICATION & PROGRAM GUIDE

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»»»»» TABLE OF CONTENTS

1.0 Program Overview	1
1.1 Community Development Block Grant Program	2
1.2 Where Can I Get More Information?	2
2.0 Eligibility and Activities Funded	3
2.1 Who Is Eligible	3
2.2 Funding Priorities.....	4
3.0 National Objectives And Eligible Activities.....	5
3.1 Target Funding Among Category Areas.....	7
3.2 Ineligible Activities	7
3.3 Maximum Grant Amounts for Category Areas	8
3.4 Funds Remaining	8
4.0 How to Apply.....	9
4.1 Step one: Pre-Application Meeting with CDFA.....	10
4.2 Step Two: Application Submission.....	11
4.3 Step Three: Application Review, Rating and Ranking	13
4.4 Step Four: Approval.....	14
4.5 Notice of Decision	15
5.0 Administrative Requirements.....	16
5.1 Grantee Requirements for Citizen Participation	17
5.2 Consistency with New Hampshire's Consolidated Plan	18
5.3 Project Timeline and Phasing	18
5.4 Matching Funds	18
5.5 Unexpended Grant Funds	18
5.6 Audit Cost.....	19
5.7 Grant Administration Fee	19
5.8 Grant Writing Fee	19
5.9 Other Activity Delivery Costs	20
5.10 Other Resources and Information	23
5.11 Waivers	23
6.0 Program Requirements	24
6.1 Housing Grant Requirements	24
6.2 Public Facility Grant Requirements	26
6.3 Economic Development Grant Requirements	28
6.3.1 Economic Development – Direct Technical Assistance For Businesses Grant Requirements	30
6.3.2 Economic Development – Microenterprise Development Assistance Grant Requirements	30
6.4 Planning Grant Requirements	32
6.5 Transformational Planning Grant Requirements	33
Appendix A Evaluation Rating And Ranking Criteria	34
A.1 Scoring of Housing Grant Applications	34
A.2 Scoring of Public Facility Grant Applications	37
A.3 Scoring of Economic Development Grant Applications	40
A.4 Scoring of Microenterprise Development Assistance Grant Applications	52
A.5 Scoring of Planning Grant Applications	54

»»»»» TABLE OF CONTENTS (CONT.)

Appendix B: Minimum Underwriting Standards for Economic Development Financing	56
Appendix C: Microenterprise Program Design and Administration.....	58
C.1 Microenterprise Program Guidelines for Grantees and Subrecipients	58
C.2 Term of Grant	58
C.3 Eligible Program Beneficiaries/Clients	58
C.4 Program Service Area	59
C.5 Ineligible Program Applicants	59
C.6 Eligible Program Costs	59
C.7 Grants for Machinery/Equipment and Commercial Property	60
C.8 Microenterprise Loans	60
C.9 Program Activity Costs	61
C.10 Program Indirect Costs	61
C.11 Ineligible Program Costs	61
C.12 Service Timeframe	61
C.13 Documenting Coverage Overlap	62
C.14 Program Beneficiary Limits.....	62
C.15 Environmental Review	63
C.16 Other CDBG Federal Laws and Regulations	63
C.17 Contract Requirements	63
C.18 Required Documentation for Claims	63
C.19 Final Report	63
Appendix D: Special Allocations	64
D.1 CDBG-CV: General Requirements	64
D.2 CDBG-CV Targeted Funding Allocations	65
D.3 CDBG-CV: Public Services	65
D.4 CDBG-CV: Microenterprise Direct Grant Program	66
D.5 CDBG-CV: Permanent Supportive Housing in Partnership with NH Housing Finance Authority.....	67
D.6 Scoring of CDBG-CV: Public Service Applications	67
D.7 Scoring of CDBG-CV: Microenterprise Applications	67
D.8 Scoring of CDBG-CV: Economic Development Technical Assistance	67
D.9 Scoring of CDBG-CV: Housing And Public Facilities Applications.....	67
Appendix E: Key Resources for Applicants	68
Appendix F: 2025 Core Data Index	69
Appendix G: Economic Development Special Eligibility Areas - New Markets Tax Credits (NMTC) and Opportunity Zones.....	72

1.0 | PROGRAM OVERVIEW

Stay up to date on CDBG program information and requirements on the [CDFA website](#).

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](#).

»»» 1.1 | COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Each year the state is eligible to receive housing and community development block grant funding from the U.S. Department of Housing and Urban Development (HUD). CDFA administers one of the HUD block grants—the **Community Development Block Grant (CDBG)**. The CDBG Program is designed to provide assistance to units of general local government for improving economic opportunities and meeting community revitalization needs, particularly for persons of low and moderate income.

The CDBG program has been funded through the State since 1982 by the U.S. Department of Housing and Urban Development (HUD) under the Housing and Community Development Act of 1974, as amended (Title I).

The CDBG program is governed by Title I of the Housing and Community Development Act of 1974, as amended, and implementing regulations for the State Program at 24 CFR Part 570, Subpart I. All CDBG activities must be carried out in accordance with the requirements of Title I, Subpart I, the State Consolidated Plan and Annual Action Plan, created in accordance with 24 CFR Part 91, and this Application and Program Guide. The primary objective of the CDBG program is the development of viable communities by expanding economic opportunities, providing decent housing and a suitable living environment principally for persons of low and moderate income. The CDBG funds include: annual program year funds, unobligated program year funds, any program income received by CDFA and grant funds recaptured from projects funded in prior grant years.

THIS APPLICATION AND PROGRAM GUIDE:

- Presents an overview of the CDBG Program including the amount of funds available;
- Describes the method of distribution (MOD), or the types of activities that can receive funds and CDFA's funding priorities;
- Provides an outline of the application process;
- Describes the selection criteria for CDBG applications; and
- Concludes with the eligibility requirements for applicants.

»»» 1.2 | WHERE CAN I GET MORE INFORMATION?

Potential applicants are encouraged to watch the CDBG webinar that provides an overview of the program [here](#).

CDFA will conduct workshops to assist municipalities and other interested parties in the preparation of grant applications and the administration and management of funded projects in accordance with program requirements. [The workshops will be announced on the CDFA Resource Hub](#). In addition, CDFA is available to provide technical assistance to municipalities and nonprofit organizations regarding the CDBG program.

CONTACT US FOR QUESTIONS ABOUT CDBG BEFORE YOU DECIDE TO APPLY!

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2.0 | ELIGIBILITY AND ACTIVITIES FUNDED

2.1 | WHO IS ELIGIBLE

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

Two or more local governments (for example, a city and a county, or two cities) may work on an application for a regional project. In such cases, only one jurisdiction can be the primary applicant and act as the responsible party under the contract with the state. Joint applications where two or more parties are equally responsible will not be accepted. Regional projects are activities that benefit more than one jurisdiction and address a common problem in a region. The maximum funding available for a joint application shall be the same as for an individual applicant.

Grantees can administer the CDBG grant funds within their unit of local government (e.g., town staff) or through grant administration agreements with a contractor or subrecipient utilizing the appropriate procurement procedures as outlined in Chapter 6 of the CDBG Implementation Guide.

Subject to the specific requirements of each type of grant or subcategory, funds can be awarded as:

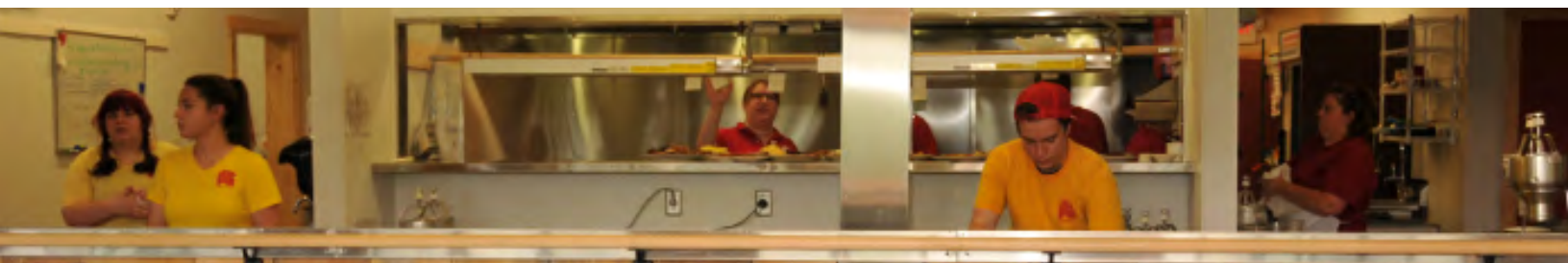
- **A direct grant to a unit of general local government;**
- **Subgrants, loan guarantees, interest rate subsidies or loans to an eligible subrecipient by the local government grantee;**

A unit of general local government cannot “pass through” the awarded funds to another unit of general local government to carry out the project activities. The grant recipient must carry out the project activities or subgrant to an eligible subrecipient and remain fully responsible for the grant funded project's compliance with all federal and state requirements. In other words, the project must be under the direct control and monitoring of the grant recipient at all times.

Find out if your unit of local government is eligible to apply for CDBG funding and if your project matches HUD identified CDBG funding priorities.

YOUR CITY OR COUNTY IS ELIGIBLE TO APPLY FOR CDBG FUNDS IF:

- You do not receive CDBG funds directly from HUD. In 2025, the cities of Manchester, Nashua, Portsmouth, Dover, and Rochester received HUD funds directly.
- You have a project that needs funding and meets the CDBG priorities and National Objectives discussed below.
- You have a project that aligns with NH's CDBG priority activities.





»» 2.2 | FUNDING PRIORITIES

HUD requires that states establish priorities for CDBG among the types of eligible activities. Units of local government's applications for funding must be consistent with the identified funding priorities, listed below:

- Emphasize solving community problems with long-term community development benefits and innovative solutions.
- Strengthen the resiliency and vibrancy, facilitate financial stability, and attract capital to the state's communities.
- Provide additional resources for the development of affordable housing and rehabilitation of existing affordable housing.
- Preserve and promote existing neighborhoods and community centers.
- Provide improved housing and public facilities or employment opportunities primarily to low- and moderate-income persons or households. (Grants shall not benefit moderate-income persons to the exclusion of low-income persons).
- Build partnerships with municipalities and nonprofits with limited capacity and leveraging private and other public funding sources where feasible.
- Provide funding for necessary projects for which other private or public funding is not available.





»»»» 3.0 | NATIONAL OBJECTIVES AND ELIGIBLE ACTIVITIES

National Objectives and Eligible Activities describes the federal requirement that all CDBG-funded activities fulfill one of three National Objectives established by Congress. Applicants can learn more about the National Objectives, Eligible activities and how to documentation compliance in the [CDFA's Community Development Block Grant Implementation Guide](#).

The NH CDBG Program requires that all projects benefit predominantly low- to moderate- income (LMI) individuals. The LMI National Objective is often referred to as the primary CDBG National Objective because HUD regulations require that States expend a majority of their funds on this objective.

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

Find out if your project falls into one of the five grant priority categories, as well as maximum available grant amounts.

1. Housing
2. Public Facilities
3. Economic Development, including:
 - a. Microenterprise Development
 - b. Business Technical Assistance
4. Housing, Public Facilities or Economic Development Emergency Needs
5. Housing, Public Facilities, Economic Development and Transformative Planning





HOW DO I KNOW IF MY PROJECT IDEA WILL BE FUNDED?

The table below provides examples of eligible projects and should be used as a guide for priority community projects funded by CDBG. Grant categories have programmatic requirements; more details are in Chapter 4 of this Guide. [Appendix A: Evaluation Rating and Ranking Criteria](#) is also useful to determine if your project concept will be competitive.

	Priority Areas	Example Projects
Housing	Rehabilitation of Affordable Housing	New heating system in small rental affordable housing complex
	Conversion of non-residential structures into permanent housing	Rehabilitation of a former school into affordable rental units
Public Facilities	Child Care Facilities	Rehabilitation of a vacant building into a nonprofit childcare center
	Water and Sewer Infrastructure	Improvements to a water treatment plant to comply with new environmental regulations
Economic Development	Machinery and Equipment Purchase	Purchase new manufacturing machinery needed to create new jobs
	Small Business Support	Funding for technical assistance providers to support microenterprise businesses
Planning	Affordable Housing	Evaluation of potential to repurpose existing non-residential structures into affordable housing
	Transformative/Systems Change	Comprehensive study of community needs and plans to catalyze change and lead to CDBG eligible projects



»»» 3.1 | TARGET FUNDING AMONG CATEGORY AREAS

CDFA receives an annual allocation from HUD for the CDBG program of approximately \$9 million. After subtracting amounts allowed for Administration and Technical Assistance (3% plus \$100,000), CDFA awards available funds in the categories listed below, using the percentages shown. Funding priority target percentages may be adjusted annually to be more in line with the increased demand for certain types of projects, current trends and based on the citizen participation plan conducted through the Consolidated and Annual Action Plan processes.

Annual Allocation from HUD	Target %	Average # of Grants Annually
Housing	30%	6
Public Facilities	30%	6
Economic Development – including Microenterprise Development and Direct Technical Assistance for Businesses		5
Planning and Transformative Planning	3%	Varies
Technical Assistance / Administration	3%	N/A

ANNUAL ALLOCATION TARGETS

The final Annual Allocation from HUD is included in [CDFA's Annual Action Plan](#). The Annual Action Plan is prepared each year between January and May and is available for public review during the month of April.

»»» 3.2 | INELIGIBLE ACTIVITIES

All activities using CDBG funds must be eligible in accordance with [Section 105\(a\) of the Housing and Community Development Act](#). No CDBG funds may be used for facilities owned and/or maintained by a state or federal agency. CDBG funds cannot be used to offset locally budgeted funds or to replace state or federal funds. All CDBG projects must comply with 2 CFR 200. In addition, 24 CFR 570.489(d) (2 CFR 200.444) requires that CDBG funds are not used for general expenses required to carry out other responsibilities of state and local governments.



»»» 3.3 | MAXIMUM GRANT AMOUNTS FOR CATEGORY AREAS

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

HOUSING APPLICATIONS

- Permanent Supportive Housing - \$1,000,000
- All other housing - \$750,000

*Permanent Supportive Housing (PSH) is permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability. Eligible supportive services include:

- | | | | |
|----------------------|------------------------|------------------------------|--------------------|
| - Case management | - Housing search and | - Mental health services | - Substance abuse |
| - Childcare | counseling services | - Outpatient health services | treatment services |
| - Education services | - Life skills training | - Outreach services | - Transportation |

PUBLIC FACILITY APPLICATIONS

- Public Facilities -\$750,000

PLANNING AND TRANSFORMATIONAL PLANNING GRANTS

- The maximum grant award of \$25,000 shall be made only for studies, which include architectural, engineering design or redesign, energy design review, energy audit and/or economic analysis, and a plan or approach to the study which has the potential for achieving the goals stated in the proposal.
- The maximum grant award of \$100,000 per transformational planning grant.
- There shall be no yearly limit per unit of local government on the number of planning grant applications that can be funded and there shall be no more than two transformational planning grants funded in any year.

ECONOMIC DEVELOPMENT APPLICATIONS

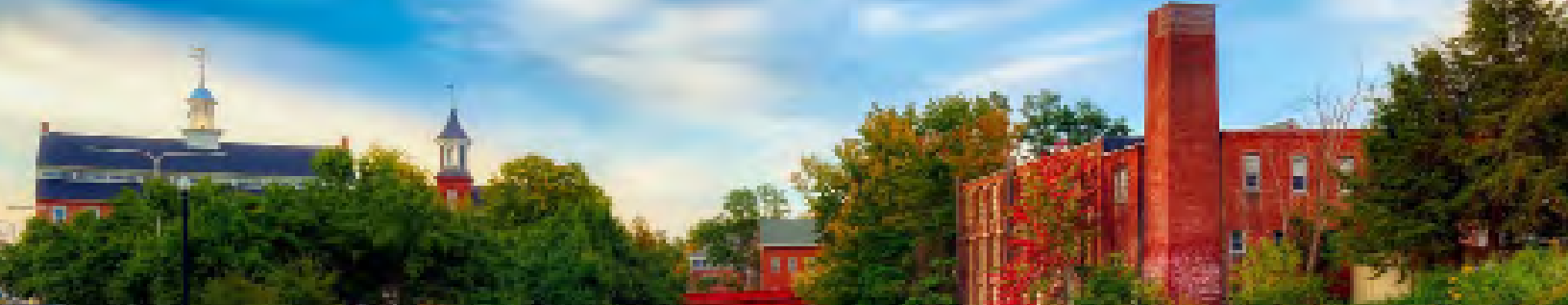
A potential grantee may only apply for \$500,000 per program year:

- Microenterprise Development – In addition to the economic development grants above, a potential grantee may also apply for additional \$1,000,000
- Business Technical Assistance – A potential grantee may also apply for additional \$300,000 for projects in this category



»»» 3.4 | FUNDS REMAINING

On July 1st of any given year, any un-obligated or recaptured funds, or program income received by CDFA will be made available in the next Housing and Public Facility funding round unless another funding category has shown greater need, this will be determined by CDFA with consultation from the Community Development Advisory Committee (CDAC). Grant rounds will be announced on www.cdca.org.



»»»» 4.0 | HOW TO APPLY

These application policies apply to all CDBG applications submitted to CDFA.

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

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

From start to finish: The application and award process for CDBG funding consideration.

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

Once a project is awarded CDBG funding it will be important to further build out the team that will be responsible for successfully carrying out the project.

In general, the application and award process for CDBG funding consideration shall follow the steps in this section.

APPLICATION TEAM

Applicants are encouraged to identify a strong team with different parties who will work together to submit a CDBG application. The following parties are necessary for a successful application:

- CDFA staff
- Grant writer/administrator
- Municipal applicant staff/ representative
- Subrecipient staff/ representative



Pre Application - Learn about the program

Review this entire guide. Potential applicants who have completed the pre-application steps move on to the **Application and Program Guide**. Pay close attention to the Administration and Program Requirement section, as well as suggested web links.

THE PURPOSE OF THIS APPLICATION AND PROGRAM GUIDE IS TO:

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

THE PURPOSE OF THE ADMINISTRATION AND PROGRAM REQUIREMENT SECTION IS TO:

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

»»» 4.1 | STEP ONE: PRE-APPLICATION MEETING WITH CDFA

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

- The likelihood that the proposed project will meet a federal national objective;
- The applicant is not otherwise ineligible to apply under the program;
- Key dates for applicants;
- The proposed matching funds, if any, will be secured and readily available at the time of application; and
- Discuss how to obtain further technical assistance if needed.

»»» 4.2 | STEP TWO: APPLICATION SUBMISSION

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

1. All parts of the application have been **properly completed and all attachments were provided**;
2. All projects shall **conform to the goal of the state enabling legislation** described in RSA 162-L:12 and to the primary objective as described in 42 U.S.C. 5301(c) of the federal act, meeting a National Objective 24 CFR 570.483 which is to benefit mainly low- and moderate-income persons and households without excluding low-income persons and households and be an eligible activity;
3. Requested amounts are **within the program limits** (i.e. max grant limit, grant administration, engineering/architectural, environmental review, labor standards, construction contingency etc.);
4. Required public hearings and other municipal thresholds are complete
5. All applicants shall submit a **housing and community development plan** which shall:
 - i. Identify community development and housing needs which currently exist or are anticipated during the next three years;
 - ii. Specify both short- and long-term community development objectives which are consistent with the national and state objectives;
 - iii. State, as a matter of policy, that involuntary displacement of households from their neighborhoods shall be minimized;
 - iv. If a housing and community development plan is currently on file at the authority and has been adopted no more than three years prior to submission of an application, the applicant may submit a summary;
 - v. If a housing and community development plan has been revised, an update shall also be submitted;
 - vi. The applicant shall provide as part of the housing and community development plan, or its update, the minutes of the public hearing held to obtain citizen's comments on the plan;
6. All projects must meet the following **readiness criteria**:

THE FEDERAL CDBG MUNICIPAL THRESHOLD REVIEW WILL CONFIRM

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



APPLICATION SUBMISSION THRESHOLD REQUIREMENTS

- i. State and Local Planning and Zoning Board approvals and other permits necessary to construct the project must be started and likely to be approved with evidence in application;
 - ii. The project must execute the grant agreement within 6 months of the CDFA's Community Development Advisory Council's approval. If the project is not able to proceed within 12 months following the date of grant contract execution, CDFA may terminate the grant and re-obligate the funds.
7. Grantee Capacity Assessment
To **evaluate an applicant's capacity** to carry out a proposed community development project, the following conditions shall apply:
 - i. For prior grantees, the applicant's present capacity to undertake a new program shall be evaluated as well as the applicant's prior performance by using the following criteria:
 - There have been a significant number of failed projects or monitoring findings that raise questions about applicant capacity; or
 - There has been a monitoring finding that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be implemented within 30 days.
 - ii. Whether the applicant currently has more than \$250,000 in unspent and un-obligated CDBG funds;
8. Grantee/ Subrecipient Financial Review
CDFA will underwrite the grantee/subrecipient who is carrying out the CDBG activity to determine whether CDBG funds are needed and that the project can or will be carried out by the applicant or nonprofit sub-grantee. Where a **revolving loan fund** is proposed for economic development activities, the applicant's or subrecipient's ability to administer the fund shall be evaluated by using the following criteria:
 - i. Evidence of a long-term capability including but not limited to a contract with a bank or administering agency to provide such service; and
 - ii. A written plan for the re-use of the recaptured loan funds.
9. The Capacity Assessment and Financial Review shall result in one or more of the following actions:
 - A request for clarifying information;
 - Limited modifications to the proposed project;
 - Reduced funding;
 - Elimination of activities that do not meet the national objective or are ineligible;
 - Elimination of activities that do not support the principal activity;
 - Denial of further review for the project for clear failure to comply with one or more of the criteria;
 - Scoring of the application.

IMPORTANT TO REMEMBER

Please do not sign any vendor contracts or obligate any funds without CDFA approval, as there are federal requirements associated with these grant funds. These include, but are not limited to, the National Environmental Policy Act (NEPA), which prohibits the obligation or expenditure of project related CDBG and non-CDBG funds for activities with physical impacts or which limit the choice of alternatives until the environmental review process is completed and removal of environmental review grant conditions are received from CDFA. For more information refer to [**Chapter 4 in the CDBG Implementation Guide**](#).

»»» 4.3 | STEP THREE: APPLICATION REVIEW, RATING AND RANKING

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

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

COMPLETE

It will be forwarded to the review staff for full review. The process will consist of the application being scored against other applications in that round. CDFA staff will rank all complete applications in accordance with the criteria contained in the most current MOD.

INCOMPLETE

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

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

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

COMPLETE

It will move forward in the process. The process will consist of the application being rated (scored) against other applications in that round.

INCOMPLETE

It will not be reviewed in that round and will require re-submittal during a future application cycle. Staff will notify the applicant of the incomplete status.

The scoring criteria used to determine ranking and rating can be found in [Appendix A](#) of this guide.



»»» 4.4 | STEP FOUR: APPROVAL

The CDFA review team recommendation will be brought to the Community Development Advisory Committee for consideration and recommendation.

Community Development Advisory Committee (CDAC)

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

Role of Governor, Attorney General and Executive Council

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

Program Hearing Procedures and Administrative Reviews

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

Administrative Review Procedure and Time Limits

This section shall be applicable to units of local government who have applied for CDBG funding from any program and which either received no funds or fewer funds than requested.

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



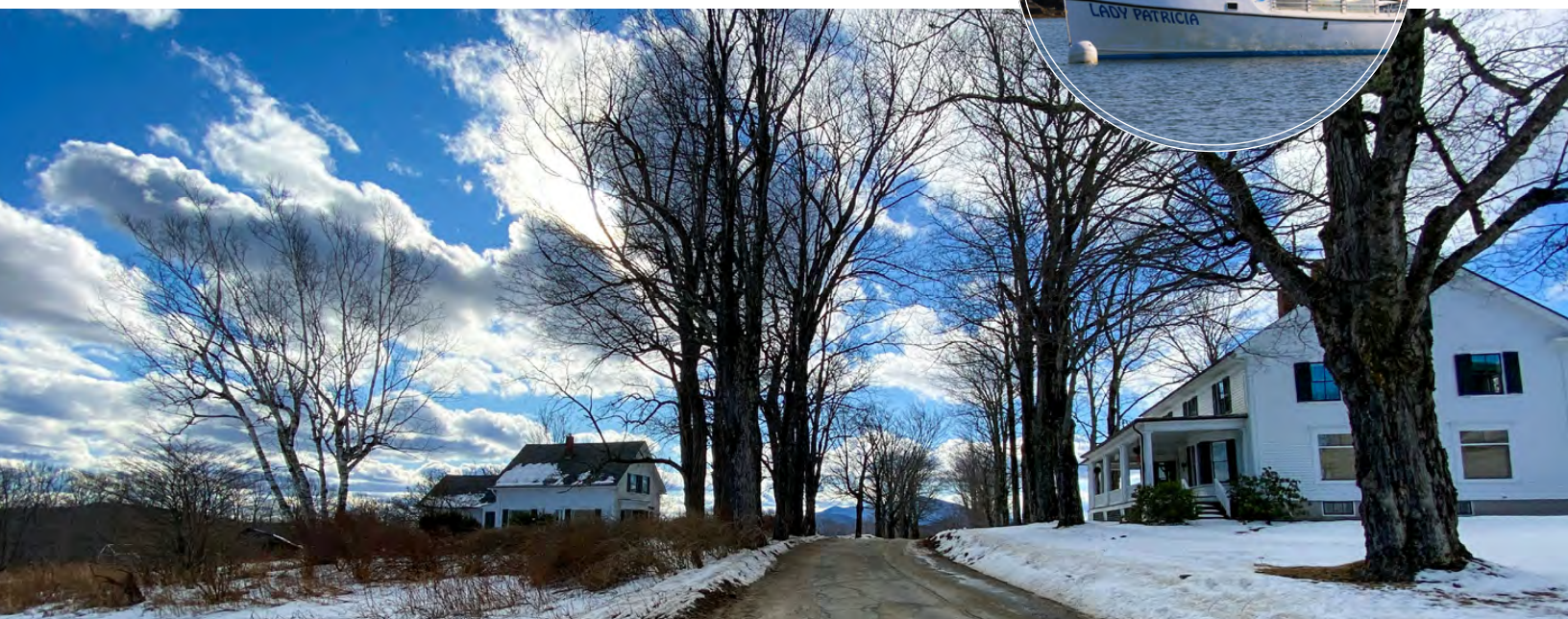


»» 4.5 | NOTICE OF DECISION

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

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

Grantees must return the executed Grant Agreement within 6 months of receipt from CDFA.





»»»» 5.0 | ADMINISTRATIVE REQUIREMENTS

The applicant should understand the Administrative, Program and Implementation requirements of the CDBG funds before applying for funds.

Find out the Administrative, Program, and Implementation requirements for CDBG Funds.

For additional information about the Administrative Requirements the applicant can find additional information on the following compliance requirements in the [CDBG Implementation Guide](#) on CDFA's Resource Hub, and some of those topics outlined in this Chapter.

THE CDBG IMPLEMENTATION GUIDANCE IS ORGANIZED IN THE FOLLOWING CHAPTER AREAS:

- Chapter 1: Program Overview
- Chapter 2: National Objectives and Eligible Activities
- Chapter 3: Grantee Requirements
- Chapter 4: Environmental Review
- Chapter 5: Financial Management
- Chapter 6: Procurement
- Chapter 7: Labor Standards
- Chapter 8: Acquisition
- Chapter 9: Relocation
- Chapter 10: Reporting and Recordkeeping Requirements
- Chapter 11: Monitoring and Closeout

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

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

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



»»» 5.1 | GRANTEE REQUIREMENTS FOR CITIZEN PARTICIPATION

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

- Hosts listening sessions across the state;
- Conducts a survey of municipalities and other stakeholders;
- Solicits public input through one-on-one outreach; and
- Researches and evaluates best practices and program models.

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

CDFA also engages in the State Citizen Participation Plan outlined here: [NH-Citizen-Participation-Plan.pdf](#). Every applicant and recipient of CDBG funds must comply with the citizen participation requirements provided in federal law and described in this chapter, including adopting a Citizen Participation Plan. Some of the requirements will be checked by CDFA during application review; others will be verified when grant projects are monitored. Municipalities must meet the [Local Government Requirements of the State CDBG program](#), which includes:

1. **Provide for and encourage citizen participation**, particularly by low-and moderate- income persons who reside in areas in which CDBG funds are proposed to be used:
2. Ensure that residents will be given **reasonable and timely access to local meetings**, consistent with accessibility and reasonable accommodation requirements in accordance with section 504 of the Rehabilitation Act of 1973 and the regulations at [24 CFR part 8](#), and the Americans with Disabilities Act and the regulations at [28 CFR parts 35](#) and 36, as applicable, as well as information and records relating to the unit of local government's proposed and actual use of CDBG funds;
3. **Furnish citizens information**, including but not limited to:
 - i. The amount of CDBG funds expected to be made available [to the municipality from the state];
 - ii. How CDBG is proposed to be used, the activities that may be undertaken with the CDBG funds;
 - iii. The estimated amount of the CDBG funds proposed to be used for activities that will meet the national objective of benefit to low and moderate-income persons; and
 - iv. The proposed CDBG activities likely to result in displacement and the unit of general local government's anti-displacement and relocation plans required under § 570.488.
4. Provide **technical assistance to groups that are representative of persons of low- and moderate-income** that request assistance in developing proposals (including proposed strategies and actions to affirmatively further fair housing) in accordance with the procedures developed by the State. Such assistance need not include providing funds to such groups;
5. Provide for a **minimum of two public hearings**, each at a different stage of the program, for the purpose of obtaining residents' views and responding to proposals and questions. Together the hearings must cover community development and housing needs (including affirmatively furthering fair housing), development of proposed activities, and a review of program performance. The public hearings to cover community development and housing needs must be held before submission of an application to the State. There must be reasonable notice of the hearings and they must be held at times and accessible locations convenient to potential or actual beneficiaries, with accommodations for persons with disabilities. Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate;
6. Provide citizens with **reasonable advance notice of, and opportunity to comment on, proposed activities** in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the unit of general local government's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state.
7. Provide citizens the **address, phone number, and times for submitting complaints and grievances**, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.

Certain citizen participation requirements must be met by the grantee prior to application submission while other requirements apply throughout the course of the project. Grantees are expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

For more information, see [Grant Administration: Section 4.1 Citizen Participation Requirements-development-block](#) and the [State of NH Citizen Participation Plan](#).



»»» 5.2 | CONSISTENCY WITH NEW HAMPSHIRE'S CONSOLIDATED PLAN

Priorities for CDBG funds must be consistent with the policies and priorities contained in the State of New Hampshire Consolidated Plan for Housing and Community Development. The Consolidated Plan is approved by HUD. The Annual Action Plan, which includes the MOD for the CDBG funds, is the Annual Action Plan, the annual update to the Consolidated Plan. Both are developed with participation from New Hampshire Housing Finance Authority, State of New Hampshire Department of Health and Human Services, the Housing and Community Development Planning Council, and the stakeholder consultation and citizen participation received during development of the plan and the 30-day public comment period.

CDFA's CDBG program year runs from July 1 through June 30. A draft annual Action Plan is typically available to the public for comment in April. The final Action Plan is prepared and sent to HUD typically in May.

»»» 5.3 | PROJECT TIMELINE AND PHASING

All grants from the CDBG-funded award must be completed within 18 months after execution of the funding contract with CDFA. Any unobligated funds in the CDBG award may be recaptured by CDFA after this time period. Under special circumstances (pandemic, natural disaster) if the project will take longer than the typical 18-month timeline, the applicant may request up to 24 months as part of their application.

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

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

»»» 5.4 | MATCHING FUNDS

Some CDBG fund categories require matching funds as described in the Program Requirements section. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by CDFA.

»»» 5.5 | UNEXPENDED GRANT FUNDS

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



»»» 5.6 | AUDIT COST

The cost of the CDBG portion of a Single Annual Audit may be reimbursed with CDBG funds.

FOR EXAMPLE:

CDBG expenditures: \$100,000

Total Expenditures and Incurred Obligations: \$1,000,000

Ratio: (CDBG expenditures) / (Total Federal Expenditures and Incurred Obligations)

$(\$100,000)/(\$1,000,000)=0.1$ or 10%

Total Cost of Single Annual Audit: \$5,000

Eligible CDBG reimbursable portion of the audit cost:
(Total Audit Cost) x (Ratio)

$(\$5,000) \times (0.1) = \500

»»» 5.7 | GRANT ADMINISTRATION FEE

For all categories that allow grant administration as an eligible activity, up to 15 percent of the grant award, but not more than \$30,000, may be used to pay for grant/project administration costs, including overall project management, coordination, monitoring, and evaluation. Recipients may use some of the grant/project administration allowance to conduct activities to further Fair Housing in their communities.

»»» 5.8 | GRANT WRITING FEE

FOR HOUSING, PUBLIC FACILITIES, EMERGENCY AND ECONOMIC DEVELOPMENT APPLICATIONS

To prepare funding applications for CDFA, consultant fees for writing grant applications shall be allowable for up to \$4,000 per application. To be eligible for reimbursement, consultants must be procured following 2 CFR 200.320. Municipalities that write their own applications shall be eligible to receive up to \$4,000 per application based on actual documented costs. Subrecipients shall not be eligible to receive any grant funds for application writing. Only projects that are funded will be eligible for reimbursement.

FOR A PLANNING APPLICATION

Consultant fees for writing and preparing grant applications shall qualify as administrative costs, but shall not exceed \$1,500 per application. To be eligible for reimbursement, consultants must be procured following 2 CFR 200.320. Municipalities that write their own applications shall be eligible to receive up to \$1,500 per application based on actual documented costs. Subrecipients shall not be eligible to receive any grant funds for application writing. Only projects that are funded will be eligible for reimbursement.

»» 5.9 | OTHER ACTIVITY DELIVERY COSTS

ENVIRONMENTAL REVIEW

Up to a maximum of \$10,000 per project is allowed to prepare and complete a full environmental review record including any associated wetlands delineations, 8-step floodplain/wetlands processes, biological assessments, pedestrian survey's, SHPO communication etc., to meet all the requirements of the CDBG grant and CDFA approval, if needed. The complete record must be available for public comment. Any amount of funds in excess of the \$10,000 must be paid for with local or non-CDBG funds. Only environmental costs that are for a funded project will be eligible for reimbursement.

PROJECT COST - PROGRAM MANAGEMENT SERVICES

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

LIMITS ON CONSTRUCTION CONTINGENCIES

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

LEGAL FEES

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

PROPERTY APPRAISAL FEES

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

LIMITATIONS ON ARCHITECTURAL AND ENGINEERING COSTS

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

- The reasonable work generally includes: project design, surveying, preparation of bid and contract documents, review of bids, project/construction oversight, preparation of as-built drawings and operation and maintenance plans. Professional services contracted out by the engineering/architectural firm for project geotechnical evaluation, surveying, core samples, or other extra services are not generally included in the above stated limit for engineering and architectural costs. For further assistance, contact CDFA staff.
- Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer or architect licensed to do work within the State of New Hampshire.

OTHER ACTIVITY DELIVERY COSTS

PRE-AGREEMENT COSTS

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

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

1. The amount of funds needed, by budget line item;
2. An explanation as to why pre-agreement costs are necessary for the completion of the project;
3. The timeline in which the funds will be expended;
4. Documentation the services were procured in accordance with 2 CFR 200.320; and
5. Documentation the federal environmental review rules at 24 CFR Part 58 have been met.

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

1. Environmental reviews
2. Income Surveys
3. Grant Writing
4. Legal Services
5. Noticing related to relocation and/or acquisition activities;
6. Architectural and engineering (final design and bid docs)
7. Any other activities deemed as a reasonable cost by the authority (waiver required)

INELIGIBLE COSTS

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

WORK PERFORMED BY STAFF OF THE GRANTEE (FORCE ACCOUNT)

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



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

Activity	Grant Admin. Cost	Activity Delivery Cost	Pre App. Eligible Costs	Notes
Preparing budgets, schedules, contract amendments.	Yes	No	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Drafting Requests for Proposals and agreements with consultants for grant administration or other consulting work (Architect and Engineer).	Yes	No	Yes	
Monitoring project progress against the grant contract scope of work and budget and reporting to elected officials.	Yes	No	No	
Preparing disbursements/cash requests, reports, and other documents for submission to the CDFA.	Yes	No	No	
Participating in CDFA monitoring visits and responding to monitoring findings and concerns.	Yes	No	No	
Preparing a project completion report, assisting an auditor with required grant information.	Yes	No	No	
Costs of publishing the Fair Housing Resolution.	Yes	No	Yes	
Purchase of capital equipment, such as computers and file cabinets for grant administration.	No	No	No	
Training on CDBG grant administration requirements.		No	No	Maximum \$10,000 per project.
Preparation of the environmental review and all related costs.	No	Yes	Yes	
Federal Labor Standards Compliance work related to conducting on-site employee interviews, verifying payroll data, reviewing payrolls, attending pre-construction conferences, and obtaining compliance with these requirements.	No	Yes	No	\$20,000 maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Attorney fees for preparing or reviewing contract documents or property acquisition activities.	No	Yes	Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Audit Costs.	No	Yes	No	CDBG portion of the audit cost.
Professional appraiser fees related to property acquisition.	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Construction Contingency.	No	Yes	No	10% of the estimated construction cost.
Architectural.	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Engineering.	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Eligible Activities under Microenterprise.	No	Yes	No	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
Housing Rehab - Collecting client applications, verifying application to determine eligibility.	No	Yes	Yes	Up to 20% of the grant award.
Non-Housing Rehab Projects - Collecting client applications, verifying application to determine eligibility.	No	Yes	Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.
On-site inspections, bid preparation, contracting, client/contractor troubleshooting, compiling cost data on individual rehabilitation homes.	No	Yes	Yes	No maximum – reasonable and necessary to complete the activity. Approval from CDFA required.

»»» 5.10 | OTHER RESOURCES AND INFORMATION

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

NEW HAMPSHIRE WEBSITES

[NHHFA Consolidated Plan](#)

[CDFA CDBG](#)

[CDP INCOME CALCULATOR](#)

[HUD OFFICE OF COMMUNITY
PLANNING AND
DEVELOPMENT TRAINING](#)

[GUIDE TO NATIONAL OBJECTIVES
AND ELIGIBLE ACTIVITIES FOR
STATE CDBG PROGRAMS](#)

[HUD OFFICE OF HEALTHY
HOMES AND LEAD
HAZARD CONTROL](#)

[HUD OFFICE OF
ENVIRONMENT AND
ENERGY \(OEE\)](#)

[DEPARTMENT OF LABOR](#)

»»» 5.11 | WAIVERS

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

Waivers may be requested by the Grantee by submitting to CDFA in writing a request that contains the following:

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



»»»» 6.0 | PROGRAM REQUIREMENTS

THIS CHAPTER OUTLINES DETAILED GRANT REQUIREMENTS FOR SIX CDBG PROGRAM AREAS AS FOLLOWS:

- | | |
|--|---|
| 1. Housing Grant Requirements | 4. Emergency Grant Requirements |
| 2. Public Facility Grant Requirements | |
| 3. Economic Development Grant Requirements | 5. Planning Grant Requirements |
| i. Direct Technical Assistance for Businesses Grant Requirements | 6. Transformational Planning Grant Requirements |
| i. Microenterprise Development Assistance Grant Requirements | |

Find out the grant requirements for each of the CDBG program areas.

»»» 6.1 | HOUSING GRANT REQUIREMENTS

ELIGIBLE HOUSING ACTIVITIES SHALL INCLUDE:

1. Rehabilitation - rehabilitating housing which does not meet physical condition standards for HUD housing that is decent, safe, sanitary and in good repair as defined in 24 CFR 5.703 including:
 - i. Acquisition of property to be used for permanent housing
 - ii. Rehabilitation for permanent housing
 - iii. Conversion of non-residential structures into permanent housing
 - iv. Home ownership assistance to a LMI Household
 - v. Hookups to connect residential structures to water and sewer systems.
2. Infrastructure in support of housing.
3. New construction in a designated revitalization zone carried out by an approved Community Based Development Organization (CBDO) as defined by 24 CFR 570.204(c) and as Last Resort Housing as defined in [49 CFR 24.404\(c\)](#).
4. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

HOUSING REHABILITATION – PROGRAM REQUIREMENTS

The following entities shall be eligible for financial assistance:

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



Additional Conditions for Landlord Eligibility

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

1. At least 51 percent of the units in the building are occupied or if vacant, shall be reserved for low- and moderate-income households;
2. The landlord agrees to rent vacant units rehabilitated with CDBG funds to low- and moderate-income household(s) for no less than 10 years following completion of the project;
3. All other units in the same building meet the HUD occupancy standards whether or not all units utilize CDBG funds.
4. To meet the requirements described above in the case of a 2-unit structure, only one of the units shall be required to be occupied by a low- and moderate-income household.
5. Landlords shall be eligible to receive financial assistance for the housing unit(s) actually rented to a low- and moderate-income household(s) in a building in which less than 51 percent of the units are occupied by such households, provided that:
 - i. The landlord agrees to adhere to the requirements above; and
 - ii. At least 20 percent of the units are, or will be occupied by low- and moderate-income households; and
 - iii. CDBG funds shall not be used to rehabilitate the units in the building that will not be occupied by low- and moderate-income households.
6. Landlords shall be eligible to rent at the full fair market rent level to tenants with section 8 certificates or vouchers.
7. Landlords shall rent at no more than the fair market rent for a one-bedroom unit for an independent group residence, shared or congregate housing unit.
8. Landlords shall rent at no more than 60 percent of the fair market rent for an efficiency housing unit or a single room occupancy housing unit.
9. Housing units rehabilitated with CDBG funds shall meet the following standards:
 - i. Housing that is decent, safe, sanitary and in good repair as defined in 24 CFR 5.703, or state and municipal housing or building, electrical and plumbing codes where they exceed the HUD standards;
 - ii. The state's current life safety code;
 - iii. The state's **amended** 2015 IECC code; and
 - iv. Where applicable, the state's architectural barrier free design code.
10. The relevant rehabilitation standards above shall not apply where the sole activity consists of:
 - i. Painting the exterior of residences of low- and moderate-income households;
 - ii. Removing material or architectural barriers from the residences of the elderly or handicapped; or
 - iii. Water, sewer, street and sidewalk improvements on private property in support of housing.
11. The following funding limits shall apply to housing rehabilitated or assisted with CDBG funds: For rehabilitation of apartment units, single family and mobile/manufactured homes, CDBG funds shall be reasonable.
12. The grantee shall place a minimum 10-year lien on any residential building which has been rehabilitated with CDBG funds.
13. A municipality may operate a revolving loan fund for a housing project provided:
 - i. That low- as well as moderate-income households will benefit;
 - ii. At least an equal amount of matching loan funds will be available from banks and/or other financial institutions at market or below market interest rates;
 - iii. The municipality has the long-term capability to administer the revolving loan fund after the grant closeout; and
 - iv. Evidence of such long-term capability may be a contract with a bank or administering agency to provide such services.



Housing Activities and Program Requirements

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

CDFA Energy Policy

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

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

»» 6.2 | PUBLIC FACILITY GRANT REQUIREMENTS

PUBLIC FACILITY ELIGIBLE ACTIVITIES

1. Water and Sewer Infrastructure
2. Public Property
3. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.

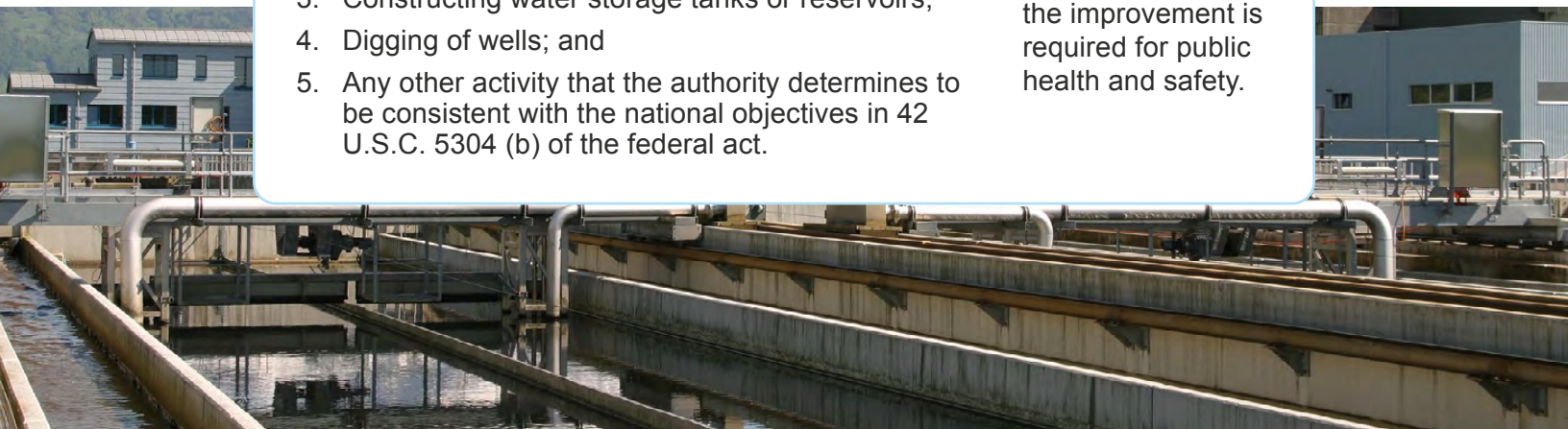
WATER AND SEWER

ELIGIBLE ACTIVITIES

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

REQUIREMENTS

1. All applicants must provide documentation that the improvement is required for public health and safety.





PUBLIC PROPERTY

ELIGIBLE ACTIVITIES

1. Acquiring, constructing, reconstructing, or rehabilitating the community centers, childcare centers, homeless shelters or neighborhood facilities in which public services shall be provided;
2. Constructing elderly/handicapped access to existing public buildings and property;
3. Acquiring, constructing, reconstructing, rehabilitating or installing:
 - i. Streets; street lights; sidewalks; parks; playgrounds; recreation areas; malls; walkways; and easements;
4. Acquiring, constructing, rehabilitating or renovating:
 - i. Schools for use as schools; libraries; and museums;
5. Acquiring, constructing or rehabilitating medical facilities;
6. Acquiring, constructing or rehabilitating nursing homes;
7. Developing municipal master plans; and
8. Any other activity that the authority determines to be consistent with the national objectives in 42 U.S.C. 5304 (b) of the federal act.
 - i. The maintenance of items listed in (2) shall be ineligible.

MATCH REQUIREMENTS

Eligible activities listed in # 1 and 2 above do not have a match funding requirement, however applicants must document reason why no match fund is being proposed. ineligible activities 3-8 above shall have a minimum match ratio of 1:1 of CDBG funds to non-CDBG funds. If the applicant cannot raise the required matching funds, the applicant shall not apply.

CDFA Energy Policy

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

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



»»» 6.3 | ECONOMIC DEVELOPMENT GRANT REQUIREMENTS

ELIGIBLE ACTIVITIES FOR ECONOMIC DEVELOPMENT GRANTS

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

ELIGIBLE ENTITIES

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

1. For-profit subrecipients; and
2. Nonprofit subrecipients



FOR-PROFIT SUBRECIPIENTS ELIGIBILITY REQUIREMENTS

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

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

NONPROFIT SUBRECIPIENTS ELIGIBILITY REQUIREMENTS

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

1. Where the assistance shall meet the objectives in 24 CFR 570.482(e)(2);
2. Where the assistance shall be for the purpose of loaning funds to a business and capitalizing a revolving loan fund with the repayments.

CDFA Energy Policy

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

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

Matching Funds Requirement

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

Program Requirements

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

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

CDFA adheres to the IRS policy of FTEs for its calculation: **one FTE is based on 2,080 hours per year**. For part-time jobs created/retained, add the total number of part-time hours of service for which the employer pays wages to employees during the year (but not more than 2,080 hours for any employee), and divide that number by 2,080. If the result is not a whole number, round down to the next lowest whole number. (If the result is less than one, round up to one FTE.)

The applicant shall also document either of the following:

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

Documentation Requirements

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

- Document the **expected rate of return** to the business, relative to the industry in which it is participating;
- Document through pro formas and financial projections for the business that an **adequate cash flow shall exist to repay the debt** resulting from the project, as well as any other debt that the business has incurred; and
- Include a **detailed analysis prepared by a certified public accountant or a certified economic development professional** documenting the cash value of the CDBG assistance to the business.

Applications shall include the following documentation that demonstrates that the project is feasible:

1. A description of management capabilities and qualifications;
2. Financial history that is sufficient to determine the following:
 - i. The operating cycle;
 - ii. Cash flow;
 - iii. Cash management;
 - iv. Permanent working capital;
 - v. Use of discretionary funds;
 - vi. Profit and loss projections; and
 - vii. Balance sheet projections
3. Market plans and projections; and
4. Confirmed project component costs by an engineer or an independent appraiser

Grantees or subrecipients shall neither propose nor provide grants to for-profit businesses or organizations. For profit businesses are only eligible for loans.





> 6.3.1 | ECONOMIC DEVELOPMENT – DIRECT TECHNICAL ASSISTANCE FOR BUSINESSES GRANT REQUIREMENTS

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

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

ADDITIONAL DIRECT TECHNICAL ASSISTANCE PROGRAM REQUIREMENTS

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

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

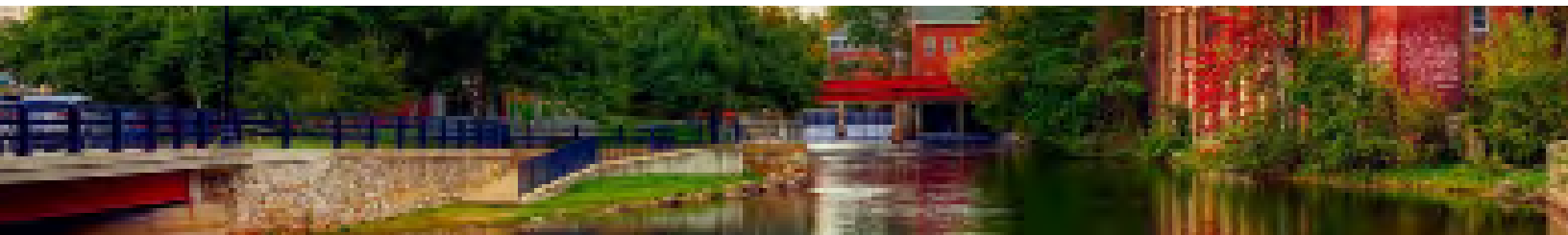
> 6.3.2 | ECONOMIC DEVELOPMENT – MICROENTERPRISE DEVELOPMENT ASSISTANCE GRANT REQUIREMENTS

Eligible activities shall include all the activities set forth in [24 CFR 570.482 \(c\)](#).

Municipalities/counties are eligible to apply for up to \$750,000 for a one-year grant. This grant shall not count against the municipal/county annual funding limits.

Economic Development Program Requirements apply to this sub section.

The Microenterprise Development Assistance Grant evolves each year based on evaluations, new information, related programmatic learning, best practices and research. In 2024, NH CDFA completed the [Community Navigator Pilot Program](#) and commissioned the [NH Small Business Ecosystem Analysis](#) and those learnings are used to develop the CDBG Program Action and Consolidated Plans which direct the priorities of the Microenterprise Development Assistance Grant.





Additional Microenterprise Program Requirements

1. Municipalities/counties are eligible to apply on behalf of subrecipients who will carry out microenterprise program activities.
2. Consistent with Section 105(a)(22) of the Housing and Community Development Act of 1974, as part of a microenterprise program grant application, nonprofit subrecipients must describe the services they intend to deliver in one or more of the three following areas:
 - i. providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;
 - ii. providing technical assistance (TA), advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; or
 - iii. providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises.
3. The application must demonstrate that the proposed microenterprise development program is feasible including, at a minimum, the following:
 - i. The organization's experience in providing business-skills training, technical assistance and support services to owners of microenterprises;
 - ii. Detailed marketing plans and projections;
 - iii. Screening processes used to determine client eligibility, skills and needs;
 - iv. TA, business skills, and peer training offered, including scope and time of assistance provided and anticipated outcomes;
 - v. Documentation of demand for microenterprise development services within the program service area;
 - vi. A program budget, including all proposed sources and uses; and
 - vii. A plan for the program to achieve financial sustainability, including goals, milestones and other funding sources.

In addition, the Grant Administration must comply with the guidance provided in CDBG Implementation Guide.

Scoring of Microenterprise Development Assistance Grant Applications

In 2024, NH CDFA completed the [Community Navigator Pilot Program](#) and commissioned the [NH Small Business Ecosystem Analysis](#) and those learnings are used to develop the CDBG Program Action and Consolidated Plans which direct the priorities of the Microenterprise Development Assistance Grant. These priorities are reflected in the scoring for 2025-2026 and include need for microenterprise support, priority populations and places, addressing barriers and inclusive program design and activities. The scoring has also been streamlined to follow best practices in the CDFA CDBG programs.





»» 6.5 | PLANNING GRANT REQUIREMENTS

ELIGIBLE PLANNING GRANT ACTIVITIES:

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

INELIGIBLE PLANNING GRANT ACTIVITIES:

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

PROJECT REQUIREMENTS

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

ADMINISTRATIVE REQUIREMENTS

1. Each application shall be submitted under the housing, public facilities, or economic development subcategory.
2. Where two or more types of activities are proposed, the application shall be submitted and scored in the subcategory which reflects the principal activity and for which at least 51 percent of the funds have been requested.
3. Applicants shall design and implement studies which can be completed within a 12-month period.
4. Municipalities shall not apply annually for more than three (3) Planning Grant applications not including Transformative planning studies.
5. The following restrictions shall apply to the funds awarded for Planning studies:
 - i. Eligible administrative costs shall not exceed 15% or \$3,500 where the maximum of \$25,000 has been awarded;
 - ii. Consultant fees for writing and preparing grants shall qualify as administrative costs, but shall not exceed \$1,500 per application; and
 - iii. Any subcontract for non-administrative services over \$2,000 shall be bid in accordance with the competitive negotiation procurement process described in 24 CFR 85.36(d)(3).



»»» 6.6 | TRANSFORMATIONAL PLANNING GRANT REQUIREMENTS

This pilot program accepted applications in PY 23. Additional funding opportunities for this program may again become available after the pilot projects are complete and evaluated. This funding opportunity will advance community-level strategies and planning activities that lead to the development of new project(s) that increase the housing supply. The purpose is to address housing needs identified through recent housing initiatives, such as regional housing needs assessments and municipal planning and zoning reform grant programs. This funding will support comprehensive projects that will have a positive transformational community impact. Maximum award amount is \$100,000. CDFA awarded \$200,000 in the first pilot round.

ELIGIBLE ACTIVITIES:

Eligible activities include the assessment of a community's housing needs and capacity to undertake housing projects, assistance creating and/or strengthening local and regional relationships, and evaluation and planning that will lead to viable projects.

INELIGIBLE ACTIVITIES:

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

PROJECT REQUIREMENTS

1. The subrecipient will within 60 days of Committee approval to develop and submit to CDFA a scope of work for the study.
2. The scope of work will include,
 - i. A plan to undertake community-level strategies and planning activities that intend to lead to the development of new project(s) that increase the housing supply.
 - ii. The plan should include strategies to engage with multiple stakeholders.
 - iii. The objectives of a transformative planning grant shall be to determine whether or not:
 - a. One or more project identified by the grant may be feasible and/or to recommend specific action(s) to be undertaken including but not limited a project specific planning grant;
 - b. An analysis of whether the activities had a transformative impact in the community or larger region

ADMINISTRATIVE REQUIREMENTS

1. Applicants shall design and implement studies which can be completed within a 12-month period.
2. Municipalities shall not apply annually for more than one Transformative Planning Grant
3. The following restrictions shall apply to the funds awarded for Planning studies:
 - i. Eligible administrative costs shall not exceed 10% or \$10,000 where the maximum of \$100,000 has been awarded;
 - ii. Consultant fees for writing and preparing grants shall qualify as administrative costs, but shall not exceed \$1,500 per application; and
 - iii. Any subcontract for non-administrative services over \$2,000 shall be bid in accordance with the competitive negotiation procurement process described in 24 CFR 85.36(d)(3).

Application Review Process

The application review process will be the same as a typical CDBG Planning Grant. However, the approval process will include an additional step. Recommendations for funding made to the Community Development Advisory Committee will include a contingency requiring the submission of a work plan to CDFA within 60 days. Work plans will be reviewed by CDFA within 30 days, and upon approval contracts will be finalized and will resume the typical process.

APPENDIX A | EVALUATION RATING AND RANKING CRITERIA

Prior to scoring, all applications must be complete and first meet the application threshold criteria outlined in the **How to Apply** section. If the application is determined to be complete and meets the threshold criteria, it will enter the capacity assessment and then the ranking and rating process against other applications in that round. CDFA staff will rank all complete applications in accordance with the criteria contained in this section.

A.1 | SCORING OF HOUSING GRANT APPLICATIONS

Applicants are eligible to receive up to a total of 200 points. Each applicant must receive a minimum score of 100 points to be considered for funding. **Minimum threshold for projects to move forward:**

1. Satisfactory completion of the application threshold criteria;
2. The landlord agrees to rent vacant units rehabilitated with CDBG funds to low- and moderate-income household(s) for no less than 10 years following completion of the project
3. Grantee completed subrecipient risk assessment and other required attachments with the application;
4. Matching funds secured, Energy policy is met and applicant is likely to meet all other program requirements (as outlined in the Program Requirements Chapter of this Guide);
5. Project is ready for implementation and likely to be complete within 18 months

If this threshold is met, applications will be evaluated and awarded points according to the following factors:

Application Scoring	Maximum Score
Community Needs , as measured by the Community Progress Index	40
Project Specific Needs	100
Need & Impact	40
Long Term Benefit	20
Direct Benefit	20
Cost Per Beneficiary	20
Area Housing Needs	20
Cost Burden in Community	20
Capacity	40
Readiness for Implementation	20
Leverage/Match	10
Energy Use	10
Maximum TOTAL Score	200

COMMUNITY NEEDS

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

Community Progress Indicator Point Range	Points
0-29	20
30-49	30
50+	40

SCORING OF HOUSING GRANT APPLICATIONS (CONT.)

Project Specific Needs

This section includes the subcategories of Need & Impact, Long Term Benefit, Direct Benefit, and Cost Per Beneficiary. All subcategories are outlined below.

NEED AND IMPACT

A score of 40 points shall be awarded for the application showing the greatest need and impact when compared to the other applications in the same round; the remaining applications shall receive fewer points according to the following point values.

Need and Impact	Points
Greatest	40
Substantial	30
Moderate	20

Need and Impact	Points
Minimum	10
None	0

LONG TERM BENEFIT

Up to 20 points for long term benefit shall be awarded as follows:

Long Term Benefit	Points
If majority of project funds will benefit LMI households for 20 + years and a mechanism for ensuring compliance will be put in place (i.e. performance lien)	20
If majority of project funds will benefit LMI households for 10-19 years and a mechanism for ensuring compliance will be put in place (i.e. performance lien)	10
If majority of project funds will benefit LMI households for 10 years (minimum) and/or no plan for long term LMI compliance had been identified	0

DIRECT BENEFIT

% LMI Beneficiaries	Points
51-60%	0
61-70%	5

% LMI Beneficiaries	Points
71-80%	10
81-90%	15

% LMI Beneficiaries	Points
91-100%	20

COST PER BENEFICIARY

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

AREA HOUSING NEEDS

Cost Burden	Points
If 30% or more of households in the applicants defined geographic area are severely cost burdened	20
If 20-30% of households in the applicants defined geographic area are severely cost burdened	10
If fewer than 20% of households in the applicants defined geographic area are severely cost burdened	0



SCORING OF HOUSING GRANT APPLICATIONS (CONT.)

Capacity

This section includes the subcategories of Readiness for Implementation, Leverage/Match, and Energy Use. All subcategories are outlined below:

READINESS

Readiness	Points
Municipal approval received, construction drawings at least 60% complete by a licensed professional, and a realistic project timeline submitted with application.	20
Municipal approvals underway with evidence of design and project timeline.	10
Minimum preliminary design with no permitting progress.	0

LEVERAGE/MATCH

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

	% of CDBG	Points
All CDBG Funds		0
Non-CDBG Funds	1-49 %	2
Non-CDBG Funds	50-99 %	4
Non-CDBG Funds	100-199 %	6
Non-CDBG Funds	200-299 %	8
Non-CDBG Funds	300% or over	10

ENERGY USE

Up to 10 points if the project meets one of the following criteria:

1. New Construction projects that meet LEED, Passive House, or Net Zero requirements.
2. New Construction projects that generate >50% of their property's annual energy use with on-site renewable energy.
3. Rehabilitation projects that transition their primary heating from fossil fuel to high efficiency electrification.



»»» A.2 | SCORING OF PUBLIC FACILITY GRANT APPLICATIONS

Applicants are eligible to receive up to a total of 200 points. Each applicant must receive a minimum score of 100 points to be considered for funding. **Minimum threshold for projects to move forward:**

1. Satisfactory completion of the application threshold criteria and capacity and financial assessments;
2. Grantee completed subrecipient risk assessment and submitted other required attachments with the application;
3. Matching funds secured, Energy policy is met and applicant is likely to meet all other program requirements (as outlined in the Program Requirement Chapter of this Guide);
4. Project is ready for implementation and likely to be complete within 18 months

If this threshold is met, applications will be evaluated and awarded points according to the following factors:

Application Scoring	Maximum Score
Community Needs , as measured by the Community Progress Index	40
Community Benefit	50
Needs Assessment and Impact	40
Long-term Benefit	10
Community Support	60
Priority Project	30
Location and site	10
LMI Direct Benefit	20
Capacity	40
Readiness for Implementation	20
Leverage/matching funds	10
Energy use	10
Community connections	10
Maximum TOTAL Score	200

Community Needs

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

Please see the Community Progress Indicator Point Range on page 34.



SCORING OF PUBLIC FACILITY GRANT APPLICATIONS (CONT.)

Community Benefit

NEEDS ASSESSMENT AND IMPACT

A score of 40 points shall be awarded for the application showing the greatest need and impact when compared to the other applications in the same subcategory; the remaining applications shall receive fewer points according to the following point values:

Need and Impact	Points
Showing the greatest need and impact	40
Substantial	30
Moderate	10
Minimum	5
None	0

LONG TERM BENEFIT

For public facilities applications, up to 10 points for long-term benefit shall be awarded as follows:

Long-Term Benefit	Points
If a majority of the project funds will benefit LMI households for 20+ years and a mechanism for ensuring compliance will be put in place (i.e. performance lien)	10
If a majority of the project funds will benefit LMI households for 10-19 years and a mechanism for ensuring compliance will be put in place (i.e. performance lien)	5
A score of 0 points if a majority of the project funds will have a 9 year or less benefit to low- and moderate-income persons.	0

COMMUNITY SUPPORT

Priority Project	Point
Childcare, facilities providing mental health or homeless services	30
Community centers, senior centers, infrastructure in support of housing	20
Other eligible CDBG activities	0

LOCATION AND SITE

Up to 10 points for projects that are located in Qualified Census Tracts, a designated revitalization zone, other municipally designated area and/or Economic Development Special Eligibility Areas - New Market Tax Credits and Opportunity Zones.

LMI DIRECT BENEFIT

% LMI Beneficiaries	Points	% LMI Beneficiaries	Points	% LMI Beneficiaries	Points
51-60%	40	71-80%	10	91-100%	20
61-70%	30	81-90%	15		

SCORING OF PUBLIC FACILITY GRANT APPLICATIONS (CONT.)

Capacity

READINESS FOR IMPLEMENTATION

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

Readiness	Points
Municipal approval received, construction drawings at least 60% complete by a licensed professional, and a realistic project timeline submitted with application.	20
Municipal approvals underway with evidence of design and project timeline.	10
Minimum preliminary design with no permitting progress.	0

LEVERAGE/RATIO

Up to 5 points on the following calculation:
Leveraged Funds
amount/CDBG
Funds amount. E.g.
\$650,000/\$500,000 =
130% leveraged ratio

	% of CDBG	Points
No Non-CDBG	0	0
Non-CDBG	1 % to 24%	0
Non-CDBG	25% to 49%	2
Non-CDBG	50% to 99%	4
Non-CDBG	100% to 199%	6
Non-CDBG	200% to 299%	8
Non CDBG	300% or over	10

ENERGY USE

Up to 10 points if the project meets one of the following criteria:

1. New Construction projects that meet LEED, Passive House, or Net Zero requirements.
2. New Construction projects that generate >50% of their property's annual energy use with on-site renewable energy.
3. Rehabilitation projects that transition their primary heating from fossil fuel to high efficiency electrification.

Community Connections

Up to 10 points for projects that are sponsored by a sub-recipient which is a membership organization prove that more than 50 percent of members are active as evidenced by attendance at the annual meetings or other public facilities that show strong participation by a partner in the project development and/or implementation.

CONNECTION TO PARTNERS

The project can demonstrate that other community partners beyond the applicant and subrecipient are involved and/or supportive.

CONNECTION TO REGIONAL AND MUNICIPAL PLANS

The project shows a strong connection to a regional and/or municipal plan.

CENTERS AND NEIGHBORHOODS

If the activities shall preserve and promote existing neighborhoods and centers, and where applicable, shall eliminate or reduce slums and blight or shall protect and preserve historically and culturally valuable structures and sites.

»»» A.3 | SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS

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

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

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

Minimum Underwriting Standards

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

1. HUD minimum standards for investments
2. Business loan underwriting standards

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

HUD MINIMUM STANDARDS FOR INVESTMENTS

The Economic Development Entity (EDE) is required to complete underwriting that proves the following guidelines as stated in HUD CFR 570.482 and an Appendix of this Guide, specifically that:

1. That project costs are reasonable;
2. That all sources of project financing are committed;
3. That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
4. That the project is financially feasible;
5. That the return on the owner's equity investment will not be unreasonably high; and
6. CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

The EDE must retain records in accordance with record retention requirements, to include, at a minimum, the following:

1. Financial statements of the business for a minimum of the past three (3) years from the date of submittal of the application;
2. Payment terms of the suppliers to the business;
3. Payment terms of the business to its buyers;
4. Current inventory;
5. Payroll cycle;
6. Inventory cycle;
7. Aging of receivables;
8. Balance due and payment terms of subordinated officer debt;
9. Detailed listing of sales and general administrative costs; and
10. Any other documentation that exists to provide the information needed to evaluate the financial indicators of a specific business.

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Economic Development Entity (EDE) Threshold Indicators

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

EXPERIENCE AT ACQUIRING GRANTS

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

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

HISTORY OF SERVING LMI

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

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

EXPERIENCE IN MAKING COMMERCIAL LOANS

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

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

COLLECTION HISTORY

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

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

EXPERIENCE IN RE-LENDING RLF FUNDS

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

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

PARTICIPATED IN REAL ESTATE-RELATED PROJECTS

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Economic Development Entity Threshold Indicators (cont.)

LENDING EXPERIENCE

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

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

SCOPE OF THE EDE SERVICE AREA

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

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

EDE MANAGES ITS OWN REVOLVING LOAN FUND

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

if the EDE's RLF is more than \$2,000,000	15
if the EDE's RLF is at least \$1,000,000 and less than \$2,000,000	10
if the EDE's RLF is at least \$100,000 and less than \$1,000,000	5
if the EDE's RLF is less than \$100,000	0
if their board of directors is comprised of community representatives as a requirement of their by-laws	5

EDE HAS THE CAPACITY FOR LOAN ORIGATION

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

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

EDE MANAGES ITS OWN RLF

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Public Benefit

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

COMMUNITY NEEDS

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

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

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

Up to 10 points awarded for the applicant's median family income as follows:

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

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

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

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

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

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Public Benefit (cont.)

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

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

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

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

Employee Benefits

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

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

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

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

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

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

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

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Employee Benefits (cont.)

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

Paid vacation time off	Points
if the business provides 10 or more days	10
if the business provides between 5 and 9 days	5
if the business provides between 0 and 5 days off	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Employee Benefits (cont.)

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

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

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

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

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

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

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

Full-time permanent jobs	Points
if the percentage is 80% or greater	1 point each %
if the percentage is less than 80%	0
if the business provides no short-term disability insurance plan	0

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

Jobs to be dedicated to special needs groups	Points
if the percentage is 25% or greater	5
if the percentage is less than 25%	0
if the business does not contribute to employees' childcare	0

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Employee Benefits (cont.)

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

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

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

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

Up to 18 points shall be awarded for the extent that the project contributes to the revitalization of a downtown area or historic rehabilitation, as follows:

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

Business Benefit

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

Pick one of the following categories:

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



SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Business Benefit (cont.)

Business Loans

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

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

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

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

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

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

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

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

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

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

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

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Business Benefit (cont.)

Business Loans (cont.)

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

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

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

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

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

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

Business Need for Assistance

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

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

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

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

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

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

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

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

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

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

SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Business Benefit (cont.)

Business Loans (cont.)

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

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

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

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

Infrastructure improvement to the municipality and the business

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

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

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

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

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

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

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

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

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



SCORING OF ECONOMIC DEVELOPMENT GRANT APPLICATIONS (CONT.)

Business Benefit (cont.)

Nonprofit creating jobs

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

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

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

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

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

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

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

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

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

»»» A.4 | SCORING OF MICROENTERPRISE DEVELOPMENT ASSISTANCE GRANT APPLICATIONS

Applicants are eligible to receive up to a total of 250 points. Each applicant must receive a minimum score of 100 points to be considered for funding.

Need for Microenterprise Support (150 points possible)

Up to 30 points for demonstrated need within service area and for priority populations:

Microenterprise Support Need	Points
All Service Area	
Strong documented user demand	15
Moderate documented user demand	10
Minimal documentation of user demand or user demand	5
No documented user demand	0
Priority Populations	
Strong documentation of needs of priority populations and/or service area	15
Moderate documentation of needs of priority populations and/or service area	10
Minimal documentation of needs of priority populations and/or service area	5
No documentation of needs of priority populations or no information provided	0

Up to 30 points for addressing barriers to program participation:

Addressing barriers to program participation	Points
Program effort to address barriers such as such as transportation, childcare, individual counseling and other basic life services through the active referral to and/or partnership with community organizations:	
Substantial programmatic efforts	30
Moderate programmatic efforts	20
Minimal programmatic efforts	15
Substantial new planning and development of programmatic efforts for addressing barriers	10
Moderate new planning and development of programmatic efforts for addressing barriers	5
No program or information	0
Moderate documentation of needs of priority populations and/or service area	10
Minimal documentation of needs of priority populations and/or service area	5
No documentation of needs of priority populations or no information provided	0

Up to 90 points related to the CDFA Core Data Index for service area:

Core Data Index	Points
Based on county-level score (or average if multiple counties served)	0-70
Targeted outreach and programmatic efforts to communities in most need based on core data index (communities are specified in each county)	20

SCORING OF MICROENTERPRISE DEVELOPMENT ASSISTANCE GRANT APPLICATIONS (CONT.)

Program Design (80 points possible)

Up to 40 points for the sub recipient organization's marketing, outreach and engagement plan:

Marketing, outreach and engagement plan – general to service area	Points
Comprehensive for service area	10
General plan with some detail	5
Minimal plan that lacks specifics	0

Marketing, outreach and engagement plan to priority populations and places	Points
Outreach and engagement plan for priority populations and/or places	10
Planning and development of outreach and engagement plan for priority populations and/or places	5
Community Partnerships that build relationships with priority populations leading to program referrals	10
Exploration of community partnerships that build relationships with priority populations leading to program referrals	5
Use of programmatic materials that are focused on accessibility of priority populations	10
Planning and development of program materials to increase access for priority populations	5

Up to 10 points for the subrecipient organization's client intake process and assessment of entrepreneurial potential of clients:

Intake process	Points
Comprehensive and detailed intake process and assessment	10
Minor screening for user needs and assessment of entrepreneurial skills	5
Minimal or no information gathered from potential clients	0

Up to 10 points for classroom/web-based training and training evaluation and/or outcomes:

Training	Points
Significant training hours including evaluation and/or outcomes (20+ hours)	10
Moderate training hours including evaluation and/or outcomes ((5-19 hours)	5
Fewer than 5 hours of training and little to no evaluation and/or outcomes	0

Up to 10 points for technical assistance provided:

Technical Assistance provided	Points
Strong program of technical assistance	10
Moderate program of technical assistance	5
No technical assistance	0

Up to 10 points for peer learning and mentorship opportunities:

Peer Learning	Points
Provided or facilitated	10
Exploration or trial of peer learning opportunities and program planning	5
Not provided	0

Management Capacity (20 points possible)

Up to 10 points for organizations experience and expertise serving microenterprises:

Experience and expertise	Points
Significant experience and expertise – three or more years	10
Moderate experience and expertise – one to three years of experience	5
Limited or no experience or expertise – less than one year	0

Up to 10 points for organizational structure:

Organizational structure	Points
Nonprofit organization with micro-specific revolving loan fund	10
Nonprofit organization with identified micro-lending partner	5
Nonprofit organization with no lending fund or partner	0

»»» A.5 | SCORING OF PLANNING GRANT APPLICATIONS

Applications shall be awarded a maximum of 25 points based on the criteria in (a) through (f) and applications that score at least 12 points will be considered for funding. Meeting the minimum score does not guarantee a recommendation for funding, the application needs to meet the program objectives.

(a) Using the Community Progress Indicators, up to 2 points for the ranking of adjusted median household income, shall be awarded as follows:

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

(b) Using the Community Progress Indicators, up to 2 points for the ranking of percent of human services assistance, shall be awarded as follows:

Human services assistance	Points
if the points for percent of households receiving human services assistance are higher as compared to the other communities	2
if the points for percent of households receiving human service assistance are moderate as compared to the other communities	1
if the points for percent of households receiving human service assistance are lower as compared to the other communities	0

(c) Using the Community Progress Indicators, up to 2 points for percentage of unemployed, in the applicant’s labor market area for the most recent reporting period, shall be awarded as follows:

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

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

Potential low- and moderate-income beneficiaries	Points
if the number of potential low- and moderate-income beneficiaries is high	2
if the number of potential low- and moderate-income beneficiaries is average	1
if the number of potential low- and moderate-income beneficiaries is low	0

(e) Up to 2 points for the projects that align with a regional or municipal plan shall be awarded as follows:

Strong connection to a plan	Points
if the study advances a priority in a regional or municipal plan	2
if the study may advance a priority in a regional or municipal plan	1
if there is not clear connection	0

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

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



SCORING OF PUBLIC FACILITY GRANT APPLICATIONS (CONT.)

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

Committed funds	Points
if there is significant matching funds committed to the project	2
if there is any matching funds committed to the project	1
if no matching funds is committed to the project	0

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

Previous CDBG grants	Points
if a lower number of previous CDBG grants have been received and funded	2
if an average number of previous CDBG grants have been received and funded	1
if a higher number of previous CDBG grants have been received and funded	0

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

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

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

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

(k) Up to 2 points for addressing high priority activities shall be awarded as follows:

Addressing high priority activities	Points
if the study will address a high priority activity and directly aligns with the CDBG program priorities	2
if the study will address a high priority activity	1
If the study will not address a high priority activity	0

(l) Up to 3 points for the need for the study and an implementation project shall be awarded as follows:

Need for the study and an implementation project	Points
if there is a significant need for the study and an implementation project	3
if there is a moderate need for the study and an implementation project	2
if there is minimal need for the study and an implementation project	0

APPENDIX B: MINIMUM UNDERWRITING STANDARDS FOR ECONOMIC DEVELOPMENT FINANCING

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

1. HUD minimum standards for investments
2. Business loan underwriting standards

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

HUD MINIMUM STANDARDS FOR INVESTMENTS

The Economic Development Entity is required to complete underwriting that proves the following guidelines as stated in [24 CFR 570.482\(e\)](#), specifically that :

1. That project costs are reasonable;
2. That all sources of project financing are committed;
3. That to the extent practicable, CDBG funds are not substituted for non-Federal financial support;
4. That the project is financially feasible;
5. That the return on the owner's equity investment will not be unreasonably high; and
6. CDBG funds are disbursed on a pro rata basis with other finances provided to the project.

The Economic Development Entity (EDE) will determine that the project meets the above mentioned standards using the following specifications about the minimum standards:

1. Project Costs Are Reasonable
 - i. Review the project budget including detailed sources and uses of funds. If the budget is overinflated, there may be a waste of scarce public resources and a surplus can end up as an additional fee to a developer or entrepreneur; and conversely, if the budget is understated, the success of the project may be affected, which could reduce the income available for debt service. To determine whether the costs are reasonable the EDE should compare the applicant's proposal with costs of comparable projects and industry standards.
2. Sources are Committed
 - i. CDFA wants to avoid the risk of approving and disbursing funds to fund a portion of the project without sufficient funds from other sources to complete the development. Therefore, the EDE must prove that all other sources of funds need to be in place prior to application.
3. CDBG Funds Are Not Substituted for Non-Federal Funds
 - i. The EDE needs to establish the need for public investment by,
 - ii. Demonstrating the owners limited personal equity,
 - iii. Demonstrating that a bank or private financing institution has reached their lending limit to the project or will not lend to the project.



MINIMUM UNDERWRITING STANDARDS FOR ECONOMIC DEVELOPMENT FINANCING (CONT.)

4. Project Feasibility

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

5. Owner's Equity Return is Reasonable

- i. An owner strives to receive a market-rate rate of return (ROR) on their project. This varies by market and type of venture. However, the ROR should be reasonable given the equity invested and risk taken. Generally, the greater the risk the higher the ROR demanded. So ventures need to be examined in comparison to similar ventures in similar regions. For real estate ventures, the return on equity should come from cash flow of the project, not a developer's fee or other borrowed funds. Repayment terms are consistent with the use of funds and based on a proper financial structure.
- ii. Developer's fee is limited to the following calculation:
- iii. First \$3.0M developer is eligible for 10% of total development cost
- iv. For anything above \$3.0M developer is eligible for 8% of total development cost

6. CDBG Funds Disbursed Pro Rata

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

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



»»»» APPENDIX C: MICROENTERPRISE PROGRAM DESIGN AND ADMINISTRATION

»» C.1 | MICROENTERPRISE PROGRAM GUIDELINES FOR GRANTEES AND SUBRECIPIENTS

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

»» C.2 | TERM OF GRANT

The maximum term for a grant is 12 months. Implementation occurs from July 1, 2025 through June 30, 2026.

»» C.3 | ELIGIBLE PROGRAM BENEFICIARIES/CLIENTS

To qualify for Microenterprise Program assistance, an individual must 1) own or be actively developing a microenterprise, *and* 2) meet the CDBG National Objective of benefit to low- and moderate-income individuals.

1) MICROENTERPRISE

A 'microenterprise' is defined as:

1. a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise (the term "employee" includes all full-time or part-time employees and all owners of the business on the payroll at the time of intake application, even if all owners' salary draws are not on a regular basis*); or
2. a person over the age of 18 developing a microenterprise, meaning a person who has expressed an interest in—or who, after an initial screening process, is expected to be actively working toward—developing a microenterprise business

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

*Counting employees: The Subrecipient must determine the number of full-time equivalent (FTE) employees a business has at the time of intake. CDFA adheres to the IRS policy of FTEs for its calculation. Simplified, FTE is calculated based on 2,080 hours per year worked. Add up the total hours of service for which the employer pays wages to employees during the year (but not more than 2,080 hours for any employee), then divide the sum by 2,080. If the result is not a whole number, round to the next lowest whole number. (If the result is less than one, round up to one FTE.)

2) CDBG NATIONAL OBJECTIVE – LOW/MODERATE INCOME

Under Federal regulations, use of CDBG funds for microenterprise activities must meet the National Objective of benefit to low and moderate-income persons under the Limited Clientele definition: 570.208 (a) (2) Limited clientele activities. (i) An activity which benefits a limited clientele, at least 51 percent of whom are low- and moderate-income persons.

To qualify for this activity, the Microenterprise Program "must have income eligibility requirements which limit the activity exclusively to low- and moderate-income persons." Therefore, all microenterprise owners must be documented as meeting the U.S. Department of Housing and Urban Development's (HUD) low and moderate-income definitions prior to receiving any services. The Family Income Verification Form (FIVF) will be used to confirm eligibility. Forms are updated annually and can be found on the [CDFA website](#).

MICROENTERPRISE PROGRAM DESIGN AND ADMINISTRATION (CONT.)

»»» C.4 | PROGRAM SERVICE AREA

Microenterprise Program services are available to a qualifying beneficiary/client whose micro-business is located within the State of New Hampshire's jurisdictional boundaries—that is, with a physical business address in New Hampshire. Individuals wishing to start a business are also eligible applicants, provided they can demonstrate that their primary residence is located within the State of New Hampshire. (Exceptions can be made for microenterprises looking to move to New Hampshire, upon request and written approval by CDFA.)

No more than 30% of any subrecipient/service provider's total qualifying beneficiaries/clients for the program year may come from Entitlement Communities.

»»» C.5 | INELIGIBLE PROGRAM APPLICANTS

The following entities are not eligible for Microenterprise Program assistance:

- An existing business located outside the program service area;
- An individual wishing to start a business whose primary residence is outside the program service area; or
- A nonprofit organization or cooperative.



»»» C.6 | ELIGIBLE PROGRAM COSTS

Use of CDBG funds for the Microenterprise Program is restricted to certain eligible costs, in three categories:

1. Technical assistance, advice, and business-support services, including but not limited to
 - i. Business advising;
 - ii. Business planning, marketing and financial management;
 - iii. Business development workshops, training or classes (in-person or online); and
 - iv. Job training for business owners and/or employees.
2. Financial assistance for the establishment, stabilization and expansion of a microenterprise, including but not limited to
 - i. Loans;
 - ii. Loan guarantees; and
 - iii. Grants.
3. Supportive services, including
 - i. Childcare/dependent services;
 - ii. Transportation to/from locations where TA or credit services are provided;
 - iii. Peer-support groups;
 - iv. Counseling; and
 - v. Assistance accessing/paying for direct costs of training and education (e.g. tuition, fees).
4. Training and technical assistance, or other support services to increase the capacity of grantees or subrecipients to carry out microenterprise activities.

Note on Supportive Services - Supportive services are utilized to help eliminate any barriers impeding a program participant from starting or operating their microenterprise and must be utilized in that regard. If a program participant is no longer able to continue participation in the microenterprise program the provider offers, supportive services should cease immediately. Supportive services must be properly documented if provided to program participants. Child care/dependent care services must be provided by a licensed and qualified provider and travel costs must be documented.

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

»» C.7 | GRANTS FOR MACHINERY/EQUIPMENT AND COMMERCIAL PROPERTY

Applicants/subrecipients may request up to \$100,000 in CDBG-Microenterprise funds to provide grants to qualifying beneficiaries/clients for the following purposes:

1. Up to \$5,000 for capital improvements or purchase of equipment/machinery directly related to business operation/expansion. These grants may be awarded independently, or in conjunction with a micro-loan that is originated by the service provider/lending partner for the same purpose.
2. Up to \$10,000 for down payment assistance for commercial property/real estate that is directly related to the business.
 - i. Down payment assistance triggers HUD Acquisition requirements. Please use CDFA compliance resources to establish eligibility.

Each qualifying microenterprise beneficiary/client is eligible for only ONE grant of each type (up to a total of \$15,000) during their three-year window of program eligibility (see Service Timeframe, below). Service providers must provide clear justification for each proposed grant. Grant funds will be disbursed on a reimbursement basis, following a detailed claims process. Direct grants are available ONLY to a qualifying microenterprise beneficiary/client who is currently eligible for and enrolled in a TA provider's TA/training program(s).

»» C.8 | MICROENTERPRISE LOANS

Applicants/subrecipients may request up to \$100,000 in CDBG-Microenterprise funds to provide loans to qualifying beneficiaries/clients (up to \$50,000 per microenterprise client), provided that the subrecipient or a formal lending partner has at least three (3) years of micro-lending experience.

If the subrecipient is a certified Community-based Development Organization (CBDO), it may request loan funds to deploy directly to qualifying microenterprises.

Applications must include a clear demonstration of the need for these funds through documentation of micro-loan demand that is not currently being met by other lenders or lending sources, or anticipated demand from existing and/or prospective microenterprise clients based on a service provider's and/or partner lender's experience and previous lending track record. Applications also must include a comprehensive set of Board-approved loan policies and practices that address issues such as loan origination, risk assessment and underwriting, review and approval, interest and repayment, loan-loss reverses, loan modification and write-off, etc.

If CDBG micro-loan funds are approved as part of a Microenterprise Program award, CDFA will award up to an additional \$100,000 in non-CDBG funds to match the CDBG micro-loan award amount. The subrecipient/lending partner must accept BOTH the CDBG funds and CDFA matching funds for the micro-loans. CDFA matching funds will be disbursed using a line of credit (LOC) that is approved for the micro-lender as part of the overall Microenterprise program. Both CDBG micro-loan funds and matching CDFA LOC funds for micro-loans will be disbursed on a 1:1 basis through the normal claims process, and only after the lender has formally approved a microenterprise loan and the borrower is ready to receive and spend the funds. CDFA will review/approve all underwriting and loan approvals prepared and submitted by the lender prior to release of funds.

Micro-loan principal and interest payments from the business to the lender must be divided equally at the time of payment: one-half into a microenterprise-specific revolving loan fund (RLF), and one-half to repay the CDFA LOC.

The micro RLF must be accounted for separately from other loan programs and may be used to make new loans ONLY to qualifying microenterprises (pursuant to HUD definitions in place at the time of any new loan). CDFA matching funds and environmental review are NOT required for 'relending' from the micro RLF.

See also the Environmental Review section, below.





MICROENTERPRISE PROGRAM DESIGN AND ADMINISTRATION (CONT.)

»»» C.9 | PROGRAM ACTIVITY COSTS

Subrecipients may apply for funds to cover ‘program activity costs’ of up to 20% of the total eligible program cost for the grant period, including training/TA costs and direct grants (not including CDBG grant administration costs). Program activity costs are separate and distinct from the “eligible program costs” listed in the previous section. Program activity costs include:

1. Advertisements/marketing;
2. Environmental studies;
3. Loan processing; and
4. Personnel costs directly related to delivery of services of qualifying microenterprises.

»»» C.10 | PROGRAM INDIRECT COSTS

Subrecipients may request up to 10% of the total eligible program cost for the grant period, including training/TA costs and direct grants (not including CDBG grant administration costs), to cover indirect expenses associated with the Subrecipient’s delivery of its microenterprise program.

Subrecipients must use appropriate accounting and fiscal procedures (such as distinct cost centers) to document the various costs associated with implementing all elements of its Microenterprise Program, consistent with Federal guidance provided in 2 CFR Part 200, Subpart E, section 200.430(i) which requires non-Federal entities to maintain records that “accurately reflect the work performed.”

CDFA will provide detailed guidance on cost categories as part of the grant agreement.

»»» C.11 | INELIGIBLE PROGRAM COSTS

The general rule for CDBG is that any activity, Economic Development or otherwise, not authorized under the provisions of 24 CFR 570.201 is not eligible for funding. Ineligible costs for the Microenterprise Program include, but are not limited to, the following:

1. Government expenses; and
2. Political activities.

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

»»» C.12 | SERVICE TIMEFRAME

A qualifying microenterprise beneficiary/client may receive services within up to three (3) Program Years (a Program Year runs from July 1st through June 30th). If there is a lapse in service within that three-program-year period, the client must requalify as both a microenterprise AND as low- and moderate-income. Proper documentation must be submitted showing there was a time lapse in service. The three-program-year limit applies across all service providers in the state. A beneficiary/client may not complete three years with Provider A and then move on to ‘reset the clock’ to receive additional services from Provider B.

»»» C.13 | DOCUMENTING COVERAGE OVERLAP

New Hampshire is a small, rural state with limited number of technical-assistance providers delivering services targeted to microenterprise. Many of the providers funded through the Microenterprise Program offer distinct services that can truly benefit a business. There may be occasions when a qualifying micro beneficiary/client may receive services from two or more providers. In these circumstances, provider organizations must maintain clear documentation to show that services are not being duplicated by multiple providers - they must show that services they provide to the micro beneficiary/client that are different and distinct from services of another provider.

For example, John Doe goes to Provider A for business consulting services and to attend workshops. Then, he individually seeks out or is referred to Provider B, which provides a Small Business Marketplace to sell his goods and receive marketing support for that step in his business. Both providers would be eligible to receive CDBG funds for this one program participant, and each provider would need to document the specific services (and cost of services) provided, at the time of beneficiary/client intake.

»»» C.14 | PROGRAM BENEFICIARY LIMITS

Subrecipients may request \$2,500 in technical assistance/training funds for each qualifying beneficiary/client to be served within a Program Year. Subrecipients may request \$3,500 for each qualifying beneficiary/client if:

1. The micro-business is located within a designated “[Community Center Area \(CCA\)](#),” or
2. The qualifying beneficiary/client comes from a target population of historically vulnerable community members, including Black, Indigenous, and People of Color (BIPOC); immigrants; LGBTQ; disabled; and gender non-conforming individuals.

A qualifying beneficiary/client may receive technical assistance from two different microenterprise technical assistance service providers in one Program Year, PROVIDED that the services from each provider are separate and distinct (such as marketing support from Provider A and business planning/financial management from Provider B); and there is clear documentation maintained by both service providers.

In addition to technical assistance/training funds, Subrecipients may request funds to provide qualifying, enrolled beneficiaries/clients with direct assistance in securing/completing a micro loan. Subrecipients may request \$2,500 per micro-loan beneficiary/client. Micro-loan clients must be currently eligible to receive ‘regular’ micro TA/training and enrolled in the Subrecipient’s (or another micro TA provider’s) TA/training program. Micro-loan funds are provided in addition to ‘regular’ TA/training funds and TA beneficiary target numbers.

The maximum amount of support that any qualifying microenterprise beneficiary/client may receive within a three-program year period is broken down as follows:

1. Technical Assistance/Training:
 - i. \$5,000 in technical assistance and/or training from two different providers (\$2,500 per provider per year, as noted above) X three program years = \$15,000;
 - ii. \$7,000 in technical assistance per year for microenterprises located in designated CCAs or from target populations, from two different providers (\$3,500 per provider per year) X three program years = \$21,000;
2. Loan Support: \$2,500 in loan support (defined as helping a client prepare for and apply for a loan from the service provider/partner micro-program lender or other lender);
3. Capital Improvements/Machinery/Equipment: Up to \$5,000 in direct-grant assistance for business capital improvements and/or machinery/equipment purchases (only one grant within the three-program-year eligibility period); and
4. Down Payment Assistance: Up to \$10,000 in direct-grant assistance for a down payment for commercial property/real estate that is directly related to the business (only one grant within the three-program-year eligibility period).

Any direct-grant assistance must follow Federal duplication of benefits, environmental review and other appropriate guidance and documentation provided by CDFA and outlined in a program Compliance Plan. A direct grant is available ONLY to a beneficiary/client who is currently enrolled in a provider TA program.

»»» C.15 | ENVIRONMENTAL REVIEW

An environmental review is required by the Department of Housing and Urban Development for each business that receives CDBG funds in the form of a grant or a loan (24 CFR 58). The review must be completed BEFORE the affected business begins any project-related activities that are funded in whole or in part with CDBG funds (grants or loans). The business proposed to receive the grant or loan must be informed of any additional loan processing time due to the NEPA review.

The environmental review must comply with the Department of Housing and Urban Development's regulations regarding the National Environmental Policy Act (NEPA). The Grantee is required to complete and certify compliance with NEPA. The level of environmental review is determined by the type of proposed project and associated activities. An appropriate environmental review must be completed and submitted to CDFA prior to disbursement of grant or loan funds.

»»» C.16 | OTHER CDBG FEDERAL LAWS AND REGULATIONS

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

»»» C.17 | CONTRACT REQUIREMENTS

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

»»» C.18 | REQUIRED DOCUMENTATION FOR CLAIMS

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

- 1. Beneficiary Intake Form:** This document is used to gather required reporting information from the business at the point of 'intake' or qualification for a service provider's microenterprise program. Information gathered includes basic data about the business, such as number of employees, gross revenue and other factors. The intake summary also documents the prospective micro beneficiary/client's outcome goals, service needs, and business objectives that can help tailor services to meet that client's particular needs.
- 2. Family Income Verification Form (FIVF):** This form verifies the income for the program participant and must be filled out clearly and signed. The form should only be filled out at first contact and kept on file. The provider will need to submit a completed form for each qualifying beneficiary for each program year. However, if the program participant is receiving continuous service within the three-program-year limit, a new FIVF is not required. County-specific FIVFs can be found on CDFA's Resource Hub. Providers may use a CDFA-approved electronic version of the FIVF.
- 3. Business Tracking Spreadsheet:** Standard Excel spreadsheet use by all service providers to track all program participants throughout the grant year (blank sheet provided by CDFA).

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

»»» C.19 | FINAL REPORT

A Final Status Report must be submitted through CDFA's grants management system at the end of the grant period. CDFA will provide a final report template for all service providers to prepare and submit. The report includes specific program metrics, as well as narrative sections to describe progress toward achieving the proposed accomplishments listed in the application, program highlights, challenges, and other information. If the provider was unable to meet program metrics and goals outlined in the application, this report enables the provider to describe the reasons and circumstances that led to the program shortcomings.

»»»» APPENDIX D: SPECIAL ALLOCATIONS

In times of economic crisis or natural disasters, Congress may include budget line items for special HUD block grant allocations. This occurred in 2020 and 2021 in response to the COVID-19 pandemic (CARES Act funds). Another common special allocation follows natural disasters (Disaster Recovery funds).

The block grant that receives the extra allocation varies depending on needs. For example, in the first phase of the COVID-19 pandemic, the CDBG and the Emergency Shelter Grants received special allocations; the second special allocation was made through the HOME Investment Partnerships Program.

This section is reserved for how CDFA will approach special allocations of CDBG.

»»» D.1 | CDBG-CV: GENERAL REQUIREMENTS

Under the CARES Act, funding is available through the Community Development Block Grant Program to prevent, prepare for, and respond to the coronavirus pandemic. These funds are also known as CDBG-CV funds. In addition to the CDBG terms and conditions, the following requirements apply to Grantees and subrecipients receiving CDBG-CV funds in accordance with the Coronavirus Aid, Relief and Economic Security Act (CARES Act) (Pub. L. 116-136).

1. The Grantee agrees to comply with the requirements in the CARES Act that apply to CDBG-CV grants and must use the CDBG-CV grant funds to prevent, prepare for or respond to coronavirus.
2. The Grantee agrees to comply with the requirements of the Housing and Community Development Act of 1974 (42 USC 5301 et seq.) and implementing regulations at 24 CFR part 570, as now in effect and as may be amended from time to time, and as modified by the rules, waivers and alternative requirements published by HUD from time to time. Rules, waivers and alternative requirements of Federal Register notices applicable to CDBG-CV grants are hereby incorporated into and made a part of the grant agreement.
3. The Grantee agrees to establish and maintain adequate procedures to prevent any duplication of benefits as required by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254; 132 Stat. 3442).
4. The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the System for Award Management (SAM.gov.); the Federal Funding Accountability and Transparency Act as provided in 2 CFR part 25.300, Unity Entity Identifier (UEI) and General Contractor Registration.
5. The Grantee shall ensure that no CDBG-CV funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfield as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107–118) shall be considered a public use for purposes of eminent domain.
6. The Grantee or subrecipient that directly or indirectly receives CDBG-CV funds may not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Act.



SPECIAL ALLOCATIONS (CONT.)

»» D.2 | CDBG-CV TARGETED FUNDING ALLOCATIONS

CDFA has additional funds from the CARES ACT to make investments in areas that address the COVID-19 crisis.

The total CDBG-CV 1, CV 2 and CV 3 allocation is \$14,311,183. The following priorities were established based on feedback and will be finalized with each publicly announced funding round. The funding round deadlines or target amount for the round may change based on applications received and feedback.

	Funding Rounds Deadline	Target Approximately
Annual Allocation From HUD		
Public Services	9/2020 Subsequent rounds TBD	\$6.1 M
Economic Development – Microenterprise Technical Direct grants other activities	8/2020 Subsequent rounds TBD	\$1.85
Public Facilities and Housing	7/2021	\$2.27
Permanent Supportive Housing in partnership with NH Housing Authority	5/2021	\$3.0
Other needs as identified	TBD	TBD
Technical Assistance / Administration	As expended	7%

»» D.3 | CDBG-CV: PUBLIC SERVICES

The CDBG-CV Funds can support public service activities, including but not limited to the following high priority public service activities:

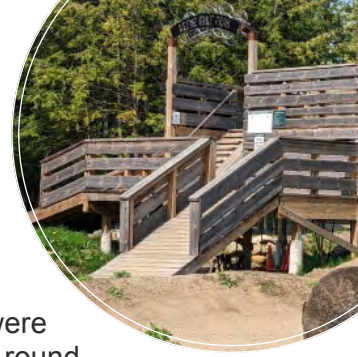
1. childcare services;
2. food banks;
3. senior services;
4. services for persons with disabilities;
5. legal services;
6. resident services;
7. youth services;
8. transportation services;
9. health, mental health and substance abuse services;
10. financial literacy; foreclosure and homebuyer counseling;
11. and homeless services.

These activities have been determined to be high-priority for the State of NH CDBG-CV program based on feedback from state, municipal and nonprofit stakeholders.

If the Grantee (Municipality) is providing the services, then the public service must be either:

1. A new service; or
2. A quantifiable increase in the level of a service above that which has been provided by or on behalf of the municipality (through funds raised by the grantee or received by the grantee from the state) during the 12 months prior to submission of an application.

Grantees cannot use CDBG to replace municipal funds. This means that the service could not have been provided by the municipality in the 12 months prior to submission of the relevant action plan. For example, CDBG funds cannot be used for the salary of a youth services coordinator if the town allocated that salary in its annual budget the year before.



SPECIAL ALLOCATIONS (CONT.)

CDBG-CV: Public Services (cont.)

Eligibility for services

All individuals receiving services must be considered low-and-moderate income (LMI) to be eligible.

An individual is considered to be LMI based on their annualized family income. Overall, to be classified as LMI, an individual or family's total annual income must be equal to or below 80% of the U.S. Department of Housing and Urban Development (HUD) median income for the county or area where they reside.

Low-and-moderate income eligibility can be determined two ways: area benefit or limited clientele.

When using area benefit to determine eligibility, it is required that at least 51% of the residents in a service area have low to moderate incomes, and that the services are targeted to individuals living in the qualifying area. If using the area benefit national objective, you will need to:

1. Identify the boundaries of the service area.
2. Demonstrate that at least 51% of people living in the area have low or moderate incomes by using the CDBG Low and Moderate Income Data Map Application, Census data, or by conducting an income survey.
3. Demonstrate that the area is primarily residential through a zoning map.

Use of limited clientele requires that the project or activity is exclusively benefiting designated or targeted population. Eligibility can be documented in one of two ways:

1. The program is designed to serve a specific presumed group, as defined by the Department of Housing and Urban Development HUD "presumed groups" include: abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons with AIDS, migrant farm workers; or
2. Income verification, which requires documentation of family size and income to show at least 51% of the individuals served are low-and-moderate income.

The following are not eligible public services under this category:

1. Political activities; Ongoing grants or non-emergency payments (defined as more than three consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments; and Payment of expenses in connection with litigation against the grantee or nonprofit.

»» D.4 | CDBG-CV: MICROENTERPRISE DIRECT GRANT PROGRAM

The CDBG-CV Funds can support public service activities, including but not limited to the following high priority public service activities:

AVAILABLE FUNDS

The total amount available in this funding category is \$850,000. Municipalities shall be eligible to apply for up to \$500,000 for a one-year grant. This grant shall not count against the municipal annual funding limits in place for the regular CDBG program.

ELIGIBILITY

Eligible Grantees and subrecipients are only those organizations that are current participants in the CDFA Microenterprise Technical Assistance Program or are proposed grantee and subrecipients for microenterprise funding for the program year that began July 1, 2020.

SPECIAL ALLOCATIONS (CONT.)

CDBG-CV: Microenterprise Direct Grant Program (cont.)

DIRECT TECHNICAL ASSISTANCE

Applicants may request funds for direct technical assistance to microenterprises.

REQUIREMENT OF ALL SUBRECIPIENTS

All applicants must participate in a 'community of practice' (COP) of business technical assistance providers supported by CDFA. Details will be provided in a Circular prior to opening the Funding Opportunity.

OTHER REQUIREMENTS

All Economic Development Program and Microenterprise Grant Assistance Program Requirements outlined elsewhere in this Application and Program Guide, including those outlined in Appendices C and D, apply to this subsection.

Support provided through CDBG-CV funds must not duplicate any other Federal funding in any way. In the deployment of economic development technical assistance or loans, grantees and sub recipients shall exercise significant care to not duplicate any Federal programs, services, loans, grants or other support provided through the CARES Act of 2020 or any other Federal program related to the COVID-19 pandemic.

»»» D.5 | CDBG-CV: PERMANENT SUPPORTIVE HOUSING IN PARTNERSHIP WITH NH HOUSING FINANCE AUTHORITY

AVAILABLE FUNDS

The total amount available in this funding category is \$3,000,000. Municipalities shall be eligible to apply for up to \$500,000 for a one-year grant. This grant shall not count against the municipal annual funding limits in place for the regular CDBG program.

»»» D.6 | SCORING OF CDBG-CV: PUBLIC SERVICE APPLICATIONS

Applications shall be awarded points based on factors which will be detailed in a Circular and publicly available prior to opening the Funding Opportunity.

»»» D.7 | SCORING OF CDBG-CV: MICROENTERPRISE APPLICATIONS

Applications shall be awarded points based on factors which will be detailed in a Circular and publicly available prior to opening the Funding Opportunity.

»»» D.8 | SCORING OF CDBG-CV: ECONOMIC DEVELOPMENT TECHNICAL ASSISTANCE

Applications shall be awarded points based on factors which will be detailed in a Circular and publicly available prior to opening the Funding Opportunity.

»»» D.9 | SCORING OF CDBG-CV: HOUSING AND PUBLIC FACILITIES APPLICATIONS

Applications shall be awarded points based on the criteria outlined in the CDNG Housing and Public Facilities Evaluation Rating and Ranking Criteria Appendix.





»»»» APPENDIX E: KEY RESOURCES FOR APPLICANTS

Below find links to relevant resources for applicants, including program guidance, how to use CDFA's Grants Management System, policy and guidance documents, and data resources.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

[Main Resource Hub Page](#)
[Application & Program Guide](#)

CDFA'S GRANTS MANAGEMENT SYSTEM (GMS)

[How to Register for GMS](#)
[Tips for Using GMS](#)
[Recovering Username and Password](#)
[Starting an Application](#)
[GMS Access Form](#)

DATA RESOURCES

[Main Page](#)
[Community Progress Indicators Summary Table](#)
[Community Progress Indicators Data Dictionary](#)
[Community Progress Indicators 2025](#)
[Community Progress Indicators 2021 – 2025](#)
[Core Data Index 2025](#)

POLICY & GUIDANCE DOCUMENTS

[Energy Policy 2025](#)
[Energy Resources](#)
[Additional Policy Resources](#)





»»»» APPENDIX F: 2025 CORE DATA INDEX

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, assists 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. Community Progress Indicators 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.

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.

CDFA's Community Progress Indicators also form the basis for a Core Data Index that helps define the overall socioeconomic needs of each New Hampshire municipality. An algorithm of Community Progress Indicator data points calculates a score for each county, city, town on a scale of 0 – 70, with 70 representing the greatest combination of socioeconomic challenges. The Core Data Index score is incorporated into the overall project scoring system for applications to the Community Development Block Grant program.

1-Belknap County	40
Alton	33
Barnstead	34
Belmont	41
Center Harbor	35
Gilford	30
Gilmanton	29
Laconia	47
Meredith	44
New Hampton	41
Sanbornton	39
Tilton	44
2-Carroll County	43
Albany	50
Bartlett	43
Brookfield	38
Chatham	40
Conway	49
Eaton	37
Effingham	46
Freedom	43
Hale's Location	33

Hart's Location	36
Jackson	33
Madison	40
Moultonborough	34
Ossipee	52
Sandwich	31
Tamworth	54
Tuftonboro	39
Wakefield	43
Wolfeboro	39
3-Cheshire County	39
Alstead	45
Chesterfield	27
Dublin	33
Fitzwilliam	33
Gilsum	42
Harrisville	28
Hinsdale	48
Jaffrey	35
Keene	44
Marlborough	42
Marlow	46
Nelson	31

Richmond	40
Rindge	27
Roxbury	36
Stoddard	32
Sullivan	36
Surry	30
Swanzey	42
Troy	41
Walpole	37
Westmoreland	39
Winchester	48
4-Coos County	48
Berlin	48
Cambridge	40
Carroll	38
Clarksville	50
Colebrook	51
Columbia	50
Dalton	53
Dixville	-
Dummer	42
Errol	39
Gorham	49



CORE DATA INDEX (CONT.)

Jefferson	44
Lancaster	46
Milan	48
Millsfield	33
Northumberland	52
Pittsburg	42
Randolph	36
Shelburne	45
Stark	52
Stewartstown	54
Stratford	52
Wentworth's Location	43
Whitefield	53
5-Grafton County	35
Alexandria	44
Ashland	45
Bath	45
Benton	57
Bethlehem	42
Bridgewater	39
Bristol	47
Campton	36
Canaan	45
Dorchester	47
Easton	31
Ellsworth	35
Enfield	34
Franconia	33
Grafton	48
Groton	45
Hanover	12
Haverhill	51
Hebron	32
Holderness	34
Landaff	46
Lebanon	27
Lincoln	43

Lisbon	49
Littleton	50
Lyman	40
Lyme	26
Monroe	39
Orange	38
Orford	36
Piermont	39
Plymouth	41
Rumney	51
Sugar Hill	25
Thornton	31
Warren	53
Waterville Valley	26
Wentworth	46
Woodstock	42
6-Hillsborough County	36
Amherst	21
Antrim	39
Bedford	20
Bennington	45
Brookline	18
Deering	44
Francestown	30
Goffstown	30
Greenfield	39
Greenville	45
Hancock	38
Hillsborough	42
Hollis	17
Hudson	30
Litchfield	26
Lyndeborough	38
Manchester	49
Mason	32
Merrimack	21
Milford	29
Mont Vernon	19

Nashua	43
New Boston	23
New Ipswich	29
Pelham	22
Peterborough	39
Sharon	35
Temple	36
Weare	28
Wilton	32
Windsor	32
7-Merrimack County	31
Allenstown	42
Andover	32
Boscawen	40
Bow	15
Bradford	32
Canterbury	28
Chichester	20
Concord	38
Danbury	39
Dunbarton	13
Epsom	32
Franklin	48
Henniker	28
Hill	42
Hooksett	20
Hopkinton	18
Loudon	31
New London	24
Newbury	22
Northfield	35
Pembroke	28
Pittsfield	43
Salisbury	28
Sutton	18
Warner	35
Webster	29
Wilmot	20



CORE DATA INDEX (CONT.)

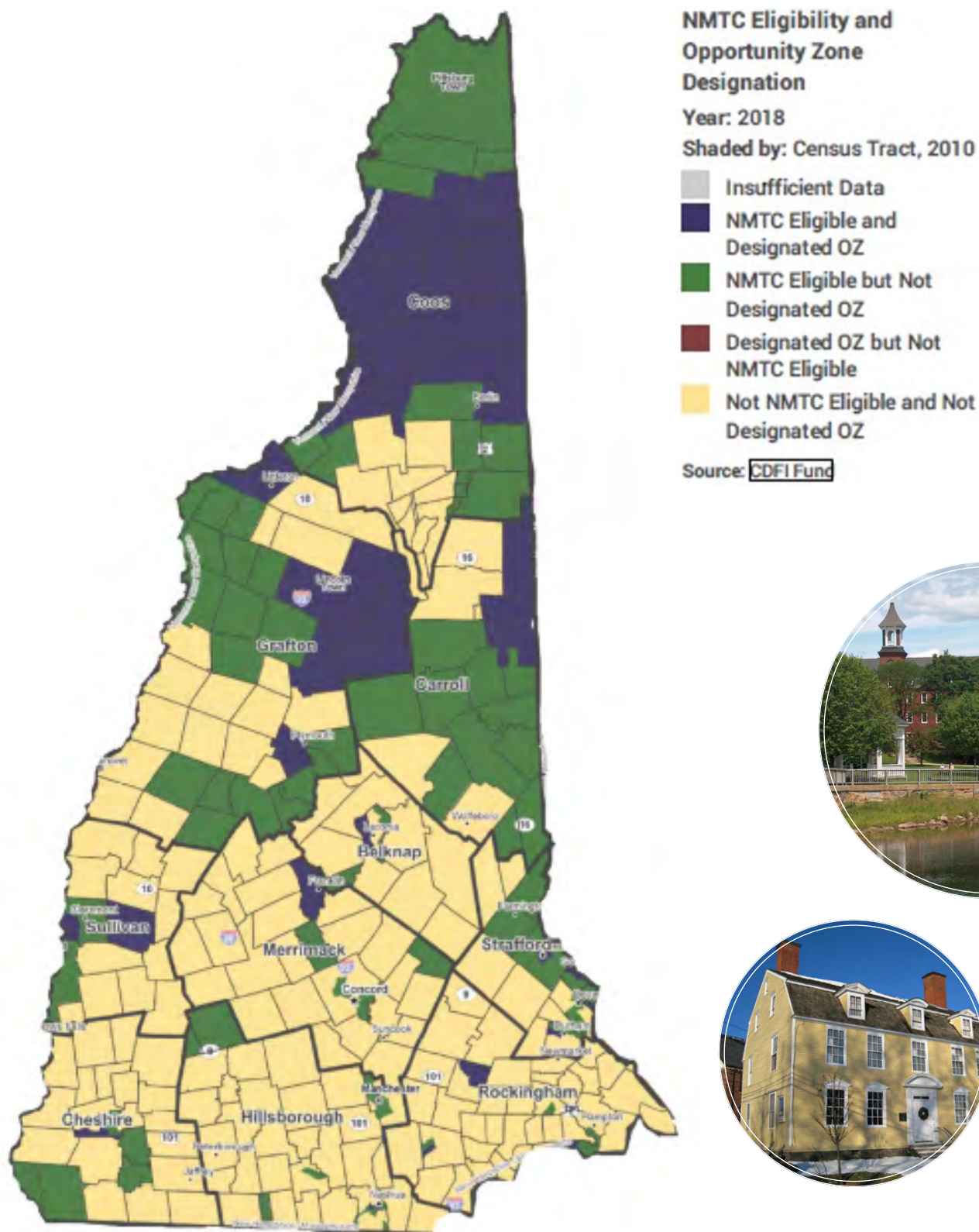
8-Rockingham County	19
Atkinson	15
Auburn	7
Brentwood	8
Candia	17
Chester	12
Danville	14
Deerfield	15
Derry	27
East Kingston	21
Epping	19
Exeter	23
Fremont	18
Greenland	15
Hampstead	21
Hampton	25
Hampton Falls	18
Kensington	17
Kingston	21
Londonderry	11
New Castle	21
Newfields	14
Newington	19

Newmarket	25
Newton	20
North Hampton	20
Northwood	23
Nottingham	11
Plaistow	24
Portsmouth	15
Raymond	27
Rye	23
Salem	17
Sandown	16
Seabrook	41
South Hampton	15
Stratham	13
Windham	9
9-Strafford County	35
Barrington	25
Dover	32
Durham	25
Farmington	46
Lee	24
Madbury	19
Middleton	40

Milton	41
New Durham	34
Rochester	45
Rollinsford	27
Somersworth	43
Strafford	24
10-Sullivan County	40
Acworth	46
Charlestown	46
Claremont	46
Cornish	30
Croydon	39
Goshen	45
Grantham	23
Langdon	39
Lempster	40
Newport	48
Plainfield	21
Springfield	25
Sunapee	29
Unity	52
Washington	42



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



Map from www.policymap.com.



CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

COMMUNITY DEVELOPMENT BLOCK GRANT

APPLICATION & PROGRAM GUIDE