

Multi-Family Housing Committee Meeting
Minutes
February 17, 2021

Committee Members Present: S. Marchant, Chair, A Poore, M. Skelton
Committee Members Absent: N/A
Other Board Members Present: D. Shumway, K. Buck
Staff Members Present: D. Christon, R. Dapice, P. Donahue, N. Dube, B. Frost, J. McCarthy, J. Menihane, J. Morgan, D. Pouliot, C. Provencher, D. Sargent
Others Present: N/A

Ms. Marchant opened the meeting at 9:02 a.m. She noted that, as Chair of the Multi-Family Housing Committee, she recognizes the existence of an emergency due to the COVID-19 crisis and, in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this Committee is authorized to meet electronically. Ms. Marchant began the meeting with a Roll Call of members present and each member stated their location and noted they were alone.

1. Approval: Minutes of the January 20, 2021, Multi-Family Housing Committee Meeting: The members had no comments on the minutes as presented. Mr. Skelton moved, seconded by Mr. Poore. A roll-call vote was taken and the motion to Approve the Minutes of the January 20, 2021 Multi-Family Housing Committee Meeting passed by a unanimous roll-call vote.
2. Program Status Report – Development Programs: Mr. Dapice reviewed the reports for the Development Programs. He discussed the program goals, noting the increased activity, and reported goals have been met for the Preservation and Recapitalization, and Construction and Bridge Lending programs. Mr. Dapice reviewed several projects that have received commitments and reviewed the construction completion report. He also updated members on a recent stakeholder call, noting the challenging environment for developers due to the current pandemic. Mr. Dapice then provided an update on the 811 Program. He reported all goals were met or exceeded on the Lead Hazard Control and Healthy Homes Program, which was completed at the end of December, and he noted this puts the Authority in a good position for the upcoming three-and-a-half-year program. Mr. Christon discussed the potential recapitalization of state lead funds moving forward.
3. Approval: Extension Request for Authorization to Commit Loan Funds for Manchester Homeless Action Project: Mr. Dapice reviewed the Manchester Housing and Redevelopment Authority's (MHRA) Manchester Homeless Action Project. He reported on the MHRA's lack of success in purchasing properties in Manchester, due to several factors including the tight housing market and the COVID-19 pandemic. Mr. Dapice reviewed the request for an extension of the previously approved commitment of \$150,000 of Affordable Housing Fund monies, providing details and answering members' questions. Mr. Poore moved, seconded by Mr. Skelton. A roll-call vote was taken and the motion to extend the authorization for the Executive Director to commit up to \$150,000 of Affordable Housing Fund monies to MHRA, or its affiliate, for the acquisition and rehabilitation of multi-family properties passed by a unanimous roll-call vote. The authorization will expire on May 18, 2021 unless renewed.

Mr. Skelton left the meeting at 9:31 a.m.

4. Discussion: Affordable Housing Fund (AHF) Update: Mr. Dapice updated members on the Affordable Housing Fund. He provided background of the AHF and reported on the five million dollars of real estate transfer tax revenues that was allocated to the fund by statute beginning in FY2020. Mr. Dapice commented that the AHF is a more flexible funding source than federal funds, having less stringent targeting restrictions and he noted supportive housing projects that have made use of the funds. He and Mr. Christon answered members' questions, including discussing timing of allocations and potential additional appropriations to the fund.

5. Discussion: Program Planning: Mr. Christon discussed the FY 2022 Program Planning process, noting staff's efforts to engage Committee members in discussions in an informal atmosphere, reviewing key questions to shape the planning dialog going forward, and to solicit additional issues and questions from members. Mr. Dapice provided a presentation with key topics for discussion and members and staff reviewed each topic, engaging in in-depth discussions. Topics discussed were:
 - Workforce Housing Production – Should the Authority maintain as a high priority financing of larger-scale, mixed income projects? Staff discussed the 4% tax credits, providing details of the recent adjustment vs. the former floating rate. Staff also reported on investor interest. Mr. Christon noted this approach would target the majority of new bond cap, which could affect the MCC capacity in the future. Following discussions, members supported maintaining financing of larger-scale, mixed income projects as a high priority.
 - Supportive Housing Production - Does it remain a high priority to use scarce resources for supportive housing production, including substantial staff support and technical assistance? And should the Authority consider requiring some commitment to special needs populations in all of its traditional housing programs? Mr. Dapice provided information on NHHFA's 811 Program and noted this is not currently a requirement in the Qualified Allocation Plan (QAP) process, however, there is an incentive for it. Staff answered members' questions, soliciting guidance with regard to continuing the incentives or making supportive housing a requirement, and following discussions, members concurred this should remain a high priority and noted support of continuing to incentivize supportive housing with developers. Concern was expressed whether requiring such commitments in all projects was appropriate or feasible and staff were asked to engage the development community regarding this issue before further action is taken.
 - New Construction and Preservation - Should the Authority continue to allow limited use of 9% Low Income Housing Tax Credits (LIHTC) and other scarce resources for preservation activity or should preservation be limited to non-competitive 4% LIHTC and tax-exempt bond capacity? Mr. Christon reviewed the 9% tax credit program which allows for some preservation and noted the recent 4% tax credit fix makes preservation more feasible. Mr. Dapice discussed Land Use Restriction Agreements (LURAs) and affordability restrictions that will be expiring in the near future, and conditions of projects financed through NHHFA and other programs. He reported on the difference between the number of new units that could be created as opposed to the number created if also

using the 9% credits for preservation projects. Staff and members discussed several options, including potential changes to the QAP, discussions with the development community, and increasing restriction requirements for preservation projects. Following discussions, members advised they would like to keep the topic open for more discussion before any changes are made to the program plan or QAP.

Mr. Christon advised members that if there are other issues and topics they would like to discuss, please let Mr. Frost know and the topics will be added to next month's planning discussion agenda. Members commented on the new structure of the planning process, providing positive feedback.

There being no further business to bring before the Committee, Ms. Marchant moved, seconded by Mr. Buck. A roll call vote was taken and the meeting was adjourned at 10:49 a.m.