DEVELOPING EMPLOYER-ASSISTED HOUSING
A Guide for New Hampshire Businesses
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ABOUT THIS GUIDE

This guide was developed by New Hampshire Housing to provide employers interested in developing employer-assisted housing (EAH) with information about regulations and financing options. The content is intended to serve as a resource to users, and we welcome comments.

In this guide, you will find case studies of completed EAH projects, potential financing options, and illustrations of how private, public, and non-profit entities can collaborate on these developments. It offers employers interested in developing housing for their employees details on why EAH projects are necessary, what resources are available, and what regulations should be kept in mind when pursuing a project.

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WHAT IS EMPLOYER-ASSISTED HOUSING?

Employer-Assisted Housing (EAH) is any housing program – either rental or homeownership – that an employer finances or assists in developing in some way. By supplying affordable housing options within close proximity to where their employees work, employers not only reduce their employees’ commute time, but they can also decrease their own expenses by maintaining higher retention levels. Additionally, EAH builds stronger communities by allowing employees to participate more frequently in the local economies where they work.

Employers can collaborate with local non-profits and municipalities that are also interested in creating affordable housing. This makes projects more financially feasible and leverages specific strengths of various stakeholders. For example, an employer might partner with a non-profit to help in the implementation phase of the project. Additionally, partnering with a non-profit may open up more funding options that are only available to 501(c)(3) entities. Employers may also approach municipalities with development plans. Local governments can provide grants or issue deed restrictions for the development site to ensure affordability for an extended period of time. There are various strategies employers may use and numerous potential partners they may approach in pursuing an EAH project.
TYPES OF EMPLOYER-ASSISTED HOUSING

Employer-assisted housing can take many forms depending on who an employer wants to partner with and what type of assistance they want to provide. Generally, EAH projects are either demand driven or supply driven. On the demand side, employers can help subsidize housing costs by providing loans or grants to their employees, allowing them to find existing housing in communities close to their workplace. On the supply side, employers can leverage funds to develop and construct more affordable housing in communities close to their facilities. Below are some examples of EAH programs from both the demand and supply sides:

### DEMAND SIDE
- Downpayment / Closing Cost Assistance
- Rent Subsidies
- Secondary (Gap) Financing
- Homebuyer Education
- Moving Cost Assistance

### SUPPLY SIDE
- Cash Contributions
- Land Donation
- Construction Financing
- Low-Income Housing Tax Credit Investment

DEMAND-SIDE SOLUTIONS

Because of the relative cost burden associated with supply-side options, demand-side involvement is sometimes preferred by employers. Demand-side solutions typically do not require as much administrative support to get started. However, there are limitations to demand-side involvement. An employer wanting to implement an EAH program from the demand side must first confirm there is adequate housing stock in the target area. Additionally, for programming that involves homebuyer assistance, employers will likely need a non-profit partner to manage this type of support or the employer will incur additional costs.

**Downpayment assistance** is one of the most common types of demand-side employer involvement. Employers allow employees to find suitable housing and then offer either forgivable or no-interest downpayment assistance. Typically, an employer would set a funding cap per applicant, and might also offer assistance only for homes within a certain distance of their workplace. This type of EAH program is often paired with **homebuyer education** as well. Employers often seek out partners in non-profits to fulfill the needs of this type of project administration. If employers provide no-interest loans, repayment is often due upon sale or refinance.

Employers can also provide **rent subsidies** for employees who do not want to own a home. This assistance would typically take the form of monthly subsidies agreed upon between the employee and the employer and capped at a certain amount per applicant.
Finally, employers might consider providing secondary gap financing to employees who need additional support beyond downpayment assistance. This typically takes the form of zero or low-interest loans that are repayable upon sale or refinance of the property. Employers should be aware that payments made directly to employees will be considered income and are subject to taxation. However, if funds are first contributed to a pool not reserved for specific employees, that money can be considered a charitable donation. (See the Housing Trust of Silicon Valley development case study on page 12.)

It is important to note that demand-side involvement does not contribute to the housing stock of a community. While demand-side solutions may be less expensive than supply-side solutions, demand-side solutions do not necessarily contribute to the community’s economic development in the same way.

**SUPPLY-SIDE SOLUTIONS**

This guide concentrates on ways employers can get involved on the supply-side to create housing for their employees. While easing the burden associated with accessing existing housing options is important, increasing a community’s affordable housing stock is critical for the stability of the low- to moderate-income workforce and is integral for its economic growth potential. Multi-family housing development, in particular, is addressed since there are various sources of federal funding for multi-family housing projects.

Cash contributions can take several forms. One form might be a charitable contribution. In the case of charitable contributions, IRS regulations prohibit housing units from being restricted to occupancy only by company employees. However, if the contribution takes the form of a business expense, the employer can negotiate specific terms for affordability and specific concessions for their employees. Employers with significant federal tax liabilities can invest in Low-Income Housing Tax Credits (see section on LIHTC for further explanation and guidelines).

Some employers might have excess land to donate for an affordable housing project. In exchange for donating the land, employers can stipulate that their employees receive priority consideration for units and ensure long-term affordability by retaining a right of first refusal in the event the property is sold. Given the short supply of appropriately zoned and sited land in New Hampshire, this may be the most effective option if available.

Employers with capital or access to lower interest rates can also provide low-interest construction financing. Additionally, employers can guarantee all or a portion of a loan to increase the likelihood of receiving a loan through a third-party lender. Doing so may also help in securing a lower interest rate. Depending on the market and economy, low-interest financing may not be the most needed resource.

A group of interested employers in a region can join forces to form a loan fund, usually with a qualified third party acting as a fund manager. Loan funds can help reduce the investment required from any one employer, decreasing risk and potentially increasing employer/investor tolerance for concessionary loan terms. For example, a workforce housing project may have a funding gap of $1 million. There may not be an individual business in the region that can loan the project $1 million in long-term, low-interest subordinate financing. However, there may be 10 businesses that would like to see the project move forward, each one willing to invest $100,000. The Housing Trust of Silicon Valley (see “Case Studies”) is the best-known example of this kind of initiative, and there are several efforts in other parts of the country to launch similar loan funds.
Although supply-side solutions are usually more complex, they represent an investment in the future of the community. When approached strategically, limited and general partnerships can be formed to reduce individual risk, and additional funds may be leveraged through various private, state, and federal funding programs.

**DEVELOPMENT FINANCING OPTIONS**

Employers and their development partners have a variety of financing options available to them. Development financing options available through New Hampshire Housing that could be leveraged in the development of EAH include Low-Income Housing Tax Credits (LIHTC), tax exempt bond financing, long-term debt financing, low-interest loans, grants, and federal program funding subject to specific program requirements. Financing options are described below, along with summaries of the obligations associated with each. Employers interested in pursuing funding through one or more of these options should consult additional material provided by New Hampshire Housing for program stipulations and requirements.

**Low-Income Housing Tax Credit Program**

The LIHTC program is the largest source of federal capital subsidy dedicated to the creation and preservation of affordable rental housing. It provides investors with reductions in their federal tax liability in exchange for investing in affordable housing construction or rehabilitation. New Hampshire Housing is the sole allocator of LIHTC in the state. There are two types of credits available: a 9% credit and a 4% credit.

The 9% credit is awarded on a competitive basis. States receive an allocation of credits each year on a per capita basis as determined by the U.S. Department of the Treasury. The credit is awarded to investors in annual allotments over a 10-year period. Typically, a 9% credit award will subsidize approximately 70% of the total development cost (TDC) of a project’s qualified basis (the portion of the TDC specifically dedicated to the construction of affordable units).

The 4% credit is not awarded on a competitive basis. Projects that fund at least 50% of the development cost through tax exempt bond financing are eligible to receive 4% LIHTCs, and there is no credit ceiling. As with the 9% credit, investors receive annual allotments over a 10-year period. Typically, a 4% credit award will subsidize approximately 30% of the TDC of a project’s qualified basis.

The Department of Housing and Urban Development (HUD) stipulates certain requirements for either 9% or 4% tax credits to be applied to a given project. First, all units must remain open for general public use. Under IRC §42(g)(g), a unit is not considered to be available for public use if it is only available to a member of a specific social organization or provided by an employer specifically for his/her employees. However, exceptions to this rule include establishing occupancy restrictions or preferences for (1) people with disabilities, (2) people who are targeted through a specific federal or state housing program or policy, or (3) people involved in literary or artistic activities.

Additionally, owners of LIHTC projects must maintain affordability in designated units for a minimum period of 30 years (New Hampshire and many other states require longer affordability periods for 9% LIHTCs). Failure to maintain compliance during the first 15 years after the project is placed into service results in the
recapture of previously reserved credits. There are generally three ways to achieve the affordability standard based on area median income (AMI):  

1. At least 20 percent of the project’s units are reserved for tenants whose income is at or below 50%AMI adjusted for family size  
2. At least 40 percent of the project’s units are reserved for tenants whose income is at or below 60%AMI  
3. At least 40 percent of the project’s units are reserved for tenants whose income is at or below 60%AMI and no unit shall exceed 80%AMI  

**AMI schedules are published each year by HUD and can be found at [www.huduser.gov/portal/datasets/il.html#2021](http://www.huduser.gov/portal/datasets/il.html#2021).**

For more information regarding specific New Hampshire Housing application details such as scoring criteria and timelines, consult the agency’s most recent Qualified Allocation Plan (QAP) on [www.NHHousing.org](http://www.NHHousing.org).

To invest in LIHTCs, most investors work through intermediaries called syndicators that help negotiate the process and ensure program compliance. Several syndicators are active in New Hampshire.

**Tax-Exempt Bond Financing**  
The Multi-Family Bond Financing Program, administered through New Hampshire Housing, is an efficient source of funds that enables developers to pursue multi-family rental housing projects. New Hampshire Housing makes the proceeds from the sale of tax-exempt or taxable bonds available to developers for construction, acquisition, rehabilitation, renovation, furnishing, and equipping multi-family housing developments. Any projects financed with tax-exempt bonds must meet Federal Tax Code requirements with respect to occupancy and income targeting. All single asset mortgagors are eligible to apply, including non-profits, limited partnerships, general partnerships, corporations, and limited liability companies. Tax-exempt bond financing is typically paired with 4% LIHTCs, and is well-suited for the preservation of existing subsidized housing. Projects that are funded at least 50% through tax-exempt bond financing are automatically eligible to receive 4% tax credits.

Guidance from the Internal Revenue Service has been published (Revenue Procedure 2019-17) which aligns tenant selection requirements for projects financed with tax-exempt bonds with the general public use requirements for LIHTC projects found in IRC §42(g)(9).

For more information regarding specific program requirements and application procedures, review the program rules.

**Affordable Housing Fund**  
The Affordable Housing Fund (AHF) program provides loans for the acquisition, rehabilitation, or construction of affordable housing for low- to moderate-income households. The primary use for these funds is “gap financing” for affordable rental housing developments financed with other New Hampshire Housing administered resources such as tax-exempt bonds and 4% LIHTCs. When used for this purpose, AHF loans  

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are generally structured as construction-to-permanent deferred payment loans with subordinate mortgage positions and below-market interest rates. Eligible developers include non-profit corporations, consumer cooperatives, public housing authorities, regional planning commissions, units of local governments, limited partnerships, general partnerships, corporations, proprietorships, and other business organizations. All AHF-funded projects must meet income targeting restrictions in one of three ways:

- **20%** of the units must be rented to households with incomes at or below 50% AMI adjusted for household size
- **40%** of the units must be rented to households with incomes at or below 60% AMI adjusted for household size
- **50%** of the units must be rented to households with incomes at or below 80% AMI adjusted for household size

For funds provided as mortgage loans, interest rates are determined based on the project’s ability to service debt. See program rules for a list of program requirements established by New Hampshire Housing.

**HOME Investment Partnerships Program**

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities to fund a range of activities including building, buying, and rehabilitating affordable rental or homeownership housing. The program allows states and local governments to administer funds in the form of grants, direct loans, loan guarantees, or other forms of credit enhancements. Participating jurisdictions (PJs) like New Hampshire Housing have discretion over how funds are appropriated. All HOME-assisted rental housing must comply with rent restrictions published each year by HUD. The program establishes maximum per unit subsidy limits annually which can be found here. The affordability period associated with HOME funds is 20 years for projects that involve major rehabilitation or new construction.

Rental development projects undertaken using HOME funding are subject to income targeting requirements. For any rental project financed with HOME funds, at least 90% of the households occupying units must have incomes that are no more than 60% AMI adjusted for family size. In rental projects with at least five units, 20 percent of those units must be reserved for families with incomes that do not exceed 50% AMI adjusted for family size. HOME income limits are published annually by HUD.

Federal regulations governing the use of HOME funds impose certain requirements concerning tenant selection that limit the preferences that can be applied in selecting tenants. Preferences may not violate fair housing laws and must meet a need that is recognized in the state’s Consolidated Plan. These requirements preclude employer-specific preferences or set-asides. Preferences targeting certain professions that provide necessary public services such as teachers, law enforcement, and first responders may be permissible.

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Housing Trust Fund
The Housing Trust Fund (HTF) is another federal program that offers formula-based grants to states for the construction of housing to assist extremely low-income and very low-income populations. Because the income limits associated with HTF funds are so low, HTF is typically not a useful source of funding for developing employer assisted housing.

Community Development Block Grants
The Community Development Block Grant (CDBG) Program administers formula grants to states, cities, and counties to promote viable urban development by providing decent housing and suitable living environments. Projects funded through CDBG must benefit low to moderate income residents and must be available for general public use. While usage of CDBG funds is rather stringent, there are several instances where these funds can be leveraged for the construction of employer assisted housing. For example, an employer might be able to use CDBG funds to rehabilitate an existing residential building. Additionally, an employer would be eligible to use CDBG funds to purchase land, and then leverage other funding sources for the actual construction of a residential building intended for employee tenancy.

More often than not, CDBG awards are granted to cities, towns, or counties and then sub-granted to non-profits who conduct the work. CDBG funds are awarded on a competitive basis. Applications are reviewed by the state’s CDBG allocation entity, the Community Development Finance Authority.

For more information about CDBG eligibility and program requirements, visit www.NHC DFA.org.

NH Community Development Investment Program
The New Hampshire Community Development Investment Program (CDIP) is designed to allow businesses of all sizes to invest in community projects. Businesses make contributions to community projects and receive a 75% credit against that contribution to go towards their state tax liability. Because this program is not federally funded, there is a wider range of potential uses for CDIP funds. Past projects include the construction of housing, homeless shelters, community centers, and museums. CDIP funds are awarded on a competitive basis annually by the Community Development Finance Authority. CDFA allocates $5 million in tax credit authority each year.

The program requires that a non-profit or municipality be involved in the project. Once awarded credits, a non-profit or municipality must sell those credits to businesses in order to generate capital subsidy for the project. Both large and small companies are eligible to purchase credits. A 10-year lien is placed on the development to preserve the public benefit of the project.

For more information about CDIP eligibility and program requirements, visit www.NHC DFA.org.
HUD STATUTORY LIMITS
Funds administered as part of HUD programs (e.g., HOME) are subject to basic statutory mortgage limits on a per-unit basis. These statutory limits seek to limit HUD’s exposure to any given project by capping the maximum loan amount. Developers should consult HUD’s annually published limits to determine maximum loan amounts. To determine the maximum eligible loan amount, multiply the total number of units of each type that would use federal funding by the statutory limit. HUD also extends the statutory limits in certain areas where development is particularly costly. Depending on the location of the project, developers might also be able to multiply the aforementioned maximum loan amount by a “high cost multiplier” to attain a new maximum loan amount. For example, in Manchester, NH there is a 270% multiplier.

NEW HAMPSHIRE HOUSING STATUTORY LIMITS
In addition to certain federal statutory limits, the New Hampshire Housing statute also specifies certain restrictions for housing development projects. At a minimum, developers should be familiar with the following New Hampshire Housing statutes when pursuing funding. To see the official language for each statute, interested parties should consult the link at the end of this section.

RSA 204-C:1
RSA 204-C:1 provides a definition of “eligible persons and families.” New Hampshire Housing defines “eligible persons and families” as a person or persons, and families of two or more persons, that require assistance on account of insufficient personal or family income.

Factors included in this determination are, but are not limited to (1) the amount of total income of such persons for housing needs, (2) the size of the family, (3) the cost and condition of housing facilities available, (4) the ability of such persons and families to compete successfully in the private housing market, and (5) standards established by certain federal programs determining eligibility based on income of such persons. All projects that receive funding through NH Housing must, at least to some capacity depending on the scope of the project, serve individuals that meet these criteria.

RSA 204-C:20
For every development loan administered through New Hampshire Housing, program staff must conclude that certain requirements have been met per RSA 204-C:20. Some of these requirements include:

1. Eligible elderly and low-income persons and families can afford the adjusted rental or carrying charges with no more than 30 percent of their annual income being spent on basic shelter cost, including additional charges such as heat, hot water, and other utilities. For certain federal requirements, this percentage might change depending on program stipulations.
2. The proposed project is being constructed in a general housing market area that has a shortage of safe and sanitary housing affordable to eligible elderly and low-income persons.
3. The proposed project must demonstrate that without assistance from NH Housing, development of housing affordable to eligible elderly and low-income persons is not financially feasible solely through private enterprise.
4. The proposed project should be designed to house eligible elderly and low-income persons without leading to a concentration of low-income households within a single community.
5. The proposed housing being financed by NH Housing must lead to an increase in the supply of quality, safe, and decent affordable housing available to eligible elderly and low-income persons and provide a public benefit.
RSA 204-C:21
Under RSA 204-C:21, each mortgage administered to an eligible mortgagor of multi-family housing shall be subject to a regulatory agreement between New Hampshire Housing and the mortgagor. Each subject of the multi-family housing, the mortgagor and the principals of the mortgagor shall be subject to certain restrictions, established by New Hampshire Housing, with regards to rental and carrying charges, builder’s and mortgagor’s profits and fees, the disposition of the said housing subject to the mortgage, and other matters as determined by New Hampshire Housing. These stipulations outline the legal expectations that must be met throughout the duration of the loan term.

DEVELOPMENT CASE STUDIES

The following are examples of EAH workforce housing development in other states. Although New Hampshire’s housing market and needs of its residents differ from those in other states, these case studies are examples of projects that could be feasible in the Granite State. Each project highlighted utilizes a unique combination of financing options and demonstrates how private-public partnerships can proactively contribute to a community’s housing stock.

VILLAGE AT WINTERGREEN – KEYSTONE, CO
Vail Resort in Keystone, CO recognized how difficult it was for their employees to find quality, affordable housing within close proximity to their work. The ski resort set out to solve that problem. The Village at Wintergreen is a 196-unit complex with a combination of one-, two-, and three-bedroom apartments in 10 buildings. This project is another product of the possibilities of private-public partnership. Financing for this project required significant funding from various channels. The developer, Gorman & Company, received LIHTCs for 40 units. Those units are designated for tenants earning between 30%-60% AMI. Summit County provided Gorman & Co. with a $300,000 loan in support of the Village, and the Summit Combined Housing Authority partnered with the developer to enable a property tax exemption for the development. These two additional funding sources were significant contributors to Gorman & Co.’s successful application for 9% LIHTCs from the Colorado Housing and Finance Authority. Rent on 120 units is capped at 100% AMI, and those units are only available to those working at least 30 hours per week in Summit County on an annual basis as dictated by the county. The remaining 36 units are seasonal rentals that address the needs of seasonal employees while allowing long-term rentals to still be available to locals. Vail Resorts donated the land for the project. The project was also partially financed by HOME funds, and the developer contributed $1.8 million as well. See detailed description of the project here.
HERITAGE WOODS NEIGHBORHOOD – KENNEBUNKPORT, ME
The Kennebunkport Heritage Housing Trust is an independent nonprofit in the small, wealthy community of Kennebunkport. The Trust was established by the Select Board in 2018 with a mission of building permanent affordable housing for year-round residents. The first project developed by the trust was the Heritage Woods neighborhood, a six-home development of single-family homes and attached duplexes on a 4.9 acre parcel donated by the town. In addition to obtaining land at no cost, the Trust obtained grants from the Maine State Housing Authority and the Federal Home Loan Bank to subsidize the purchase price of homes, which are sold using a land trust model to ensure permanent affordability. Buyers also have access to low-down payment mortgage loans from Maine State Housing Authority. Buyers are selected using a loosely defined local preference that was crafted to avoid violating fair housing laws. This initiative is not technically employer-assisted housing (there is no employee preference, and no single employer played a leading role in the development). However, it is an example of a community recognizing the need for family housing to support local workers. Local businesses have contributed to the Trust’s $500,000 fundraising campaign.

HOUSING TRUST OF SILICON VALLEY – SANTA CLARA, CA
The Housing Trust of Silicon Valley (originally founded as the Housing Trust of Santa Clara County) is a cooperative loan fund with dozens of collaborators who range from employers to local and county governments. Partners make contributions to the fund which are then granted to employees for downpayment assistance or loaned to developers for affordable, multi-family rental housing development.
Since it was first founded in 2000, the partnership has invested nearly $257 million which has helped borrowers leverage $3.8 billion in additional funding. That funding has helped create 19,066 affordable housing opportunities for 34,960 people.³

One of the original members of the loan pool, Applied Materials, a global leader in nanomanufacturing technology for the electronics industry, recognized a need for more affordable housing in the Santa Clara area in order to attract and retain talented professionals. Applied Materials, and four other leading companies, each committed $1 million to the fund. That initial $5 million was either loaned to employees for downpayment assistance (interest free and without the need to pay it back until the home was sold or refinanced) or loaned to developers for the creation of affordable rental units, with income restricted to people earning at or below 80% AMI.⁴

**PELICAN RAPIDS TOWNHOMES – PELICAN RAPIDS, MN**⁵
Minnesota-based food production company Hormel Foods recognized that Pelican Rapids, a small western Minnesota town with an average income of just over $20,000 a year at that time, lacked decent, affordable housing options, especially multi-family rental housing. The company partnered with a local developer, St. Croix Valley Homes, to construct a 40-unit townhome development. Hormel Foods purchased Low-Income Housing Tax Credits and provided over $1.5 million in equity for the project. Additionally, it secured a $270,000 deferred payment loan from the Greater Minnesota Housing Fund.

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RIVERPLACE TOWNHOMES – AITKIN, MN
Kenneth Kellar, an Aitkin businessman and founder of the Kellar Foundation, completed an 18-townhome development along with assistance from the Central Minnesota Housing Partnership, an experienced non-profit developer. At the time of construction, Kellar was employing 70 people in the Aitkin area, but affordable housing was scarce. Kellar donated land and $180,000 to construct new affordable rental housing. He also partnered with the City of Aitkin, which provided infrastructure assistance, and the Greater Minnesota Housing Fund, which provided a $270,000, 0% deferred payment loan for development costs. Since the employer donated the land, he was able to dictate affordability requirements and give preference to his own employees.

HARMONY PLACE – DURHAM, NH
John and Maggie Randolph own two assisted living facilities in Durham, Harmony Homes at Hickory Pond and Harmony Homes by the Bay. After owning and operating these businesses for several years, they had difficulty in recruiting new employees and retaining current staff. After surveying staff to understand challenges they were facing, they discovered employees' biggest problem was the lack of affordable housing in the area. The Randolphs realized that some employees were traveling over an hour to get to work, either because they could not find affordable housing nearby or because they had to drop their children off at daycare before heading to work. Initially, their response was to increase pay rates and benefits by 21%, but even this was not enough.

The Randolphs then decided to develop the area adjacent to their assisted living facilities and constructed seven 1-bedroom apartments and a childcare center for their staff. They brought in an in-house construction team to keep costs down. Rents were restricted to 30% of an employee's pay and they estimate that the development can save their employees $250-$400 a month in rent and approximately $600 per month in childcare expenses.

Not surprisingly, these units were occupied quickly, and they realized that more needed to be done. They acquired a 7.16 acre parcel of land in Dover and began constructing The Cottages at Back River Road. This development will consist of 44 single-family homes, each one 384 square feet. The parcel of land was originally zoned for a duplex development for 55 and over housing, but the Randolphs worked closely with the Planning Board to rezone the property for the larger development.

6 Ibid.
DEVELOPMENT SCENARIOS
The following sections provide examples of combinations of different funding sources that could be used to fund affordable rental housing projects that include designated units for employees. The scenarios involve combinations of private and public investment. All of these options assume that an employer would create a partnership, limited or general, with a developer.

Employer Direct Investment + LIHTCs
One potential financing solution could be for an employer to contribute funds towards development and then apply for tax credits through New Hampshire Housing. Because the employer would provide a direct subsidy, they could negotiate with the developer on a set number of units to be reserved for employees and their cost. Furthermore, the employer could also stipulate how long the affordability period would need to be for those units.

To make the project financially feasible, the partnership could also apply for LIHTCs to supplement the employer’s direct investment. The partners would need to find an investor to buy the credits and invest in the project. Because units funded with LIHTCs must remain open for general public use, the employer would not be able to earmark those units specifically for employees. However, the additional equity could also allow the partnership to pursue additional funding through New Hampshire Housing, such as a construction loan or permanent loan with a lower interest rate than they might otherwise obtain.

AHF + LIHTC
An employer-developer partnership could also pursue a combination of Low-Income Housing Tax Credit and Affordable Housing Fund financing. Once again, the units funded through LIHTC would need to remain open for general public use. However, as long as income targets are met, units funded through AHF may be reserved specifically for employees of a particular company. Legally, this type of development is possible in one of two ways. One way is in the form of condominium ownership, where the two types of units would be blocked into separate developments housed within the same building or set of buildings. Another option is for the project to utilize a ground lease. This form would be possible particularly if the owner were to donate land for the project.