



2023-2024 Qualified Allocation Plan Public Hearing



December 2021

NHHousing.org

Agenda

- Welcome and Introductions
- Review of Proposed Substantial Revisions
- Review of Proposed Administrative Revisions
- Next Steps for 2023-2024 Qualified Allocation Plan
- Questions and Comments

Summary of Proposed Substantial Revisions

Primary Allocation Policies

HFA 109.02 – Primary Allocation Policies

- Based on our program planning priorities established by our Board of Directors in response to the housing needs across the state:
 - Remove preservation.
 - Add underserved populations and communities.
 - *Homeless*
 - *Veterans*
 - *Persons in need of supportive services*
 - *Persons with disabilities*

Primary Program Policies

HFA 109.04.A-C - Allocation Limits / Cost Limits / Investment Limits

- Increase the allocation, cost and investment limit for projects to reflect price increases.

	Current Limit	Increase	New Limit
Allocation Amount (GO)	\$800,000	10%	\$880,000
Allocation Amount (AR)	\$600,000	10%	\$660,000
TDC Weighted Average per Unit	\$245,000	14%	\$280,000
TDC Weighted Average per Unit (High Cost)	\$260,000	15%	\$300,000
TDC Per Unit	\$290,000	14%	\$330,000
Investment per Unit	\$200,000	15%	\$230,000

Primary Program Policies

HFA 109.04.D – Preservation/Recapitalization Project Initiative

- Remove tie breaker favoring the most efficient use of LIHTCs.



Application Process

HFA 109.05.D – Healthy Housing

- Require sponsors to outline a brief plan (300 word maximum) to incorporate healthy housing development principles in the project.
 - ❑ Strategies to improve air quality
 - ❑ Features that encourage physical activity
 - ❑ Common space, community garden and playgrounds
 - ❑ Walking paths and exercise facilities

Threshold Criteria

109.06.H - Services and Appendix I

- Allow CORES Certification as alternative path to meet service coordination threshold criteria.
- Change weekly minimum hours requirement to quarterly requirement for the equivalent number of hours to allow for flexibility.
 - From 4 hours a week to 52 a quarter

Threshold Criteria

HFA 109.06.I - Year 15 Investor Exit and Aggregators

- Require sponsors to select a syndicator/investor acceptable to New Hampshire Housing.
 - ❑ Cannot have been involved in “aggregator” activity in New Hampshire.
- Require disclosures regarding involvement in litigation or transfers of ownership or interest which resulted in the conversion of affordable housing to market rate prior to the end of the affordability period.
 - ❑ Includes qualified contracts.

Threshold Criteria

HFA 109.06.I - Year 15 Investor Exit and Aggregators

- Require language in partnership agreements regarding the right of first refusal.
 - ❑ 24-month term from end of compliance period.
 - ❑ Maximum purchase price.
 - ❑ Terms related to the nature of the right of first refusal and triggering events.
 - ❑ Acknowledgment from investor that its return on investment is in tax credits and not the from any cash proceeds attributable to the project's appreciation in value.
 - ❑ Requirement that limited partner obtain consent of general partner before any transfers of limited partnership interest.

Threshold Criteria

109.06.L - Minimum Scoring Requirements & 109.08.A – Reservation of LIHTC

- Increase minimum score requirements:
 - General Occupancy: 100 points
 - Age Restricted: 95 points
 - *Must score 100 points to be selected over higher scoring applications.*
 - Preservation: 110 points
 - *8 points must be awarded from the Preservation Matrix (increased from 7).*

Scoring and Tiebreakers

HFA 109.07.A. - Scoring Criteria

- Project applications for tax-exempt bonds with 4% LIHTCs will be scored in accordance with Appendix N, a new Appendix, as outlined in the recently issued Tax-Exempt Bond/4% LIHTC Notice of Funding Availability (NOFA).

HFA 109.07.A.2 – Income Targeting

- Remove points for committing 40% of the total units to market rate.

Scoring and Tiebreakers

HFA 109.07.A.3 – Supportive Housing

- Increase points for general occupancy projects only serving homeless or Veterans from 15 to 25 points.
- Increase points for all projects where 10-25% of all units are reserved for households with a household member who is intellectually disabled, physically disabled, experiencing severe mental illness, a veteran, or homeless/at imminent risk of becoming homeless prior to tenancy from 10 to 20 points.

Scoring and Tiebreakers

HFA 109.07.A.7 - Location

- Replace Enterprise Opportunity 360 Index with New Hampshire Housing's High Opportunity Index based on the following indices by census tract: prosperity, education, housing and health.
 - Uses data specific and tailored to New Hampshire.
- Add housing sub-category as points earning category.
- Increase number of points available from 6 to 8.

Scoring and Tiebreakers

HFA 109.07.A.9 – Advanced Projects

- For projects with a 4% and 9% phase being concurrently developed:
 - Require that the 4% phase have at least 55 units.
 - Require a Letter of Interest from the investor outlining the basic terms, including the estimated equity rate, for the 4% project.

HFA 109.07.A.10.a.iii – Formally Designated Community Revitalization Areas

- Based on feedback received, remove from QAP.

Scoring and Tiebreakers

HFA 109.07.A.10.a.iv – Smart Growth Components

- Remove points for natural gas.
- Increase points for public water from 2 points to 3 points.
- Increase points for public sewer from 2 points to 3 points.

Scoring and Tiebreakers

HFA 109.07.A.14 – Developer Experience with New Hampshire Housing

- Add a category that will apply penalty points on the next application submitted for those sponsors that do not fulfill a points commitment.
 - Sponsors who can document good faith efforts to meet the points requirement will not be penalized.
- Add a category that will apply penalty points to sponsors who have pursued a qualified contract in New Hampshire in the last five years.
 - Sponsors who can provide sufficient documentation evidencing that the qualified contract was driven by the investor may not get penalized.

Scoring and Tiebreakers

HFA 109.07.A.15 – Community Room

- Add new points category to projects that provide free password protected Wi-Fi to the property's community room(s).

HFA 109.07.B - Tiebreakers

- First tiebreaker will now favor the project providing the greatest number of net new housing units rather than total housing units.

Allocation Process

HFA 109.08.A – Reservation of LIHTC

- Unused Credits
 - Unused credits returned more than 60 days prior to the next preliminary application due date will be offered to projects in the current funding round.
 - Unused credits returned within 60 days of the next preliminary application due date will be rolled over to that upcoming round.

Allocation Process

HFA 109.08.D – Post Reservation Processing & Appendix C

- Final Allocation Requirements
 - Require cost certification for the general contractor/construction manager if there is a conflict of interest between the sponsor and the general contractor or construction manager.

HFA 109.08.F – Project Representation

- Specify that a failure to disclose sources/uses known to the developer, or sources which have been applied for, may result in a rescission of the LIHTC reservation or a determination that the project is not eligible.

Sample Right of First Refusal

Appendix D

- Require that any third party which purchases the property be bound by the terms of the LIHTC LURA for the remainder of its term.
- Remove requirement that New Hampshire Housing discharge the LURA.

LIHTC Compliance Monitoring Requirements

Appendix K

- Changed to reflect New Hampshire Housing practice.
- Remove requirement for annual submission of the Certificate of Compliance with Special Conditions.
- Minimum number of low-income units included in random samples is the lesser of 20% of the total number of low-income units selected for inspection or the number on the table.

Preservation Scoring Matrix

Appendix L

- Add points for projects with project-based rental assistance:
 - 100% of units have rental assistance: 8 points
 - 50% of units have rental assistance: 4 points
 - 20% of units have rental assistance: 2 points
- Remove points for total number of units preserved.

Summary of Proposed Administrative Revisions



- Update the years of the Consolidated Plan used to determine the QAP Priorities to 2021-2025 (HFA 109.02).
- Maximum number of applications: clarify that current projects are not complete until the municipality issues the Certificate of Occupancy and NH Housing issues IRS form 8609 (HFA 109.04.B).
- Clarify that projects funded with 4% and tax-exempt bonds will only qualify for the basis boost if they are in a Difficult to Develop Area or Qualified Census Tract (HFA 109.04.F).
- Clarify that completion of prior phase is a threshold requirement for 9% LIHTC projects, but not for projects funded with 4% LIHTCs or tax-exempt bonds (HFA 109.06.D).

- Clarify that 4% LIHTC and tax-exempt bond projects must meet project specific Progress Phase Requirements under the Notice of Funding Availability Tax-Exempt Bond Program (HFA 109.06.G).
- Clarify that information included in a cover letter without any additional supporting documentation will not be sufficient to have points awarded in a category unless stated otherwise in the QAP (109.07.A).
- Revise language related to the Section 811 program to align with federal requirements (HFA 109.07.A.5 – 6).
- Specify that supporting documentation must be provided with the final application to be eligible for higher development cost standards (HFA 109.07.A.11).

- Revise language relating to energy charette with the NH Saves Program and inclusion of commitment to participate in the cover letter (HFA 109.07.A.16).
- Revise timeline relating to providing notice of denial to developers to two business day from Board action (HFA 109.08.B).
- Add language defining Community Center Areas (HFA 109.07.A.10.a.i).
- Revise language to require that the 1% application fee for tax-exempt bond funded projects is due prior to the construction loan closing (HFA 109.12).
- Clarify that a recorded right of first refusal to nonprofit is required for the Final Allocation Requirements (Appendix C).

Next Steps

- The draft QAP is anticipated to be presented to New Hampshire Housing's Multi-Family Housing Committee and to the Board of Directors in January for final approval.
- It will then be sent to the Governor for his approval.

Questions or Comments?

Written comments can be submitted to QAP@nhhfa.org



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