

DRAFT - New Hampshire HOME-ARP Allocation Plan

Participating Jurisdiction:

New Hampshire Housing Finance Authority (New Hampshire Housing)

Date: 12/20/2021

Summarize the consultation process:

New Hampshire Housing first discussed the HOME-ARP funding received with the Housing and Community Development Planning Council (the Council) on Monday, October 4, 2021. New Hampshire Housing discussed this new funding source with the attendees of the Council and its eligible activities and intended beneficiaries. Additionally, a consultation meeting was held on Monday, October 18, 2021 that participants could attend either virtually or in person. Participants were invited to ensure that representatives of organizations that represented state Continuum of Care (CoC) partners, public housing agencies, homeless and domestic violence providers, veterans' groups and public agencies that address fair housing, civil rights and the needs of persons with disabilities were informed of this opportunity and to learn more about the HOME-ARP funding, the amount of funding New Hampshire received (which is \$13,875,514), the eligible activities under this funding and the qualifying populations that are meant to be served with this funding. New Hampshire Housing's Managing Director of Management and Development, appointed as our new Executive Director went through a PowerPoint regarding this material and invited all attendees to provide input. Several staff were on hand to provide additional information for the attendees. Approximately forty organizations or agencies were invited to these two meetings. Also, staff had a discussion with the Bureau Chief of the State's Bureau of Housing Supports that administers federal ESG funding for homeless services and activities to better understand existing funding available to agencies that are serving homeless/at risk of homelessness populations.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Governor's Council on Housing Stability	Coordinates stakeholders to formulate strategies to combat state's housing shortage	Executive directors of both Community Development Finance Authority and New Hampshire Housing Finance Authority are on the Council Attended 10/4	None given

State of NH, Bureau of Housing Supports, DHHS	Administers state and federal funding for homeless prevention and intervention services statewide	Attended both 10/4 Council meeting and 10/18 consultation meeting, and virtual meeting with NH HOUSINGFA staff on 10/22	The state is revising its CE process and this could be used as part of referral process for activities funded under this program. Greatest need in state is more affordable housing units - there are a lot of services available at this time. We can not find units for people.
Easter Seals	Serves persons with disabilities, seniors, veterans and caregivers	Attended both 10/4 Council meeting and 10/18 consultation meeting	None given
Families in Transition	Housing and services for persons facing homelessness	Attended both 10/4 Council meeting and 10/18 consultation meeting	None given
Concord Coalition to End Homelessness	Housing and services for persons facing homelessness	Attended 10/18 consultation meeting	Project Based Vouchers will be key to assisting these populations to maintain long term permanent housing.
NH Coalition Against Domestic and Sexual Violence	Advocates for persons surviving domestic or sexual violence, or human trafficking through services and public policy work	Attended 10/18 consultation meeting	Stated that using these funds for non-congregate housing may a good opportunity to creatively approach the need for more affordable housing for these populations. She also felt that supportive services to ensure people are successful tenants after being housed are needed.
NH Legal Assistance	Provides legal services in housing, public benefits and fair housing law. Represents low-income persons, domestic violence survivors, seniors, homeless persons and persons with disabilities	Attended 10/18 consultation meeting	None given
Housing Action NH	Public policy advocates for affordable housing	Attended 10/4 meeting	None given

Community Development Finance Authority	Administers CDBG and other state and federal resources for public projects around economic development, housing and public facilities	Attended 10/4 meeting	None given
New Futures	Policy advocates for health and wellness issues in NH, including affordable housing.	Attended 10/4 meeting	None given
Southwestern Community Services	CoC Community Action Program - provides housing and services to low-income households	Attended 10/18 consultation meeting	Agreed there is a strong need for affordable housing, but also stated that there is a need for long term support services for persons once housed to help eliminate barriers to sustaining housing
Town of Bristol NH, town manager	Municipality	Attended 10/4 meeting	None given

Public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- ***Public comment period: start date - 12/20/2021 end date - 1/17/2022***
- ***Public hearing: 1/10/2022***

Public participation includes the following: a published notice about the beginning of the public comment period in a newspaper with statewide circulation and on our website. The Draft HOME-ARP Allocation Plan was available for review on our website or by mail upon request.

Additionally, our communications division put it on the agency’s Facebook page and sent it out on twitter that the public comment period had begun with a link to the draft HOME-ARP Allocation Plan. The Draft Allocation Plan was also sent to our other Consolidated Planning partners to post on their websites.

New Hampshire Housing will consider any comments or views of residents received in writing, or orally at a public hearing, when finalizing the HOME-ARP allocation plan. A summary of comments will be included when submitted to HUD for review.

Needs Assessment and Gaps Analysis

New Hampshire Housing evaluated the size and demographic composition of qualifying populations within its boundaries and assessed the unmet needs of those populations. In addition, New Hampshire Housing delineated gaps within its current shelter and housing inventory as well as the service delivery system. New Hampshire Housing used current data including point in time count, housing inventory count, and other data available through the state ESG office.

New Hampshire Homeless Needs Inventory and Gap Analysis Table

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	378	139	261	261	0								
Transitional Housing	77	23	25	25	0								
Permanent Supportive Housing	254	83	264	264	173								
Other Permanent Housing						#	#	#	#				
Sheltered Homeless						92	330	13	63				
Unsheltered Homeless						5	204	13	6				
Current Gap										#	#	#	#

Suggested Data Sources: 1. Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

New Hampshire Housing Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	153859		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	5195		
Rental Units Affordable to HH at 50% AMI (Other Populations)	20441		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		26275	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		21265	
Current Gaps			27099

Suggested Data Sources: 1. American Community Survey (ACS); 2. Comprehensive Housing Affordability Strategy (CHAS)

Homeless: Comparing the 2020 and 2019 Point in Time reports, the 2020 total number increased by 16 percent in overall homelessness. There was a 22 percent increase in mental health conditions, a 9 percent increase of chronic substance use and a 51 percent increase in chronically homeless individuals. According to the New Hampshire Homeless Management Information System (HMIS), 2,139 persons experienced homelessness in the PJ's boundaries during the 2020 calendar year. This included 758 households with at least one child, 2,800 adult only households, 75 Veteran households, and 1,504 domestic violence households. 87% identified as non-Hispanic, 11% identified as Hispanic, 89% White, 7% Black, African American or African and less than 1% each identified in any remaining racial categories.

At Risk: In 2020, state and federally funded eviction and homelessness prevention programs targeting At Risk households served 1145 households in the Balance of State. This included 650 households with at least one child, 497 adult only households, 125 Veteran households and 16 households fleeing domestic violence. 96% identified as Non-Hispanic, 2% identified as Hispanic, 95% White, 1% Black, African American or African and less than 1% identified in any remaining racial categories.

Those at greatest risk:

39.9% of New Hampshire households have a housing cost burden of 30% of income or more, with 19.3% of households having a housing cost burden of 50% of income or more. 70.2% of households earning less than 50% of AMI (about 43,530 households), are paying more than 30% of their income for housing, and 44.7% of these very low and extremely low-income households (nearly 27,695 households), are paying more than 50% of their income for housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions. To identify characteristics that have been linked with instability, NH homeless assistance systems prioritize and target persons that have the same profile as people who have entered the homeless response system in the past. Providers use a common assessment, which includes a targeting methodology tool. Households with multiple risk factors of homelessness are prioritized for assistance. Risk factors include number of days to housing loss, severely low income or no income households, history of homelessness, single parent households, households with five or more persons requiring three or more bedrooms, persons with disabling conditions, persons at risk of losing a subsidy, persons with eviction histories, persons who experienced sudden and significant changes in income or household composition, persons with at least one dependent child under six years old in the home and others as trends and needs change.

The unmet need in New Hampshire for qualifying populations is demonstrated as follows:

Sheltered and Unsheltered Homeless:

The low vacancy rate for rental housing coupled with high rental costs and have led to a housing need for persons experiencing homelessness seeking safe permanent housing options. The 2020 statewide median gross rent (including utilities) was \$1,413 for a two-bedroom unit. This marks a 5% increase over last year, and the seventh year in a row where the median gross rent increased. Importantly, renter income has not increased at the same rate over the same period. According to the National Low Income Housing Coalition's Out of Reach 2020 report, New Hampshire requires the 15th highest wage in the country to meet the cost of housing. This means that employees need to earn over \$23/hour to afford an average 2-bedroom home. In 2020, NH Housing estimated that 20,000 more units were necessary to meet current demand. As noted in the NH Housing 2020

Rental Cost Survey, the lower a household's income, the smaller the percentage of housing inventory that is available to them at an affordable cost.

Compounding the housing shortage, the Balance of State is largely a rural COC. According to the State of Homelessness 2020, “43.5 percent of New Hampshire’s overall homeless population resides in smaller, more rural communities.” The National Alliance to End Homelessness notes that key differences between rural and urban homelessness include reduced infrastructure for homeless services in rural areas, limited employment opportunities, lack of transportation, negligible amounts of affordable and safe housing, as well as funding priorities and programs that target urban areas. The increased volume and acuity noted in the scope question of this plan also demonstrates a high need for additional supportive services and increased affordable housing.

At Risk:

As noted in the NH Council on Housing Stability Strategic Report, 70% of people in NH experiencing homelessness are experiencing it for the first time and few households have been able to permanently leave homelessness. This is in large part due to lack of housing that is both affordable and available. Of households served in state funded Eviction Prevention and Homelessness Prevention programs, 86% reported they had used this type of service in the past. This illustrates the ongoing struggle of low-income NH households to maintain permanent housing and challenges posed by the shortage of affordable housing. The data demonstrates the need for additional supportive and financial services resources for people At Risk in economic crises as well as enhancing transitions for people as they maneuver through the different system of care.

Highest Risk:

Due to the shortage of rental housing, communities are identifying housing instability factors such as overcrowded or rent overburdened households without safe, affordable housing options as the highest risk population in need. The second table above shows that there is a gap of more than 20,000 affordable units for the most at-risk population of those in the 0-30% of AMI population who are experiencing one or more severe housing problems. These severe housing problems could be an issue with substandard physical conditions of the property, however, a large percentage of persons in this population are experiencing severe cost burden issues that is only increasing as rents in our state continue to rise.

New Hampshire has identified and considered the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

Congregate and non-congregate shelter units:

There are currently 1,574 year-round shelter beds with an additional 66 seasonal beds, and 13 overflow beds across the Balance of State.

Supportive services – 1461 people were provided supportive services in 2020 through COC Supportive Services Only, Permanent Supportive Housing and Rapid Rehousing projects.

TBRA –In 2020, Rapid Rehousing TBRA through the Emergency Solutions Grant, COC and Supportive Services for Veteran Families served 231 households in the Balance of State

Affordable rental housing – There are approximately 23,000 subsidized rental units in the Balance of State

Permanent supportive housing (PSH) – There are 518 year-round PSH beds in the Balance of State.

Priority needs were based on consultation with homeless providers and state data, and it was determined that the development of affordable housing and supportive services are the highest priorities for our state. Further, the state ESG office informed NH Housing that funds are being returned to the federal government due to a lack of permanent rental housing for individuals, therefore those service dollars cannot be used and are lost to the state. So, it is the intention of NH Housing to focus the majority of these dollars on the creation of affordable rental housing. The level of need and gaps in the system was determined by review of data from the American Community Survey (ACS), Comprehensive Housing Affordability Strategy (CHAS), the Homeless Management Information System (HMIS), HUD Point in Time and Housing Inventory Chart, The NH Governor’s Council on Housing Stability Strategic Plan, the New Hampshire Annual Homelessness Report as well as consultation with the agencies listed above.

HOME-ARP Activities

Rental Housing

New Hampshire Housing will administer eligible activities for rental housing directly. New Hampshire Housing will use two application tracks for rental housing depending upon project type:

Projects blending some HOME-ARP units into LIHTC projects will utilize New Hampshire Housing's Low Income Housing Tax Credit Program Multifamily Rental Housing Financing Application found at https://www.nhhfa.org/wp-content/uploads/2019/10/NHHFA_Financing_Application.xlsm . This application is used for all projects seeking Low Income Housing Tax Credits and various forms of capital subsidy from New Hampshire Housing including but not limited to federal Housing Trust Fund, HOME, the state Affordable Housing Fund and other subsidy resources. This application is very thorough, requiring the applicant to provide detailed information concerning the description of the proposed project, sources and uses of all funds, rents and operating expenses, LIHTC scoring, a project pro forma, analysis of funding gaps to determine subsidy needs and a management questionnaire to assess management capacity. New Hampshire’s Qualified Allocation Plan (QAP) for the Low- Income Housing Tax Credit Program provides scoring incentives to reserve 10% or more (but less than all) units affordable to extremely low-income households, and also encourages through scoring incentives for the provision of supportive housing for the homeless, those at imminent risk of homelessness, and veterans. Other incentives in the scoring system may also encourage applicants to apply for HOME-ARP funding. The project scoring criteria in the Qualified Allocation Plan contain the elements required by HUD and considerably more.

Projects not seeking Low Income Housing Tax Credits projects will use a separate competitive rolling Notice of Funding Availability (NOFA) for supportive housing and New Hampshire Housing will make awards in accordance with the priorities which form the basis of the Threshold Requirements and Scoring Criteria for the Notice of Funding Availability – Multifamily Supportive Housing Program Projects, a draft of which is found attached to this Allocation Plan.

Multifamily Supportive Housing projects funded through the rolling NOFA may commit to serve persons who are homeless or at risk of homelessness. Additionally, applicants for HOME-ARP funds may propose projects to serve persons who are fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking (either sex or labor trafficking). In order to be eligible for HOME-ARP funding,

projects must serve populations as defined in the HOME-ARP Implementation Notice CPD-21-10. Project sponsors applying for development subsidy may also apply for project-based rental assistance administered by New Hampshire Housing which will be used to maintain affordability for eligible households for at least the required minimum affordability periods. Up to 30 project-based vouchers are committed to support this effort, subject to HUD approval. Scoring preference will also be provided to projects with written commitments from other Public Housing Authorities to provide project-based rental assistance. Tenants' need for supportive services will be a threshold requirement. New Hampshire Housing will also allow developers applying for funds to create permanent supportive housing to include in their budget a capitalized operating cost assistance reserve to address operating deficits of the HOME-ARP units during the compliance period.

Supportive Services:

New Hampshire Housing will allow developers seeking funding to create supportive housing to request funding for a portion of the supportive services they will be providing to their residents. These services must fall within one of the HOME-ARP eligible supportive services as defined in HUD CPD Notice 21-10. These services are McKinney-Vento supportive services, homelessness prevention services or housing counseling services. Developers of supportive housing receiving funding to provide supportive services will need to confirm that the resident is not receiving the same services through another program or provider.

Acquisition and Development of Non-Congregate Shelter:

New Hampshire Housing will allow developers to apply for funding to create non-congregate shelter through the existing rolling supportive housing NOFA. The NOFA will be revised to include the creation of this form of emergency shelter as an eligible activity. The creation of non-congregate shelters will be identified as an eligible use of HOME-ARP funds but not of other funds being allocated through the NOFA. Developers will be able to create non-congregate shelter units either through acquisition, acquisition and rehabilitation or new construction. Developers who apply for this funding will need to meet all other requirements of the NOFA which include proof of site control, development and management experience and financial feasibility, among other requirements.

New Hampshire Housing proposes to use 70% of the HOME-ARP funding to develop affordable rental units for this population. Additionally, a small portion of the funds may be used for supportive services that are being provided through a supportive housing project proposed in response to the Multifamily Supportive Housing NOFA. Up to \$2,000,000 may be used to create non-congregate shelter project if New Hampshire Housing receives feasible applications. New Hampshire Housing intends to allocate the allowable 15% of the funding for administrative costs. If the full amount is not used for any of these purposes, the remaining funds will be put toward permanent rental housing.

The result of our gap analysis and discussions with our state ESG administrator and statewide CoC providers led us to conclude that the best use of this resource in our state is to use it to build more affordable housing, especially for extremely low-income individuals. The data provided shows that the largest gap exists of units for extremely low-income households, those at 30% Area Median Income. Our data shows a gap of approximately 21,000 permanent affordable rental units for this population. In comparison, our data shows that the gap for temporary/emergency beds and/or units for persons experiencing homelessness, in any category, is marginal. Additionally, our ability to tie this kind of housing to project-based vouchers allows for the most financially feasible projects to serve the qualifying populations that are the focus of this funding. We also want to assist these projects in providing services to the residents to allow them to maintain their housing. Therefore,

we will supplement the significant services that are currently available through the state funded CoC programs and ESG programs to provide some additional funding assistance at these projects to provide supportive services that facilitate long-term independence for these residents.

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HOME-ARP Production Housing Goals

New Hampshire Housing estimates that we will fund approximately 45-90 units of permanent or transitional rental housing units. The approximate per unit cost will range from \$100,000 to \$200,000.

This will help to address the enormous need in our state for affordable housing for persons who are at or below 30-50% of AMI. Developers will be able to determine which qualifying population they will serve at their project as New Hampshire Housing is not ranking the preferences to determine a priority population. Developers, especially of supportive housing, may work within a particular area and with a particular population, such as survivors of domestic violence, and therefore their supportive housing project and its services would be targeted to that population.

Preferences

New Hampshire Housing does not intend to give a preference to one or more qualifying populations or a subpopulation. Developers will be able to target their housing for any of the qualifying populations allowed under this funding.