

STATE OF NEW HAMPSHIRE

# HOME-ARP ALLOCATION PLAN



# State of New Hampshire HOME-ARP Allocation Plan

**Participating Jurisdiction:**

New Hampshire Housing Finance Authority (New Hampshire Housing)

**Date:** 3/14/2022

***Summarization of the consultation process:***

New Hampshire Housing first discussed the HOME-ARP award with the Housing and Community Development Planning Council (the Council) on Monday, October 4, 2021. Eligible activities and intended beneficiaries (Qualified Populations) for this new funding source was discussed with the attendees of the Council. 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 all Qualifying Populations including the state Continuum of Cares’ (CoC’s) 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 were reviewed. New Hampshire Housing’s leadership 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. Of the forty agencies invited, twelve participated. Also, staff had a discussion with the Bureau Chief of the State’s Bureau of Housing Supports that administers federal Emergency Solutions Grant (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 of the organizations consulted, and summary of the feedback received from these entities.***

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

<b>State of NH, Bureau of Housing Supports, DHHS</b>	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 New Hampshire Housing 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 cannot find units for people.
<b>Easter Seals</b>	Serves persons with disabilities, seniors, veterans and caregivers	Attended both 10/4 Council meeting and 10/18 consultation meeting	None given
<b>Families in Transition</b>	Housing and services for persons facing homelessness	Attended both 10/4 Council meeting and 10/18 consultation meeting	None given
<b>Concord Coalition to End Homelessness</b>	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.
<b>NH Coalition Against Domestic and Sexual Violence</b>	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. They also felt that supportive services to ensure people are successful tenants after being housed are needed.
<b>NH Legal Assistance</b>	Provides legal services in housing, public benefits and fair housing law. Represents veterans, low-income persons, domestic violence survivors, seniors, homeless persons and persons with disabilities	Attended 10/18 consultation meeting	None given
<b>Housing Action NH</b>	Public policy advocates for affordable housing	Attended 10/4 meeting	None given

<b>Community Development Finance Authority</b>	Administers CDBG and other state and federal resources for public projects around economic development, housing, and public facilities	Attended 10/4 meeting	None given
<b>New Futures</b>	Policy advocates for health and wellness issues in NH, including affordable housing.	Attended 10/4 meeting	None given
<b>Southwestern Community Services</b>	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.
<b>Town of Bristol NH, town manager</b>	Municipality	Attended 10/4 meeting	None given
<b>Keene Housing Authority</b>	Housing Authority	Attended 1/10/22 public hearing	Had a question about the per unit subsidy limits listed in Plan. Clarified that the limits listed are just for the HOME-ARP funds per unit.
<b>NH Legal Assistance</b>	Provides legal services in housing, public benefits and fair housing law to low-income persons, domestic violence survivors, seniors, homeless persons, and persons with disabilities	Attended 1/10/22 public hearing	Had a question about some of the data provided and how it was determined – if tenant-based voucher holders were factored in with the number of units. Clarified, with input from New Hampshire Housing's data division, that tenant-based voucher holders are not factored into the number of units.
<b>Concord Coalition to End Homelessness</b>	Housing and services for persons facing homelessness	Attended 1/10/22 public hearing	Had a comment that Project Based Vouchers should be available to developers using this funding for qualifying populations in 9% LIHTC projects as well as supportive housing. New Hampshire Housing has included language in the Plan to determine if this will be feasible in the future through an RFP.

**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. The Draft was removed from the website after the comment period was over. The public hearing was virtual and in person; all public participants attended virtually. To ensure access for persons with disabilities or LEP considerations, the public notice stated: “if you would like to request a copy of the Draft Allocation Plan or have accessibility or Limited English Proficiency needs that require accommodation, please contact Jessica McCarthy at 603-310-9272 or email the address above.”

**Efforts to broaden public participation:**

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 CDBG and ESG Consolidated Planning partners to post on their websites.

**Summary of Comments and Recommendations:**

New Hampshire Housing considered comments received in writing, and orally at the public hearing, when finalizing the HOME-ARP allocation plan. Three organizations attended the January 10, 2022, public hearing to give comments and ask questions about the Draft Allocation Plan. The organizations and their questions or comments are listed in the table above. However, one comment that was received was that there should be a mechanism for Project Based Vouchers (PBVs) to be available to developers of 9% LIHTC projects for units that are funded by HOME-ARP funds and serving qualified populations. This comment is in line with New Hampshire Housing’s desire to ensure that this funding is available in the widest variety of affordable rental housing that we finance. Therefore, New Hampshire Housing has added to this Allocation Plan that we may decide in the future to provide an RFP to developers to apply for Project Based Vouchers (PBVs) for various funding sources including for the 9% LIHTC round. This added language can be found toward the bottom of page 8. No other comments, other than the one stated above, were received from the general public.

**Summary of Comments and Recommendations not accepted:**

No comments or recommendations were not accepted.

**Needs Assessment and Gap 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	432	133	328	328	0								
Transitional Housing	83	18	18	18	0								
Permanent Supportive Housing	260	83	334	334	217								
Other Permanent Housing						0	0	0	0				
Sheltered Homeless						230	349	25	53				
Unsheltered Homeless						15	180	6	9				
<b>Current Gap</b>										0	0	0	0

**Suggested Data Sources:** 1. 2021 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	
<b>Current Gaps</b>			27099

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

### ***Size and Demographic Composition of Qualifying Populations in the PJ's boundaries:***

#### **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.

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

### **Sheltered and Unsheltered Homeless:**

The statewide low vacancy rate of less than 1% for rental housing coupled with high rental costs 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, New Hampshire Housing estimated that 20,000 more units were necessary to meet current demand. As noted in the New Hampshire 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 systems of care.

### **Fleeing, or attempting to flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking:**

NH Coalition Against Domestic & Sexual Violence (NHCADSV) and their 12 member agencies provide housing and shelter services. Housing remains one of the biggest barriers that survivors face when attempting to flee abuse. New Hampshire's statewide vacancy rate of less than 1% demonstrates that the lack of affordable and available housing creates barriers for survivors to be able to flee. Survivors sometimes, due to lack of available housing, have to return to abusive homes to avoid homelessness. In 2020, these programs assisted persons in the following numbers: 5,477 victims of domestic violence; 1,614 victims of sexual violence; 396 victims of stalking and 49 victims of human trafficking.

To ensure that survivors have a pathway to escape abusive situations NHCADSV, a recipient of a HUD funded Rapid Rehousing Program, offers first month's rent, security deposit, utility assistance, and trauma informed case management for survivors to obtain safe housing for up to two years. They also have a Housing First

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program funded through VOCA (Victim of Crime Act) to support survivors with housing readiness and maintenance support which offers flexible funding for a variety of things from first month's rent to clothes for a job interview, and car repairs. The crisis centers across the state also offer Emergency Sheltering through confidential shelters as well as hotel services to ensure that survivors and their families can escape abuse safely and confidentially. Survivors are supported with 24/7 services through these programs.

In 2020 at the height of the pandemic the sheltering numbers were up 26% and calls made to our 24-hour hotlines were up 63%. Crisis centers reported an increase in isolation that survivors are facing due to the pandemic and increased abusive tactics by their partners. So, sheltering and housing services are one of the main services that survivors needed during the height of the pandemic, and this is continuing to be the trend.

**Other Families Needing Services to Prevent Homelessness:**

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.

**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, Tenant-Based Rental Assistance (TBRA), and affordable and permanent supportive rental housing:***

**The following information is based on the State's 2021 Point in Time (PIT) count:**

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. HMIS, the federal data system that is required to be used by homeless providers, does not allow these units to be designated as congregate or non-congregate, but emergency shelters had ESG/CV funding which allowed for hotel vouchers that agencies used to create non-congregate beds throughout the pandemic but a count of how many hotel rooms were paid for with these vouchers is not available.

Supportive services – these services were primarily paid for with federal ESG and ESG/CV funds, but some state Grant in Aid funds were also used. A wide array of supportive services were provided to individuals and families to assist in obtaining and maintaining permanent housing:

- 1,461 persons through COC Supportive Services Only, Permanent Supportive Housing and Rapid Rehousing projects.
- 3,019 persons through eviction and homelessness prevention projects.
- 204 persons through ESG/CV Rapid Rehousing,
- 147 persons through Supportive Services for Veteran Families Rapid Rehousing
- 1,441 persons through emergency shelter
- 960 persons through Street Outreach and PATH Supportive Services

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 – these are all in rural areas of the state because the Balance of State does not include the larger cities which are entitlement areas. New Hampshire Housing administers 189 VASH vouchers and 4,226 Tenant Choice Vouchers throughout the state. New Hampshire Housing does not use any of its HOME Investment Partnerships funding for TBRA as this need is being met with other state resources. We are not aware of any new vouchers coming online soon.

Affordable rental housing – There are approximately 23,000 subsidized rental units in the Balance of State. At **less than 1% (0.9%)**, New Hampshire’s vacancy rate for all units is lower than last year (a vacancy rate of 5% is considered a balanced market for tenants and landlords). In comparison, both the U.S. and Northeast vacancy rates are at 6.8%.

Permanent supportive housing (PSH) – There are 594 year-round PSH beds in the Balance of State; this equates to 334 beds/units for adults only and 260 beds which are in 83 units for families. There are no vacant units at this time and since the state covers the Balance of the State and does not include any Entitlement communities, all of these units/beds are in rural areas of the state.

**Gaps within the current shelter and housing inventory as well as the service delivery system:**

The gaps in the system the extreme lack of affordable housing in our state, and secondly services to help vulnerable households maintain their housing and avert a return to homelessness. Further, the state ESG office informed New Hampshire 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.

**Priority Needs for Qualifying Populations:**

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. So, it is the intention of New Hampshire Housing to focus the majority of these dollars on the creation of affordable rental housing and a small portion for additional services for permanent supportive housing that is created with this funding.

**Data used to determine level of need and gaps in the delivery system:**

The level of need and gaps in the system were 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.

***No portion of the PJ’s HOME-ARP administrative funds were provided, nor will they be provided to a subrecipient or contractor prior to HUD’s acceptance of the HOME-ARP allocation plan. Nor does NH Housing plan to use a subrecipient or contractor to carry out the administration of the HOME-ARP grant.***

**HOME-ARP Activities**

**Use of potential HOME-ARP Funding**

	<b>Funding Amount</b>	<b>Percent of the Grant</b>	<b>Statutory Limit</b>
Supportive Services*	\$ 150,000		
Acquisition/Development of Non-Congregate Shelters *	\$ 2,000,000		
Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 9,644,187		
Non-Profit Operating	\$ 0	0%	5%
Non-Profit Capacity Building	\$ 0	0%	5%
Administration and Planning	\$ 2,081,327	15%	15%
<b>Total HOME ARP Allocation</b>	<b>\$ 13,875,514</b>		

\*Funds not requested/use will be allocated to Rental Housing

## **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 Low Income Housing Tax Credit (LIHTC) projects will utilize New Hampshire Housing's LIHTC Program Multifamily Rental Housing Financing Application found at [www.nhhfa.org/wp-content/uploads/2019/10/NHHFA\\_Financing\\_Application.xlsm](http://www.nhhfa.org/wp-content/uploads/2019/10/NHHFA_Financing_Application.xlsm). This application is used for all projects seeking LIHTC's and various forms of capital subsidy from New Hampshire Housing including but not limited to federal Housing Trust Fund, HOME Investment Partnerships Program, 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 LIHTC 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. New Hampshire Housing may decide in the future to provide an RFP to developers to apply for Project Based Vouchers (PBVs) for various funding sources including for the 9% LIHTC round, however, only units funded with HOME-ARP and serving a qualifying population with a 9% LIHTC project that has received a reservation would be eligible to apply for PBVs.

Projects not seeking LIHTC's will use a separate competitive rolling Notice of Funding Opportunity (NOFO) 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 Opportunity– Multifamily Supportive Housing Program Projects, a draft of which is found attached to this Allocation Plan.

Multifamily Supportive Housing projects funded through the rolling NOFO may commit to serve persons who are homeless or at risk of homelessness. Additionally, applicants for HOME-ARP funds may propose projects to serve Qualifying Populations including but not limited to 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 qualifying 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 period. 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:**

Supportive services will be an eligible activity but only in projects with developers of new supportive housing for qualifying populations. 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 NOFO. The NOFO will be revised to include the creation of this form of emergency shelter as an eligible activity. The creation of non-congregate shelters for qualifying populations will be identified as an eligible use of HOME-ARP funds but not of other funds being allocated through the NOFO. 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 NOFO which include proof of site control, development and management experience and financial feasibility, among other requirements.

New Hampshire Housing proposes to use 70% or more 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 NOFO. Up to \$2,000,000 may be used to create non-congregate shelter projects if feasible applications are received. Additionally, the allowable 15% of the funding for administrative costs will be utilized. **If the full amount of any of this proposed proposes is not requested, 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.

## HOME-ARP Production Housing Goals

### **Estimate of the number of affordable rental housing units for qualifying populations that the PJ will produce with its HOME-ARP allocation:**

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

### **Housing Production Goal and how it will address priority needs:**

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.

***NH Housing will not be using any of its HOME-ARP funding to refinance existing debt secured by multifamily rental housing that is being rehabilitated with HOME-ARP funds.***

**NOTICE OF FUNDING AVAILABILITY**  
**MULTI-UNIT SUPPORTIVE HOUSING PROGRAM PROJECTS**

New Hampshire Housing Finance Authority (the Authority or NHHFA) is seeking applications for capital financing from qualified developers for projects that will provide supportive housing in any area of the state to extremely low-income and low-income households, with a priority for persons experiencing homelessness, through this competitive Notice of Funding Availability (NOFA). Applications will be accepted on a rolling basis and will be reviewed on a monthly cycle. Approved applications will receive a conditional financing reservation, which will allow the applicant the opportunity to receive a formal financing commitment from the Authority once the project is ready to move forward to being placed in service.

In addition to capital financing, it is the intent of the Authority to award up to 50 Project Based Vouchers (PBVs) to projects that receive a Housing Trust Fund loan and apply for PBVs through this NOFA. PBVs will be awarded through the Threshold Criteria and Scoring Criteria through a competitive process based on applications received in each monthly application cycle under this NOFA or the Authority's concurrent NOFA for housing financed with tax-exempt bonds.

**Funding And Form of Assistance**

The sources of capital funding for this NOFA are up to \$4,500,000 in funding from the Affordable Housing Fund (AHF), \$1,000,000 in Authority Operating Funds, and \$550,000 in funding from the federal Housing Trust Fund (HTF). Funding will be available until all funds have been allocated or through June 30, 2022, whichever comes first. Applicants are eligible to apply for any or all sources of funding through this NOFA. The Authority reserves the right to make more funding available to support eligible projects.

Funding from each source will be made available to projects in the form of a 0% interest, deferred payment loan with a minimum term of 30 years. The minimum funding amount available to a project is \$150,000 and the maximum funding amount available to a project is \$1,500,000.

**Eligible Project Types and Eligible Uses of Funds**

Eligible project types include permanent and transitional rental housing such as multi-bedroom apartments, single room occupancy units, and group homes as detailed in HFA 112.01(c). Transitional housing units are only eligible for AHF funding and Authority Operating Funds and are not eligible for federal HTF or PBVs.

Funds available through this NOFA can be used to finance activities including real property acquisition, moderate and substantial rehabilitation, new construction, and the conversion/adaptive reuse of non-residential buildings. Eligible costs include acquisition, hard construction costs, architecture and engineering costs, legal costs, environmental due diligence costs, appraisals, developer fees, consulting fees, and other soft costs determined to be eligible in the Authority's sole discretion.

**Eligible Applicants**

Eligible applicants are those detailed in HFA 112.11(b), including non-profit organizations, public housing authorities, county, city, and town governments, and for-profit corporations approved at the Authority's sole discretion.

## **Project Threshold Criteria and Scoring Criteria**

All applications will be evaluated according to the Threshold Criteria and the Scoring Criteria detailed herein. An application must meet the Threshold Criteria to be eligible for funding through this NOFA. Scoring Criteria will be used to award funding on a competitive basis for all projects requesting PBVs/HTF capital funding and will be used to allocate the other capital funding available in the event that the amount of funding requested in the monthly application cycle exceeds the available resources. Please see the Application Process section of this NOFA for additional information about how funding will be awarded.

### Threshold Criteria

All applications will be evaluated to determine that it meets the following Threshold Criteria.

- 1. Project Description and Readiness** - Applicant must fully describe the proposed project, (complete and submit Attachment A: Project Summary), provide a permit status letter, and provide the project completion schedule (complete Attachment B: Project Completion Schedule). The Permit Status Letter can be provided by the applicant's attorney or local zoning official and shall describe the zoning and other approvals necessary for the proposed project to be completed.
- 2. Site Control** - Applicant must have secured site control (in the form of a deed, executed option to purchase, or executed purchase and sale agreement or a long-term lease-the duration of which is not less than the affordability period) or, at minimum, have a property identified if site control is not secured. Applicants who do not have site control at the time of application will be required to obtain site control within 45 days of receiving a conditional financing reservation from the Authority.
- 3. Beneficiary Targeting** – All units in the project must have a preference to serve individuals and/or families experiencing homelessness<sup>1</sup> or individuals and/or families who are at-risk of experiencing homelessness.<sup>2</sup>
- 4. Income Targeting and Rent Limits** – Projects receiving an Affordable Housing Fund loan must meet the income and rent limits detailed in the Affordable Housing Fund Program Rules at HFA 113.05(b). Projects receiving a federal Housing Trust Fund loan must serve individuals/households earning at or below 30% of the area median income and have rents within the HTF program limits. Income and rent limits applicable to the respective programs are available on the Authority's [website](#).

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<sup>1</sup> For the purposes of this NOFA, a person or family experiencing homelessness means:

- The individual or family lives in a shelter and lacks a fixed, regular and adequate residence and has a primary nighttime residence that is a supervised publicly/private operated shelter designed to provide temporary living accommodation; or
- An individual who lives in a hospital or institution that provides a temporary residence for individuals intended to be institutionalized, or
- The individual or family live(s) in a public/private place not designed for, or ordinarily used for sleeping by human beings.

<sup>2</sup> For the purposes of this NOFA, a person or family at-risk of experiencing homelessness means:

- The individual or family pays more than 50% of their gross income toward rent, or
- The individual or family lives with friends or relatives due to an emergency or homeless situation and it is a temporary living arrangement. If the individual or family were not staying with friends or relatives, they would be homeless, or
- The individual or family is living in a substandard living situation, such as a campground or other temporary placement.



5. **Maximum Per Unit Subsidy Limit** - Projects will be subject to the lesser of a maximum project subsidy from the Authority of \$1,500,000 or the Maximum Per Unit Subsidy Limit from the Authority detailed in the table below. The maximum per-unit subsidy limit is based on total number of beds or units being created new or improved as part of a substantial rehabilitation.

# of Bedrooms	Maximum Per-Unit Subsidy
Shared Bedroom Project	\$80,000 per bed
0-Bedroom	\$176,311
1-Bedroom	\$202,115
2-Bedroom	\$245,776
3-Bedroom	\$317,892
4 Bedroom	\$349,014

6. **Developer Capacity** - Applicant must demonstrate their organization’s capacity to complete the development project. All applicants must submit Attachment C: Development Team detailing all members of the development team, including staff roles and responsibilities, development consultants, legal team, and design team.
7. **Management Capacity** – Applicant must demonstrate their organization’s capacity to manage and operate the property. All applicants must submit the [New Hampshire Housing Management Entity Questionnaire](#) as part of the application submission.
8. **Matching Resources** - The Authority requires the generation/investment of matching resources in an amount equal to 5% of all funds being provided by the Authority. These matching resources may be from federal or non-federal sources in the form of capital contributions. Donations in the form of cash, value of real estate, materials, etc., are eligible sources of match. So-called “sweat equity” is not an eligible matching resource.
9. **Site Selection** – The proposed project must meet the site selection standards of [24 CFR 983.57](#) (this threshold criteria only applies to applicants applying for PBVs).
10. **New Unit Production** – For an application to be eligible, it must include the creation of new units of permanent supportive housing. Applications for the substantial rehabilitation of existing housing may be eligible if submitted in conjunction with an application for financing to create new permanent supportive housing units. An exception will be granted for existing properties with significant code and safety issues which are facing probable loss in the next 2-4 years due to condemnation or government action.

Scoring Criteria

All applications that meet the Threshold Criteria will be evaluated based on the Scoring Criteria. Scores from the Scoring Criteria will be used to allocate funding from the NOFA if the applications submitted for funding exceed the available resources.

1. **Advanced Project Readiness** - Projects will receive the following points for demonstrating Advanced Project Readiness:
- a. Phase I Environmental Site Assessment completed in past five years – **5 points**
  - b. All necessary planning and zoning permits are in place or are not required – **15 points**

- c. Design/Construction Readiness
  - i. Design development documents completed – **3 points**
  - ii. Construction documents completed – **3 points**
- 2. **Target Population** – Projects serving the following populations will receive the following points:
  - a. All units in the project will serve individuals receiving mental health services from a Community Mental Health Center – **10 points**
  - b. All units in the project will serve households experiencing homelessness – **10 points**
- 3. **Supportive Service Funding** - Projects that include a feasible plan to secure reimbursement for case management and/or supportive services through Medicaid, contracts with NH Department of Health and Human Services, commitments from partner organizations to provide funded services such as healthcare providers, or other established and credible sources of ongoing financial support. – **10 points**
- 4. **Geographic Distribution** - Projects proposed in a municipality where an existing project serving the proposed population is not in operation or otherwise not in development. – **10 points**
- 5. **Matching Resources** – Applications will be awarded points for permanent, non-Authority sources of funding that have been applied for and are likely to be awarded to the project or have already been awarded to the project. Matching sources include grants, loans, historic tax credit equity, developer equity/cash contribution and donations of land, land value, or long-term lease value. One point will be awarded for match equal to each full 5% of the amount of Authority funding requested up to 10 points. – **Up to 10 points**

The criteria for a “likely” award of matching funds are:

- a. Application has been submitted *and*
- b. The project is an eligible use for the funding applied for *and*
- c. The funding can be committed in a timeframe that would allow the project to close within one year of the date the application to this NOFA is submitted.
- d. The funding is directly related to the project in the application.

**Application Procedure**

Applications will be accepted on a monthly competitive cycle. The application submission deadline for the first application schedule is October 15, 2021; the application deadline for each competitive monthly cycle is included in the table below.

Monthly Competitive Application Cycle	Application Deadline
October	October 15, 2021
November	November 15, 2021
December	December 15, 2021
January	January 14, 2022
February	February 15, 2022
March	March 15, 2022
April	April 15, 2022

May	May 13, 2022
June	June 15, 2022

All application materials must be uploaded electronically to Apricot Social Solutions, [apricot.socialsolutions.com](http://apricot.socialsolutions.com) by 4:30 PM on monthly application deadline date. Contact Joellyn Crowley no later than the first of each month, at [jcrowley@nhhfa.org](mailto:jcrowley@nhhfa.org) or (603) 310-9224 to set up an Apricot account.

Within 30 days of receiving the application, the Authority will reply in writing to the applicant and will either issue a conditional financing reservation, reject the application, request additional documentation/information, or add the applicant to a waiting list if all funding has been reserved. Projects that receive a conditional financing reservation letter will be required to satisfy project-specific progress phase requirements (see Attachment D: Progress Phase Requirements Examples for examples of typical project phase requirements) in accordance with a schedule detailed in the conditional financing reservation letter.

If an applicant meets the Threshold Criteria but all funding through the NOFA has been conditionally reserved, the applicant will be placed on a waiting list. Applicants on the waiting list will be eligible for funding if a project that received a conditional financing reservation fails to move forward or additional funding becomes available. Projects on the waiting list will be prioritized based on their application score from the Scoring Criteria and the order that the application was received, in that order.

Applicants are strongly encouraged to contact Authority staff to discuss their proposed project. Questions about this NOFA can be directed to:

Cassie Mullen, Program Manager, Multi-Family Development  
[cmullen@nhhfa.org](mailto:cmullen@nhhfa.org) or 603-310-9364

**Threshold Criteria and Scoring Criteria Application Submission Requirements**

All applicants must submit the required information listed under the Threshold Criteria to be eligible for funding through the NOFA. Submission of information listed under the Scoring Criteria is only required for projects seeking Project Based Vouchers. *However, scores from the Scoring Criteria will be used to allocate funding to all projects, regardless of where PBVs are sought, if the amount of funding from applications received exceeds the funding that is available in each monthly competitive cycle.*

<b>Threshold Criteria – Minimum Required Application Submission Documents</b>	
The following documents must be submitted for projects to be evaluated under the Threshold Criteria. Applications will be determined to be incomplete if the following Threshold Criteria attachments are not included with the application submission to Apricot.	
<b>Attachment Name</b>	<b>Attachment Description</b>
Cover Letter	Cover letter detailing the project applicant, project name, brief project description, and the amount of funding requested by funding source.
Permit Status Documentation	Evidence of planning board approval/building permit or “will-issue” letter or evidence that no permit is required or a permit status letter detailing the approvals necessary to complete the project.
Project Summary	Complete Attachment A: Project Summary

Project Completion Schedule	Complete Attachment B: Project Completion Schedule
Site Control Documentation	Evidence of site control, such as a deed or option agreement. Projects that do not have site control will need to demonstrate site control within 45 days of receiving a conditional financing reservation from the Authority. If applicant does not have site control, please include a description of when site control will be secured in the cover letter.
Management Capacity	Complete the <a href="#">New Hampshire Housing Management Entity Questionnaire</a>
Developer Capacity	Complete Attachment C: Development Team detailing all members of the development team.
Matching Resources	List all matching resources in the “Project Sources” section of Attachment A: Project Summary.

### **Scoring Criteria – Optional Application Submission Documents**

The following documents must be submitted for projects to be considered for points in each scoring category. If any of the following documents are not submitted, the project will not be eligible for points under the applicable scoring criteria. Scoring Criteria will be used to award funding on a competitive basis for all projects requesting PBVs/HTF capital funding and will be used to allocate the other capital funding available in the event that the amount of funding requested in the monthly application cycle exceeds the available resources.

<b>Attachment Name</b>	<b>Attachment Description</b>
Phase I Environmental Assessment	Phase I Environmental Assessment completed within the past five years.
Planning and Zoning Permits	Planning and zoning approvals in place, as evidenced by a permit status letter from the applicant’s attorney, project engineer, or from a town/city planning official.
Construction Documents	Construction documents (plans, specifications, and any other documents defining scope of work). Additional points are awarded for completed documents stamped “FOR CONSTRUCTION.”
Supportive Service Funding	Description and status of funding that will be available to fund supportive services at the project.
Matching Resources	List all matching resources in the “Project Sources” section of Attachment A: Project Summary and provide evidence of matching resources approval status.

### **Other Requirements**

All projects funded through the NOFA are required to meet the following requirements, as applicable:

Feasibility and Appropriateness: The proposed project’s characteristics and location must be considered feasible from a financial and regulatory standpoint including, but not limited to, compliance with:

- i. [NH RSA Chapter 204-C](#)
- ii. [NH RSA:48-A:14](#), minimum housing standards, and local minimum requirements for use and occupancy of housing

- iii. The Authority's [Underwriting Standards and Development Policies for Multi-Family Finance](#)
- iv. The Authority's Design and Construction Policy Rules ([HFA 111](#))
- v. The Authority's [Technical Design and Construction Standards](#) or [Technical Design and Construction Standards for Rehabilitation](#), as applicable
- vi. The Authority's Supportive Housing Program Rules ([HFA 112](#))
- vii. The Authority's Affordable Housing Fund Rules ([HFA 113](#))<sup>3</sup>
- viii. Requirements of the Federal Housing Trust Fund Program at [24 CFR Part 93](#)
- ix. Requirements of the Project Based Voucher Program at [24 CFR Part 983](#)

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<sup>3</sup> Subject to final adoption of HFA 113 rule changes by the Authority.



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**[NHHousing.org](http://NHHousing.org)**



As a self-supporting public corporation created by the state legislature, New Hampshire Housing Finance Authority promotes, finances, and supports affordable housing.