

FY 2024 **NEW HAMPSHIRE HOUSING** **PROGRAM PLAN**

JUNE 2023



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MISSION AND VALUES

MISSION STATEMENT

New Hampshire Housing promotes, finances, and supports housing solutions for the people of New Hampshire.

VISION STATEMENT

A New Hampshire where everyone can afford a place to call home.

VALUES

Leadership

Motivate and inspire others and ourselves to proactively work together towards achieving common goals.

Teamwork

Collaborate with and respond to each other and our partners to identify and exploit opportunities to achieve our common goals.

Stewardship

Exhibit prudent, ethical, and transparent use of public resources and a commitment to environmental, economic, and social sustainability.

Integrity

Be honest, accountable, and reliable in all matters and demonstrate actions that will inspire the trust of others.

Respect

Treat everyone we encounter with dignity; be inclusive, candid, and open in our communications and behavior.

Innovation

Think objectively and listen with open minds, raise questions, challenge assumptions, and encourage creativity.

Agility

Be vigilant and alert; adapt to changing conditions, opportunities, and challenges.

Trust

Assume positive intentions and demonstrate the belief that others will meet their commitments and do their jobs.

Equity

Strive to ensure transparent access to New Hampshire Housing's opportunities and resources for all New Hampshire residents.

Courage

Take appropriate risks in service of the mission; acknowledge the inevitability of occasional failures and the desire and ability to learn from them.

AHF (Affordable Housing Fund)

This fund was created by the State Legislature in 1988 with an initial appropriation of \$4 million, and through 2019 it received occasional capital or operating appropriations from the State, totaling over \$22 million. Starting in FY 2020, the Legislature established a dedicated funding source for the AHF: \$5 million annually from Real Estate Transfer Tax revenues. In FY 2021, the Legislature made a one-time appropriation of \$25 million from state general fund surplus. Through FY 2023, total state appropriations to the AHF have been \$62.6 million. In addition to State appropriations, loan receipts from mortgages made using AHF funds are repaid to the fund, and fees charged on NH Housing bond issues are also deposited into the AHF. All AHF resources must be used to support housing in which meet the following targets:

- (a) At least 50 percent of the units are affordable at 80% of the area median income;
- (b) At least 40 percent of the units are affordable at 60% of the area median income; or
- (c) At least 20 percent of the units are affordable at 50% of the area median income.

Bond Proceeds

Proceeds from the issuance of single-family and multifamily mortgage revenue bonds for the financing of affordable housing and associated mortgage reserves. A certain amount of bond allocation has been exchanged for Mortgage Credit Certificates (MCC) as part of the Homebuyer Tax Credit Program.

FAF (Financing Adjustment Factor) Funds

NH Housing's 50% share of the additional spread between mortgage loan and bond interest rates created through the 1991 refunding of certain multifamily bonds. FAF resources must be used to benefit individuals with incomes at or below 50% of the area median income.

GNMA/FNMA (Ginnie Mae/Fannie Mae)

Funds made available from the sale of loans and/or mortgage-backed securities.

HOME

NH Housing receives an annual allocation through the HUD-sponsored HOME Investment Partnerships Program based on state demographics, including homelessness. The funds can be used for the acquisition or rehabilitation of housing for low- and very-low-income individuals.

HOME-ARP

NH Housing received a one-time \$13.9 million allocation of HOME funds through the American Rescue Plan Act in 2022.

HLT (Housing Loan Trust)

This fund was created with an initial appropriation of \$1 million from the State of New Hampshire for the purpose of supporting affordable homeownership programs. The resources are used primarily for downpayment assistance and closing costs, and the beneficiaries must be at or below 100% of statewide median income.

HTF (Housing Trust Fund)

The HTF was established as part of the Housing and Economic Recovery Act of 2008 (HERA). Capitalized by Fannie Mae and Freddie Mac, the HTF primarily provides rental housing for extremely low-income people (<30% AMI). The proceeds are distributed to states and are administered much like HOME, but with deeper targeting and a longer term of affordability (30 years).

Low-Income Housing Tax Credit (LIHTC) Program

The Low-Income Housing Tax Credit (LIHTC) Program provides a strong incentive for private investment in affordable rental housing. It is the largest source of federal capital subsidy to create and preserve affordable rental housing. The LIHTC program, a US Treasury initiative, gives investors a dollar-for-dollar reduction in federal tax liability in exchange for providing funding to affordable housing developments. Tax credits are issued as 4% credits when they are received as part of NH Housing's tax-exempt bond financing, or as 9% credits when awarded under the competitive funding rounds as defined by the Qualified Allocation Plan (QAP).

MRB (Mortgage Revenue Bond)

Funds made available for the acquisition of mortgages, revenue from which pays the debt service.

Operating Fund

Unrestricted NH Housing financial resources available to support both the administrative operations and housing program initiatives of the organization. Operating Fund resources are derived primarily from bond issue residuals, federal program administrative fees, loan servicing fees, other single- and multifamily program activity, and income and principal receipts from prior investments in loans and securities.

Other

This category includes resources provided by other entities that may be provided on a short-term basis or for a specific program, for example: line-of-credit advances.

Section 8 Funding

Federal funds to support rental assistance programs. The principal programs are the Housing Choice Voucher (HCV) Program (tenant-based assistance), and project-based assistance through the Performance Based Contract Administration (PBCA) Program.

FY 2024
PROGRAM PLAN

MULTIFAMILY NEW PRODUCTION, RECAPITALIZATION, AND PRESERVATION PROGRAMS

This section includes all of New Hampshire Housing's multifamily development programs and funding sources. Within this section, resource allocation projections and program goals are broken down into three categories: 1) new production (new units or adaptive reuse); 2) supportive housing; and 3) preservation and recapitalization of existing affordable housing. The projections of loan activity, investment of subsidies, and bond utilization are based on two primary constraints: 1) the availability of those resources; and 2) whether the pipeline of projects that would qualify for the resources are financially feasible and are sufficiently ready for a reservation or commitment of NH Housing financing.

In terms of the allocation of resources, given the dynamics of the specific projects, the market and the funding sources, reallocation of resources will occur during the year, which does not require Board action. Significant departures from the Program Plan allocation of resources would be discussed with the Multifamily Housing Committee. Here is an outline of the process.

- In this Program Plan, the Board approves the overall allocations based on staff's planning conclusions.
- When specific properties have applied for funding:
 - Projects being recommended generally go to the Multifamily Working Group for a reservation of funding.
 - Upon meeting certain milestones, projects are brought back to the Multifamily Working Group, then to the Multifamily Housing Committee, and finally to the Board for project and funding approvals.
- The Board's approvals and the guiding program documents may provide certain delegations to the staff and the Executive Director to finalize the exact deal terms, including the specific resource allocations.

This framework provides both discipline and structure along with sufficient flexibility to get projects funded.

The supportive housing program includes financing programs that NH Housing uses to fund various types of supportive housing, such as permanent supportive housing for individuals and families who are homeless or at risk of homelessness, and recovery housing. In FY 2024, staff intends to meet with supportive housing developers and service providers to revise program guidelines.

The recapitalization and preservation category includes financing programs that NH Housing uses to preserve existing affordable housing, extend affordability covenants, and fund property repairs and improvements. Program tools that are used for this purpose include tax-exempt bond financing, 4% Low-Income Housing Tax Credits (LIHTC), and a small percentage of the state's annual allocation of 9% LIHTCs.

Note: See table below for funding and measures plan.

FY 2024 Program Plan Narrative

Resource allocation projections and program goals for FY 2024 are generally consistent with the program activity of the last several years. In FY 2023, funding sources included two additional resources playing a significant role: 1) HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funds (approximately \$12 million, net administrative fees); and 2) InvestNH \$10 million allocation to NH Housing.

These resources will continue to be awarded to projects in FY 2024. In early June 2023, the Legislature approved a one-time appropriation to the Affordable Housing Fund (\$25 million). This is in addition to the \$5 million annually dedicated to the Affordable Housing Fund from the state's real estate transfer tax proceeds. The state is also devoting \$4 million from reallocated Emergency Rental Assistance-2 funds.

In addition, more resources could be awarded from the State as it looks to spend the final American Rescue Plan Act (ARPA) funds. NH Housing has a strong pipeline of potential projects that could be funded if additional resources are made available. The challenge will be working the pipeline while controlling expectations.

The real estate development industry continues to face extraordinary challenges, including: 1) volatile construction costs; 2) some material delays and shortages; and 3) continuing labor shortages. Staff continues to monitor interest rates that were in flux over the past year. Though it appears that rates have stabilized recently, the interest rate forecast is uncertain. As in FY 2023, NH Housing must remain agile and responsive to continue to support strong rental production.

HOME-ARP

In March 2021, HOME-ARP funding was allocated to the HOME Investment Partnerships program through ARPA. This appropriation provided for \$13.8 million in additional HOME funds, which must be spent to serve specific “qualifying populations,” including homeless, at risk of homelessness, and fleeing or attempting to flee domestic violence. These funds must: 1) be spent by September 2030; and 2) be used for the creation of rental housing or non-congregate shelters and for supportive services within supportive rental housing. The Department of Housing and Urban Development approved the NH HOME-ARP Allocation Plan on March 21, 2022. The allowable administrative fee is 15% of the total award, which is approximately \$2.081 million, leaving about \$12 million to be awarded to eligible projects.

In FY 2023, just over \$5 million has been reserved or committed to projects. The FY 2024 plan forecasts that the remainder of the funds (about \$6.7 million) will be committed by the end of FY 2024.

Pre-Award Supportive Housing Loan Program – Consulting (\$300,000 plan) (new pilot program)

Over the last two years, NH Housing has received more applications to develop supportive housing than received in previous years. This is a result of more concerted efforts made by staff to encourage the development of supportive housing and a change from one to two notices of funding opportunities per year to a rolling month-to-month application cycle.

The purpose of the Pre-Award Supportive Housing Loan Program– Consulting is to provide funds to organizations that want to create supportive housing to hire an experienced development

consultant. In the past year, it has become clear that entities wanting to develop supportive housing need more support prior to applying for funds through receipt of an award. The development consultant will help the sponsor of the project put together a feasible application and provide consulting to navigate the complexities of securing financing. The supportive housing program allows for a consultant to be paid from project resources, and therefore, the sponsor can continue with the same consultant during the loan closing process and throughout construction and close out.

This project will generally mirror the existing Predevelopment Loan Program (HFA 108) with the following exceptions:

1. The funds can be awarded to both for- and nonprofit organizations.
2. The funds can only be used to pay for an experienced development consultant for the benefit of a proposed supportive housing project.
3. The sponsor must express their intent to apply for funding from NH Housing through the supportive housing program.
4. The sponsor can request up to \$50,000.
5. Funds are expected to be spent within 12 months but can be extended if approved by the Managing Director, Multifamily Housing Development.

Additional details will be developed before the pilot program is launched.

Multifamily New Production and Preservation Program

	FY 2023								FY 2024			
	Tax Exempt Bonds		9% LIHTC Competitive		Supportive Housing		Totals		Tax Exempt Bonds	9% LIHTC Competitive	Supportive Housing	Totals
RESOURCES <i>(\$ in Thousands)</i>	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Plan	Plan	Plan
<i>Long-Term Debt</i>												
Private Activity Bonds	\$75,000	\$88,600	\$0	\$0	\$0	\$0	\$75,000	\$88,600	\$90,000	\$0	\$0	\$90,000
Operating Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300	\$300
Loan Participations	\$10,000*	\$2,940	\$5,000	\$11,315	\$0	\$0	\$15,000	\$14,255	\$10,000	\$5,000	0	\$15,000
4% Equity Raised	\$40,000	\$52,052	\$0	\$0	\$0	\$0	\$40,000	\$52,052	\$50,000	0	0	\$50,000
9% Equity Raised	\$0	\$0	\$40,000	\$51,429	0	\$0	\$40,000	\$51,429	0	\$50,000	0	\$50,000
HOME	\$4,400	\$0	\$1,400	\$1,670	\$0	\$0	\$5,800	\$1,670	\$4,800	\$1,000	\$0	\$5,800
Operating Fund	\$0	\$1,028	\$0	\$0	\$0	\$0	\$0	\$1,028	\$0	\$0	\$0	\$0
Affordable Housing Fund**	\$7,450	\$10,351	\$1,000	\$787	\$1,800	\$1,467	\$10,250	\$12,605	\$30,300	\$1,750	\$6,000	\$38,050
Housing Trust Fund	\$1,000	\$1,850	\$1,000	\$1,366	\$1,400	\$775	\$3,400	\$3,991	\$1,950	\$1,200	\$0	\$3,150
HOME ARP	\$7,690	\$3,769	\$0	\$0	\$3,000	\$0	\$10,690	\$3,769	\$6,750	\$0	\$0	\$6,750
Invest NH	\$5,000	\$4,855	\$5,000	\$4,845	\$0	\$0	\$10,000	\$9,700	\$0	\$0	\$0	\$0
New Production Units	600	420	275	318	30	38	905	776	575	200	30	805
Preservation Units	150	162	50	0	10	18	210	180	150	50	10	210
# of Projects	7	8	7	9	4	2	18	19	7	5	4	16
Units at or below <60% AMI	70%	88%	70%	96%	90%	100%	77%	92%	70%	90%	100%	87%
General Occupancy Units	70%	71%	70%	100%	70%	0%	70%	76%	70%	90%	0%	80%
% of Projects >95% Occupied	95%	99%	95%	99%	95%	99%	95%	99%	95%	95%	95%	95%
% of Projects on Watch List	<10%	<1%	<10%	<1%	<10%	<1%	<10%	<1%	<10%	<10%	<10%	<10%
% of Projects on Critical Watch List	<2%	<0%	<2%	<0%	<2%	<0%	<2%	<0%	<2%	<2%	<2%	<2%

*Includes Federal Financing Bank loans that are not part of bond transactions.

**FY 2024: Includes \$5M statutory transfer from Real Estate Transfer Tax revenue and \$4M from ERAP2; also includes \$25M Legislative appropriation.

CONSTRUCTION/BRIDGE LENDING PROGRAM

This program provides construction financing for multifamily projects financed by NH Housing. In addition, funds may be used for equity bridge loans to encourage and maximize the impact of investment in Low-Income Housing Tax Credit projects. The Tax-Exempt Bonds number in this forecast reflects the short-term debt associated with bond-financed projects and is generally a part of a much larger financing package.

Construction/Bridge Lending Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Tax-Exempt Bonds	\$0	\$25,820	\$25,000
Operating Funds/Line of Credit	\$15,000	\$22,327	\$15,000

FY 2024 Program Narrative

Construction and bridge loans continue to be one of many tools used for the creation of new affordable housing.

LEAD HAZARD ABATEMENT PROGRAM

On a statewide basis, this program provides lead hazard abatement funds and Healthy Homes intervention funds to single-family and multifamily owners. Priority is given to units with: (1) a documented case of a child under the age of six having elevated blood lead levels; or (2) a pregnant woman residing in the property.

Lead Hazard Abatement Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Fund	\$125	\$29	\$125
State Lead Funds	\$1,000	\$1,323	\$900
Federal Funds	\$1,727	\$1,433	\$1,268
<u>PROGRAM MEASURES</u>			
Inspections / Risk Assessments	77	84	40
Units Completed	61	88	72
Community Outreach Events	35	38	33
Skills Training	30	31	40

FY 2024 Program Narrative

NH Housing's sixth federal grant cycle continues in FY 2024 with \$1,268,000 in federal funds, which may be used through June 30, 2024. This grant cycle will wind down in FY 2024 followed by a closeout period. We plan to apply for a new grant when HUD releases the Notice of Funding Opportunity. In FY 2024 state Lead Paint Hazard Remediation Funds continue to be available as well. As of May 22, 2023, the state revolving loan fund had a balance of \$1,438,101 that will be available through FY 2024. These state funds supplement the federal grant programs, enabling the completion of more lead remediation in single-family and multifamily properties.

Notes:

- The state lead funds will continue to be available throughout the state. All applicants, however, must first seek federal lead funds, which depends on the property's location. Generally, property owners will apply to NH Housing for federal funds, except owners in Manchester, Nashua, and Sullivan County must first apply to those localities.
- While single-family homes are more expensive on a per-project basis, they often house larger families. Therefore, doing lead remediation in single-family homes is critical to combatting childhood lead poisoning across the state.

PERFORMANCE BASED CONTRACT ADMINISTRATION (PBCA)

NH Housing is the HUD-designated Contract Administrator for New Hampshire. There are currently 147 projects under the PBCA contract with a total of 5,755 units.

As the Contract Administrator, NH Housing is directly responsible to HUD for all PBCA program functions and reporting requirements, including:

- Providing general program oversight and administration;
- Conducting management and occupancy reviews;
- Adjusting contract rents;
- Processing monthly Housing Assistance Payments (HAP);
- Processing HAP contract renewals, terminations and/or opt-outs; and
- Responding to health and safety issues.

Performance Based Contract Administration (PBCA)

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds – Rent Assistance	\$61,120	\$61,120	\$61,500
<u>PROGRAM MEASURES</u>			
Complete Management Occupancy Review	95%	100%	95%
Review and Pay Monthly Vouchers	95%	100%	95%
HAP Contract Renewals, Terminations, and Expirations	95%	100%	95%

FY 2024 Program Narrative

NH Housing is committed to remaining a strong PBCA contract performer. Staff works to ensure that HUD's Annual Compliance Review continues to acknowledge NH Housing's strong and successful performance.

Effective September 26, 2022, HUD released **Streamlining Management and Occupancy Reviews for Section 8 Housing Assistance Programs**, which will change our compliance oversight from an annual Management and Occupancy Review (MOR) to a "3-2-1" schedule. This will change the annual MOR to one based on the overall score of the respective property. Thus, effective September 26, 2023, the new guidelines will require a change in how we schedule and perform these tasks. Staff will continue to work through this new requirement.

HUD continues to discuss its longstanding plans to re-procure PBCA services across the country and has recently stated it will address it by the end of this calendar year. Staff continues to monitor for any indication that HUD is moving forward with these plans.

SECTION 811 PROJECT RENTAL ASSISTANCE

The federal Section 811 Supportive Housing for Persons with Disabilities Project Rental Assistance Program (811 PRA) is a partnership between NH Housing and the New Hampshire Department of Health and Human Services. The program provides project-based rental assistance to property owners and developers that provide rental opportunities for persons with a disability who are transitioning from institutional settings or homelessness into permanent housing.

Section 811 Project Rental Assistance (PRA)

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds – Rent Assistance	\$1,500	\$1,700	\$1,500
<u>PROGRAM MEASURES</u>			
Complete Management Occupancy Review	9	10	8
Number of New Units Under Contract	25	9	10

FY 2024 Program Narrative

The 811 PRA Program provides long-term project-based rental assistance at affordable housing properties owned and operated by NH Housing's multifamily housing partners. The program is administered through a partnership between NH Housing and the Department of Health and Human Services (DHHS) to provide persons with severe mental illness affordable housing with support services from the community mental health centers. NH Housing works with property owners to commit units to the program and administers the voucher payments. DHHS refers eligible applicants to vacant units throughout the state. Under our current 811 PRA contract with HUD, we have been able to commit this rental assistance to 212 units, which is 13 more than estimated to assist under the contract. Currently, 166 of those units are occupied by individuals or families receiving support through the 811 PRA Program.

NH Housing has fully committed all of its funding under its original contract with HUD. However, HUD is expected to release another Notice of Funding Opportunity this coming year for 811 PRA funding that would allow NH Housing to commit additional units to this program. Assuming this funding does come out this year, and that NH Housing is successful in its application for funding, we would hope to apply for funding for an additional 100 units over the course of five years. This is on pace with the number of units we have committed annually in new construction developments over the course of the current contract.

HOME FLEX, HOME PREFERRED AND HOME FIRST MORTGAGE PROGRAMS

Mortgages are purchased from participating lenders and originators (collectively “lenders”) and processed through one of the three loan programs.

1. **Ginnie Mae (“Home Flex”)**: Government-backed mortgages that are pooled into taxable Ginnie Mae Mortgage-Backed Securities (MBS), which NH Housing sells to MBS investors.
2. **Fannie Mae (“Home Preferred”)**: Conventional loans with mortgage insurance that are sold loan-by-loan to Fannie Mae.
3. **Mortgage Revenue Bonds (“Home First”)**: Government-backed mortgages that are funded through Mortgage Revenue Bonds (MRB) and collateralized with MBS.

Due to its Housing Finance Agency (HFA) status, NH Housing can offer unique loan programs with downpayment assistance features on all mortgage programs.

Home Flex GNMA MBS Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$190,500	\$78,630	\$21,450
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	635	270	65
Average Beneficiary Income	80% SMI	86% SMI	80% SMI
Average Loan Amount	\$300	\$290	\$330

Home Preferred FNMA Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$54,000	\$35,640	\$53,625
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	215	140	195
Average Beneficiary Income	80% SMI	67% SMI	80% SMI
Average Loan Amount	\$250	\$255	\$275

Home First MRB Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Mortgage Purchases	\$0	\$43,265	\$105,300
<u>PROGRAM MEASURES (\$ In Thousands)</u>			
Loan Purchases	N/A	160	390
Average Beneficiary Income	N/A	76% SMI	80% SMI
Average Loan Amount	N/A	\$270	\$270

FY 2024 Program Narrative

NH Housing will continue to offer a suite of residential mortgage programs that are consistent with its mission and with prudent business practices. These homeownership programs leverage advantages that are provided to state housing finance agencies (HFAs). NH Housing's cash assistance programs – Home *Flex* Plus, Home *Preferred* Plus and Home First Plus – rely on program guidelines from the Federal Housing Administration (FHA) and Fannie Mae. Programs are always subject to revision, sometimes positively and sometimes negatively. Being alert and agile, therefore, remain key principles.

This work will be conducted through two distinct business channels – Participating Lender (lenders sell NH Housing a closed loan) and Participating Originator (lender takes the loan application and NH Housing underwrites and closes the loan). NH Housing, which remains committed to the Participating Lender channel, has been focusing on increasing the volume of the Participating Originator channel, thus allowing NH Housing to work with community banks in more rural communities while diversifying the business model.

To establish the FY 2024 loan volume goals, Homeownership and Finance staff conducted market projections, reviewed program criteria, analyzed financial options and consulted real estate professionals. It was unanimously agreed that low- and moderate-income homebuyers will continue to face a very difficult market. Challenges experienced in FY 2023 included lack of affordable inventory, rising home prices and increased interest rates. Those challenges are anticipated to persist and potentially intensify in FY 2024.

For the past decade, NH Housing has successfully utilized secondary market financing executions through Ginnie Mae and Fannie Mae to support its mortgage programs. These executions worked well in terms of profitability, competitive interest rates and liquidity until early 2022. Recent changes in market pricing have prompted our reintroduction of a Mortgage Revenue Bond (MRB) program to maintain competitive interest rates and keep cash assistance programs operational.

As with the prior fiscal year, staff will diligently pursue volume goals. Staff will remain vigilant about staying up to date on the housing market, the mortgage market and regulatory requirements, and will take steps to respond to those factors. By doing so, we can promptly adapt to external factors and fulfill the mission of assisting eligible borrowers and generating financial returns for the organization.

HOMEBUYER TAX CREDIT (HBTC)

The Homebuyer Tax Credit (HBTC) Program makes homeownership more affordable for first-time homebuyers. Eligible homebuyers receive a Mortgage Credit Certificate (MCC) from NH Housing that provides an annual federal income tax credit of up to \$2,000. The HBTC may be claimed each year for the life of the original mortgage, as long as the homebuyer uses the home as their primary residence. The HBTC can decrease the income taxes owed by the homebuyer, effectively increasing take-home pay that can be used to help pay the mortgage. It is one of NH Housing's key mission-based programs that provides significant benefits to low- and moderate-income first-time homebuyers. It is important to note that the Homebuyer Tax Credit Program utilizes NH Housing's bond issuance authority and is unable to be partnered with the Home First (MRB) program.

Homebuyer Tax Credit

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Tax-Exempt Bond Capacity	\$29,000	\$18,000	\$16,250
<u>PROGRAM MEASURES</u>			
MCCs Issued	450	277	250

FY 2024 Program Narrative

In FY 2024 staff estimates approximately 250 homebuyers will receive an MCC, collectively providing nearly \$375,000 in reduced income tax liability for MCC holders during the first full year of ownership. The transition to Home First, a mortgage revenue bond model, has impacted MCC issuance as these loans are not eligible for the Homebuyer Tax Credit Program.

Staff continues to promote the MCC program for our Preferred loan program and non-NH Housing mortgages so more eligible borrowers can take advantage of this valuable resource. The challenge remains that Treasury requirements are cumbersome and somewhat complex.

SPECIAL HOMEOWNERSHIP PROGRAMS

Special Homeownership Programs complement the core homeownership programs by providing funds for eligible borrowers based on their needs and circumstances. Additionally, these programs provide flexibility to create special initiatives and address new issues and opportunities that directly relate to NH Housing's homeownership mission.

Special Homeownership Programs

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<i>Housing Loan Trust (HLT)</i>			
Habitat Loans	\$75	\$90	\$75
Housing Loan Trust Initiatives	\$135	\$135	\$80
Habitat Repair Program	\$160	\$0	\$80
<i>Operating Fund</i>			
Emergency Home Repair Loans (EHRL)	\$150	\$121	\$150
Special Initiatives	\$425	\$32	\$425
Accessibility Program	\$250	\$250	\$250
HOPE 3	\$30	\$6	\$24
Program Marketing and Promotion	\$350	\$298	\$350
First-Generation Homebuyer Downpayment Assistance	\$300	\$300	\$300
<u>PROGRAM MEASURES</u>			
Habitat Loans Closed	5	6	5
Average Beneficiary Income	60% SMI	46% SMI	60% SMI
EHRL Loans Closed	10	6	10
Average Beneficiary Income	80% SMI	89% SMI	80% SMI

FY 2024 Program Narrative

Habitat Loans (\$75,000 plan)

NH Housing works with Habitat for Humanity affiliates to make homeownership possible for low- and moderate-income borrowers by providing \$15,000 in downpayment assistance. Habitat affiliates choose the homebuyer and then work with the homebuyer as they construct their new home. Once the home is completed, NH Housing uses Housing Loan Trust (HLT) funds to provide homebuyers with a zero percent, non-amortizing, second mortgage loan, which is due on sale,

refinance, or when the property is no longer owner-occupied. Volume varies based on the activity of the Habitat affiliates.

Housing Loan Trust (HLT) Initiatives (\$80,000 plan)

HLT funds are state-provided funds that are governed by RSA 204-C:64-70. The funds can be used for downpayment assistance, closing costs, other fees associated with a home purchase, or to assist with eligible improvements to a home. Staff periodically makes HLT allocations to nonprofit partners for targeted downpayment assistance programs. In FY 2024, staff may allocate HLT resources for downpayment assistance funds or to continue to support the efforts of Habitat for Humanity.

Habitat Repair Program (\$80,000 plan)

NH Housing will continue to work with Habitat for Humanity affiliates to fund repairs for low- and moderate-income homeowners by providing up to \$20,000 in the form of a second loan. Habitat affiliates identify the homeowner and coordinate the repair efforts relying heavily on a volunteer pool and homeowner sweat equity. NH Housing uses Housing Loan Trust (HLT) funds to provide homebuyers with a zero percent, non-amortizing, second mortgage loan, which is due on sale, refinance, or when the property is no longer owner-occupied. This program will be extended to all Habitat affiliates throughout New Hampshire.

Emergency Home Repair Loans (EHRL) (\$150,000 plan)

The Emergency Home Repair Loan (EHRL) program uses NH Housing-generated funds to provide low-interest loans for emergency home repairs to existing NH Housing borrowers. Typical EHRL repairs are new roofs, heating system replacements, and septic repairs. Homeownership and Servicing staff work together to address borrower needs because staff do not want an emergency to thwart continued ownership. Individual EHRL loans have a maximum loan amount of \$25,000. The demand for EHRL varies by year.

Special Initiatives (\$425,000 plan)

Traditionally, the Board has allocated Special Initiative funds that allow staff to creatively respond to and support mission-based affordable housing programs outside of our traditional mortgage programs. In the past, these Special Initiative funds have been allocated to provide grants to support in-fill manufactured housing, targeted downpayment programs, the Homeownership Fellows program (\$45,000) and other programs that support affordable homeownership. Other than the funding for the Homeownership Fellows, for which a specific amount is included here, staff will present proposed uses of these funds to the Homeownership Committee and the Board for approval.

Accessibility Program (\$250,000 plan)

NH Housing will continue to work with Granite State Independent Living (GSIL) to provide need-based, accessible, home improvement grants to homeowners in need of accessibility modifications and repairs. GSIL evaluates applicants, determines accessibility needs, leverages NH Housing funds with other GSIL funds, and oversees the work. This initiative has been a highly successful partnership for NH Housing, GSIL, and the people who need accessibility improvements.

Typical projects include ramps, stair glides, door widening, and bathroom and/or kitchen modifications that enhance accessibility. Vendors and contractors providing construction and repair services for this program must have GSIL's approval. Between 40 to 50 households will be served through this program in FY 2024.

HOPE 3 (\$24,000 plan)

Working through the Participating Originator channel, this program was designed to provide first-time homebuyers with a discounted interest rate on their mortgage. To qualify for the Home Preferred HOPE 3 program, borrowers must be at or below 80% of AMI, adjusted for family size, and be a first-time homebuyer. In FY 2024 staff may look at alternative uses for the HOPE 3 funds.

Program Marketing and Promotions (\$350,000 plan)

NH Housing operates various homeownership programs including mortgage loans, cash assistance, and Mortgage Credit Certificates (MCC). To help run these programs, NH Housing allocates marketing and promotions resources to complement business development strategies for the various programs. Marketing and promotions resources include marketing efforts to lenders, real estate professionals (e.g., Realtors®), nonprofit partners and borrowers.

In FY 2024, staff will continue to implement a comprehensive business development plan, including the following goals.

- Implement increased outreach and marketing of our Homeownership Programs to all communities, including underserved communities and communities of color throughout New Hampshire.
- Continue to utilize, update, and enhance Customer Relationship Management (CRM) software as an effective tool to engage with and track business partner relationships.
- Increase the role that the Participating Originator (PO) channel plays within the Homeownership Division's loan volume goals.

First-Generation Homebuyer Downpayment Assistance (\$300,000 plan)

Homeownership is the primary strategy for individuals and families to build long-term generational wealth. By supporting first-generation homebuyers, NH Housing provides a hand to those who may not have access to generational wealth. A first-generation homebuyer is defined as a borrower or co-borrower who does not, nor has in the past, owned a home; and their parents and/or legal guardian have never owned a home.

In December of 2022, a first-generation program was launched that provides \$10,000 in downpayment or closing cost assistance to first-generation homebuyers with a zero percent interest rate and that is only payable upon sale or refinance within the first four years of the mortgage.

Additional funding would support the program and expansion from a pilot program to a program that is available to all lenders.

HOMEBUYER/HOMEOWNER EDUCATION AND COUNSELING (HBEC)

This program allocates resources to nonprofits so they may provide homebuyers and homeowners with pre- and post-purchase education and counseling services. This work is coordinated with NH Housing's role as intermediary of the HUD counseling funds discussed on the following page.

Homebuyer/Homeowner Education and Counseling

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<u>Operating Fund</u>			
Education and Counseling	\$230	\$230	\$100
Community Building and Engagement	\$100	\$0	\$0
<u>PROGRAM MEASURES</u>			
Number of Counseling Related Positions	4.5	4.5	1.5
Homebuyers/Homeowners Counseled*	1,400	1,300	1,000

* Represents all households reported to HUD during the HUD FY22 (October 1, 2021 to Sept 30, 2022).

FY 2024 Program Narrative

Homeownership Education and Counseling (\$100,000)

The FY 2024 Housing Counseling allocation will provide housing counseling agencies with unrestricted resources to respond to counseling needs in their communities. Staff awards these funds in consideration of and coordination with any other federal funds that may be available, such as housing counseling funded through the Homeowner Assistance Fund or HUD's Comprehensive Housing Counseling Program Grant.

The core education and counseling goals are to:

- Provide statewide comprehensive homebuyer education and counseling, including foreclosure counseling and financial fitness counseling, which may include rental counseling.
- Encourage and enhance the counselors' relationships with lenders, real estate partners, and employers to educate those partners about the value of counseling and about the value of NH Housing's homeownership programs.
- Provide outreach to the public about the value of counseling and NH Housing's homeownership programs by providing direct education to pre-purchase households, encouraging participation in regional homebuyer fairs, and being part of other targeted marketing efforts.

HUD HOUSING COUNSELING PROGRAM

New Hampshire Housing administers HUD's Comprehensive Housing Counseling Program Grant for Local Housing Counseling Agencies. The grant supports pre- and post-purchase counseling activities for homeownership as well as targeted homeownership counseling for Housing Choice Voucher participants. The program is conducted through nonprofit housing counseling agencies and NH Housing.

HUD Housing Counseling Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
HUD Housing Counseling Grant	\$200	\$167	\$167
<u>PROGRAM MEASURES*</u>			
# Participating Housing Counseling Agencies and Branches	5	4	4
# Households Receiving Homeownership Education and/or Counseling	1,100	1,025	1,000
# Households Receiving Rental Counseling and/or Financial Education	1,200	98	100
# Households Receiving Post-Purchase and/or Foreclosure Counseling	350	148	200
% Households Below 50% of AMI	60%	65%	60%
% Households Purchasing Homes	5%	4%	5%

* Represents all households reported to HUD during the HUD FY 2022 (October 1, 2021, to Sept 30, 2022)

FY 2024 Program Narrative

In HUD FFY 2022 the HUD Housing Counseling Grant decreased as a result of losing one of our network partners. It is anticipated that the FFY 2023 HUD Comprehensive Housing Counseling grant will be at a similar level to the FFY 2022 HUD award.

Housing counseling and homebuyer education remain an important priority in helping homebuyers and homeowners be successful at homeownership. As a result of the higher housing costs and interest rates, homebuyers need every tool in their toolbox. Homebuyer education and housing counseling are one tool they can count on to be successful. Housing counseling continues to be delivered in a variety of formats to meet the client's needs, including in-person, online, and live webinar format education and counseling.

With the end of the COVID forbearance requirements and the outreach being done for the Homeowner Assistance Fund, the need for pre-foreclosure counseling is expected to continue to increase.

SMALL-SCALE HOUSING PRODUCTION

This program is designed to provide a flexible resource to assist in the production of new single-family and small-scale multifamily housing units. The allocated funds would enable NH Housing to educate aspiring housing developers, cultivate innovative ideas and support developers in generating “incremental housing units”.

Small-Scale Housing Production

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
<i>Operating Fund</i>			
Housing Production	\$3,000	\$2,696	\$200
Small-Scale Developer Workshop & Bootcamp	\$25	\$0	\$25
<u>PROGRAM MEASURES</u>			
Housing Units Created	50	0	-

FY 2024 Program Narrative

While NH Housing has had substantial success in financing the development of large multifamily projects, an enduring challenge is that there is no public subsidy for single-family and small-scale multifamily development. Yet those options may represent a substantial opportunity to help meet the state’s housing shortage. There is a need for creative approaches to facilitate “incremental development,” which means adding units within or adjacent to existing homes, or infill development in existing neighborhoods on vacant lots. Supporting incremental and infill development could help ensure that new development makes use of existing municipal infrastructure, strengthening the local tax base and avoiding blight that could occur as other real estate sectors continue to face significant uncertainty.

Establishment of a flexible funding program that targets small-scale development would allow NH Housing to respond to innovative proposals from developers, property owners, municipalities and others that are facing financial and other barriers to fulfilling their housing development objectives. Some of these barriers include the impact of local land-use regulations, the uncertainty of obtaining local approvals, the lack of public water and/or sewer, the high cost of land and materials, transaction costs, and limitations of conventional financing.

Housing Production

Small-Scale Housing Production continues to be a priority for the upcoming year despite the reduced allocation of program plan funds. This reduced allocation stems from the uncertainty of future opportunities and the slow-moving nature of the initiative. Additionally, commitments received in the prior fiscal years will allow staff to advance the initiative and continue engagement

with developers. If future opportunities do arise, staff will present the requests to the Board for consideration. Potential opportunities may include the following:

- Acquiring surplus land from the New Hampshire Department of Transportation and other owners and then working with an appropriate developer to build new units on that land.
- Seeking infill opportunities to place new manufactured homes in resident-owned communities. Vacant pads represent an opportunity to increase the supply of affordable homes as well as a mortgage lending opportunity for NH Housing.
- Providing housing development subsidies to support the feasibility of new construction units targeted for workforce housing.
- Exploring financing vehicles for accessory dwelling units and for converting a single-family home into a multi-unit property.
- Continuing to advance initiatives that encourage new development, including creating suitable preconditions to development by providing education to would-be developers, and engaging with municipalities that have proactive leadership to identify development opportunities.
- Financing minor improvements to public infrastructure, where a property owner or developer faces financial or other barriers to utilization.
- Providing downpayment assistance and other direct assistance to support housing purchases within new developments.
- Providing technical assistance to help developers and municipal staff evaluate the adaptive reuse of vacant commercial space for residential uses.

Small-Scale Developer Workshop & Bootcamp (\$25,000)

Workshops and bootcamp courses will be made available to interested beginner and/or small housing developers looking to increase the supply of housing. Courses will be designed to increase knowledge, build developer capacity, and provide technical skills to those interested in housing development. Participants will be encouraged to bring their development ideas to the courses to discuss real project challenges.

HOUSING CHOICE VOUCHER (HCV) PROGRAM

This federally funded program enables very low-income households to obtain safe, decent, affordable housing. The qualified household pays a portion of their adjusted income toward rent and utilities, and NH Housing pays the rest directly to the landlord. The HCV program is operated on a calendar year basis.

Housing Choice Voucher Program

	CY 2022		CY 2023
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
HUD – Calendar Year Funding (CY)	\$37,879	39,163	43,574
<u>PROGRAM MEASURES</u>			
Total Vouchers Administered*	3,766	3,766	3,791
Administer Program within Per Unit Cost (PUC) (CY)	\$860	\$890	973
% Leased within HUD Budget (CY)**	98%	98%	98%
Section 8 Management Assessment Program (SEMAP) Score (FY)	N/A	N/A***	N/A
HUD Electronic Submissions - % Submitted	95%	100%	95%

* CY monthly average

** CY Unit Months Leased/Unit Months Available

*** Waived by HUD

CY 2023 Program Narrative

In addition to the 3,791 Housing Choice Vouchers, NH Housing also administers 370 Mainstream Vouchers and 120 Emergency Housing Vouchers for a total of 4,281 vouchers. The HUD CY 2023 Plan above reports the budget and program measures for only the Housing Choice Voucher program as program measures vary by program. The budgets are sufficient to support the participants in all three programs. Staff will continue to make project-based vouchers available for homeless individuals and other targeted populations.

In December 2022, NH Housing was approved as a Moving to Work (MTW) agency by HUD as part of the Asset Building Cohort. Moving to Work is a HUD program that gives housing authorities flexibilities regarding certain rules and regulations and allows the Public Housing Authority (PHA) to implement local changes that will benefit New Hampshire residents.

NH Housing views participation in the MTW program as a powerful opportunity to leverage existing programs and partnerships to increase housing opportunities for low-income households, streamline program administration and improve client satisfaction and outcomes.

NH Housing was approved for MTW participation under the Asset Building Cohort. Staff intends to implement the Opt-Out Savings Option for 500 participants with NH Housing providing a monthly deposit of \$25 per participant over a 24-month period. Our goal in implementing the Opt-Out Savings Account Option is to encourage the growth of savings accounts and increase financial literacy and budgeting skills among HCV households. Through this initiative, participants will be able to accrue savings and improve their ability to develop and live within a household budget.

Upon approval from HUD, NH Housing plans to implement a variety of MTW activities during the FY 2024 Plan year, including activities related to: tenant rent policies, payment standards, reexamination frequency, landlord leasing incentives, Housing Quality Standards (HQS), the Project-Based Voucher (PBV) program, implementation of a short-term assistance program, and additional activities to streamline program operations.

FAMILY SELF SUFFICIENCY (FSS) LOAN AND GRANT PROGRAM

This program provides small loans and grants for transportation and/or other items or services which enhance employability and increase earned income of participants in the Family Self Sufficiency (FSS) program.

FSS Loan and Grant Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$40	\$40	\$60
<u>PROGRAM MEASURES</u>			
Number of Grants Awarded	70	60	60
Number of Loans	0	0	0
Number of Homeowners Receiving Home Repair Grants	12	12	12

FY 2024 Program Narrative

The FSS Loan and Grant program effectively assists HCV clients in reducing barriers to increasing their earned income and moving toward self-sufficiency. Program resources will be used for computers, education, and employment-related expenses like dental work, licenses, auto repairs/maintenance and other transportation needs.

Over the past five years, we have steadily increased our FSS caseload to over 200 participants and we anticipate enrollment going as high as 230. With this increase in caseloads coupled with transportation cost needs, and additional financial and employment activities between coaches and participants, additional resources will be needed. Also, FSS participants are now spending \$500-\$700 on suitable computers.

Because of the increase in FSS activity, transportation needs, and the higher cost of computers, a \$20,000 increase is requested.

We anticipate another \$45,000 will be allocated from the Homeownership Division for Home Repair Matching Grants that will provide 12 grants for homeowners using the Voucher-Assisted Mortgage Option and/or USDA Rural Development mortgages.

LANDLORD INCENTIVE PROGRAM (LIP)

This program is designed to provide a landlord incentive, or sign-on bonus, to encourage landlord acceptance of vouchers, build and develop landlord relationships, and improve the voucher holder's ability to lease up.

Landlord Incentive Program

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$100	\$20	\$75
NH Emergency Rental Assistance Program (NHERAP) 2 Admin Fees	\$600	\$270	\$0
Housing Choice Voucher Administrative Fee Reserve Fund	\$0	\$0	\$300
<u>PROGRAM MEASURES</u>			
% FYI and FUP youth vouchers leased	90%	67%	N/A
# of New Participating Landlords	0	110	50
Total Number of Households Assisted (FYI/FUP)	0	12	N/A

FY 2024 Program Narrative

NH Housing proposes to use its Housing Choice Voucher Administrative Fee Reserve Fund to support the following activities:

- Security deposit assistance
- Landlord incentives or sign-on bonuses

HUD permits a housing authority to use its Administrative Fee Reserve fund for this purpose provided the use of these funds is described in the Administrative Plan. We will include this in the next revision of the Administrative Plan, which is projected to be completed in the first quarter of FY 2024. The use of Operating Funds will cover any incentive fee payments that are obligated prior to the approval of the Administrative Plan revision.

For households participating in the Housing Choice Voucher (HCV), especially the Foster Youth to Independence (FYI) and Family Unification Program (FUP) youth, the ability to secure housing and use their voucher depends on the willingness of landlords to accept vouchers. The low rental vacancy rate and high rental costs make finding housing difficult for many HCV holders. As a result, voucher holders are at a severe disadvantage and may have few available housing options.

Landlords who rent to an FYI or FUP youth voucher holder will receive a sign-on bonus of \$1,000 for every new FYI or FUP youth lease and Housing Assistance Payments contract. Landlords can receive more than one bonus. All other landlords who are new to the HCV program will receive \$1,000 for every new unit leased.

The unit must meet Housing Quality Standards and other program requirements. Funds will be disbursed upon tenant move-in and will require a one-year minimum lease and execution of the HAP contract.

HOUSING AWARENESS RESEARCH AND ADVOCACY

This program supports an array of critical education tools designed to improve public understanding of New Hampshire's housing challenges and encourage actions at the local, regional, and state levels to help expand the supply of housing available to all of New Hampshire's people.

Housing Research Awareness and Advocacy

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$395	\$284	\$455
<u>PROGRAM USES (\$ In Thousands)</u>			
Mini Conferences and Events	\$20	\$15	\$20
Housing Related Studies	\$125	\$86	\$125
Housing Partnership Grants	\$200	\$133	\$200
Education for Local Governmental Bodies	\$25	\$25	\$25
Communications Toolkit for Housing Advocacy	\$25	\$25	\$25
Housing Data Dashboard	\$0	\$0	\$20
Annual Rental Cost Survey*	\$0	\$0	\$40

* Previously, the Rental Cost Survey was under the Administrative Budget.

FY 2024 Program Narrative

Mini Conferences and Events Topics (\$20,000 plan)

Webinars, seminars, and conferences have become a way for NH Housing to make housing issues and advocacy topics more available to our various audiences. Over the past two years, the ability to host or sponsor a webinar – and have it recorded at no additional cost – has provided a means for NH Housing to support discussion and ideas on housing policy matters. This approach has proven to be a method of making education and advocacy more accessible to a wider audience. Programs in FY 2024 can be a mix of virtual and in-person events on topics of interest. Possible topics for FY 2024 include economics of development, local regulatory changes to accommodate small-scale incremental development, relationship between housing construction and school enrollment, and economics and demographics. This format also allows for co-branding and co-sponsorship of events developed by partner organizations.

Housing Related Studies (\$125,000 plan)

The opportunity to conduct various housing related studies throughout the year allows NH Housing to be a leader in providing information on housing related issues. Among the topics that could be explored include the impact of the short-term rental market on housing supply and affordability, updating information on the impact of new residential development on schools, and analyzing the impact of affordable housing development on the values of surrounding properties.

Housing Partnership Grants (\$200,000 plan)

The use of Housing Partnership Grants will focus on the advocacy activities that are carried out by existing NH Housing partners as well as create opportunities for new ones. This program supports new or existing organizations, or programs within established nonprofit organizations, that wish to focus efforts on education and advocacy regarding housing issues, including communications campaigns for local regulatory change. The grants provide flexible funding that meets the needs of a potentially diverse mix of providers. For-profit organizations and housing development organizations are not eligible for funding. Municipalities are eligible only for Mini Grants. Grants may not be used to conduct regional housing needs assessments.

The Partnership Grant Program has three components of funding:

- **Mini Grants** up to \$5,000 are available to support the housing education and advocacy efforts of local business groups, local economic development groups, regional economic development groups, local and regional ad hoc groups, business and community leaders, local governments, local service organizations, business owners, and nonprofit organizations. Eligible activities include funding technical assistance to explore housing-friendly land use regulations and may also be used for groups to research the feasibility of starting a local or regional housing advocacy initiative, which may include strategic planning efforts.
- **Advocacy Incubator Grants** are *one-time-only* grants with no matching funds required. Primary activities must include efforts to promote an adequate and balanced housing supply at the local and/or regional level and educate the general public and public officials about the relationship between housing and the regional economy. Grantees will be eligible for annual Advocacy Impact Grants (below) after the first year of operation.
 - Grants of up to \$50,000 are available to nonprofit economic development or community development organizations that propose to establish a workforce housing education and advocacy program, or start-up organizations whose primary mission is workforce housing education and advocacy. Organizations must have been established for more than three years and must commit to maintaining the program for at least three additional years.
 - Grants of up to \$20,000 are available to help fund the start-up of new housing education and advocacy organizations.
- **Advocacy Impact Grants** of up to \$40,000 are available to nonprofit economic development or community development organizations that have workforce housing education and advocacy programs, or nonprofit organizations whose primary mission is workforce housing education and advocacy. Organizations must be established for at least one year and 50% matching funds are required. These organizations will be eligible for additional funding based on annual reviews.

Funds would be distributed across the components as needed, allowing for some flexibility during the program year. Staff will seek Finance and Administration Committee approvals for awards of \$20,000 and above, and full Board approval for awards of \$40,000 and above.

Education for Local Governmental Bodies (\$25,000 plan)

Staff will work with partners, such as the state's Office of Planning and Development, the New Hampshire Municipal Association, Center for Ethics in Society at Saint Anselm College, and others to enhance training opportunities, such as offering webinars, and recruiting and securing trainers and national speakers.

Communications Toolkit for Housing Advocacy (\$25,000 plan)

Staff continues to work with partners to build and manage a library of housing-related testimonials, profiles and stories in written, photographic and video formats regarding the need for, and success of, certain state housing policies (e.g., the workforce housing law, the ADU law, housing coalition successes, etc.).

This project will continue to capture these stories on video and other media with the intention of using and distributing them widely for a variety of purposes – stand-alone video shorts, clips for social media, posting on the NHHousing.org website, advertising, sharing with partners, including in presentations, etc. Staff will work with partners to identify people and organizations who are willing to share their stories. A video services company could be hired to shoot, edit, and format video as directed.

This project will also include videos to break down complex subjects to foster easier community-based discussion and understanding and will include development of associated or free-standing infographics on the same or similar topics.

Housing Data Dashboard (\$20,000 plan)

The State's Council on Housing Stability Strategic Plan seeks to aid local planning and decision-making through a public-facing housing data dashboard. This dashboard has been developed to provide transparent and accessible information on statewide housing. As the dashboard is rolled out in its first year, we anticipate discovering areas that require adjustments and enhancements. Consistently updating and maintaining the dashboard is crucial to ensuring its continued usefulness as a resource.

Annual Rental Cost Survey (\$40,000 plan)

New Hampshire Housing has been conducting an annual survey of rental housing costs across the state since 1980. This crucial data helps us keep track of rental unit costs, which we compile into a report for property owners, businesses, public officials, organizations that administer housing programs, and the public.

OTHER GRANTS & SUBSIDIES

This allocation funds various small grants in support of general affordable housing activities that the Board of Directors may choose to approve during the fiscal year.

Other Grants /Subsidies

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Operating Funds	\$175	\$147	\$272
<u>PROGRAM USES (\$ In Thousands)</u>			
Resident Education and Assistance Program – Seacoast Mental Health	\$72	\$72	\$102
Housing Action New Hampshire	\$25	\$25	\$30
Harvey Schwartz Housing Policy Education Fund	\$10	\$2	\$20
William H. Craig Fellowship	\$8	\$8	\$10
Center for Ethics in Society	\$40	\$40	\$40
North Country Employer-Assisted Housing Initiative	\$0	\$50	\$50
Housing Resources of NH	\$0	\$0	\$0
Other	\$20	\$0	\$20

FY 2024 Program Narrative

Resident Education and Assistance Program (REAP) (\$102,000 plan)

The Resident Education Assistance Program administered by Seacoast Mental Health will be awarded funds to provide services including education programs, counseling, and consultation with housing professionals regarding resident behaviors and challenges. The program also trains REAP counselors. REAP has requested additional funding to cope with the significant rise in overhead costs, technology expenses, and staffing expenditures (to provide competitive salaries and benefits).

Housing Action New Hampshire (\$25,000 plan)

Housing Action New Hampshire is an advocacy organization for low-income households in the formulation of federal and state housing policy. Along with other housing partners, we provide funding to support their mission.

Harvey Schwartz Housing Policy Education Fund (\$20,000 plan)

Harvey Schwartz was a member of the Board of Directors who strongly believed in the power of education to facilitate the development of good policy. This scholarship fund was established in his memory and is used to support attendance at conferences, seminars, and other events by our partners and stakeholders. Recipients of the grant are eligible to receive up to \$3,000 per event, per person.

William H. Craig Fellowship (\$10,000 plan)

This Fellowship, named after Attorney William “Bill” H. Craig, was created by New Hampshire Housing to provide opportunities for students at the University of New Hampshire School of Law to gain experience in issues related to affordable housing. Specifically, the Fellowship will provide students with opportunities to gain experience in legal matters related to housing development and finance, landlord tenant law, fair housing law, and how these matters impact the affordable housing opportunities provided to New Hampshire individuals and families. The goal of the Fellowship is to encourage new lawyers to pursue careers that will help add to the state’s supply of affordable housing and support the needs of the low- and moderate-income residents of the state.

Center for Ethics in Society (CES) (\$40,000 plan)

CES at Saint Anselm College will be awarded the first installment of a new three-year grant for its “The Housing We Need” initiative. This program will continue to focus on educating community decision-makers and others about the ways in which affordable housing can enhance their communities, as well as to coordinate the development of the NH Zoning Atlas and to undertake a program seeking to diversify the membership of local land use boards.

North Country Employer-Assisted Housing Initiative (\$50,000 plan)

The North Country Employer-Assisted Housing Initiative engages employers within regional labor market areas in action-oriented working groups to identify and implement projects that improve housing affordability and access under the auspices of North Country Council (NCC). NCC efforts in working group formation, technical assistance, and support will help leverage and support existing collaborations underway in pockets of the planning region. This work builds upon and directly addresses four of the key issues identified in the North County Housing Needs Analysis, specifically:

- Lack of affordability for low-wage workers;
- Lack of awareness and/or lack of buy-in of comprehensive solutions, especially from the business community;
- Propensity to find local solutions for regional problems; and
- Lack of capacity for implementing solutions at the local level.

Housing Resources of NH

Housing Resources of NH is New Hampshire Housing’s 501(c)(3) affiliate.

INVESTNH MUNICIPAL PLANNING AND ZONING GRANT PROGRAM

As part of Governor Sununu's \$100 million InvestNH initiative, \$5 million has been allocated to provide grants to municipalities to analyze and update their land use regulations to help increase housing development opportunities. The NH Department of Business and Economic Affairs has contracted with New Hampshire Housing to administer this program and we received program funds in September of 2022.

New Hampshire Housing has partnered with Plan NH to administer these grants, with guidance from the steering committee. The steering committee is made up of individuals from:

- Plan NH
- UNH Cooperative Extension
- NH Office of Planning and Development
- NH Municipal Association
- Community Development Finance Authority
- New Hampshire Housing

A website, www.NHHOPGrants.org, was created to house information about this municipal grant program.

InvestNH Municipal Planning and Zoning Grants

	FY 2023		FY 2024
	Plan	Actual	Plan
<u>RESOURCES (\$ In Thousands)</u>			
Federal Funds	\$0	\$460	\$434
<u>PROGRAM USES (\$ In Thousands)</u>			
Community Housing Navigator Grants Program	\$0	\$200	\$130
Housing Opportunity Planning (HOP) Grants Program	\$0	\$48	\$283
Marketing	\$0	\$12	\$13
Administration (Plan NH)	\$0	\$100	\$100
Housing Academy (UNH Cooperative Extension)	\$0	\$100	\$100

FY 2024 Program Narrative

Community Housing Navigator Grants Program

The Community Housing Navigator Grants Program awarded municipalities and regional planning commissions funding to hire staff who will coordinate local activities related to housing. Five grants were awarded, totaling \$1,235,270, to hire five Community Housing Navigators serving 12 communities across the state. The Community Housing Navigators will serve as local coordinators of housing regulatory changes and housing development activities. This will include working with outside consultants and other municipal staff to identify regulatory changes needed to promote greater levels of housing development.

Housing Opportunity Planning (HOP) Grants Program

The Housing Opportunity Planning (HOP) Grants Program awards municipalities with grant funds to pursue one to three phases of regulatory change for the purpose of increasing housing supply. These phases include 1) needs analysis and planning; 2) regulatory audit; and 3) regulatory development.

Housing Academy

The Housing Academy is a training program for Housing Opportunity Planning (HOP) Grant and Community Housing Navigator Grant recipients to help build and further develop local capacity related to housing matters. UNH Cooperative Extension provides housing education and community engagement training and support to grantees as they develop their local community engagement strategies.

FY 2024
RESOURCE ALLOCATION
PLAN

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
FY 2024 Resource Allocation Plan
New Commitments Only
(\$ Thousands)

<u>PROGRAM ACTIVITY</u>	<u>Operating Fund</u>	<u>Section 8 Funding</u>	<u>Bond Proceeds</u>	<u>GNMA/ FNMA</u>	<u>HOME</u>	<u>HOME ARP</u>	<u>AHF</u>	<u>HLT</u>	<u>HTF</u>	<u>Other</u>	<u>TOTAL</u>
- Homeownership Division											
Ginnie Mae MBS Program				21,450							21,450
Fannie Mae Program				53,625							53,625
Home First MRB Program			105,300								105,300
Homebuyer Tax Credit										16,250 ⁽¹⁾	16,250
Habitat for Humanity								75			75
Emergency Home Repair Loan	150										150
Special Initiatives	425							80			505
Habitat Repair Program								80			80
Accessibility Program	250										250
HOPE 3	24										24
Program Outreach and Promotion	350										350
First-Generation Homebuyer Downpayment Assistance	300										300
Homebuyer/Homeowner Education and Counseling	100										100
Housing Counseling Program										167 ⁽²⁾	167
Small-Scale Housing Production	225										225
- Assisted Housing Division											
Housing Choice Voucher Program		43,574 ⁽³⁾									43,574
FSS Grants / Loans	60										60
Landlord Incentive Program	75									300 ⁽⁴⁾	375

(1) Represents use of converted tax-exempt bond volume cap.

(2) Sourced from HUD

(3) Represents calendar year 2023

(4) Sourced from Housing Choice Voucher Program Administrative Fee Reserve Fund

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
FY 2024 Resource Allocation Plan
New Commitments Only
(\$ Thousands)

PROGRAM ACTIVITY	Operating Fund	Section 8 Funding	Bond Proceeds	GNMA/ FNMA	HOME	HOME ARP	AHF	HLT	HTF	Other	TOTAL
- Multifamily Housing Division											
Tax-Exempt Bonds			90,000		4,800	6,750	30,300 ⁽⁵⁾		1,950	60,000 ⁽⁶⁾	193,800
9% LIHTC Competitive					1,000		1,750		1,200	55,000 ⁽⁷⁾	58,950
Supportive Housing Program							6,000				6,000
Pre-Award Supportive Housing Program - Consulting	300										300
Construction/Bridge Lending Program										15,000 ⁽⁸⁾	15,000
Performance Based Contract Administration Program		61,500 ⁽⁹⁾									61,500
Section 811 Project Rental Assistance (PRA)		1,500 ⁽⁹⁾									1,500
Lead Hazard Abatement Program	125									2,168 ⁽¹⁰⁾	2,293
- Executive Division											
Research / Advocacy	455										455
Other Grants / Subsidies	272										272
InvestNH Municipal Planning and Zoning Grants										4,340	4,340
TOTAL ALLOCATED:	3,111	106,574	195,300	75,075	5,800	6,750	38,050	235	3,150	153,225	587,270

(5) Includes \$5M statutory transfer from Real Estate Transfer Tax revenue and \$4M from ERAP2; also includes \$25M Legislative appropriation.

(6) Represents equity raised from allocation of LIHTC and \$10M in Loan Participations.

(7) Represents equity raised from allocation of LIHTC and \$5M in Loan Participations.

(8) Sourced from warehouse line-of-credit and Operating Revolving Construction Fund.

(9) Represents funds passed through under HUD contracts.

(10) Sourced from HUD and State Lead Funds.



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finances, and supports housing solutions
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