Qualified Allocation Plan
Substantial Proposed Revision Topics

October 2023
Qualified Allocation Plan

• Introduction

- Development Team
- Session – will be recorded and posted on our website
- Schedule changes and overview
- Objective of this session
- One-year QAP vs. two-year QAP
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  - Costs have been a significant challenge
  - Consider:
    - An across the board increase to the TDC limits
    - Exclude reserves/escrows from TDC calculation
    - Exclude costs associated with solar and battery storage
    - Policy to authorize the Executive Director to vary from TDC limits once a project has received a reservation
  - Should TDC limits apply to applications for Tax-Exempt Bonds with 4% Low-Income Housing Tax Credits only?

- Remove investment limit

- Remove points penalty for applications above the average TDC
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- **109.07.A General Scoring Format and Additional Information**
  - Propose that scoring be put into a table that adds information about acceptable back-up documentation for each scoring category.

- **109.07.A2.c Income Targeting**
  - Propose that points for non-LIHTC units be removed.
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- **109.07.A.3.a and 3.b Supportive Housing**
  - Consider reducing points in both a and b as an intermediary step
  - Consider making service plans less prescriptive
    - Allow revisions to plans periodically, to respond to the needs of the residents
  - Consider engagement with a third party for guidance, such as CSH
  - Remove the 811 program
    - Participants in the 811 program have access to supportive services through the community mental health centers under contract with NH DHHS, Bureau of Mental Health

- **Note:** the Section 811 program has been fully obligated. HUD has issued a Notice of Funding Opportunity for “new” funding for 811 rental assistance. New Hampshire Housing intends to apply.
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- **109.07.A.8.a Project Grants and Assistance**
  - Consider removing 8.a entirely and replace with:
    - Points for applications that include a commitment/award for non-NH Housing project-based vouchers or project-based rental assistance
    - For at least 20% of the total units
    - For at least 15 years
    - New subsidy for the project
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- 109.07.A.8.b Project Grants and Assistance
  - Separate long-term debt (including NH Housing debt) from grants/non-amortizing debt
    - Points would remain the same: 5 to 20 points (or we may consider less points)
    - Need an LOI, loan at or below market rate
      - Consider additional points for below market rate
  - Update current scoring category
    - Proposed and likely sources of non-NH Housing capital subsidy, grants etc.
    - Submit an LOI or copy of application for funding
    - Points remain the same: 5 to 20
    - Additional points for commitment/award, add 4 to 10 points to score above
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- **109.07.A.16 Energy Efficient Design and Construction**
  - Add points for renewable energy – Solar
    - 5 points proposed
  - Add points for central air-conditioning (though not necessarily energy efficient, central a/c may have features that make it more efficient)
    - Benefits for residents: better air quality, no installation, and quiet operation
    - 2 points proposed
  - OR
    - Include requirement in our design standards requiring central a/c in all age-restricted projects (new construction only).
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- **Appendix N Tax-Exempt Bond Program**
  - Propose removing Appendix N and do the following:
    - Do not score tax-exempt bond with 4% LIHTC only applications
      - Projects must meet threshold criteria and other requirements
    - Score tax-exempt bond with 4% LIHTCs with a request for capital subsidy
      - Only scoring for capital subsidy request
      - Score for PBVS, when applicable

- This new policy will be outside of the QAP, and we will follow a schedule for creating the new scoring criteria with input from our external partners.
  - The process will not follow the QAP revision schedule – but will not be far behind
  - More information to come on forums/meetings to gather this input and engage in discussions
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- **New Sections**
  - **Property Management Training Requirements**
    - Move training requirements from management scoring to a threshold criteria requirement

- **Diversity, Equity and Inclusion (DEI)**
  - Include the NH Housing DEI mission statement in the QAP:
    "NH Housing values diversity, equity, and inclusion and, through fostering a culture of curiosity, seeks to better understand and include the perspectives and experiences of those who make up our organization, those we collaborate with, and the communities we serve"

  - Consider gather information: ask for DEI statements or efforts made by developer and management agents
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Underwriting Standards and Development Policies for Multifamily Housing Development – Developer Fee

- Consider increasing the per unit Developer Fee Schedule

- Current fee schedule:
  
  - Acquisition with renovations (reno less than 50% of TDC): $6,300 per unit

- General Occupancy per unit:
  
  - $22,000 first 10 units
  - $18,000 next 30 units
  - $15,000 next 60 units
  - $6,500 units above 100

- Age-Restricted per unit:
  
  - $20,000 first 10 units
  - $16,000 next 30 units
  - $13,500 next 60 units
  - $6,500 units above 100
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1-Year QAP or 2-Year QAP?

Questions?

Thank you for participating!
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