



November 14, 2023

Qualified Allocation Plan – Right of First Refusal

Notes from the Meeting:

Right of First Refusal (ROFR) Comments

- Received comments in agreement to remove the NH ROFR from the QAP. There were no comments made in support of keeping it.

Affordability Period Comments

- Incentive longer affordability periods via the QAP, especially for 4% LIHTC / Tax-Exempt Bond (TEB) projects.
- For those seeking 4% LIHTC / TEB financing without NH Housing capital subsidy, leave requirement at 30 years.
- Incentives for longer affordability periods in the 9% LIHTC scoring will likely result in all developers seeking those points. May be best to increase affordability period for all 9% LIHTC projects instead.
- Sixty years affordability for 9% LIHTC projects is reasonable. Owners will re-syndicate.
- Another mechanism to encourage longer term affordability would be to connect the term to the capital subsidy requested. For example:
- Have one limit for 30 years of affordability; another limit for 50 years of affordability; and so on.
- Essentially, the higher the capital subsidy put into a deal, the longer the affordability period required.
- There is no downside to extending the affordability periods. But keep in mind when revising the scoring for 4% LIHTC / TEB projects, goal is to get as many affordable units online as quickly as possible. Do not have the 4% LIHTC / TEB mirror the 9% LIHTC scoring – many incentives add costs (deeper targeting, for example), that increases the permanent debt and capital subsidy. Ultimately that will reduce the number of units built.
- The 4% LIHTC / TEB seems focused on developing workforce housing. Keep in mind the aging population and finance age-restricted housing as well.