

Qualified Allocation Plan NH Housing – Right of First Refusal

Right of First Refusal

AGENDA

- Introduction
- Miscellaneous
 - Call will be recorded
 - Ask questions or make comments unmute and state your name
- Overview of the NH Housing ROFR
- Discuss Feedback from Partners
 - Including updated letter from a group of nonprofits
- Next Steps



LIHTC CODE ROFR VS NH HOUSING ROFR

- Internal Revenue Service Code Right of First Refusal Section 42(i)(7)
 - Nonprofits permitted to a ROFR to purchase property from partnership at below-market terms after the investor's tax benefits have been achieved.
- The NH QAP includes a different ROFR for profit developers sign in favor of a nonprofit - this is the ROFR for today's discussion
 - Owners who choose to sell property before end of affordability period
 - Offer to sell property to nonprofit for minimum price
 - Sales price set by ROFR
 - If not, owner to offer property to NH Housing
 - NH Housing can accept or decline
 - In all cases the Affordability Period continues (per the Land Use Restriction Agreement)



Summary of Feedback Received

• Remove requirement that ownership entities controlled by a for profit must sign a right of first refusal in favor of a nonprofit or NH Housing.

Reasons Given

- Its not required by the program
- Not necessary to discourage early termination as the affordability period remains upon a sale/transfer of the property
- Housing crisis encourage participation in developing affordable housing by a broad range of developers

NH Housing is considering removing the ROFR

- This change is effective with new QAP; it is not retroactive
- Need to think about policy implications unintended consequences



NHHousing.org QAP - ROFR

Feedback About Affordability Periods

- We received feedback to extend the current affordability periods
- Current policy:
 - 9% LIHTC 60 Years
 - 4% LIHTC 30 Years (minimum required by the Code)
- Recommendation is to increase both programs back to 99 years
 - Do we extend the affordability periods? How long?
 - Do we require the same affordability period for both 9% and 4%?
 - Do we incentivize longer affordability period through points?



Next Steps

- □ NH Housing staff will discuss feedback received today
- Draft revisions will be reviewed by senior management
- □ The next public forum will be held on December 5
 - Discuss significant, proposed changes
 - Red-lined QAP
 - May hold one more public forum mid-December, if needed





CONTACT US

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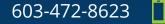
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