

**EFFECTIVE DATE: MARCH 12, 2024**

**AMMENDED: DECEMBER 1, 2024**

**AMMENDED: JUNE 17, 2025**

# **NEW HAMPSHIRE**

# **QUALIFIED ALLOCATION PLAN**

## HFA 109

LOW-INCOME HOUSING  
TAX CREDIT PROGRAM



**NEW HAMPSHIRE**  
**HOUSING**

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**NEW HAMPSHIRE  
QUALIFIED ALLOCATION PLAN  
LOW-INCOME HOUSING TAX CREDIT PROGRAM**

**Program Rules  
HFA 109**

**HFA 109.01 INTRODUCTION**

The Low-Income Housing Tax Credit (LIHTC) program is currently the single largest source of federal capital subsidy to create and preserve affordable rental housing. The program was added to Section 42 of the Internal Revenue Code (IRC §42) in 1986. Under IRC §42, the Internal Revenue Service allocates LIHTCs to states on a per-capita basis. States in turn designate an agency to allocate LIHTCs, using competitive criteria established in accordance with IRC §42. The State of New Hampshire designated New Hampshire Housing Finance Authority (NH Housing) as the agency to allocate LIHTCs. NH Housing has developed this Qualified Allocation Plan (QAP) to establish the criteria and process for the allocation of LIHTCs in New Hampshire.

**This QAP is in effect until repealed or replaced.**

**HFA 109.02 PRIMARY ALLOCATION PRIORITIES**

NH Housing uses the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan process to assess New Hampshire's affordable housing and community development needs and market conditions. The priorities of this QAP are based on conclusions contained in the 2021-2025 Consolidated Plan, engagement with stakeholders and input from the public. These priorities are listed below.

- New construction (adding new units to housing markets).
- General occupancy housing.
- Readiness to proceed (i.e., ability to start construction in a relatively short period).
- Nonprofit sponsored housing.
- High quality of construction, including energy efficiency and renewable energy.
- Projects that achieve broad community development objectives, including "smart growth" and neighborhood revitalization.
- Cost containment.
- Projects that benefit underserved populations and communities.
- Projects that benefit communities that have been disproportionately impacted by the housing shortage, including persons with disabilities and persons experiencing homelessness.

Additionally, the LIHTC program includes statutory preferences and selection criteria that must be considered in the QAP. These preferences and selection criteria are listed below and are incorporated throughout the QAP.

Statutory Preferences:

- Developments serving the lowest income tenants;
- Developments affordable for the longest periods of time; and
- Developments located in Qualified Census Tracts that contribute to a concerted community revitalization plan.

Statutory Selection Criteria:

- Project location;
- Housing needs characteristics;
- Project characteristics;
- Sponsor characteristics;
- Tenant populations with special housing needs;
- Public housing waiting lists;
- Tenant populations of individuals with children;
- Projects intended for eventual tenant ownership;
- Energy efficiency of the project; and
- Historic nature of the project.

**Program Access**

NH Housing is committed to removing barriers for the development of affordable housing to broaden program access for all developers.

## **HFA 109.03 LIHTC AVAILABILITY AND SET-ASIDES**

### **A. LIHTC Availability**

New Hampshire's annual allocation authority for 9% LIHTCs is determined by the U.S. Department of the Treasury based on a fixed rate per resident, adjusted for inflation. This "Housing Credit Ceiling" will be published as an Internal Revenue Service Revenue Procedure, and a link will be posted on NH Housing's website. The 4% LIHTCs are not limited.

### **B. Nonprofit Set-Aside**

IRC §42 requires that at least 10% of New Hampshire's annual 9% LIHTC allocation be set aside and allocated to qualified nonprofit organizations that:

- Meet the tax-exempt requirements of IRC 501(c)(3) or (c)(4);
- Own a controlling interest in a project and materially participate in the development and management of the project throughout the compliance period; and
- Have exempt purposes, including the fostering of low-income housing.

Wholly owned affiliates of a nonprofit are eligible as qualified nonprofit organizations.

The nonprofit set-aside is generally satisfied through the QAP scoring process. However, since the state's entire allocation authority is predicated by IRC §42 on meeting the minimum 10% nonprofit set-aside, one or more nonprofit projects may be selected over higher scoring applications until the 10% allocation requirement is met.

### **C. Supplemental Set-Aside**

\$60,000 of the annual 9% LIHTC allocation shall be set aside for projects returning for supplemental LIHTCs after having received a reservation or allocation of LIHTCs. Requests for supplemental credits can be up to \$30,000 per project. A written request must be submitted to NH Housing outlining the need for supplemental credits.

The decision to award supplemental LIHTCs and the amount (which may be higher than the request limit noted above) will be made by NH Housing staff in its sole discretion. To be eligible for supplemental LIHTCs, a project must meet one or more of the following criteria and provide supporting documentation with the request:

- It incurred or faces substantial and unforeseen cost increases;
- It is subject to an unanticipated reduction in equity yield on the sale of the LIHTCs;
- Supplemental LIHTCs would reduce the level of NH Housing capital subsidy funding;
- Supplemental LIHTCs would improve the project's financial feasibility and keep it consistent with NH Housing's Underwriting Standards and Development Policies for Multifamily Finance.

Any amounts of the supplemental set-aside pool remaining after September 1 of each year, may be made generally available. Additionally, if tax credits are still available after the 9%

LIHTC reservations are approved, NH Housing staff can make additional supplemental reservations under these program guidelines.

## **HFA 109.04 PRIMARY PROGRAM POLICIES**

### **A. Maximum Amount of LIHTC per Project**

The maximum LIHTC allocation that a general occupancy project may request in any single funding round is \$880,000. The maximum LIHTC allocation that an age-restricted project may request in any single funding round is \$660,000. Allocation amounts for projects funded with 4% LIHTCs and tax-exempt bonds are not limited.

### **B. Maximum Number of Applications and Projects**

No applicant (defined as a general partner, property owner and/or development agent) may submit more than one 9% LIHTC project application in an application round, unless it is a supplemental application for a previously approved project.

NH Housing will not accept a new 9% LIHTC application if an applicant (including any general partner) has two or more LIHTC projects that have not yet been completed. A complete project is one for which the municipality has issued a Certificate of Occupancy for all buildings. 4% LIHTC and tax-exempt bond financed projects will not be considered as outstanding LIHTC projects for this purpose.

### **C. Per-Unit Cost Standards/Housing Investment Limits**

Project applications will be evaluated for cost reasonableness. Applications which indicate unreasonably high total or specific line-item development costs may be revised by NH Housing staff for underwriting purposes or may be rejected.

Cost reasonableness will be evaluated using an index, which is the Weighted Average of the Total Development Cost (TDC) per net new unit and the TDC per bedroom. For mixed-use projects, the TDC for only the residential portion of the project, including common areas, will be used for this calculation. The Weighted Average will be calculated as follows.

$$([2 \times \text{TDC/unit}] + [\text{TDC/bedroom}]) \text{ divided by } 3$$

The product of this calculation will be referred to throughout this document as the “TDC Weighted Average.” Absent an approved waiver, an application will be rejected if the TDC Weighted Average exceeds **\$375,000**.

For projects using Historic Rehabilitation Tax Credits (HRTCs) in conjunction with LIHTCs, projects with increased costs due to a Brownfield location, projects designed and built to meet Passive House or Net Zero standards, or projects with an inadequate bidder pool to achieve a competitive bid, as determined by NH Housing in its sole discretion, the TDC Weighted average may not exceed **\$400,000** (TDC Weighted Average-high cost). Projects in Grafton, Carroll, and Coos counties are automatically qualified for this category.

The total development cost per unit (not weighted) may not exceed **\$437,500**.

The investment limit (NH Housing capital subsidy funds plus LIHTC equity) for all projects is **\$300,000** per unit with the exception of projects targeting households earning at or below 30% of Area Median Income (AMI), which will be evaluated on a case-by-case basis.

The investment limit is evaluated based on projected equity pricing and NH Housing subsidy at the time of application; subsequent changes in equity pricing will not trigger a re-evaluation of a project's compliance with this limit. NH Housing reserves the right to evaluate equity pricing included in an application for reasonableness and consistency with the market. NH Housing, at its sole discretion, may allow the investment limit to be exceeded after application due to other circumstances determined to be beyond the control of the developer (e.g., HUD Income Limit or Utility Allowance fluctuations). If a supplemental or additional credit allocation is made to a project in this or subsequent years, NH Housing has the authority to use the most recent investment limits in evaluating and allocating tax credits and other NH Housing resources to the project.

**The TDC Weighted Average, TDC Weighted Average-high cost, TDC non-Weighted Average and the investment limit will be reviewed in January of each year and may be increased by the NH Housing Board of Directors by up to 10% for some or all cost limits and the investment limit. Any increased limits will be published on the NH Housing website no later than February 28 of each year.**

#### D. Preservation/Recapitalization Project Initiative

The Preservation/Recapitalization Project Initiative will be a maximum of \$450,000 in 9% LIHTCs per application round. Preservation Projects are existing housing properties that have been funded with federal subsidies and are currently subject to recorded regulatory documents limiting unit rents and/or tenant incomes. In the case of a scoring tie, the project with the most points from the Preservation Scoring Matrix (Appendix J) is favored. Preservation projects must submit both a 9% and 4% LIHTC application at the time of preliminary application (HFA 109.05.A) to establish the need for 9% credits. Projects that are determined by NH Housing to be feasible using 4% credits may be converted in accordance with HFA 109.08.C.

Preservation/Recapitalization Projects are eligible to compete for points under the scoring criteria listed in HFA 109.07 as well as the points listed in the Preservation Scoring Matrix (Appendix J). In order to be eligible for a reservation of 9% LIHTCs, a preservation project must meet the minimum points threshold specified in HFA 109.06.M.

#### E. Developer Fee

The maximum developer fee allowed is calculated in accordance with the Developer Fee Schedule, which may be found in NH Housing's Underwriting Standards and Development Policies for Multifamily Finance [www.nhhousing.org/developer-financing/underwriting-and-development-policies/](http://www.nhhousing.org/developer-financing/underwriting-and-development-policies/).

#### F. Basis Boost

The 130% basis boost will be available to both 4% and 9% LIHTC projects located in HUD-designated Difficult to Develop Areas (DDA) or Qualified Census Tracts (QCT). The list of Difficult to Develop Areas and Qualified Census Tracts eligible for the basis boost may be

found at [www.huduser.gov/portal/datasets/qct.html](http://www.huduser.gov/portal/datasets/qct.html). The most current lists available at the time of application must be used to determine if a project is located in a DDA and/or QCT.

Projects applying for 9% LIHTCs, which require the 130% basis boost to be financially feasible and reserve 25% of the total units to households with incomes at or below 50% of AMI will qualify for the boost. Additionally, 9% LIHTC projects that require the 130% basis boost to be financially feasible and are located in a rural area, will qualify for the boost. A list of rural areas can be found on NH Housing's [website](#).

Projects funded with 4% LIHTCs and tax-exempt bonds will qualify for the basis boost only if they are located in a DDA or QCT unless federal law changes to allow for a more flexible application of the basis boost in 4% LIHTC projects, in which case, NH Housing may allow additional projects to use the basis boost in accordance with the law.

#### G. Tax-Exempt Bond and 4% LIHTCs Applications

Applications for Tax-Exempt Bonds and 4% LIHTCs, must meet all requirement in the QAP, including threshold criteria, unless otherwise indicated. Because 4% LIHTCs are not limited, these applications will not be scored for LIHTCs and will only be scored when requesting Project-Based Vouchers and/or NH Housing capital subsidy through a published Notice of Funding Opportunity (NOFO). Should NH Housing Tax-Exempt Bonds become limited (meaning NH Housing is close to utilizing all "bond cap" available), NH Housing reserves the right to include scoring for bonds in the NOFO as well.

All Tax-Exempt Bond and 4% LIHTC applications, with or without a request for NH Housing capital subsidy or PBVs, shall be submitted as outlined in the most current NOFO.

### **HFA 109.05 APPLICATION PROCESS**

#### A. Preliminary Applications

Preliminary applications (and required minimum supporting documentation) are mandatory for all projects in each 9% LIHTC round regardless of whether such documents were submitted in a previous round.

The submission of a preliminary application will trigger NH Housing to commission an abbreviated HUD Environmental Checklist to be completed by a third-party professional, selected by NH Housing. There will be a fee due at the time of final application for this checklist (refer to HFA 109.09).

**Any potential environmental issues raised in the abbreviated HUD Environmental Checklist must be discussed with NH Housing staff. Applicants may be charged additional fees for follow up work directly with the third-party professional.**

#### B. Application Deadline (9% LIHTC only)

The application deadlines for both the preliminary and final LIHTC applications will be posted to NH Housing's website no later than May 1 of each year.

### C. Application Submittals (9% LIHTC only)

Instructions about how to submit both the preliminary and final LIHTC applications and related documentation will be published on NH Housing's website no later than May 1 of each year.

## **HFA 109.06 THRESHOLD CRITERIA**

Projects (4% and 9% LIHTC, unless otherwise noted) must meet the threshold criteria listed below at the time of application in order to be scored and considered for a reservation and allocation of LIHTCs. Projects may be rejected at any time during the review and allocation process for failure to meet threshold criteria.

### A. Feasibility and Appropriateness

The proposed project's characteristics and location must be considered feasible from a financial and regulatory standpoint and must meet the NH Housing's Underwriting Standards and Development Policies for Multifamily Finance (found here: [www.nhhousing.org/developer-financing/underwriting-and-development-policies/](http://www.nhhousing.org/developer-financing/underwriting-and-development-policies/).)

### B. Market Demand

Potential market demand must be proven by a market study, and the proposed project must not negatively affect an existing publicly assisted affordable rental property. Market studies shall be commissioned by the Sponsor. NH Housing will review all market studies and reserves the right to accept the study or request revisions. Market study requirements can be found on our [website](#).

For phased projects, in addition to a market study, the experience of the prior phase(s) will be taken into consideration when determining adequate market demand.

### C. Capacity

The project's Developer/Sponsor, general partner and management agent must meet the following requirements.

- Submit a list of all development projects currently underway by the Sponsor (in any state, including NH).
- Have the capacity, experience, and ability to successfully complete the project.
  - The Sponsor must have direct experience developing a LIHTC project.
  - The Sponsor must have successfully completed a multifamily development project.
  - If the Sponsor does not meet both requirements above, an experienced, qualified consultant shall be hired by the Sponsor to assist the Sponsor from the time of application creation to construction completion.
    - i. A copy of the executed consultant contract must be submitted with the final application.
    - ii. All development consultant fees shall be paid from the allowable developer fee (see the NH Housing Underwriting Standards and Development Policies for Multifamily Finance for more details).
- Have appropriate staffing and/or consultant in place to complete the proposed project.
- Submit a list of staff (with job titles) who will be working on the project.

- Have started construction within six months from the date of the carryover allocation on a current project.
- Be compliant or otherwise not in default with this or any other NH Housing program as determined by NH Housing.
- Not have a history of noncompliance in LIHTC or other NH Housing programs.
- Have met the specific requirements of the Land Use Restriction Agreement (LURA) for previous projects.
- Not have any significant negative LIHTC history with other state allocating agencies.

#### D. Completion of Prior Phase (9% LIHTC only)

Completion of Prior Phase is a threshold requirement for all 9% LIHTC projects. If a phased project, the earlier phase(s) of the project must be complete and rent-up must be substantially completed (meaning that at least 50% of units have been leased – all lease documents have been fully executed and move-in is completed or scheduled for move-in within two weeks of the application deadline). The Sponsor is required to submit documentation to show how that this threshold criteria has been met. Renovation of existing projects that are already leased up are excluded from this requirement.

#### E. Site Control

Applicant must have secure site control.

#### F. Cost Reasonableness

Proposed development and operating budgets must not be unreasonably costly or otherwise unsatisfactory per NH Housing's Underwriting Standards and Development Policies for Multifamily Finance and other data available. NH Housing staff reserves the right to require revisions to the budgets. The project application must meet the QAP's investment limit and overall per unit development cost limits.

#### G. Readiness

The following items must be submitted with the application.

- Equity investor letter of interest.
- Permit status letter and timetable for obtaining local approval.
- Detailed scope of work with current (within six months) cost estimates.
  - Identify estimator by name, job title, and company.
  - Completing the Uses of Funds for construction in the NH Housing financing application is acceptable.
- Schematic Design Plans and Specifications.

9% LIHTC: project applications must be able to satisfy the criteria of the Progress Phase Requirements by the deadline specified in Appendix A.

4% LIHTC: refer to the Notice of Funding Opportunity for NH Housing capital subsidy for more details.

For both 9% and 4% LIHTCs, a schedule and timeline will be required at the time of application. The schedule and timeline shall include estimated dates that each item needed

to meet Progress Phase requirements will be completed or obtained. For 9% LIHTC projects, refer to Appendix A. For 4% LIHTC projects refer to the Notice of Funding Opportunity.

#### H. Service Coordination (9% LIHTC only)

Service Coordination is a threshold requirement for all 9% LIHTC projects to provide all residents the opportunity to access appropriate services, which promote self-sufficiency and maintain independent living. Service Coordinators connect residents to needed services, develop and implement strategies to build community among diverse residents, and develop partnerships to make programs and services more accessible to meet the needs of groups of residents. Incorporating Service Coordination into the ongoing management of the project assists in maintaining the fiscal and physical viability of the project. In lieu of submitting a Service Coordination Plan and Budget, Sponsors may opt to obtain the CORES Certification (<https://coresonline.org/certification>).

Service Coordination must be available to all residents. See Appendix G for Service Coordination specifications. **This threshold requirement is distinct from the Supportive Services scoring criteria.**

#### I. Year 15 Investor Exit and Aggregators

1. Sponsors must commit to selecting a syndicator and/or investor acceptable to NH Housing. Such syndicator/investor cannot have been involved in any “aggregator” activity in New Hampshire seeking to undermine the exercise of a LIHTC right of first refusal or right of first option, including, without limitation, the following.
  - Refusal to honor a LIHTC right of first refusal or right of first option in favor of a nonprofit sponsor executed with the initial tax credit equity closing for a LIHTC project.
  - Lawsuit against a general partner and/or a nonprofit sponsor challenging the exercise of the LIHTC right of first refusal/right of first option.
  - Lawsuit seeking to remove the general partner or managing member of the LIHTC limited partnership, absent clear evidence of fraud or serious mismanagement on the part of the general partner or managing member. For purposes of this provision, actions taken to preserve affordability of a LIHTC property and/or management in furtherance of the charitable mission of the nonprofit sponsor shall not constitute “serious mismanagement.”
2. Sponsors are required to disclose whether any member of the development team, including the investor, has been involved in transfers of ownership or interest, including qualified contract requests, that resulted in affordable housing being converted to market rate prior to the end of the original period of affordability in New Hampshire.
3. Sponsors are required to disclose whether any member of the development team, including the investor, has been involved in litigation related to the transfer of ownership or interest of affordable housing in New Hampshire prior to the end of the original period of affordability.
4. All partnership agreements shall include the following provision.

- A provision requiring the limited partner to obtain the consent of the general partner before there is any transfer of the limited partnership interest or investor member interest, with the exception of transfer to an affiliate of either. For the purposes of this section, an “affiliate” shall be any entity under common ownership or control with investor member or limited partner.
5. All partnership agreements, where the Sponsor or Co-Sponsor is a nonprofit entity, shall include the following provisions.
- An acknowledgement and agreement from the investor that the right of first refusal permitted by the Internal Revenue Code §42(i)(7) is different from the common law right of first refusal and is not conditioned upon the consent of the investor and may be triggered by the receipt by the owner of any third-party offer.
  - An acknowledgement and agreement from the investor that its return on investment is primarily in the form of the tax benefits conferred by the Internal Revenue Code and will not, upon the exercise of the nonprofit’s right of first refusal, include any cash proceeds attributable to the project’s appreciation in value.
  - A provision that in the event IRC Section §42(i)(7) is amended by Congress to permit a nonprofit to hold a purchase option after year 15, the terms of the Right of First Refusal agreement will be converted to a purchase option permitting a transfer through acquisition of partnership interests and including all partnership assets for an amount equal to the statutory minimum purchase price.
6. The IRC Section §42(i)(7) Nonprofit Right of First Refusal executed pursuant to IRC Section §42 shall be for a term of at least 24 months from the end of the compliance period and have a purchase price equal to the minimum price required under IRC Section §42(i)(7)(B).

#### J. Environment

Consistent with NH Housing’s programmatic and policy focus on creating healthy residential settings for all residents and cost-efficient property management operations, all projects must be smoke free within the building(s).

#### K. Public Housing Waiting Lists

Sponsors must commit in writing to the following: prior to occupancy, the Sponsor will provide written notice to the local Public Housing Authority with jurisdiction over the project location (or, where there is no local Public Housing Authority, the Section 8 Administrator for the State of New Hampshire, which is NH Housing) that the project will accept tenant-based vouchers.

#### L. Projects Intended for Eventual Tenant Ownership

Projects may be structured to transfer to tenant ownership after the initial 15-year compliance period, through the right of first refusal provided for in Section 42(i)(7) of the Internal Revenue Code. Projects structured to allow for eventual tenant ownership must submit a Tenant to Homeowner conversion plan with their application, which is subject to review and approval by NH Housing. The conversion plan must include, at a minimum, the items listed below.

- Tenant protections, including protections for tenants who do not wish to purchase their homes.
- Tenant training, counseling, and support services.
- Financial plan addressing the limited partner's exit, disposition of mortgage debt (including subordinate loans), and plan for project reserve accounts.
- Plan to assess and address physical needs for each unit prior to transfer of title to tenant.
- Estimate of year fifteen purchase price. Total monthly housing costs after taking title must be less than or equal to their total monthly housing costs before taking title.

If the Tenant to Homeowner conversion plan submitted with an application is not acceptable to NH Housing, NH Housing will give the Sponsor an opportunity to revise the plan so that it can be approved by NH Housing, or to revise the project so as to remove provisions for eventual tenant ownership.

#### **M. Minimum Scoring Requirements (9% LIHTC only)**

Applications that meet all threshold criteria are scored and ranked in accordance with the Scoring Criteria in HFA 109.07.A. Projects are recommended for a reservation of LIHTCs based on the competitive scoring results, the project funding requirements of the QAP, and the amount of LIHTCs available. However, as a threshold requirement to be eligible for a LIHTC reservation, a general occupancy project must receive a minimum of 110 points, an age-restricted project must receive a minimum of 88 points, and a preservation/recapitalization project must receive a minimum of 110 points with at least eight of those 110 points awarded pursuant to the Preservation Scoring Matrix (Appendix J).

#### **N. Management Agent Training Requirements**

Proposed management agents must satisfy NH Housing's [LIHTC Training Requirements](#), including:

- At least one current staff member must possess one of the nationally recognized LIHTC training designations; and
- At least one current staff member must have attended at least six hours of LIHTC-specific training in the previous or current calendar year.

Copies of the above training certifications must be submitted with the application.

### **HFA 109.07 SCORING AND TIEBREAKERS**

#### **A. Scoring Criteria**

Each project application submitted for 9% LIHTCs that meet all threshold criteria will be scored using the criteria listed below. Each project application submitted for Tax-Exempt Bonds and 4% LIHTCs will be scored for PBVs and/or NH Housing capital subsidy according to the [published](#) Notice of Funding Opportunity.

Documentation for each scoring criterion must be provided at time of application for points to be awarded. Information included in the cover letter without any additional supporting documentation will not be sufficient. All supporting documentation is subject to verification, and NH Housing may require additional information as a condition of awarding points. NH Housing may reject any documentation deemed to be insufficient, unsupported, or inadequate for the

particular scoring criteria. Partial points will not be awarded unless specifically provided for in the description of the points category. Use conventional rounding (half round up) for all calculations, unless otherwise noted.

Description	Points	Recommended Documentation
<i>Please contact NH Housing prior to the application deadline if you have questions regarding acceptable documentation for any scoring category. All documentation is subject to review and acceptance by NH Housing.</i>		
<b>General Occupancy Units</b>		
1. General Occupancy projects that do not have a senior or other age-restricted designation with greater than or equal to 25% of the units having two or more bedrooms.	10	Age-restricted designation and bedroom sizes must be shown in the NH Housing Financing application.
<b>Income Targeting</b>		
2.a. Greater than or equal to 20% of the total number of units are reserved for very low income ( $\leq 50\%$ AMI).	5	50% AMI units must be shown in the NH Housing Financing application.
2.b. Greater than or equal to 10% but fewer than 100% of the total number of units are reserved for extremely low income ( $\leq 30\%$ AMI). Units in this category will count towards the calculation of very low-income units for 2a above. A commitment of units to and participation in the 811 PRA program does not count towards this scoring category. Points for committing units to the 811 PRA program are outlined elsewhere in the QAP.	8	30% AMI units (separate from 811 units, if applicable) must be shown in the NH Housing Financing application.
2.c. Commit 10% of the total units as non-LIHTC units in the project.	2	Non-LIHTC units must be shown in the NH Housing application.
<b>Supportive Housing</b>		
An application can be scored points in only one section in this category, 3.a. or 3.b.		
3.a. For general occupancy projects only serving homeless or veterans <sup>(1)</sup> : Each and every household must be homeless or at imminent risk of homelessness immediately prior to tenancy or include a veteran, have unstable housing, and be identified as needing services to maintain housing. Certification of homeless or	15	Provide detailed letter of interest, memorandum of understanding, or other letter/agreement with a third-party provider that includes at minimum, the following: narrative

<sup>(1)</sup> "Veteran" shall be as defined in RSA 21:50, I, except that minimum service of 4 years shall not be required for active-duty personnel.

<p>veteran status and housing instability must be obtained from the household (see Appendix H for a sample). Eligible projects may be either transitional or permanent supportive housing and may use the single room occupancy (SRO) model.</p> <p>Supportive services must be made available to residents through a qualified third-party provider, unless the Sponsor can provide documentation showing that they have the expertise within their organization to perform such services and that they are an <u>existing</u> supportive services provider. Supportive services must include at a minimum:</p> <ul style="list-style-type: none"> <li>• An initial assessment of each resident's housing stabilization needs prior to or within one week of move-in and a written service plan developed to address each need.</li> <li>• Regular case management, including ongoing assessments of residents' housing stability and the efficacy of the services being coordinated or provided in meeting the needs identified in their service plan.</li> <li>• Onsite services targeted to housing stabilization. Participation in services may be encouraged but must be optional for residents.</li> </ul> <p>If services cannot be provided onsite, the applicant must submit a letter justifying why services cannot be provided onsite, how services will be made accessible to residents, and how the property will encourage residents to engage in off-site services.</p> <p>For populations that require on-site caretakers, caretaker units will be counted as part of the 100% count.<sup>(2)</sup></p>		<p>description of the supportive services experience and capacity of the third-party provider, the population that will receive services and how the minimum supportive services in this QAP will be met.</p>
<p>3.b. For both age-restricted and general occupancy projects:</p> <p>Greater than or equal to 10% up to 25% of all units are reserved for households that include a household member who has an intellectual or physical disability, a veteran, or is homeless or at imminent risk of homelessness immediately prior to tenancy and be identified as needing services to maintain housing.</p>	8	<p>Provide detailed letter of interest, memorandum of understanding, or other letter/agreement with a third-party provider that includes at minimum, the following: narrative description of the supportive services</p>

<sup>(2)</sup> Units may not count as LIHTC units in the applicable fraction calculation and/or costs related to these units may not be included in eligible basis. Consult with a tax professional or attorney for more information.

<p>Service requirements are the same as those specified in 3a above. A commitment of units to and participation in the 811 PRA program does not count towards this scoring category. Points for committing units to the 811 PRA Program are outlined elsewhere in the QAP.</p> <p>For populations that require on site caretakers, caretaker units will be counted as part of the 10% to 25% count. <sup>(3)</sup></p>		<p>experience and capacity of the third-party provider, the population that will receive services and how the minimum supportive services in this QAP will be met.</p>
<b>Service Enriched Housing for Age-Restricted Units</b>		
<p>4. Contracting with a VNA/homecare agency to provide onsite health clinics at no cost to residents (although Medicare and other insurances may be billed for services) for a minimum of ten years from initial occupancy. Health clinics may include, but are not limited to flu shots, blood pressure, cholesterol and diabetes screening, and foot care. Clinics must be provided by a licensed healthcare professional. A minimum of 1/16 hour, per unit, per month is required to be provided no less frequently than bi-monthly.</p> <p>Onsite health clinics cannot be used to meet Threshold Requirements for Service Coordination per HFA 109.06.H and Appendix G.</p>	5	<p>Provide detailed letter of interest, memorandum of understanding, or other letter/agreement with a homecare agency that provides details on the health clinics to be provided and the frequency of the clinics that meets the requirements of this QAP.</p>
<b>Community Based Supported Housing for <u>Existing</u> Rental Housing Properties – 811 Project Rental Assistance Program (General Occupancy only)</b>		
<p>5. Developer/Owners who commit <u>existing</u> units<sup>(4)</sup> for individuals with disabilities and agree to enter into a Section 811 Project Rental Assistance contract with NH Housing for the units committed.</p> <p>The project cannot be located within the Federal Emergency Management Agency (FEMA) 100 or 500-year floodplain or impact a wetland. The project cannot convert existing farmland and cannot cause the “taking” of an endangered species (under the definition in the Endangered Species regulations). Requirements differ or new construction and rehabilitation for these conditions Units shall be committed on an as available basis subject to the “next available unit” rule.</p> <p>For this category, round down in all cases to calculate the percentage of units.</p>		<p>Submit a fully completed NH Housing Section 811 memorandum of understanding executed by the Developer/Owner, that indicates the name of the existing property and that meets the minimum number of units to be committed to the Section 811 PRA program.</p>

<sup>(3)</sup> Units may not count as LIHTC units in the applicable fraction calculation and/or costs related to these units may not be included in eligible basis. Consult with a tax professional or attorney for more information.

<sup>(4)</sup> Units must have funding through any of the following: Federal Low-Income Housing Tax Credits or other state, federal or local funding sources. The project must include five or more units under a single ownership entity and must be for general occupancy.



<b>Location (applies to General Occupancy Projects only)</b>		
<p>7.a. Projects in cities and towns with no other previously approved affordable general occupancy housing. See list of qualified cities/towns on NH Housing's <a href="#">website</a>.</p> <p>-or-</p> <p>7.b. NH Housing developed the New Hampshire Housing Opportunity Index (Index) using data collected from each census tract to evaluate the economic opportunities and quality of life for New Hampshire residents. The Index relies on economic, educational, health, and housing-related indicators of opportunity in each census tract in comparison to the statewide average. The Index, as well as information and instructions related to the Index, can be found on NH Housing's <a href="#">website</a>. Once a project address is entered into the Index, it will specify how many points the project will be awarded in each of the following categories.</p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Health</li> <li>• Prosperity</li> <li>• Housing</li> </ul>	<p>15</p> <p>0-8</p>	<p>Confirm that the city/town where your proposed project will be located is on the list of qualified locations published by NH Housing. No documentation is required to be submitted.</p> <p>Submit a print-out of the NH Housing Opportunity Index (link provided on the NH Housing website) results for the address of your proposed project.</p>
<b>Project Grants and Assistance</b>		
An applicant can score points in any of the sections in this category, 8.a. and/or 8.b.		
<p>8.a. Projects which have a new rental assistance subsidy for at least 50% of the total units for at least five years. PHA project-based vouchers are not eligible, unless the rent subsidies are a new allocation to the PHA specifically for the proposed project. This point category is not available to existing projects requiring minimal rehabilitation.</p> <p>-or-</p> <p>Projects which have a new commitment of project-based vouchers for 20% of the units for at least five years. Public Housing Authority project-based vouchers are eligible for points under this category.</p>	<p>15</p> <p>6</p>	<p>Submit letter from the public housing authority or rental assistance contract documenting the number of units that have been awarded or reserved for rental assistance.</p>

<p>8.b. This category is intended to encourage applicants to obtain commitments of other funding sources, to extend the reach and augment the impact of NH Housing resources for creating and preserving affordable housing. Projects which have a proposed and likely contribution of long-term sources of funds can receive points. Eligible sources of funds include:</p>		<p>Proposed and likely: submit application or letter of interest showing the amount of funds applied for.</p>
<ul style="list-style-type: none"> <li>• Historic Tax Credit (HTC) Equity;</li> <li>• Land donation or long-term lease at below market value;</li> <li>• Community Development Block Grant;</li> <li>• Affordable Housing Program;</li> <li>• Neighborhood Housing Services;</li> <li>• Rural Development; and/or</li> <li>• Other long-term loans, including sponsor loans, and grants.</li> </ul>		<p>For Historic Tax Credits (HTC), submit Part I approval from the National Park Service and a letter of interest from the HTC investor.</p>
<p>Subsidy administered by NH Housing, deferred developer fee, resubordinated, restated, or existing debt and LIHTC equity are not eligible for consideration. All units are counted.</p>		<p>For long-term lease at below market value, submit a copy of the executed lease or draft lease.</p>
<p>Greater than \$29,999/unit \$20,000 to \$29,999/unit \$10,000 to \$19,999/unit \$5,000 to \$9,999/unit Less than \$5,000/unit</p>	<p>22 17 12 7 0</p>	<p>In order to score points for donated land, the value will be determined by an appraisal acceptable to NH Housing in its sole discretion. NH Housing will commission an appraisal; the Sponsor must coordinate with NH Housing no later than <b>75 days</b> prior to the application deadline.</p>
<p>Projects which have a firm written commitment for one or more of the eligible sources of funding noted above will be awarded <u>additional</u> points as follows. All units are counted. Long-term, amortizing loans will not be awarded these additional points.</p>		
<p>Greater than \$29,999/unit \$20,000 to \$29,999/unit \$10,000 to \$19,999/unit \$5,000 to \$9,999/unit Less than \$5,000/unit</p>	<p>14 12 10 8 0</p>	<p>Submit commitment letter or award letter that includes the project name, Sponsor, funding amount, and any applicable terms and conditions.</p>

<b>Advanced Projects</b>		
<p>9.a. Points will be awarded for advanced progress of the development per the following schedule:</p> <p>Phase 1 Environmental completed.</p> <p>-and-</p> <p>Submittal of Historic Project Review materials to State.</p> <p>-or-</p> <p>State Historic Review completed.</p>	<p>3</p> <p>3</p> <p>5</p>	<p>Submit the following:</p> <p>Phase 1 Environmental Site Assessment dated within five years (a new Phase 1 ESA will be required if the project receives a reservation).</p> <p>Completed Request for Project Review by the NH Division of Historical Resources (DHR).</p> <p>To receive points for a completed review, the form must be signed by DHR staff.</p>
<p>9.b. Prior phase of project was approved for LIHTC (50% of units in prior phase must have been leased at the time of application, meaning all lease documents have been fully executed and move-in is completed or scheduled for move-in within two weeks of the application deadline).</p> <p>-or-</p> <p>9.c. Points will be awarded to projects that include a 4% and a 9% phase being developed concurrently. The application for 4% LIHTCs must meet the requirements outlined in this QAP for such projects. Additionally, the 4% phase of the project must comprise at least 55 total units.</p> <p>Please refer to the notice of funding opportunity for NH capital subsidy through the Tax-Exempt Bond program for details on how to apply for 4% LIHTCs (which will be required if the 9% phase receives a reservation of LIHTCs).</p>	<p>5</p> <p>10</p>	<p>Submit a report showing the percentage of lease up at the time of application. NH Housing reserves the right to request details, such as copies of leases and scheduled move-in dates.</p> <p>Submit a copy of a completed NH Housing financing application for the 4% LIHTC project that meets threshold requirements. In addition, a letter of interest (for the 4% LIHTC project) from an investor indicating terms, such as the estimated equity rate, must be submitted.</p>
<p>9.d. Projects that have been granted site plan approval. To be awarded these points, Sponsors must show, at a minimum, that conditional site plan approval that meets the requirements of RSA 676:4 I(i) has been granted, and that all necessary local zoning permits have been</p>	<p>15</p>	<p>A permit status letter from the Sponsor's attorney or project engineer that shows the proposed project meets the requirements outlined in</p>

<p>granted, as evidenced by a permit status letter from the Sponsor's attorney or project engineer.</p>	<p>this QAP shall be submitted.</p> <p>A copy of the local approval (permitting) decision is not acceptable documentation without the permit status letter.</p> <p>For towns where no local approvals are necessary as a condition of a building permit issuance, a letter from the Sponsor's attorney or project engineer, or a letter from an executive official of the town is acceptable.</p>
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Community Development Component		
<p>10.a. Projects that fall into one of these three categories may score up to a <u>maximum</u> of 10 points:</p> <p>Projects located within a Community Center Area (CCA). CCAs are areas in each town or city in NH that prioritize key characteristics, including high-density and mixed-use (residential/commercial/public use) developments, core main street areas, and historic areas. Cities/towns may have more than one CCA if more than one area in a municipality meets the above criteria.</p> <p>Walkscore of 40 or higher. Projects with public sewer and water or within ¼ mile of fixed route public transit may receive these points if the location of the proposed project or an immediately adjacent site receives a Walkscore of 36 or higher. Projects with public water and sewer and also located within ¼ mile of fixed route public transit may receive these points with a Walkscore of 32 or higher.</p>	<p>10</p> <p>10</p>	<p>Contact NH Housing to request documentation to find out if your project is located in a CCA and submit the documentation with your application.</p> <p>Submit the walkscore results from Walkscore.com and, if applicable, provide evidence that shows how the project site meets the other requirements outlined in this QAP (such as a map that show distance from proposed project to public transit, and/or project plans that show public water and/or sewer infrastructure).</p>

<p>Smart Growth Components. Projects with the following components will be awarded points as follows for a <u>maximum</u> total of 10 points:</p> <ul style="list-style-type: none"> <li>• Public water supply</li> <li>• Public sewer</li> <li>• Appropriate zoning without variance</li> <li>• Municipally maintained off-site sidewalks accessible from the site and leading within ¼ mile to a Community Center Area (see (i) above), to fixed route public transportation, or to a grocery store (a self-service retail establishment that primarily sells food).</li> </ul>	<p>3 3  2   2</p>	<p>Submit plans that clearly show public water and/or sewer infrastructure.</p> <p>Submit a letter from the Sponsor's attorney or project's civil engineer that shows zoning without a variance.</p> <p>Provide a detailed map that clearly shows sidewalks and distance from proposed project site to CCA or grocery store.</p>
<p>10.b. Projects that are in Qualified Census Tracts and the development of which contributes to a Concerted Community Revitalization Plan (CCRP). <sup>(5)</sup></p>	<p>3</p>	<p>Provide document that shows the proposed project is located within a QCT and a copy of a CCRP plan that meets the requirements outlined in this QAP.</p>
<p>10.c. Projects approved for points in part 10.a. that preserve and renovate existing housing.</p>	<p>1</p>	<p>In addition to documentation provided in 10.a, the NH Housing financing application must indicate the proposed project is existing housing.</p>

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<sup>(5)</sup> A Concerted Community Revitalization Plan is a plan adopted by a municipality or a community-oriented nonprofit with the following characteristics:

- Is geographically specific and provides a clear direction for implementation;
- Includes a strategy for obtaining commitments of public and private investment in non-housing infrastructure, amenities, or services beyond the Credit development;
- Demonstrates the need for revitalization;
- Includes planning document elements such as setting goals for outcomes, identifying barriers to implementation, establishing timelines and benchmarks, and identifying community partners.

10.d. Preservation or restoration of a historic building. The building must be on or eligible for the State or National Register of Historic Places, or officially designated as a local historic property by town, state and/or federal agencies, with rehabilitation to be completed so as to be eligible for and use federal Historic Rehabilitation Tax (HTC) credits.	5	<p>Submit the official designation determination from local, state, or federal agency or documentation that shows the property is eligible.</p> <p>For HTCs, submit Part I approval from the National Park Service and a letter of interest from the HTC investor.</p>
10.e. Projects approved for points in part a. that are located in an Opportunity Zone (established by the Tax Cuts and Jobs Act of 2017). A list of opportunity zones by state and by census tract can be found at <a href="https://www.opportunityzones.hud.gov">Opportunity Zones - Home   opportunityzones.hud.gov</a> , Notice 2018-48 ( <a href="https://www.irs.gov/pub/irs-drop/n-18-48.pdf">www.irs.gov/pub/irs-drop/n-18-48.pdf</a> ).	2	Submit print-out from the link provided that shows the proposed project is located in an opportunity zone.
<b>Project Cost</b>		
<p>11. All project types will be reviewed for cost reasonableness based on the TDC weighted average. Refer to HFA 109.04.C for definition of TDC Weighted average.</p> <p>For this category, the TDC Weighted average will be compared to the overall average of the TDC Weighted averages in the prior year's 9% application round (rehabilitation projects will be excluded from this calculation) adjusted to account for cost escalation. This information will be available by request by January 31 of each year.</p> <p>The four criteria referenced in this section for higher development cost standards are:</p> <ul style="list-style-type: none"> <li>• Historic rehabilitation project which plans to use Historic Rehabilitation Tax Credits;</li> <li>• Located on a site which meets the Environmental Protection Agency (EPA) definition of a brownfield site;</li> <li>• Designed and built to meet Passive House or Net Zero standards;</li> <li>• Inadequate bidder pool to achieve a competitive bid.</li> </ul>		<p>The NH Housing financing application showing the proposed project's total development cost Weighted Average will be used to determine if negative points will be applied. If the proposed project meets one or more of the higher development cost standard criteria, submit documentation as follows:</p> <p>Historic rehabilitation project – documentation submitted under scoring category 8.b. is acceptable.</p> <p>Documentation that the site meets the EPA definition of a brownfield site.</p>

Supporting documentation must be provided with the final application for the applicable criteria listed above. After reviewing the documentation, NH Housing will determine whether a project is eligible for higher development cost standards.		Architect certification of Passive house or Net Zero.
		Documentation to show efforts have been made to achieve competitive bids for construction and the bidding pool is not adequate per the requirements in the NH Housing Design and Construction Policy Rules (HFA 111).
Projects that have a projected TDC Weighted Average of 5% over the average (and do not meet any of the four criteria for higher cost standards). -or-	-2	
Projects that have a projected TDC Weighted Average of 10% over the average and do not meet any of the four criteria for higher cost standards). -or-	-4	
Projects that have a projected TDC Weighted Average of 25% over the average (and do not meet any of the four criteria for higher cost standards). -or-	-6	
Projects that have a projected TDC Weighted Average of 10% over the average (and meet one of the four criteria for higher cost standards). -or-	-2	
Projects that have a projected TDC Weighted Average of 10% over the average (and meet two or more of the criteria for higher cost standards).	0	

<b>Sponsor is a Public Housing Authority or a NH Housing-approved Community Housing Development Organization</b>		
12. Sponsor is a Public Housing Authority (PHA) or NH Housing-approved Community Housing Development Organization (CHDO).	4	NH Housing financing application shall state that the Sponsor/Co-Sponsor is a PHA.

CHDO designation is defined in 24 CFR Part 92. In order to qualify for these points, the general partner/managing member of the LIHTC project ownership entity must be the project Sponsor or a wholly owned subsidiary of the project Sponsor.		Submit NH Housing's most current CHDO certification or recertification letter for the Sponsor entity.
<b>Management Experience</b>		
13. Applications are scored based on a point-scoring structure outlined in the Management Questionnaire. The scoring gives preference to management agents based on experience and performance.	0 to 10	To receive points for this category, submit a letter of interest from the proposed management agent and a completed NH Housing Management Agent Questionnaire.
<b>Developer Experience</b>		
<p>14.a. The developer or associated entity that is part of the development team:</p> <ul style="list-style-type: none"> <li>• Has any outstanding obligations (including compliance fees) on any NH Housing-financed or NH Housing tax credit project that is more than 30 days in arrears;</li> <li>• Is involved in or has had other tax credit or NH Housing-financed projects which have non-compliance issues;</li> <li>• Is or has been non-compliant or otherwise in default with this or any other NH Housing Program (as determined by NH Housing) or with another state housing finance agency; and/or</li> <li>• Has been awarded credits in the past that were subsequently returned or otherwise unused (unless for good cause).</li> </ul> <p>Such determination and number of points deducted will be made by NH Housing in its sole discretion.</p>	-1 to -20	The Sponsor is required to disclose all non-compliance with other state agencies.
14.b. In the event that a Sponsor does not fulfill a points commitment made in a previous LIHTC application round, <b>a points penalty for an amount equal to that scoring category will be applied to the Sponsor's next application.</b> Sponsors who can document a good faith effort to satisfy the commitment may not be penalized.	TBD	No documentation is required; a points penalty will be applied if a prior project's scoring commitments were not fulfilled by the Sponsor. Such determination will be made by NH Housing in its sole discretion.

14.c. A Sponsor that has pursued a qualified contract in New Hampshire in the last five years will have a points penalty applied to their application, in NH Housing's sole discretion. Upon the receipt of sufficient documentation evidencing that the pursuit of the qualified contract is driven by the investor and not the general partner, NH Housing, in its sole discretion, may waive this points penalty.	-5	No documentation is required.
<b>Community Room</b>		
<p>15.a. Points will be given to projects with at least <u>one</u> community room that is separate (or separable by a partition) from building entrances, stairwells, and elevators and meets the requirements below. The square footage of more than one community room cannot be combined to meet this requirement.</p> <p>In order to qualify for points, the community room size will be calculated as follows:</p> <ul style="list-style-type: none"> <li>• Total number of bedrooms in the project times 12 sq. ft. equals the minimum community room size.</li> <li>• No matter how small the project is, the community room must be at least 250 sq. ft. in order to qualify for points.</li> <li>• No matter how large the project is, the community room need not be larger than 600 sq. ft. in order to qualify for points.</li> </ul>	5	The project plans or other documentation must be submitted with the application that shall clearly delineate the size and location of the community room.
15.b. Points will be awarded to projects that provide free password-protected Wi-Fi in the property's community room(s).	2	Complete the section in the NH Housing financing application that pertains to WIFI.
<b>Energy Efficient Design and Construction</b>		
<p>16.a. Commitment to include central air-conditioning in the project (including all buildings, if a multi-building project) for all residential units and community rooms, at minimum.</p> <p>Packaged through-wall air-conditioning (in modular construction, for example) and mini split air-conditioning systems qualify for points.</p> <p>In window units, portable units, and portable through wall units will not be awarded points.</p>	2	Submit a certification from the project architect detailing the commitment to include air-conditioning that meets the requirements in this QAP.

16.b. Projects that participate in an energy charrette via the NH Saves Program to learn about energy audits/ energy plans and possible participation in energy assistance programs. Projects located in a municipal electric department service area (Ashland, Littleton, New Hampton, Wolfeboro, and Woodsville) will automatically receive these points.	1	Complete the section in the NH Housing financing application that pertains to energy charrettes.
16.c. Project achieves Passive House Certification or The Institute for Living Futures Net Zero certification. -or- Project achieves LEED Gold certification, NGBS Gold certification, or Enterprise Green Communities certification. -or- Projects that are designed to meet the following Home Energy Rating System (HERS) at the time of project completion.	0  0  0	Submit a certification from the project architect detailing the commitment to meet one of the energy efficient design features. The certification must specify which feature the proposed project will be designed to meet.
<ul style="list-style-type: none"> <li>• All projects that do not include solar: HERS of 47 or better.</li> <li>• Projects that include solar and also meet the requirement for renewable energy below: HERS of 24 or better.</li> </ul>		

<b>Renewable Energy</b>		
17. Commitment to include solar electric array(s) or geothermal heating and cooling in the project. <ul style="list-style-type: none"> <li>• In order to receive points for solar, plans must be submitted that show evidence that roof space (or equivalent, such as with a ground mounted system) is maximized for solar, as determined by NH Housing.</li> <li>• In order to receive points for geothermal, documentation must be submitted that shows a net payback period (the time it takes for the energy savings to offset the initial cost/ investment) of seven years or less.</li> </ul>	0	Submit a certification from the project architect detailing the commitment to renewable energy components and design details.
<b>Accessible Design and Construction</b>		
18.a. New construction projects that design and construct a minimum of 15% of the total units as fully accessible units in accordance with ICC/ANSI A117.1, Type A, Fully Accessible guidelines. The number of related parking spaces must meet the federal accessibility parking requirements.	2	Complete the section in the NH Housing financing application that pertains to accessible design and construction.

18.b. Rehabilitation/preservation projects that design a minimum of 10% of the total units as fully accessible units in accordance with ICC/ANSI A117.1, Type A, Fully Accessible guidelines. The number of related parking spaces must meet the federal accessibility parking requirements.	1	Complete the section in the NH Housing financing application that pertains to accessible design and construction.
<b>Affordability Period</b>		
19. Developers that commit to a Land Use Restriction Agreement LIHTC affordability period (extended use period) of 75 years.	3	Complete the affordability selection in the LIHTC section of the NH Housing application to commit to an affordability period of 75 years.

#### B. Tiebreakers

In the case of a scoring tie, the tiebreakers shall be as follows.

- The project providing the greatest number of net new housing units is favored.
- If still tied, the lowest amount of LIHTCs per rent-restricted unit (most efficient use of LIHTCs) is favored.

### **HFA 109.08 ALLOCATION PROCESS**

#### A. Reservation of LIHTCs

All applications are reviewed for completeness. Incomplete applications will be rejected, though minor variances may be deemed acceptable. NH Housing may reject any documentation deemed to be insufficient, unsupported, or inadequate for the particular scoring criteria. NH Housing is not required to notify the applicant of inconsistencies or missing information.

In administering the LIHTC program, NH Housing is entitled to full discretion allowed by the law, and IRC §42, in making interpretations and decisions that arise in the allocation of LIHTCs and other capital subsidy.

At least one age-restricted project and two general occupancy projects will be funded per 9% LIHTC round as long as threshold criteria are met and funding is available. Projects may be selected over higher scoring applications to meet this requirement. However, in order for an age-restricted project to be selected over higher-scoring applications, that age-restricted project must achieve a score of at least 105 points. For a project to be defined as age-restricted, all units must be restricted to households whose members are all age 62 or over.

When only partial LIHTCs and/or NH Housing capital subsidy are available for the next highest scoring project, NH Housing retains the right to bypass that project and give LIHTCs to other projects lower in the scoring ranking which can effectively use the remaining LIHTC amount.

If a partial allocation is offered, NH Housing must be convinced that a project can be appropriately phased or restructured, that the project's feasibility is not conditioned upon

receipt of a future reservation, and that the project can retain its scoring criteria ranking. The applicant must demonstrate the ability to meet these criteria within 21 days of notification.

If credits remain available after all projects that met threshold have been offered a reservation of LIHTCs, NH Housing reserves the right to reserve credits for a project that did not meet threshold at the time of application, but that does meet threshold requirements, and all other requirements in the QAP, at the time of subsequent review by NH Housing.

Additionally, unused credits that are returned to NH Housing will be made available to other projects.

- Unused credits that are returned to NH Housing prior to 60 days or more before the next preliminary application due date may be offered to projects that applied in the funding round immediately prior to the return of credits. Decisions on the allocation of unused credits to projects that submitted applications in the previous funding round will be at the sole discretion of NH Housing.
- Unused credits that are returned within 60 days of the next preliminary application due date will be rolled over and made available for the upcoming funding round.

#### B. Appeal Process

Applicants may appeal NH Housing's decision solely with regard to their application. Applicants must submit a formal written request for an appeal within five business days from the date of receipt of written notification that LIHTCs will not be awarded. NH Housing will send denial letters to the Developer/Sponsor via email within two business days of NH Housing's Board of Directors action. The appeal request is considered by NH Housing's Multifamily Housing Committee, which makes a recommendation to the Board of Directors.

#### C. Conversion from a 9% LIHTC Project to a 4% LIHTC Project

In the interest of making the most efficient use of New Hampshire's housing related resources, NH Housing reserves the right to remove a project from the 9% LIHTC round, regardless of potential score, and convert the project to a 4% LIHTC and tax-exempt bond financed project. This would be premised on project feasibility under a tax-exempt bond financed scenario (construction and/or permanent) as determined by NH Housing. However, once removed from the application round, NH Housing cannot guarantee successful bond financing for the project.

#### D. Post Reservation Processing

Progress Phase Requirements (9% LIHTC projects only)

- Within 120 days of notification of a reservation of LIHTCs, the Sponsor must complete and submit all requirements listed in Appendix A Progress Phase Requirements. Upon written request, extensions to the deadline may be granted at the sole discretion of NH Housing.

Carryover Allocation Requirements (9% LIHTC projects only)

- Projects that will not be placed in service by December 31 of the year in which their reservation of LIHTCs became effective must complete and submit the items listed in Appendix B Carryover Allocation Requirements by October 1 of that same year. Carryover Allocation Agreements will be prepared and must be fully executed prior to December 31 of that year.

- A cost certification must be submitted within 12 months of the date of the carryover allocation agreement to document that the project has met the “10% test” (at least 10% of the reasonably expected basis must be incurred). The cost certification must be completed by a professional Certified Public Accountant (CPA) in accordance with generally accepted auditing standards and IRC §42.

#### Final Allocation - 8609 Requirements (4% and 9% LIHTC projects)

- Upon project completion, the Sponsor must complete and submit the items listed in Appendix C Final Allocation Requirements. Cost certifications are required for a final allocation and must follow the cost certification template, which can be found on NH Housing’s website. The cost certification must incorporate a professional CPA audit in accordance with generally accepted auditing standards and IRC §42. The development budget line items in the certification must correspond with NH Housing’s application. The certification must include all sources and uses of funds.
- **In cases where there is an identity of interest between the developer and either the general contractor or construction manager, the submission of either a general contractor or construction manager cost certification will be required.**

#### E. LIHTC Exchange

NH Housing will permit exchanges of LIHTCs to be granted at the discretion of NH Housing when all of the following apply:

- The appropriate amount of LIHTCs are available;
- The Sponsor provides evidence of an inability to meet the placed-in-service, 10% expenditure, or other funding deadline;
- The situation results from litigation, municipal approval delays, or other unforeseeable circumstances beyond the Sponsor’s control; and
- The project continues to be financially feasible and meets the threshold criteria and other eligibility requirements in effect at the time the LIHTCs were originally awarded.

NH Housing has the authority to re-issue a reservation letter for LIHTCs in the same (or lesser) amount without further Board action.

#### F. Project Representations

Representations made about the project relating to ownership, management, and factors that are used in the selection and scoring criteria, including sources and uses, may not be changed without the express written permission of NH Housing. LIHTC reservations may be rescinded if the project changes in a way that reduces the competitive score.

At each stage in the development process, all project sources and uses must be disclosed to NH Housing. Failure to disclose sources or uses that are known to the developer, or have been applied for, may result in a LIHTC reservation being rescinded or a project being deemed ineligible.

## **HFA 109.09 FEES TO NEW HAMPSHIRE HOUSING**

### **A. Program Fees (9% LIHTC and 4% LIHTC)**

Please refer to the NH Housing Fee Schedule published by January 31 of each year. The Fee Schedule will be posted on NH Housing's website [here](#).

## **HFA 109.10 LONG-TERM AFFORDABILITY AND COMPLIANCE**

### **A. Recorded Affordability Commitment**

At the time of the construction loan closing, the owner of the LIHTC project must execute and record a Land Use Restriction Agreement (LURA). The LURA sets forth the conditions wherein the owner and the project must comply with IRC §42. The owner is required to waive their right to submit a qualified contract as a condition of receiving a LIHTC allocation. The written waiver is included in Section 9 of the LURA. The Applicant must show that the LURA has been recorded and has priority over any permanent financing or other liens.

### **LIHTC Land Use Restriction Agreement (LURA) Terms – Affordability Periods**

The LURA shall remain in effect for the terms outlined below:

<b>Project Type</b>	<b>Minimum Affordability Period</b>
9% LIHTC	60 Years
4% LIHTC with tax-exempt bonds and NH Housing capital subsidy	45 Years
4% LIHTC with tax-exempt bonds (no NH Housing capital subsidy)	30 Years

The LURA shall remain in effect for 75 years for 9% LIHTC projects that commit to and receive points for the longer term.

### **B. Compliance Monitoring**

In accordance with Treasury Regulation 26 CFR §1.42-5, NH Housing is required to monitor project compliance with IRC §42 and the LURA, and to notify the IRS when it becomes aware of any noncompliance. NH Housing's monitoring responsibilities begin at the time the first building is placed in service. Additional information regarding compliance monitoring can be found in Appendix I.

## **HFA 109.11 MISCELLANEOUS NEW HAMPSHIRE HOUSING PROVISIONS**

### **A. Waiver Authority**

NH Housing reserves the right to waive any of these Rules (HFA 109) within the constraints of IRC §42. Applicants or potential applicants must submit a written request for a waiver. A hearing will be scheduled within 45 days of the request by NH Housing's Multifamily Housing Committee with the actual hearing taking place within 90 days. Upon a finding of good cause, a waiver may be granted on a case-by-case basis by the Board of Directors. A waiver of the rules can be initiated by the Board, in which case no hearing is necessary. An amendment to

these waiver rules (109.11.A) may be made, upon Board of Director approval and notice placed on the NH Housing website, with no approval by the Governor required.

***An amendment was approved by the NH Housing Board of Directors at their meeting on October 24, 2024 as follows:***

***Effective December 1, 2024, HFA 117 Variance and Waiver Rules are incorporated into this QAP and replaces HFA 109.11.A Waiver Authority in its entirety, excluding the provision that allows the Board to initiate a waiver of HFA 109. See HFA 117, posted on the NH Housing website for details.***

**B. Authority to Approve Amended Regulatory Documents**

The Multifamily Housing Committee is authorized to approve amended project regulatory documents relative to the scope and delivery of services, age restrictions, and income targeting, including matters that may have been part of the original scoring evaluation of the project, in circumstances in which NH Housing determines that market conditions and/or changes in public funding policies warrant such changes. The Multifamily Housing Committee will report quarterly to the Board on all such amendments.

**C. Compliance with Federal, State and New Hampshire Housing Regulations**

All projects receiving LIHTC allocations (including 4% LIHTC allocations) and/or NH Housing capital subsidy must comply with all relevant NH Housing, state, and federal regulations, including but not limited to the following:

- IRC §42;
- HUD Physical Condition Standards 24 CFR § 5.703;
- Federal Fair Housing Act 42 USC §3601 et seq.;
- NH Housing Design and Construction Policy Rules (HFA 111);
- NH Housing Technical Design and Construction Standards; and
- NH Housing Underwriting and Development Policies for Multifamily Finance.

The owner shall not discriminate against voucher holders or refuse to lease a rental unit to a family solely because of the family's participation in a Section 8 tenant-based program.

**D. Warranty and Liability**

As the federal LIHTC allocating agency for the state of New Hampshire, NH Housing is charged with allocating no more LIHTCs to a project than are required to make the project financially feasible. This decision is made solely at the discretion of NH Housing but does not represent or warrant to any applicant, developer, partner, investor, lender, or others that the project is feasible or risk free.

NH Housing's review of application documents in connection with this QAP is for its own purposes. NH Housing makes no representations to the applicant or anyone else as to compliance with IRC §42, Treasury Regulations, or any other laws or regulations governing the LIHTC Program or capital subsidy programs.

To the extent any information in the QAP is inconsistent with IRC §42, the provisions of IRC §42 shall govern.

No Board member, officer, or employee of NH Housing shall be personally liable concerning any matters arising out of or in relation to the allocation of LIHTCs or capital subsidy or in relation to compliance monitoring.

NH Housing's obligation to monitor for compliance does not make NH Housing liable for an owner's noncompliance.

#### E. Amendments to the QAP

NH Housing reserves the right to modify the QAP periodically, with the consent of the Governor, unless otherwise noted. NH Housing may make technical clarifications or revisions to comply with changes in federal law at its sole discretion. Minor administrative corrections or revisions (including formatting, spelling errors, and other similar changes) may be made without approval of the Governor or NH Housing's Board of Directors.

#### F. Board Role

Unless otherwise specified, NH Housing's Board of Directors delegates LIHTC program administration to the Executive Director. Pursuant to NH Housing's operating policies, the Executive Director may delegate the administration authority to staff. Use of the term "staff" elsewhere in HFA 109 means the Executive Director. The responsibilities of the Board's Multifamily Housing Committee are delineated in Sections HFA 109.11.A (Waiver Authority) and HFA 109.08.B (Appeals). The reservation or rejection of LIHTCs shall be recommended by the Multifamily Housing Committee and decided upon by the Board of Directors. Supplemental LIHTCs (HFA 109.03.C) and LIHTC exchanges (HFA 109.08.E) are determined by NH Housing staff in its sole discretion.

#### G. Consistency with IRC §42

To the extent any information in the QAP is inconsistent with IRC §42, the provisions of IRC §42 shall govern. This QAP is not intended to present all the rules and regulations of the LIHTC program. It is strongly recommended that applicants consult with legal and tax counsel that are experienced with the federal LIHTC program.

#### H. New Hampshire Right to Know Law

NH Housing is subject to RSA Chapter 91-A, which is known as the "Right-to-Know Law." Under the Right-to-Know Law, certain records are considered "governmental records" that are open to public inspection. Documents and data created under this Program by NH Housing or by the Applicant may be subject to public inspection. Other documents and data, such as confidential financial information, may be considered nonpublic records and thus may not be subject to public inspection. NH Housing and the Applicant shall comply with the Right-to-Know Law. The Applicant shall provide NH Housing with all Right-to-Know requests, and NH Housing will determine how to comply with the Right-to-Know Law. Nevertheless, a court may disagree with NH Housing's decision, in which case the court's decision would prevail. NH Housing shall not be liable to the Applicant or to any party for NH Housing's decisions or a court's decisions related to the Right-to-Know Law.

## **HFA 109.12 PROJECTS FINANCED BY TAX-EXEMPT BONDS**

NH Housing issues a Notice of Funding Opportunity (NOFO) for NH Housing Capital Subsidy each fiscal year (July 1 to June 30) that includes additional requirements for the reservation and commitment of Tax-Exempt Bonds with 4% LIHTCs, along with Project-Based Vouchers and NH Housing capital subsidy. Please refer to the NOFO for more information.

**APPENDIX A**  
**PROGRESS PHASE REQUIREMENTS**  
**9% LIHTC**

The documents listed below must be submitted to NH Housing within 120 days of notification of a reservation of LIHTCs or 30 days prior to the deadline for carryover allocation, whichever is sooner. Projects must meet the requirements of the progress phase to be eligible for an allocation of tax credits. Upon written request, progress phase requirement extensions may be granted at the sole discretion of NH Housing. The tax credit reservation may be rescinded at the sole discretion of NH Housing for not meeting the progress phase requirements.

Exhibit A.1. Cover letter requesting an allocation of tax credits, along with an updated NH Housing financing application

Exhibit A.2. Environmental site assessment and related reports (lead, asbestos, historic, archeological, if required by NH Housing)

Exhibit A.3. Appraisal (if required by NH Housing)

Exhibit A.4. Local Planning Approvals and Other Permits

Evidence of conditional site plan approval that meets the requirements of RSA 676:4 I(i) has been granted, and that all necessary local zoning permits have been granted, as evidenced by a permit status letter from the Sponsor's attorney or project engineer

For towns where no local approvals are necessary as a condition of a building permit issuance, a letter from the Sponsor's attorney or project engineer, or a letter from an executive official of the town is acceptable

Identification of all other necessary permits from any other government agencies and the anticipated issuance date

Exhibit A.5. All long-term financing (first mortgage, subordinate loans, grants, and any other long-term loans) letter of commitment or letter of interest with terms and conditions specified

Exhibit A.6. Construction financing letter of commitment or letter of interest with terms and conditions specified

Exhibit A.7. Equity investment letter of commitment or letter of interest with terms and conditions specified and estimated timeline for investor underwriting and limited partnership closing

Exhibit A.8. Evidence of continued site control, unless the property was owned at the time of application and a copy of the deed was submitted

Exhibit A.9. Soils and/or structural engineering report (if applicable)

Exhibit A.10. Copy of the architect contract

Exhibit A.11. An executed tenant services agreement (service coordination, and, if applicable supportive services) binding on both parties

Exhibit A.12. Construction

Status and estimated timeline for the completion of design development and construction documents

Cost estimates (or bids if available) by schedule of value. Must comply with 14% limit for general contractor's or construction manager's overhead, profit, and general conditions

Status and estimated timeline for procurement of Construction Manager/General Contractor

Exhibit A.13. Copy of contract for all consultant services, including a relocation consultant (if applicable)

**APPENDIX B**  
**CARRYOVER ALLOCATION REQUIREMENTS**  
**9% LIHTC**

B.1. Updated NH Housing financing application

B.2. Evidence of limited partnership existence, including federal tax identification number, Certificate of Good Standing for Limited Partnership from New Hampshire Secretary of State or copy of the Certificate of Limited Partnership stamped by Secretary of State

B.3. Copy of partnership agreement or offering summary (draft acceptable)

B.4. Evidence of continued site control, unless the property was owned at the time of application and a copy of the deed was submitted

B.5. Copy of construction bids and executed construction contract. Projects with a construction management contract must submit an executed GMP amendment. Include a copy of schedule of values showing general contractor or construction manager conditions, overhead and profit breakdown

The 10% expenditure carryover cost certification must be completed within twelve months of the date of allocation (which is the date that NH Housing signs the Carryover Allocation Agreement) and submitted to NH Housing.

**APPENDIX C**  
**FINAL ALLOCATION - 8609 REQUIREMENTS**  
**4% and 9% LIHTC**

The following items must be submitted to NH Housing and be reviewed and determined to be acceptable by NH housing prior to the issuance of IRS form 8609.

C.1. Updated application (the sources and uses and LIHTC section, including the eligible basis, must be complete and match the final cost certification)

C.2. Final cost certification for the project (**see required format at link below**):  
[www.nhhousing.org/developer-financing/low-income-housing-tax-credits-lihtc/](http://www.nhhousing.org/developer-financing/low-income-housing-tax-credits-lihtc/).

***a. In addition, in cases where there is an identity of interest between the developer and either the general contractor or construction manager, the submission of either a general contractor or construction manager cost certification will be required.***

C.3. Developer's Certification of Development Costs (see Appendix D for required format)

C.4. Developer's Certification of Equity Proceeds (see Appendix E for required format)

C.5. As-Built Architect's Certification (see Appendix F for required format)

C.6. Recorded Land Use Restriction Agreement (LURA) and evidence of its existence in the land records

C.7. Executed Amended and Restated Agreement of Limited Partnership (LPA) with all exhibits

C.8. Payment of the final allocation fee

C.9. Payment of the tax credit monitoring fee

C.10. Copy of Certificate of Occupancy and placed in service date for each building

C.11. Copy of deed including legal description of property

C.12. Signed W9 with tax identification number for the borrower entity

C.13. Construction close-out approval by NH Housing's Senior Construction Analyst

C.14. Ten percent (10%) cost certification completed within one year of carryover allocation agreement (if not already submitted) for 9% LIHTC projects only

**APPENDIX D**  
**DEVELOPER'S CERTIFICATION OF DEVELOPMENT COSTS**

I \_\_\_\_\_ (Developer), developer of  
\_\_\_\_\_ (the Project) located at  
\_\_\_\_\_ in \_\_\_\_\_,

New Hampshire, hereby certify that the accompanying Sources and Uses of Funds with the Total Development Cost totaling \$\_\_\_\_\_, dated \_\_\_\_\_, Accountant's Certification of Costs (including developer fee), Qualified Basis and Applicable Fraction are a true and accurate representation of the Project funding and total costs. I certify that all current financing terms have been disclosed, and I will further inform NH Housing of any future changes to project financing.

I certify that any additional amounts received by me or any related party for syndication fees, debt placement fees, guaranty fees, or other fees have been disclosed and that the purchase price of the site and its allocated cost to the partnership has been disclosed. I further state that the Qualified Basis and Applicable Percentage were calculated in a manner consistent with the regulations set forth in IRC §42. I recognize that any changes or misrepresentations from this certification may warrant notification to the IRS of a LIHTC Program violation via IRS Form 8823.

Date: \_\_\_\_\_

Duly Authorized: \_\_\_\_\_

**APPENDIX E**  
**DEVELOPER'S CERTIFICATION OF EQUITY PROCEEDS**

I \_\_\_\_\_ (Developer), developer of  
\_\_\_\_\_ (the Project) located at  
\_\_\_\_\_ in \_\_\_\_\_,  
New Hampshire, hereby certify that the gross equity investment in the Project gained from the  
sale of \_\_\_\_\_% interest in the Limited Partnership entitled \_\_\_\_\_  
Limited Partnership Agreement dated \_\_\_\_\_ totaled \$\_\_\_\_\_. This  
gross equity investment is based on a final allocation of Low-Income Housing Tax Credits of  
\$\_\_\_\_\_ annually for a period of ten years.

Date: \_\_\_\_\_

Duly Authorized: \_\_\_\_\_

**APPENDIX F**  
**AS-BUILT ARCHITECT'S CERTIFICATION**

I have inspected the development known as \_\_\_\_\_  
(Project name) located in \_\_\_\_\_(city, state) and hereby certify that the  
development has been built in accordance with the construction documents dated  
\_\_\_\_\_ prepared by \_\_\_\_\_.

Based upon previous inspections and the final inspection, to the best of my knowledge,  
information, and belief, the development has been constructed in conformance with all  
applicable local, state and federal laws designated as the development standard for the  
project, including, but not limited to, applicable portions of the Americans with Disabilities Act  
(ADA); Fair Housing laws as they pertain to accessibility and adaptability; all state and local  
health, safety and building codes; and those requirements as set forth in NH Housing's Design  
and Construction Policy Rules (HFA 111), Technical Design and Construction Standards, and,  
when applicable, the Technical Design and Construction Standards for Rehabilitation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Architect

(Seal)

## **APPENDIX G SERVICE COORDINATION**

### **Specifications**

Residents' participation in any of the activities described below (assessments, services, follow-up, survey) is entirely optional for the resident. Under no circumstances will the owner, management company, or service coordinator make participation a formal or implied condition of enjoying a right of tenancy.

Owners are responsible for providing a minimum of fifty-two (52) hours per quarter of onsite Service Coordination for properties up to 20 units with an additional thirteen (13) hours per quarter for every five (5) units over 20. Properties without an onsite office may provide service coordination remotely with a minimum of monthly onsite visits.

Service Coordination must be provided by a person who does not also collect rent, inspect units, make determinations on requests for reasonable accommodation, investigate lease violations, or issue eviction notice.

Projects must have adequate space to meet with residents that provides for confidential conversations and maintenance of secure records. Meeting with residents in their homes is acceptable.

Projects must provide access to a telephone and the internet when meeting with residents for the purpose of coordinating services. Use of a smart phone or tablet is acceptable.

The service coordinator must provide information on the purpose and availability of service coordination and offer to assess every resident's service needs within 60 days of move-in and annually thereafter.

The service coordinator shall provide referral information to residents based on their needs as identified in the service needs assessment and when requested by the resident. The service coordinator shall assist the resident in contacting the service provider if requested. When service needs are identified, the service coordinator must offer to provide follow up as needed to address residents' needs as identified in their service plans.

The service coordinator shall develop and implement strategies to build community among diverse residents.

In addition to the ongoing Service Coordination requirements stated above, the service coordinator must coordinate a minimum of two services/programs to be offered onsite, online, or in close proximity to the project (within a ½-mile suitable and accessible walking distance or with free transportation provided). Services must be provided to residents at no cost or at a nominal or discounted fee. Services should be relevant to a majority of residents and must be available to all residents regardless of their income and other qualifying factors. Service may

be provided on an ongoing basis or at scheduled times through the year. One of the two required services must be provided no less than quarterly. Appropriate services will do one or more of the following:

- a. Increase resident knowledge of and access to available services;
- b. Help residents maintain stability and prevent eviction;
- c. Build life skills;
- d. Increase household income and assets;
- e. Increase health and wellbeing;
- f. Improve the educational success of children and youth; and/or
- g. Connect residents to community engagement activities that help residents to build an informal support network.

Below are examples of services that meet this threshold requirement, however, any service that meets residents' needs may also be acceptable.

- a. Coordinate efforts for community engagement, such as connecting residents to civic groups and events (community events, community gardens, etc.) The resident services coordinator may not lead community engagement activities.
- b. Wellness education that covers a variety of topics including nutrition, exercise, mental health, stress management, etc.
- c. General, non-specialized health clinic (flu shots, blood pressure clinics, cholesterol and diabetes screening, etc.).
- d. Literacy/language training.
- e. Personal safety workshops that cover a variety of topics including identity theft, scam awareness, self-defense, drug awareness, etc.
- f. Financial fitness workshops or coaching that cover a variety of topics including budgeting, money management, credit counseling, banking products, etc.
- g. Income and asset building workshops or coaching covering a variety of topics including employment coaching, Individual Development Accounts, homebuyer education, etc.
- h. Ongoing services including one or more of the following services.
  - a. Transportation\*
  - b. Meals\*
  - c. Childcare\*
  - d. After school program\*

\* A nominal or discounted fee is allowed for these services.

Alternatively, a Sponsor with CORES Certification (<https://coresonline.org/certification>) or who contracts with a CORES third-party entity will meet this threshold requirement for the duration of the CORES Certification.

To qualify, services must be provided by an experienced and qualified service provider or a Resident Service Coordinator (RSC). If the services will be provided by an RSC, the RSC job description showing the RSC's qualifications to provide the services must be provided. Services must be available to residents at a reduced fee, if a fee is charged, because they are residents of the project, not simply because they meet the financial eligibility requirements for the

**service. If people can receive the same service or benefit when they live in privately financed housing, then the service does not meet the threshold criteria.**

If service coordination or either of the two required services will be contracted, a letter of intent (LOI) to contract must be provided with the application containing the following:

- a. The type(s) of service and number of hours per week or month each will be provided
- b. The location(s) where the service(s) will be provided; and
- c. The fee, if any, for providing the service(s).

A fully executed MOU signed by and binding on both parties will be required within 120 days of notification of a reservation of LIHTCs or 30 days prior to the deadline for carryover allocation, whichever is sooner. If the service(s) will involve bringing in multiple third-party entities, the applicant may show that they are coordinating services this way at other similar properties in place of obtaining multiple LOIs.

The project Owner, or its agent, must conduct an annual survey of all residents regarding their need for and satisfaction with the service coordination and coordinated services. Service coordination plans should be reviewed and updated as needed based on the results of the annual Service Coordination survey and the needs of the residents.

#### Reporting Requirements

1. Project Owners will be required to submit an annual certification of:
  - a. The number of hours of onsite (or remote, when onsite is not an option) Service Coordination and coordinated services provided;
  - b. The number of residents served by each; and,
  - c. The results of the annual resident satisfaction survey.
2. Additionally, project owners will be responsible for ensuring that property managers maintain:
  - a. Agreements for services on file (if any); and,
  - b. Evidence that the services are being provided (e.g. sign-in sheets, letters/memos to tenants advertising the event/service, service logbook and/or activity reports).

SERVICE COORDINATION PLAN AND BUDGET (submit with pre-application)

Project name: \_\_\_\_\_ Number of units: \_\_\_\_\_

Contact person for service coordination plan: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

**Service Coordination**

# of hours/quarter? \_\_\_\_\_ Contracted? ☐ No ☐ Yes (attach letter of intent)

Agency providing service coordination \_\_\_\_\_

Onsite? ☐ Yes ☐ No – Reason: \_\_\_\_\_  
\_\_\_\_\_

**Service #1:** \_\_\_\_\_

Frequency of Service: \_\_\_\_\_ Cost to Resident: \_\_\_\_\_

Contracted? ☐ No ☐ Yes (attach letter of intent)

Agency performing service \_\_\_\_\_

Onsite? ☐ Yes ☐ No – Location: \_\_\_\_\_

Brief Description (including the need that will be met by the service):

**Service #2:** \_\_\_\_\_

Frequency of Service: \_\_\_\_\_ Cost to Resident: \_\_\_\_\_

Contracted? ☐ No ☐ Yes (attach letter of intent)

Agency performing service \_\_\_\_\_

Onsite? ☐ Yes ☐ No – Location: \_\_\_\_\_

Brief Description (including the need that will be met by the service):

**The Service Coordination Plan may be amended at any time with written notification to NH Housing as long as it continues to meet the requirements of this section.**

### **Budget**

Revenue Sources	\$ Amount					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Property operating budget						
Management company budget						
Owner contribution						
Grant:						
Other:						
Other:						
Total						
Expense	Annual \$					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel (salary/fringe)						
Training						
Office Supplies						
Transportation						
Total						

Budget Narrative (Include detailed information about expenses and sources of funds other than operating funds for the service coordination to be provided for this project):

**APPENDIX H**  
**SAMPLE - HOMELESS, AT RISK OF BECOMING HOMELESS, OR VETERAN STATUS**  
**CERTIFICATION**

\_\_\_\_\_  
Head of Household Name

Please check the appropriate box below.

☐ **Homeless Family:** (does not include an individual imprisoned/detained pursuant to an Act of Congress or State law.) **Check the one that applies:**

I am currently homeless, meaning that:

- ☐ I/We live in a shelter and lack a fixed, regular and adequate nighttime residence and also have a primary nighttime residence that is supervised publicly/private operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing), or
- ☐ I/We live in a hospital or institution that provides a temporary residence for individuals intended to be institutionalized, or
- ☐ I/We live in a public/private place not designed for, or ordinarily used for sleeping by human beings.

Please provide the following if you have checked one of the above choices:

\_\_\_\_\_  
Name of Shelter or institution

\_\_\_\_\_  
Contact Person

\_\_\_\_\_  
Phone Number

☐ **At Risk of Becoming Homeless:** Check the one that applies:

I am at risk of becoming homeless because:

- ☐ I pay more than half of my gross income towards rent or
- ☐ I/we live with friends or relatives due to an emergency or homeless situation. This is a temporary living arrangement. My name is not on the lease. If I were not in this current living arrangement, I would otherwise be homeless, or
- ☐ I am temporarily living in a substandard living situation, i.e. a campground or other temporary placement.

☐ **Veteran:** Check all that apply

- ☐ A household member meets the definition of “Veteran” in RSA 21:50. Provide a copy of one of the forms of documentation listed in RSA 21:50.
- ☐ I/We would benefit from services that help with maintaining our housing.

**Tenant Certification and Release of the Information.**

The head of household and spouse or other adult must sign and date this certification. Your signature means that you agree with the above certification and allow release of verification from the individuals named. I/We certify that the above information I/We have provided is true and complete to the best of my/our knowledge and belief.

---

Head of Household

Date

Spouse/Other Adult

Date

## **APPENDIX I**

### **LIHTC Compliance Monitoring Requirements**

Section 42 of the Internal Revenue Code requires LIHTC allocating agencies to monitor for noncompliance with the provisions of that section and notify the Internal Revenue Service of such noncompliance which such agency becomes aware of and monitor for noncompliance with habitability standards through regular site visits.

#### **A. Recordkeeping and Record Retention**

Under the recordkeeping provision of Treasury Regulation §1.42-5(b), the owner must keep records for each building of the project for each year of the compliance period. Such records include the following.

- The total number of residential rental units in the building.
- The percentage of residential rental units in the building that are low-income units.
- The rent charged on each residential rental unit in the building (including any utility allowances).
- The number of occupants in each low-income unit.
- The low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented.
- The annual income certification of each low-income tenant per unit.
- Documentation to support each low-income tenant's income certification.
- The eligible basis and qualified basis of the building at the end of the first year of the credit period.
- The character and use of the nonresidential portion of the building included in the building's eligible basis under section 42(d).

Under the record retention provision, §1.42-5(b)(2), owners are required to keep all records for each building for a minimum of 6 years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building, bringing the total retention for the first year records to 21 years.

Under the inspection record retention provision, §1.42-5(b)(3), the owner of a low-income housing project must be required to retain the original health, safety, or building code violation reports or notices that were issued by the State or local government unit for NH Housing's inspection.

#### **B. Certification and Review Provisions**

##### **Certification**

The owner of the LIHTC project must certify at least annually to NH Housing that for the preceding 12-month period the project met the requirements outlined in Treasury Regulation §1.42-5(c)(1). In addition, NH Housing requires owners to submit annually the Management

Agent Certification of Training and the Annual Certification of Service Coordination and complete an upload of all tenant data to NH Housing's LIHTC system. The required reports, certifications, and forms can be found on NH Housing's website. The tenant data upload and all annual certifications are due March 1 of each year and must be submitted throughout the Extended Use Period of the project.

## Review

In accordance with Treasury Regulation §1.42-5(c)(2), NH Housing must conduct on-site inspections and review low-income certifications of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and at least once every three (3) years thereafter.

The minimum number of low-income units that must be included in the random samples on which the NH Housing conducts physical inspections or low-income certification review is the lesser of 20 percent of the low-income units in the project, rounded up to the next whole number, or the number specified in the following table.

Number of low-income units in the low-income housing project	Number of low-income units selected for inspection or for low-income certification review (minimum unit sample size)
1	1
2	2
3	3
4	4
5-6	5
7	6
8-9	7
10-11	8
12-13	9
14-16	10
17-18	11
19-21	12
22-25	13
26-29	14
30-34	15
35-40	16
41-47	17
48-56	18
57-67	19
68-81	20
82-101	21
102-130	22
131-175	23
176-257	24

258-449	25
450-1,461	26
1,462-9,999	27

NH Housing will randomly select which low-income units and certifications are to be inspected and reviewed. The review of tenant records may be undertaken wherever the owner maintains or stores the records (either on-site or offsite). The units and tenant records to be inspected and reviewed must be chosen in a manner that will not give owners of low-income housing projects advance notice that a unit and tenant certifications for a particular year will or will not be inspected and reviewed. However, NH Housing will give an owner advance notice that an inspection of the building and low-income units or tenant record review will occur so that the owner may notify tenants of the inspection and assemble tenant certifications for review. Such notice will be provided no more than 15 days in advance.

### **Alternative Means of Conducting On-Site Inspections**

NH Housing may satisfy the on-site inspection requirements if the inspection is performed under the Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC) protocol and the inspection satisfies the requirements of §1.42-5(c)(2)(iii)(C)(4).

### **Exception for Certain Buildings**

NH Housing may choose to enter into an agreement with the Rural Housing Service or the state's tax-exempt bond issuer, under which those agencies agree to provide information concerning the income and rent of the tenants in buildings that they finance.

### **C. Inspection Provision**

As the allocating agency, NH Housing has the right to perform on-site inspections throughout the term of the Land Use Restriction Agreement. For the on-site inspections of buildings and low-income units required by Treasury Regulation §1.42-5(c)(2)(ii), NH Housing must review any local health, safety, or building code violation reports or notices retained by the owner under paragraph (b)(3) of Treasury Regulation §1.42-5 and must determine—

- (i) Whether the buildings and units are suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards); or
- (ii) Whether the buildings and units satisfy, as determined by NH Housing, the physical condition standards for public housing established by HUD (24 CFR 5.703). The HUD physical condition standards do not supersede or preempt local health, safety, and building codes. A low-income housing project under Section 42 must continue to satisfy these codes and, if NH Housing becomes aware of any violation of these codes, NH Housing must report the violation to the IRS. However, provided NH Housing determines by inspection that the HUD standards are met, NH Housing is not required to determine by inspection whether the project meets local health, safety, and building codes.

#### **D. Notification of Noncompliance**

NH Housing will provide prompt written notice to the owner when NH Housing does not receive the required certifications and other forms, does not receive or is not permitted to inspect the tenant income certifications, supporting documentation and rent records or discovers by inspection, review or in some other manner that the project is not in compliance with the provisions of Section 42. The correction period established by NH Housing is 30 days from the date of the notice. NH Housing may extend the correction period for up to 6 months, but only if NH Housing determines there is good cause for granting the extension. All requests for an extension must be made in writing.

NH Housing is required to file Form 8823, "Low-Income Housing Credit Agencies Report of Noncompliance," with the Internal Revenue Service no later than 45 days after the end of the correction period (as noted above, including extensions) and no earlier than the end of the correction period, whether or not the noncompliance or failure to certify is corrected. NH Housing must explain on Form 8823 the nature of the noncompliance or failure to certify and indicate whether the owner has corrected the noncompliance or failure to certify. Any change in either the applicable fraction or eligible basis that results in a decrease in the qualified basis of the project under section 42(c)(1)(A) is noncompliance that must be reported to the Internal Revenue Service. If NH Housing reports on Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, NH Housing need not file Form 8823 in subsequent years to report that building's noncompliance. If the noncompliance or failure to certify is corrected within 3 years after the end of the correction period, NH Housing is required to file Form 8823 with the Service reporting the correction of the noncompliance or failure to certify.

NH Housing must retain records of noncompliance or failure to certify for 6 years beyond NH Housing's filing of the respective Form 8823. In all other cases, NH Housing must retain the certifications and records described above for 3 years from the end of the calendar year the Agency receives the certifications and records.

#### **E. Delegation of Authority**

Treasury Regulation §1.42-5(f) permits NH Housing to retain an agent or other private contractor ("Authorized Delegate") to perform compliance monitoring. The Authorized Delegate must be unrelated to the owner of any building that the Authorized Delegate monitors. The Authorized Delegate may be delegated all of the functions of NH Housing, except for the responsibility of notifying the IRS under Section D above. For example, the Authorized Delegate may be delegated the responsibility of reviewing tenant certifications and documentation, the right to inspect buildings and records, and the responsibility of notifying building owners of lack of certification or noncompliance. The Authorized Delegate must notify NH Housing of any noncompliance or failure to certify.

Should NH Housing delegate compliance monitoring to an Authorized Delegate, NH Housing must use reasonable diligence to ensure that the Authorized Delegate properly performs the delegated monitoring functions. Delegation by NH Housing of compliance

monitoring functions to an Authorized Delegate does not relieve NH Housing of its obligation to notify the Internal Revenue Service of any noncompliance of which NH Housing becomes aware.

NH Housing may delegate all or some of its compliance monitoring responsibilities for a building to another Agency within the State. This delegation may include the responsibility of notifying the IRS under Section D above.

#### **F. Liability**

Compliance with the requirements of Section 42 of the Internal Revenue Code is the responsibility of the owner of the qualified low income building for which the credit is allowable. NH Housing's obligation to monitor for compliance with the requirements of Section 42 of the Code does not make NH Housing liable for an owner's noncompliance.

#### **G. Other**

NH Housing reserves the right to revise compliance monitoring policies and procedures as required by Section 42, including other guidance published by the IRS.

Please refer to NH Housing's website for further information and required documents.

**APPENDIX J  
PRESERVATION SCORING MATRIX**

		<b>Tier 1 (Add 8 points)</b>	<b>Tier 2 (Add 4 points)</b>	<b>Tier 3 (Add 2 points)</b>
<b>Top-tier Eligibility Category</b>	<b>Expiring Affordability Covenants/ Risk of Market Conversion</b>	No legal impediments to market-rate conversion (such as affordability restrictions) in the next four years.	No legal impediments to market-rate conversion (such as affordability restrictions) in the next eight years.	No legal impediments to market-rate conversion (such as affordability restrictions) in the next fifteen years.
	<b>Project-based Rental Assistance (PBVs/RD/etc.)</b>	100% of units have rental assistance for at least five years	50% of units have rental assistance for at least five years	20% of units have rental assistance for at least five years
		<b>Tier 1 (Add 6 points)</b>	<b>Tier 2 (Add 3 points)</b>	<b>Tier 3 (Add 1 point)</b>
<b>Second-Tier Eligibility Category</b>	<b>Risk of Loss due to Physical Condition</b>	Probable loss of the property in the next 2-4 years due to condemnation or government action. Significant code and safety issues.	Significant code and safety issues that present a risk to tenants and/or threaten the long-term viability of the property.	Extensive capital needs
	<b>Risk of Loss Due to Financial Viability Analysis based on 3 years of financials.</b>	Lender has declared or threatened to declare a default due to a payment default by the current owner	Property income is insufficient to pay debt service and basic operating expenses plus required reserve deposits, requiring contributions from other sources.	Property is financially troubled, but able to maintain loan payments and basic operating expenses plus required reserve deposits.
	<b>Unique Acquisition Opportunity</b>	Unique opportunity to purchase a project at a below-market price due to seller motivations.	Sale price based on present value of reduced income stream – value will increase as expiration date approaches.	Property for sale – no particular economic benefit to purchase at this moment.

		<b>Tier 1 (Add 6 points)</b>	<b>Tier 2 (Add 3 points)</b>	<b>Tier 3 (Add 1 point)</b>
	<b>Leveraged Funds</b>	Greater than \$29,999 per unit	\$20,000 to \$29,999 per unit	\$10,000 to \$19,999 per unit

Leveraged Funds: existing debt, debt that is transferred, resubordinated, rolled over, restated or reissued, as well as existing or transferred reserves as development sources.

## APPENDIX K CONDUIT BOND PROVISIONS

In accordance with its Conduit Bond Rules, New Hampshire Housing may allocate such volume cap to developers for the issuance of conduit bonds to support the creation or preservation of eligible housing developments. Sponsors of projects using Conduit Bonds may access the 4% LIHTC in accordance with IRC §42.

The following sections of the QAP shall apply to projects financed with Conduit Bonds and 4% LIHTCs.

<b>QAP Section</b>	<b>Provision</b>
109.01	Introduction
109.04.F	Basis Boost
109.06.A	Feasibility and Appropriateness
109.06.B	Market Demand
109.06.C	Capacity
109.06.E	Site Control
109.06.I	Year 15 Investor Exit and Aggregators
109.06.J	Environment
109.06.K	Public Housing Waiting Lists
109.06.L	Projects Intended for Eventual Tenant Ownership
109.06.N	Management Agent Training Requirements
109.08.D	Final Allocation - 8609 Requirements
109.09.A	Program Fees
109.10	Long-Term Affordability and Compliance (entire section)
109.11	Miscellaneous NH Housing Provisions (entire section, except for applicability of NH Housing Underwriting Standards, Design and Construction Rules, and Technical Design and Construction Standards)
Appendix C	Final Allocation Requirements
Appendix D	Developer's Certification of Development Costs
Appendix E	Developer's Certification of Equity Proceeds
Appendix F	As Built Architect's Certification
Appendix I	LIHTC Compliance Monitoring Requirements



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