



**NEW HAMPSHIRE  
QUALIFIED ALLOCATION PLAN  
HFA 109**

**LOW INCOME HOUSING TAX CREDIT PROGRAM  
May 4, 2020**

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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 has designated New Hampshire Housing Finance Authority (the Authority) as the agency to allocate LIHTCs. The Authority has developed this Qualified Allocation Plan (QAP) to establish the criteria and process for allocation of LIHTCs in New Hampshire.

This QAP is in effect until repealed or replaced.

**HFA 109.02 PRIMARY ALLOCATION PRIORITIES**

The Authority 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 Consolidated Plan is also used as a tool to coordinate several federal housing resources that are administered at the state level. The priorities of this QAP are based on conclusions contained in the 2016-2020 Consolidated Plan, public forums on QAP priorities, and extensive discussions with the affordable housing community. These priorities are:

- New construction (adding new units to housing markets)
- General occupancy housing
- Readiness to proceed (i.e. ability to get to construction in a relatively short period)
- Non-profit sponsored housing
- High quality of construction, including energy efficiency
- Projects that achieve broad community development objectives, including "smart growth" and neighborhood revitalization
- Cost containment
- Preservation

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

A. LIHTC Available

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 the Authority website.

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### B. Non-Profit Set-Aside

IRC 42 requires that at least 10% of New Hampshire's annual LIHTC allocation must be set aside for qualified non-profit 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 non-profit are eligible as qualified non-profit organizations.

### C. Supplemental Set-Aside

\$60,000 of the annual LIHTC allocation shall be set aside for projects returning for supplemental LIHTCs after having received a reservation or allocation of LIHTCs. Requests made under this set-aside can be up to \$30,000. The decision will be made by the Authority staff. Projects must meet one or more of the following criteria:

- It incurred or faces substantial, 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 Authority capital subsidy funding;
- Supplemental LIHTCs would improve the project's financial feasibility but keep it consistent with the Authority's Underwriting Standards and Development Policies for Multi-Family Finance.

Any amounts of the supplemental set-aside pool remaining after September 1 of each year, will be made generally available. However, if tax credits are still available after the reservations are approved, Authority staff can make additional supplemental reservations under the same program guidelines.

## **HFA 109.04 PRIMARY PROGRAM POLICIES**

### A. Maximum Amount of LIHTC per Project

The maximum LIHTC allocation that any single general occupancy project may receive in any single funding round is \$800,000. The maximum LIHTC allocation that any single age-restricted project may receive in any single funding round is \$600,000. Allocation amounts for projects funded with "Out-of-cap" 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% project application in a LIHTC round, unless it is a supplemental application for a previously approved project.

The Authority will not accept a new application if an applicant (including any general partner) has two or more LIHTC projects that have not yet been completed (i.e. Certificate(s) of Occupancy issued for all buildings and construction completion inspection sign off). "Out of cap" 4% LIHTC and tax-exempt bond financed projects will not be considered as outstanding LIHTC projects. The Authority reserves the right to limit 4% LIHTC resources based on Authority underwriting criteria.

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 rejected. Cost reasonableness will be evaluated using an index, which is the weighted average of the Total Development Cost (“TDC”) per unit and the TDC per bedroom. For mixed-use projects, 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.” An application will be rejected if the TDC weighted average exceeds \$245,000.

For projects using Historic Rehab 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 the Authority at its sole discretion, the TDC weighted average may not exceed \$260,000. Projects in Grafton, Carroll, and Coos counties are automatically qualified for this category.

The total development cost per unit (not weighted) may not exceed \$290,000.

The investment limit for all projects of combined Authority capital subsidy funds and LIHTC equity is \$200,000 per unit with the exception of projects targeting households earning at or below 30% of Area Median Income, which will be evaluated on a case-by-case basis.

The investment limit is evaluated based on projected equity pricing and Authority 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. Authority staff reserves the right to evaluate equity pricing included in an application for reasonableness and consistency with the market. Authority staff, at their 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, i.e. HUD Income Limit or Utility Allowance fluctuations. If a supplemental or additional credit allocation is made to a project in this or subsequent years, staff has the authority to use the most recent investment limits in evaluation and allocating tax credits and other Authority resources to the project.

D. Preservation/Recapitalization Project Initiative

The Preservation/Recapitalization Project Initiative will be a maximum of \$450,000 in LIHTCs per LIHTC round for Preservation Projects. 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 is favored; if this comparison is inconclusive, the project with the most efficient use of LIHTCs (i.e. lowest amount of LIHTCs per rent-restricted unit) is favored. Preservation projects must submit both a 9% and 4% application at the time of preliminary application (HFA 109.05.A) to establish the need for 9% credits. Projects that are determined by the Authority to be feasible using 4% credits may be converted in accordance with HFA 109.08.C.

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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 L). In order to be eligible for a reservation of 9% LIHTCs, a preservation project must meet the minimum points threshold specified in HFA 109.08.A.

### E. Developer Fee

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

### F. Basis Boost

The Authority will restrict the 130% basis boost to projects located in official Difficult to Develop Areas (DDA) or Qualified Census Tracts (QCT). Additionally, projects applying for 9% LIHTCs, which require the 130% basis boost to be financially feasible and that reserve 25% of the total units to households with incomes at or below 50% of Area Median Income (AMI), will also qualify for the boost. 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.

## **HFA 109.05 APPLICATION PROCESS**

### A. Preliminary Applications

The Authority requires the submittal of a preliminary application for 9% LIHTCs using the Apricot online system ([www.apricot.socialsolutions.com/auth](http://www.apricot.socialsolutions.com/auth)). Applicants in need of training or assistance with Apricot are encouraged to contact Authority staff.

Submission of a preliminary application will trigger the Authority to commission an abbreviated HUD Environmental Checklist to be completed by a third party professional, selected by the Authority. There will be a fee due at the time of final application (refer to HFA 109.09).

For additional information, please refer to [www.nhhfa.org/developer-financing/low-income-housing-tax-credits-lihtc/](http://www.nhhfa.org/developer-financing/low-income-housing-tax-credits-lihtc/). Preliminary applications are mandatory for all projects, whether or not they were submitted in a previous round.

### B. Application Deadline

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

### C. Application Submittals

Submittal of all preliminary and final application materials (except for payment of fees and signed certification page) must be done using the Apricot online system ([www.apricot.socialsolutions.com/auth](http://www.apricot.socialsolutions.com/auth)). Contact Kevin M. Hunter at [khunter@nhhfa.org](mailto:khunter@nhhfa.org) for Apricot set-up information.



## **HFA 109.06 THRESHOLD CRITERIA**

Projects must meet the threshold criteria listed below at the time of application to qualify for a reservation and allocation of LIHTC. Projects may be rejected at any time during the 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 per the Authority's Underwriting Standards and Development Policies for Multi-Family Finance found here: [www.nhhfa.org/developer-financing/underwriting-and-development-policies/](http://www.nhhfa.org/developer-financing/underwriting-and-development-policies/).

### **B. Market Demand**

Potential market demand must be proven and the proposed project must not negatively affect an existing publicly-assisted affordable rental property. All market studies will be commissioned by the Authority, at the developer's expense, and be conducted by a disinterested party who is approved by the Authority. All project sponsors are required to submit a written request no later than June 1 to have a market study performed. For phased projects, the experience of the prior phase(s), will be taken into consideration when determining adequate market demand.

### **C. Capacity**

The project's general partner and management agent must:

- Have the experience or ability to successfully complete 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 Authority program as determined by the Authority;
- Not have a history of noncompliance in LIHTC or other Authority programs;
- Have met the specific requirements of the Land Use Restriction Agreement (LURA) for previous projects; and
- Not have any significant negative LIHTC history with other state allocating agencies.

### **D. Completion of Prior Phase**

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). 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. The project application must meet the QAP's investment limit and overall per unit development cost limit. (HFA 109:04.C).

G. Readiness

The project must be able to satisfy the criteria of the Progress Phase Requirements by the deadline specified in Appendix A.

H. Services

Service Coordination is a threshold requirement for all 9% LIHTC projects (projects funded with 4% LIHTCs and tax-exempt bonds are exempt from this threshold criteria) to provide 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 bring programs and services onsite 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. See Appendix I for Service Coordination specifications.

I. Environment

Consistent with the Authority'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). This commitment should be stated in the application cover letter.

J. 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 NH) that the project will accept tenant-based vouchers. This commitment should be stated in the application cover letter.

K. 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 the Authority. The conversion plan must include, at a minimum:

- 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 the Authority, Authority staff will give the Sponsor an opportunity to revise the plan so that it can be approved by Authority staff, or to revise the project so as to remove provisions for eventual tenant ownership.

## HFA 109.07 SCORING AND TIEBREAKERS

### A. Scoring Criteria

Each project application submitted for 9% LIHTCs will be scored using the criteria listed below. Generally, projects financed with 4% LIHTCs will not be scored.

Documentation must be provided at time of application for points to be awarded. Any supporting documentation is subject to verification, and the Authority may require additional information as a condition of awarding points. The Authority 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.

#### 1. General Occupancy Units

Projects cannot have “senior” or other age-restricted designation.

- a. General Occupancy projects with greater than or equal to 25% of the units having two or more bedrooms. A project that has occupancy restrictions or preferences that favor tenants with special needs and can demonstrate the need for one-bedroom units exclusively will be given the ten (10) points.

10 points

#### 2. Income Targeting

- a. Greater than or equal to 20% of the total number of units are reserved for very low income ( $\leq 50\%$  AMI).

5 points

- 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.

5 points

- c. Percentage of non-LIHTC units in the project, including market rate/unrestricted units, units reserved for households earning more than 80% AMI but less than some other income targeting level such as 140% of AMI, or some combination of non-LIHTC unit types.

at least 25 percent

5 points

at least 40 percent

10 points

#### 3. Supportive Housing.

An application can be scored points in only one section in this category, a or b.

- 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 veteran status and housing

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<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.

instability must be obtained from the household. See Appendix J for sample. Eligible projects may be either transitional or permanent supportive housing and may use the single room occupancy (SRO) model. Service coordination may be provided by the management company but supportive services must be made available for residents through a 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 existing supportive services provider. Supportive services must include at a minimum:

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.

- 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.
- Onsite services targeted to housing stabilization. Participation in services may be encouraged but must be optional for residents.

15 points

- b. For both age-restricted and general occupancy projects: Greater than or equal to 10% up to 25% of all units are reserved for households that include a household member who is intellectually disabled, physically disabled, people suffering from severe mental illness (must also participate in the 811 program) a veteran or is homeless or at imminent risk of homelessness immediately prior to tenancy and be identified as needing services to maintain housing. Service requirements are the same as those specified in 3a above.

10 points

4. Service Enriched Housing for Age Restricted Units

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. Onsite health clinics cannot be used to meet Threshold Requirements for Service Coordination per HFA 109.06.H and Appendix I. Sponsors who fail to fulfill tenant service enrichment commitments will be penalized five points (adjusted proportionally to the total points possible for any particular year) in the "Developer Experience" scoring section for all future project applications for a period of five years after the deficiency is cited by the Authority.

5 points

5. Community Based Supported Housing/Existing Rental Housing Properties – 811 Project Rental Assistance Program

Developer/owners willing to commit existing units<sup>(2)</sup> through a formal memorandum of understanding (MOU) with the State of New Hampshire and agree to enter into a Section 811 Project Rental Assistance contract with the Authority for the units committed. The MOU executed by the sponsor must be submitted with the application to receive points towards new projects being proposed in the Rental Production Program. The project cannot be located within the Federal Emergency Management Agency (FEMA) 500-year floodplain.

- a. Developers committing 10% or 2 units, whichever is greater, of the total units in the existing rental housing property.

2 points

-or-

- b. Developers committing 25% of the total units in the existing rental housing property.

6 points

Developers who entered into an MOU in 2015 or 2016 and did not commit to an 811 Project Rental Assistance contract may do so now for the existing qualifying units included in the 2015/2016 MOU.

3 points

6. Community Based Supported Housing/Proposed Projects – 811 Project Rental Assistance Program

Developers committing units<sup>(2)</sup> for individuals with disabilities and agreeing to enter into an 811 Project Rental Assistance contract upon construction completion for 10% of the total units or 2 units (whichever is greater) or 25% of the total units in the project. For this category, round down in all cases to calculate the percentage of units. The project cannot be located within the Federal Emergency Management Agency (FEMA) 500-year floodplain. Units shall be committed on an as available basis subject to the “next available unit” rule.

An MOU executed by the sponsor must be submitted with the application to be considered for points in this category.

- a. Projects committing 10% or 2 units, whichever is greater, of the total units.

5 points

-or-

- b. Projects committing 25% of the total units.

7 Points

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<sup>(2)</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 5 or more units under a single ownership entity and must be for general occupancy. For these categories only, round down in all cases to calculate the percentage of units.

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7. Location (applies to General Occupancy Projects only)

Projects in towns with no other previously approved affordable general occupancy housing. 10 points

-or-

Projects located in census tracts that have a state percentile of 66 or higher on the Enterprise Opportunity 360 index ([www.enterprisecommunity.org/](http://www.enterprisecommunity.org/)) in any one of the categories listed below will be awarded 2 points for each category.

- Education
  - Health and Well-Being
  - Economic Security
- 2 to 6 points

8. Project Grants and Assistance

An applicant can score points in any of the sections in this category, a and/or b.

- a. Projects which have a new rental assistance subsidy for at least 66% of the 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. 15 points

-or-

Projects which have a commitment of new rental assistance subsidy for at least 33% of the units for at least five years. Public Housing Authority project-based vouchers are not eligible, unless the rent subsidies are a new allocation to the PHA specifically for the proposed project. 10 points

-or-

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. 5 points

- b. This category is intended to encourage applicants to obtain commitments of other funding sources, to extend the reach and augment the impact of Authority resources for creating and preserving affordable housing. Projects which have a proposed and likely contribution of permanent sources of funds can receive points. Eligible sources of funds include:

- Historic Tax Credit Equity;
- Land donation or long term lease at below market value;
- Community Development Block Grant;
- Affordable Housing Program;
- Neighborhood Housing Services;
- Rural Development;
- Other permanent loans, including sponsor loans, and grants.

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Subsidy administered by the Authority, deferred developer fee, resubordinated, restated, or existing debt and LIHTC equity are not eligible for consideration. In order to score points for donated land, the value will be determined by an appraisal acceptable to the Authority in its sole discretion. In order to have the Authority commission an appraisal, the sponsor must coordinate with Authority staff no later than 75 days prior to the application deadline. All units are counted.

(one category only)	
Greater than \$29,999/unit	20 points
\$20,000 to \$29,999/unit	15 points
\$10,000 to \$19,999/unit	10 points
\$5,000 to \$9,999/unit	5 points
Less than \$5,000/unit	0 points

Projects which have a firm commitment for one or more of the eligible sources of funding noted above will be awarded additional points as follows. All units are counted.

Greater than \$29,999/unit	10 points
\$20,000 to \$29,999/unit	8 points
\$10,000 to \$19,999/unit	6 points
\$5,000 to \$9,999/unit	4 points
Less than \$5,000/unit	0 points

9. Advanced Projects

Points will be awarded for advanced progress of the development per the following schedule:

Phase 1 Environmental completed	3 points
Submittal of Historic Project Review materials to State	3 points
State Historic Review completed	5 points

Projects that can demonstrate no requirement for a Historic Review will receive 8 points.

- and -

Prior phase of project was approved for LIHTC (50% of units in prior phase must have been leased at the time of application).

5 points

- or -

Points will be awarded to projects that include a 4% and a 9% phase being developed concurrently.

10 points

Projects that have been granted site plan approval. To be awarded these points, sponsors must show that all necessary local planning and zoning permits are in hand including

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site plan approval, or that no local approvals are necessary as a condition of building permit issuance, as evidenced by a permit status letter from the sponsor's attorney, project engineer, or town planning official.

15 points

10. Community Development Component

a. Projects that fall into one of these four categories may score up to a maximum of 10 points:

i. Projects located within a Community Center Area (CCA). Contact Authority staff to request documentation to find out if your project is located in a CCA.

10 points

ii. 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.

10 points

iii. Projects which are located in formally designated community revitalization areas such as Main Street Programs. The minimum size improvement zone for this scoring category is a one-block area but cannot have been specifically created for the benefit of the proposed project. The formal designation must come from an official act by a government agency, such as a city council or town board.

10 points

iv. Smart Growth Components. Projects with the following components will score 2 points each, maximum total of 10 points:

Public water supply	2 points
Public sewer	2 points
Piped natural gas available	2 points
Appropriate zoning without variance	2 points
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).	2 points



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- b. Projects approved for points in part a.iii. that are also in Qualified Census Tracts and the development of which contributes to a Concerted Community Revitalization Plan.<sup>(3)</sup> 3 points
- c. Projects approved for points in part a. that preserve and renovate existing housing. 1 point
- 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 credits. 5 points
- 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 track can be found at [www.irs.gov](http://www.irs.gov), Notice 2018-48 ([www.irs.gov/pub/irs-drop/n-18-48.pdf](http://www.irs.gov/pub/irs-drop/n-18-48.pdf)) 2 points

### 11. Project Cost

Refer to HFA 109.04.C for definition of TDC weighted average.

The four criteria referenced in this section for higher development cost standards are:

- Historic rehabilitation project which plans to use Historic Rehabilitation Tax Credits;
- Located on site which meets the Environmental Protection Agency definition of a brownfield site;
- Designed and built to meet Passive House or Net Zero standards;
- Inadequate bidder pool to achieve a competitive bid.

Projects that have a projected TDC weighted average of 5% over the average of all application's TDC weighted averages (and do not meet any of the four criteria for higher cost standards).

-2 points

-or-

Projects that have a projected TDC weighted average of 10% over the average of all application's TDC weighted averages (and do not meet any of the four criteria for higher cost standards).

-4 points

---

<sup>(3)</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.

-or-

Projects that have a projected TDC weighted average of 25% over the average of all application's TDC weighted averages (and do not meet any of the four criteria for higher cost standards).

-6 points

-or-

Projects that have a projected TDC weighted average of 10% over the average of all application's TDC weighted averages (and meet one of the four criteria for higher cost standards).

-2 points

-or-

Projects that have a projected TDC weighted average of 10% over the average of all application's TDC weighted averages (and meet two or more of the criteria for higher cost standards).

-no penalty

12. Sponsor is a Public Housing Authority (PHA) or a Community Housing Development Organization (CHDO)

The project sponsor is a Public Housing Authority or an Authority-approved Community Housing Development Organization. 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.

3 points

13. Management Experience

To receive points for this category, the proposed management agent must submit a letter of interest and the Management Questionnaire (sheet with this title is in spreadsheet application). Applications are scored based on specific point scoring shown on the Management Questionnaire. The scoring gives preference to management agents based on experience, performance, and satisfaction of LIHTC training requirements.

0 to 10 points

14. Developer Experience with the Authority

The developer or associated entity that is part of the development team:

- Has any outstanding obligations (including compliance fees) on any Authority-financed or Authority tax credit project that is more than 30 days in arrears;
- Is involved in or has had other tax credit or Authority-financed projects which have non-compliance issues;
- Is or has been non-compliant or otherwise in default with this or any other Authority Program (as determined by the Authority) or with another state housing finance agency; and/or

## New Hampshire Qualified Allocation Plan

- Has been awarded credits in the past that were subsequently returned or otherwise unused (unless for good cause).

Such determination will be made by the Authority at its sole discretion.

0 to -20 points

### 15. Community Room

Points will be given to projects with a community room that is separate (or separable by a partition) from building entrances, stairwells, and elevators.

In order to qualify for points, the community room size will be calculated as follows:

- Total number of bedrooms in the project times 12 sq. ft. equals the minimum community room size.
- No matter how small the project is, the community room must be at least 250 sq. ft. in order to qualify for points.
- No matter how large the project is, the community room need not be larger than 600 sq. ft. in order to qualify for points.

5 points

### 16. Energy Efficient Design and Construction

Project achieves Passive House Certification or The Institute for Living Futures Net Zero certification.

5 points

-or-

Project achieves LEED Gold certification, NGBS Gold certification, or Enterprise Green Communities certification.

2 points

If the project fails to achieve certification, the Authority will determine if the Design and Construction team made a good-faith effort to achieve certification. If so, no penalty will be imposed. If not, a five-point or two-point penalty will be levied against the next application for 9% LIHTCs submitted by the project sponsor.

-and-

Projects that participate in an energy charrette via the state of New Hampshire Public Utilities Commission (PUC) 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. See the state of New Hampshire PUC service area map for area details: [www.nhsaves.com/wp-content/uploads/2014/02/state.pdf](http://www.nhsaves.com/wp-content/uploads/2014/02/state.pdf)

1 point

**B. Tiebreakers**

In the case of a scoring tie, the tiebreakers shall be:

- The project providing the most new housing units is favored.
- If still tied, the lowest amount of LIHTCs per rent-restricted unit (most efficient use of LIHTCs) is favored.
- If still tied, the project intended for eventual tenant ownership is favored.

**HFA 109.08 ALLOCATION PROCESS**

**A. Reservation of LIHTC**

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

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

Applications for 9% LIHTCs are scored and ranked in accordance with the Scoring Criteria (HFA 109.07). Projects are recommended for a reservation of LIHTCs based on the competitive scoring results. However, a project must receive a minimum of 85 points for general occupancy projects and 80 points for age-restricted projects to be eligible to receive a LIHTC reservation. Preservation/recapitalization projects must receive a minimum of 95 points to be eligible for a reservation of 9% LIHTCs, including at least seven points awarded pursuant to the Preservation Scoring Matrix (Appendix L).

At least one age-restricted project and two general occupancy projects will be funded per 9% LIHTC round as long as threshold criteria and minimum score requirements are met. Projects may be selected over higher scoring applications to meet this requirement. For a project to be defined as age-restricted, all units must be restricted to households whose members are all age 62 or over.

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

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

If a partial allocation is offered, the Authority 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.

## New Hampshire Qualified Allocation Plan

If credits remain available after all projects that met threshold have been offered a reservation of LIHTCs, the Authority 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 staff.

### B. Appeal Process

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

### C. Conversion from a 9% LIHTC Project to a 4% LIHTC Out-of-Cap Project

In the interest of making the most efficient use of New Hampshire's housing related resources, the Authority reserves the right to remove a project from the competitive process for 9% LIHTCs, regardless of potential score, and convert the project to an "out-of-cap" 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 the Authority. However, once removed from the application round, the Authority cannot guarantee successful bond financing for the project.

### D. Post Reservation Processing

#### Progress Phase Requirements (applicable to 9% LIHTC projects only)

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

#### Carryover Allocation Requirements (applicable to 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.
- 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 Requirements

- Upon project completion, the Applicant must complete and submit the items listed in Appendix C Final Allocation Requirements. Cost certifications are required for a final allocation. The cost certification must incorporate a professional CPA audit in accordance with generally accepted auditing standards and IRC 42. The line items used in the certification must correspond with the Authority's application spreadsheet. The certification must include all sources and uses of funds.

E. LIHTC Exchange

The Authority will permit exchanges of LIHTCs to be granted at the discretion of staff 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.

Staff 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 or management, or factors that are used in the selection and scoring criteria, including sources and uses, may not be changed without the express written permission of the Authority. 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 the Authority.

**HFA 109.09 FEES TO THE AUTHORITY**

A. Program Fees

The LIHTC fee is 7% of the final allocation amount for all applications, with 1% due at the time of final application. The final application fee may be refunded, less \$1,000, if a project is withdrawn or otherwise fails to secure a reservation. No fees are refundable after a reservation has been approved.

B. Compliance Monitoring Fees

The monitoring fee will be assessed as both an upfront fee and an annual fee. The upfront fee is \$690 per LIHTC unit for projects awarded 9% LIHTCs and \$530 per LIHTC unit for projects awarded 4% LIHTCs. The upfront fee will be due at the final allocation stage. The annual fee will be assessed over a 15-year period upon the Authority's receipt of IRS form(s) 8609 Part II from the owner. The fee will be determined based on the owner's election on line 8b of the form(s). The Authority reserves the right to make adjustments to annual monitoring fees due to increased monitoring requirements and/or costs.

C. HUD Environmental Checklist Fee

A fee of \$700 for an abbreviated HUD Environmental Checklist is due at the time of final application (see HFA 109.05.A for details).

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

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

Prior to issuance of final allocation, the owner of the LIHTC project must execute and record a Land Use Regulatory 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 precedence over any permanent financing or other liens.

The LURA shall remain in effect for a 60-year affordability period for projects awarded 9% LIHTCs and for a 30-year affordability period for projects awarded 4% LIHTCs with tax-exempt bond financing.

### **B. Right of First Refusal**

Owners (except ownership entities ultimately controlled by a qualified non-profit or local housing authority) must sign a Right of First Refusal (ROFR) in favor of a qualified non-profit, local housing authority, or the Authority. The ROFR, a sample of which can be found in Appendix D, shall be executed and recorded in the appropriate County Registry of Deeds prior to final allocation.

### **C. Compliance Monitoring**

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

## **HFA 109.11 MISCELLANEOUS AUTHORITY PROVISIONS**

### **A. Waiver Authority**

The Authority 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 the Authority's Multi-Family Housing Committee. 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.

### **B. Authority to Amend Regulatory Documents**

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

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### C. Compliance with Federal, State and Authority Regulations

All projects receiving LIHTC allocations (including 4% LIHTC “out-of-cap” allocations) must comply with all relevant Authority, state and federal regulations, including but not limited to:

- IRC 42
- Federal Uniform Physical Condition Standards
- Federal Fair Housing Act 42 USC §3601 et seq.
- Authority Design and Construction Policy Rules (HFA 111)
- Authority Underwriting and Development Policies for Multi-Family 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. References

Applicants are required to provide authorization so that references and credit can be checked. Applicants may be required to submit IRS Form 8821 with their LIHTC applications, including separate forms for all general partners, to allow Authority access to IRS data on applicants and partners.

### E. Warranty and Liability

The Authority is charged with allocating no more LIHTCs to any given project than are required to make the project economically feasible. This decision is made solely at the discretion of the Authority but does not represent or warrant to any applicant, developer, partner, investor, lender, or others that the project is feasible or risk free.

The Authority’s review of application documents in connection with this QAP is for its own purposes. The Authority makes no representations to the applicant or anyone else as to compliance with the IRC 42, Treasury Regulations, or any other laws or regulations governing the LIHTC Program. 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 the Authority shall be personally liable concerning any matters arising out of or in relation to the allocation of LIHTCs or compliance monitoring.

The Authority’s obligation to monitor for compliance does not make the Authority liable for an owner’s noncompliance.

### F. Amendments to the QAP

The Authority reserves the right to modify the QAP periodically, with the consent of the Governor. The Authority may make technical clarifications or revisions to comply with changes in federal law at its sole discretion.

### G. Board Role

Unless otherwise specified, the Authority’s Board of Directors delegates LIHTC program administration to the Executive Director. Pursuant to the Authority’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 Multi-Family Housing Committee are delineated in Sections HFA 109.11.A (Waiver Authority) and HFA



## New Hampshire Qualified Allocation Plan

109.08.B (Appeals). The reservation or rejection of LIHTCs shall be recommended by the Multi-Family 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 Authority staff.

### H. 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 competent legal and tax counsel.

### I. New Hampshire Right to Know Law

The Authority 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 the Authority 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 would not be subject to public inspection. The Authority and the Applicant shall comply with the Right-to-Know Law. The Applicant shall provide the Authority with all Right-to-Know requests, and the Authority will determine how to comply with the Right-to-Know Law. Nevertheless, a court may disagree with the Authority’s decision, in which case the court’s decision would prevail. The Authority shall not be liable to the Applicant or to any party for the Authority’s decisions or a court’s decisions related to the Right-to-Know Law.

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

Projects financed with tax-exempt bonds may apply for “out-of-cap” 4% LIHTCs at any time. “Out-of-cap” applicants must satisfy the requirements for allocation in accordance with the QAP, unless noted otherwise.

Carryover allocations are not required for projects financed with 4% LIHTCs and tax-exempt bonds. The Authority issues a determination letter stating the estimated amount of tax credits that the project is eligible for just prior to the bond closing transaction, assuming all other LIHTC Program requirements have been or will be met.

Fees for tax-exempt bond funded projects are the same as 9% allocations (HFA 109.09), except that 1% of the application fee is due at the time the determination letter is requested.

**APPENDIX A  
PROGRESS PHASE REQUIREMENTS**

The documents listed below must be submitted to the Authority via the Apricot website within 120 days of notification of a reservation of LIHTCs or 30 days prior to the deadline for carryover allocation (i.e. December 1), whichever is sooner.

Projects must meet the requirements of the progress phase to be eligible for an allocation of tax credits. Progress requirement extensions may be granted at the sole discretion of the Authority. The tax credit reservation may be rescinded at the sole discretion of the Authority for not meeting the progress phase requirements or for a failure to meet the criteria in HFA 109.06.

1. Letter requesting commitment of tax credits and updated application
2. Exhibit 2 – Environmental site assessment and related reports (lead, asbestos, historic, archeological, if required by the Authority)
3. Exhibit 16 – Appraisal (if required by the Authority)
4. Exhibit 19 – Evidence of zoning/local approvals
5. Exhibit 20 – Permanent financing letter of commitment or letter of interest with terms and conditions specified
6. Exhibit 21 – Construction financing letter of commitment or letter of interest with terms and conditions specified
7. Exhibit 22 – Equity investment letter of commitment or letter of interest with terms and conditions specified
8. Exhibit 24 – Construction period sources and uses by month (required only for projects seeking Authority construction financing)
9. Evidence of continued site control
10. Soils and/or structural engineering report (if applicable)
11. Copy of the architect contract
12. An executed tenant services agreement binding on both parties
13. 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
14. Copy of contract for consultant services (if applicable)

**APPENDIX B  
CARRYOVER ALLOCATION REQUIREMENTS**

1. Updated application form submitted via Apricot
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
3. Copy of partnership agreement or offering summary (draft acceptable)
4. Evidence of continued site control
5. Copy of construction bids and executed construction contract. Projects with a construction management contract must have a GMP amendment. Include a copy of schedule of values showing contractor general or construction manager conditions, overhead and profit breakdown.
6. Election of gross rent floor (if applicable) (see Appendix H)

The 10% expenditure carryover cost certification must be completed within twelve (12) months of the date of allocation (which is the date that Authority staff signs the Carryover Allocation Agreement) and submitted to the Authority.

**APPENDIX C  
FINAL ALLOCATION REQUIREMENTS**

1. Updated application submitted via Apricot (the sources and uses and LIHTC section, including the eligible basis, must match the final cost certification)
2. Final cost certification (see required format: [www.nhhfa.org/developer-financing/low-income-housing-tax-credits-lihtc/](http://www.nhhfa.org/developer-financing/low-income-housing-tax-credits-lihtc/).)
3. Developer's Certification of Development Costs (see Appendix E for required format)
4. Developer's Certification of Equity Proceeds (see Appendix F for required format)
5. As-Built Architect's Certification (see Appendix G for required format)
6. Recorded Land Use Restriction Agreement (LURA) and evidence of its existence in the land records
7. Executed Amended and Restated Agreement of Limited Partnership (LPA)
8. Final allocation fee (total due is 7% of LIHTC allocation amount)
9. Tax credit upfront monitoring fee (total due is \$690 per affordable unit for projects funded with 9% LIHTCs and \$530 per affordable unit for projects funded with 4% LIHTCs)
10. Copy of Certificates of Occupancy and placed in service date for each building
11. Copy of deed including legal description of property
12. Certification of tax credit management designation and training (see training requirements for new tax credit properties: [www.nhhfa.org/asset-management/staying-in-compliance/low-income-housing-tax-credit/](http://www.nhhfa.org/asset-management/staying-in-compliance/low-income-housing-tax-credit/)).
13. Construction close-out approval by the Authority's Senior Construction Analyst
14. Ten percent (10%) cost certification completed within one year of carryover allocation agreement (if not already submitted)
15. Right of first refusal to nonprofit (required for for-profit developers only, see Appendix D for example)
16. Election of gross rent floor (see Appendix H)

**APPENDIX D  
SAMPLE - RIGHT OF FIRST REFUSAL**

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ , between \_\_\_\_\_ (the “Owner”), having an address of \_\_\_\_\_, County of \_\_\_\_\_, and State of \_\_\_\_\_ and the New Hampshire Housing Finance Authority, having an address of 32 Constitution Drive, Bedford, County of Hillsborough and State of New Hampshire (hereinafter referred to as the “Authority”), and \_\_\_\_\_ (hereinafter referred to as the “Qualified Non-Profit Entity”), having an address of \_\_\_\_\_, County of \_\_\_\_\_ and State of \_\_\_\_\_ and the parties agree as follows:

1. The Owner owns \_\_\_\_\_ (hereinafter referred to as the “Property”). See attachment for legal description.
2. A Qualified Non-Profit is defined as meeting the requirements of the Internal Revenue Code (IRC) Section 42(h)(5)(C).
3. The Owner and its successors and assigns in interest (as may be approved by the Authority as per HFA 109.10.B of the Qualified Allocation Plan) are bound to the Low Income Housing Tax Credit (LIHTC) rent and income limits set forth in the Land Use Restriction Agreement (hereinafter referred to as the “LURA”) for the term stated in the LURA (60 years for projects allocated 9% LIHTCs and 30 years for projects allocated 4% LIHTCs with tax-exempt bond financing) unless the Owner uses the following procedure:
  - (i) The Owner may make a bona fide offer to sell the Property to the Qualified Non-Profit Entity or its successor and assigns, subsequent to the initial 30 year compliance period for a price equal to the minimum set forth in IRC Section 42(i)(7)(B). The offer shall be in writing delivered to the Qualified Non-Profit Entity, with a copy to the Authority. The Qualified Non-Profit Entity may accept the offer to sell by notifying the Owner in writing within ninety (90) days of its receipt of the offer. If the Qualified Non-Profit Entity accepts the offer, then the Owner and the Qualified Non-Profit Entity shall close the sale of the Property at the offices of the Authority within 180 days after the acceptance of the offer. If the Qualified Non-Profit Entity decides to purchase the Property, the original LURA will be discharged and no rent or income limits shall apply.
  - (ii) If the Qualified Non-Profit Entity does not accept the offer to purchase the Property or exercise its right under this Right of First Refusal (“ROFR”) to purchase the Property as set forth in Paragraph (i) above, then the Owner shall offer to sell the Property to the Authority for the same price at which it offered to

sell the Property to the Qualified Non-Profit Entity. The offer shall be in writing and delivered to the Authority. The Authority may accept the offer by notifying the Owner in writing within ninety (90) days of its receipt of the same. If the Authority gives written notice of its intent to accept this offer, the Authority and the Owner shall close the sale of this Property at the offices of the Authority within 180 days after receipt of the Authority's written notice of acceptance of this offer. The Authority may purchase this Property for its own purposes or on behalf of another Qualified Non-Profit Entity. If the Authority purchases the Property, either for its own purposes or on behalf of another Qualified Non-Profit Entity, the Authority may discharge the original LURA or negotiate a new LURA. In the event that the Authority negotiates a new LURA, it shall use its best efforts to maintain low income residency and affordability substantially the same as the existing LURA to the extent reasonably possible.

(iii) If the Authority declines the offer to sell the Property or to otherwise exercise its right under this ROFR, either for its own purposes or on behalf of another Qualified Non-Profit Entity, the LURA will be discharged by the Authority and the Owner is free to sell and/or convert the Property to market rents or other uses after adequate notice to existing tenants and compliance with existing law (including the 3 year tenant protection period cited at Section 42(h)(6)(e)(ii)).

4. This Agreement may be assigned by the Owner, subject to the written approval of the Authority, which approval shall not be unreasonably withheld.

IN WITNESS WHEREOF, the parties have caused this Right of First Refusal to be executed by their duly authorized representatives, as of the day and year first written above.

\_\_\_\_\_  
(the "Owner")

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
(Non-Profit)

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

NEW HAMPSHIRE HOUSING FINANCE  
AUTHORITY

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: Robert B. Dapice  
Title: Managing Director, Management and Development

THE STATE OF NEW HAMPSHIRE  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself/herself to be \_\_\_\_\_, of \_\_\_\_\_ a New Hampshire \_\_\_\_\_, and that he/she being authorized so to do, executed the foregoing instrument on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My Commission Expires:

THE STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself/herself to be the \_\_\_\_\_ of \_\_\_\_\_, a New Hampshire \_\_\_\_\_, and that he/she being authorized so to do, executed the foregoing instrument on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My Commission Expires:

THE STATE OF NEW HAMPSHIRE  
COUNTY OF HILLSBOROUGH

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me the undersigned officer, personally appeared Robert B. Dapice, who acknowledged himself to be the Managing Director, Management and Development of New Hampshire Housing Finance Authority, a public instrumentality and body politic and corporate duly created, organized and existing under the laws of the State of New Hampshire, and that he being authorized so to do, executed the foregoing instrument on behalf of said instrumentality and body politic and corporate.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My Commission Expires:

**APPENDIX E**  
**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 the Authority 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 F  
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 G  
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 the Authority'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 H  
ELECTION OF GROSS RENT FLOOR**

Pursuant to Internal Revenue Service (IRS) Regulations, an Owner of a Low Income Housing Tax Credit project may designate the date that the Gross Rent Floor takes effect prior to the date the building is placed in service. The Gross Rent Floor establishes the initial permitted maximum rents for the Project. The Gross Rent Floor also limits potential future rent reductions due to decreases in the applicable median area income limits. The IRS will treat the Gross Rent Floor as taking effect on the date the New Hampshire Housing Finance Authority (the Authority) initially allocates tax credits to the building. However, the IRS will treat the Gross Rent Floor as taking effect on a building's placed in service date if the Owner designates that date as the date the Gross Rent Floor takes effect for the building. The Owner must make this designation to use the placed in service date and inform the IRS no later than when the building is placed in service.

Please make the following designation:

- If this box is checked, the Owner hereby elects, pursuant to IRS Revenue Ruling 94-57, to fix the applicable Gross Rent Floor in accordance with Section 42(g)(2)(A) at the date the building is placed in service. This document must be submitted to the Authority prior to the Project's placed in service date.
  
- If this box is checked, the Owner has made no election pursuant to IRS Revenue Ruling 94-57, and the applicable Gross Rent Floor for a building shall be set at the date the Authority initially allocates Low Income Housing Tax Credits, which shall be earlier of 1) the date of the Carryover Allocation, or 2) the date of the Final Allocation (IRS Form 8609).

A decrease in the median area income limits will not require a reduction in rents below the Gross Rent Floor.

## **APPENDIX I SERVICE COORDINATION**

### Specifications

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

1. Owners are responsible for providing a minimum of four (4) hours per week of onsite Service Coordination for properties up to 20 units with an additional one hour for every five (5) units over 20. Properties without an onsite office may provide service coordination remotely with a minimum of monthly onsite visits.
2. 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 notices.
3. 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.
4. 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.
5. 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.
6. 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.
7. The service coordinator shall develop and implement strategies to build community among diverse residents.
8. 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 walking distance or with free transportation provided). Services must be provided to residents at no cost or at a nominal or discounted fee. 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.

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- e. Increase health and wellbeing.
  - f. Improve the educational success of children and youth.
9. The services listed below meet this threshold requirement; however, any service that meets residents' needs may also be acceptable. One of the two required services must be provided no less than quarterly.
- a. Wellness education or general, non-specialized health clinic (flu shots, blood pressure clinics, cholesterol and diabetes screening, etc.)
  - b. Literacy/language training
  - c. Personal safety (fire, identity theft, scams, self-defense, drug awareness)
  - d. Financial fitness (budgeting, money management, credit counseling)
  - e. Income and asset building (job coaching, IDAs, homebuyer education)
  - f. Business center or wireless internet access\*
  - g. Transportation\*
  - h. Meals\*
  - i. Childcare\*
  - j. After school program\*

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

10. To qualify, services may not be provided by the Service Coordinator or other management company staff. Services being scored must be available at the property to residents in a format and/or at a reduced fee 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 is not eligible for scoring in this section.
11. If service coordination or any services will be contracted, a letter of intent (LOI) to contract must be provided with the application containing:
- The type(s) of service and number of hours per week or month each will be provided
  - The location(s) where the service(s) will be provided
  - The fee, if any, for providing the service(s)

The LOI must be on letterhead and signed by a duly authorized person. 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.

12. 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.

### Reporting Requirements

1. Project Owners will be required to submit an annual certification of:
  - a. The number of hours of onsite Service Coordination and coordinated services provided;
  - b. The number of residents served by each; and,
  - c. The results of the annual resident satisfaction survey.

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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).

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SERVICE COORDINATION PLAN AND BUDGET (submit with application)

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

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

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

**Service Coordination**

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

Onsite?  Yes  No – Reason: \_\_\_\_\_

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

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

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

Brief Description:

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

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

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

Brief Description:

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

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**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 detail below on expenses and sources of funds other than operating funds **for the service coordination to be provided for this project**):



**APPENDIX J  
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 night time residence that is supervised publicly/privately 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.

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### 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 K

### LIHTC Compliance Monitoring Requirements

**This appendix is in effect on the date that the Governor approves the QAP or December 31, 2020, whichever is later.**

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:

- (i) The total number of residential rental units in the building;
- (ii) The percentage of residential rental units in the building that are low-income units;
- (iii) The rent charged on each residential rental unit in the building (including any utility allowances);
- (iv) The number of occupants in each low-income unit;
- (v) The low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
- (vi) The annual income certification of each low-income tenant per unit;
- (vii) Documentation to support each low-income tenant's income certification;
- (viii) The eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- (ix) 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 the Authority's inspection.

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

##### **Certification**

The owner of the LIHTC project must certify at least annually to the Authority that for the preceding 12-month period the project met the requirements outlined in Treasury Regulation §1.42-

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5(c)(1). In addition, the Authority requires owners to submit annually the Certificate of Compliance with Special Conditions, the Management Agent Certification of Training, and the Annual Certification of Service Coordination and complete an upload of all tenant data to the Authority's LIHTC system. The required reports, certifications, and forms can be found on the Authority's website. Annual reports are due March 1 of each year and must be submitted throughout the Extended Use Period of the project. The tenant data upload must be completed by February 1 of each year.

### Review

In accordance with Treasury Regulation §1.42-5(c)(2), the Authority 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 Authority must conduct on-site inspections and low-income certification reviews as set forth in the table below.

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

The Authority 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, the Authority 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**

The Authority 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**

The Authority 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, the Authority 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), the Authority 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 the Authority, the uniform 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 the Authority becomes aware of any violation of these codes, the Authority must report the violation to the IRS. However, provided the Authority determines by inspection that the HUD standards are met, the Authority is not required to determine by inspection whether the project meets local health, safety, and building codes.

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

The Authority will provide prompt written notice to the owner when the Authority 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 the Authority is 30 days from the date of the notice. The Authority may extend the correction period for up to 6 months, but only if the Authority determines there is good cause for granting the extension. All requests for an extension must be made in writing.

The Authority 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. The Authority 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 the Authority reports on Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, the Authority 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, the Authority is required to file Form 8823 with the Service reporting the correction of the noncompliance or failure to certify.

The Authority must retain records of noncompliance or failure to certify for 6 years beyond the Authority's filing of the respective Form 8823. In all other cases, the Authority 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 the Authority 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 the Authority, 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 the Authority of any noncompliance or failure to certify.

Should the Authority delegate compliance monitoring to an Authorized Delegate, the Authority must use reasonable diligence to ensure that the Authorized Delegate properly performs the delegated monitoring functions. Delegation by the Authority of compliance monitoring functions to an Authorized Delegate does not relieve the Authority of its obligation to notify the Internal Revenue Service of any noncompliance of which the Authority becomes aware.

The Authority 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. The

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Authority's obligation to monitor for compliance with the requirements of Section 42 of the Code does not make the Authority liable for an owner's noncompliance.

### **G. Other**

The Authority 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 the Authority's website for further information and required documents.

**APPENDIX L  
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</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>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>Number of Units Preserved</b>	More than 80 units preserved	51-80 units preserved	21-50 units preserved
	<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 M  
CONDUIT BOND PROVISIONS**

In accordance with its Conduit Bond Rules, New Hampshire Housing will 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.G	Basis Boost
109.06.A	Feasibility and Appropriateness
109.06.B	Market Demand
109.06.J	Public Housing Waiting Lists
109.06.K	Projects Intended for Eventual Tenant Ownership
109.08.D.3	Final Allocation Requirements
109.09	Program Fees
109.10	Long Term Affordability and Compliance (entire section)
109.11	Miscellaneous Authority Provisions (entire section, except for applicability of Authority Underwriting Standards and Design and Construction Rules)
Appendix C	Final Allocation Requirements
Appendix D	Right of First Refusal
Appendix E	Developer's Certification of Development Costs
Appendix F	Developer's Certification of Equity Proceeds
Appendix G	As Built Architect's Certification
Appendix H	Election of Gross Rent Floor
Appendix K	LIHTC Compliance Monitoring Requirements