

2004 New Hampshire Qualified Allocation Plan

APPENDIX A

DEVELOPER FEE

The developer fee is not a guaranteed or automatic budgetary figure, and must be approved by the Authority within the context of each project.

The fee will be strictly limited, with any violations of the developer certification of development cost forwarded to the IRS using IRS form 8823. For purposes of calculating the maximum developer fee allowed, the Authority does not distinguish between the developer fee and fees for consultants doing those tasks typically done by a developer, regardless of whether the applicant is a for-profit or non-profit entity. "Consultant fees" counted as developer fee do not include professional fees such as architectural, engineering, or appraisal fees.

Maximum Developer Fee Calculation

1. The maximum fee in any case shall absolutely be 15% of total development costs.
2. Projects primarily relating to acquisition, with renovation/new construction (including contingency) equaling less than 50% of total development costs not including land:

\$4,500 per unit

3. Family projects (i.e. >70% of units have 2 or more bedrooms)

\$14,000 per unit for first 30 units

\$ 9,000 per unit for next 70 units

\$ 4,500 per unit for any unit above 100

4. Non-family projects (i.e. senior, or not meeting family definition above)

\$12,000 per unit for first 30 units

\$ 7,000 per unit for next 70 units

\$ 4,500 per unit for any unit above 100

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APPENDIX B

NEW HAMPSHIRE Difficult Development Areas and Qualified Census Tracts

Note: This listing is for information only, and reflect the last known federal designations. Please confirm for your project location.

Difficult Development Areas

Belknap, Carroll, Cheshire, Grafton counties

Hillsborough, Rockingham, Strafford and Merrimack counties in part (see below)

Hillsborough County - Eligible Towns

Antrim, Bennington, Deering, Francestown, Greenfield, Hancock, Hillsborough, Lyndeborough, New Boston, Peterborough, Sharon, Temple, Windsor

Merrimack County - Eligible Towns and Cities

Andover, Boscawen, Bow, Bradford, Canterbury, Chichester, Concord (city), Danbury, Dunbarton, Epsom, Franklin (city), Henniker, Hill, Hopkinton, Loudon, Newbury, New London, Northfield, Pembroke, Pittsfield, Salisbury, Sutton, Warner, Webster, Wilmot

Rockingham County - Eligible Towns

Deerfield, Northwood, Nottingham, Seabrook, South Hampton

Strafford County - Eligible Towns

Middleton, New Durham, Strafford

Qualified Census Tracts

Manchester – 4.00, 5.00, 13.00, 14.00, 20.00

Nashua - 0105.00, 0107.00, 0108.00

Strafford County – 802.01, 802.02

Source: Web reference is: <www.huduser.org/datasets/qct.html>

Note: Manchester Census Tract 17.00 dropped in 2003 as a QCT.

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APPENDIX C APPLICATION THRESHOLD REQUIREMENTS

Applications must meet the following requirements in order to be ranked in accordance with the Selection Criteria:

1. Completed Application for Reservation
2. *Exhibit 1-Site Information
3. *Exhibit 2-Environmental Information (if available, or information regarding any known environmental problems)
4. *Exhibit 3-Evidence of Site Control
5. *Exhibit 8-Detailed Scope of Work with Cost Estimates, and identification of estimator
6. *Exhibit 9-Verification of Non-Profit Status (if applicable)
7. *Exhibit 10-List of Developer's Other Real Estate
8. *Exhibit 11-Resumes of Development Team
9. *Exhibit 12-Management Agent Questionnaire
10. *Exhibit 13-Management Plan
11. *Exhibit 14-Tenant Selection Plan
12. Documentation verifying eligibility for selection criteria points
13. Tax Credit Application Fee

Applications which do not meet the above requirements will be returned to the applicant. If the project scores competitively and meets all applicable requirements of the Authority, a reservation of credit shall be recommended to the Multi-Family/Special Projects Committee of the Board of Directors.

* See Application list of exhibits.

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APPENDIX D COMMITMENT PHASE REQUIREMENTS

The following documents must be submitted to the Authority within 120 days of notification of a Reservation of Tax Credits by the Authority's Multi-Family/Special Project Review Committee, or 30 days prior to deadline for Allocation Phase, whichever is sooner:

Projects must meet the requirements of the Commitment Phase to be eligible for an allocation of tax credits. Commitment 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 Commitment Phase Requirements, or for a failure to meet the General Criteria in HFA:109:07B.**

1. Letter requesting Commitment of Tax Credits, and inclusion of any pages from the Application Form related to changes in the project scope or cost, including complete updated budget.
2. *Exhibit 19-Evidence of Zoning/Local Approvals
3. *Exhibit 20-Permanent Financing Letter of Commitment
4. *Exhibit 21-Construction Financing Letter of Commitment
5. *Exhibit 22-Equity Investment Letter of Commitment
6. *Exhibit 23-Tax Credit Bridge Loan Letter of Commitment (if applicable)
7. *Exhibit 24-Construction Period Sources and Uses
8. *Exhibit 27-Final Plans and Specifications
7. *Exhibit 16-Appraisal (if required by the Authority)
8. *Exhibit 17-Market Study
9. *Exhibit 2 - Environmental Site Assessment (if required by the Authority).
10. Evidence of continued site control
11. Copy of the Architect Contract
12. For projects providing tenant services, an executed agreement binding on both parties
13. Copies of construction proposals (or bids), if available
14. Copy of contract for consultant services (if applicable)
15. Tax Credit Commitment Fee

* See Application list of exhibits.

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APPENDIX E CARRYOVER ALLOCATION REQUIREMENTS

1. Letter requesting a Carryover Allocation, and inclusion of any pages from the Application Form related to changes in the project scope or cost.
2. *Carryover Cost Certification
3. Evidence of limited partnership existence, including federal tax identification number; Certificate of Good Standing for LP from NH Secretary of State or copy of certificate of LP stamped by Secretary of State.
4. Copy of Partnership Agreement (draft acceptable)
5. Copy of Offering Summary (draft acceptable)
6. Evidence of continued site control
7. Copy of Construction Proposals (or Bids) and executed Construction Contract. Include copy of schedule of values showing contractor overhead and profit breakdown, as per HFA109.05J.
8. Recorded Land Use Restriction Agreement (**contact Authority at least 14 days prior to deadline to receive document**).

* The Carryover Cost Certification can be received at any time within 6 months of the “date of allocation.”

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APPENDIX F FINAL ALLOCATION REQUIREMENTS

1. Updated application form with Sources and Uses corresponding to Final Cost Certification
2. Exhibit 37-Final Cost Certification
3. Developer Certification of Costs (see Appendix H for required format)
4. Developer Certification of Equity Proceeds (see Appendix I for required format)
5. "As-Built" Architect Certification (see Appendix J for required format)
6. Recorded Land Use Restriction Agreement, and evidence of its precedence in the land records (e.g., title search)
7. Executed Partnership Agreement, with equity pay-in schedule
8. Final Allocation Fee
9. Copy of Certificates of Occupancy
10. Copy of deed including legal description of property
11. Tax Credit Monitoring Fee
12. Certification of Tax Credit Management Training
13. Placed in service date for each building

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APPENDIX G

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 NONPROFIT 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 Nonprofit 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:109.05N of the 2004 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 99 years from the beginning of the compliance period as defined in the LURA, unless the Owner uses the following procedure:
 - (i) The Owner may make a bona fide offer to sell the Property to the Qualified Nonprofit 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 Nonprofit Entity, with a copy to the Authority. The Qualified Nonprofit 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 Nonprofit Entity accepts the offer, then the Owner and the Qualified Nonprofit 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 Nonprofit Entity decides to purchase the Property, the original LURA will be discharged and no rent or income limits shall apply.
 - (ii) If the Qualified Nonprofit 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 2 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 Nonprofit Entity. The offer shall be in writing and delivered to the Authority. The

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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 the offer. The Authority may purchase this Property either for its own purposes or on behalf of another qualified nonprofit entity. If the Authority purchases the Property either for its own purposes or on behalf of another qualified nonprofit 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 rights under this ROFR, either for its own purposes or on behalf of another qualified nonprofit 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)).

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

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APPENDIX H
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, Accountant's Certification of Costs (including developer fee), Qualified Basis, and Applicable Fraction represent true and accurate representation of the Project costs. I further state that the Qualified Basis and Applicable Percentage were calculated in a manner consistent with 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 8623.

Date:

Duly Authorized

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APPENDIX I

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)

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APPENDIX J

"AS-BUILT" ARCHITECT 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 drawings and specifications dated _____ prepared by _____.

Based upon this inspection, to the best of my knowledge and belief, the development has been constructed in conformance with all local, state and federal laws designated as the development standard for the project including, but not limited to, the ADA, Section 504 and Fair Housing Laws as they pertain to handicapped 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 Standards.

Date

Architect

(Seal)

APPENDIX K

ELECTION OF GROSS RENT FLOOR

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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 (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 the 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.

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APPENDIX L GUIDELINES FOR SPECIAL NEEDS (Category 4 Scoring)

For scoring eligibility under this category, applicants must show evidence of their ability to provide or manage the proposed services. The Authority will require a signed letter of intent to partner/contract from any proposed service provider at the time of Application. Any contracts that are to be funded from operating accounts must be received by the Authority for review and authorization no later than 30 days prior to closing.

Please note that any applicant commitments for the provision of special needs housing or service enriched housing will be enforced for the full compliance term and included in the Land Use Restriction Agreement (LURA).

All projects applying for points under this category must provide the following information as a part of the Service Plan included in their LIHTC application package. Note: Numbers refer to Exhibit number of the NHHFA Application Form.

22. A description of the project and how the services will be integrated. Include how the housing management and service provider will work together, where services will be provided and any additional hard costs associated with providing the services.
23. A description of each service to be provided, including any eligibility requirements, and how the service is unique to residents.
24. The number of residents the services will be provided to and whether residents will be selected for occupancy based on their need for services.
25. Any eligibility criteria for services.
26. A detailed 3 year budget for providing the services, including revenues, expenses, and sources of funds.
27. Signed letters of intent to partner/contract from service providers.

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APPENDIX M 2004 LOCATION POINTS

Communities Analysis - By county, by proposed points (family and other non-senior projects only)

Communities > 700 Total Housing Units

*Note: Communities w/ less than 700 units (and other non-data communities): 3 points

Senior projects: 0 points for all projects

**Note: Location points only for family and other non-senior projects which are new construction or where rehab costs equal or exceed 50% of TDC (less land).

County	<u>Column A</u> 10 points	<u>Column B</u> 5 points	<u>Column C</u> 0 points	<u>Column D</u> 0 points
Belknap	Sanbornton Barnstead New Hampton Gilford Gilmanton	Meredith Belmont Alton		Tilton Laconia
Carroll	Moultonborough Tuftonboro	Madison Ossipee Wolfeboro Wakefield	Bartlett Tamworth Conway	
Cheshire		Rindge Chesterfield Alstead Fitzwilliam Swanzey	Marlborough Hinsdale Walpole Winchester Troy Jaffrey	Keene
Coos		Northumberland	Gorham Lancaster Colebrook Whitefield	Berlin
Grafton		Holderness Campton Canaan	Haverhill Bristol Enfield Hanover Bethlehem Thornton	Lebanon Ashland Littleton Plymouth
Hillsborough	Litchfield New Boston Weare Pelham Amherst Hollis Bedford Brookline Merrimack Deering	Hudson New Ipswich Goffstown Hancock	Hillsborough Greenville Wilton Peterborough Antrim	Manchester Nashua Milford
Merrimack	Dunbarton Loudon Chichester Bow Hopkinton Canterbury	Hooksett New London Boscawen Epsom Andover Warner	Pembroke Northfield Allenstown Henniker	Pittsfield Franklin Concord
Rockingham	Brentwood Candia Sandown Deerfield Danville Chester Nottingham North Hampton Atkinson Hampton Falls Kingston Stratham Londonderry	Greenland Raymond Northwood Epping Plaistow Hampstead Salem Newton Rye	Hampton Exeter	Portsmouth Seabrook Newmarket Derry

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	Fremont			
	Auburn			
	Windham			
Strafford	Barrington	Milton	Farmington	Dover
	Strafford	Lee	Rollinsford	Durham
	New Durham		Rochester	Somersworth
Sullivan	Plainfield	Sunapee	Newport	Claremont
	Grantham	Charlestown		