

## 2011 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 entity. "Consultant fees" counted as developer fee do not include professional fees such as architectural, engineering or appraisal fee.

#### 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:
  - \$ 6,000 per unit.
3. Family projects (i.e. no "senior or over 55/62 age designation"):
  - \$21,000 per unit for first 10 units;
  - \$17,000 per unit for next 30 units;
  - \$14,000 per unit for next 60 units;
  - \$ 6,000 per unit for any unit above 100.
4. Non-family projects (senior designation):
  - \$19,000 per unit for first 10 units;
  - \$15,000 per unit for next 30 units;
  - \$13,000 per unit for next 60 units;
  - \$ 6,000 per unit for any unit above 100.

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### APPENDIX B REVISED 10/12/10 NEW HAMPSHIRE DIFFICULT DEVELOPMENT AREAS (DDA's) and QUALIFIED CENSUS TRACTS (QCT's) FOR 2011

Note: This listing is for information only and reflects the last known federal designations. Please confirm for your project location. While the 130% bump is no longer restricted by law to the federal DDA/QCT districts defined by HUD, the Authority will restrict the 130% bump to projects located in the official DDA/QCT districts, or to projects which attain at least a score of 18 or better in the Green Development section.

#### **Difficult Development Areas (DDAs)**

Belknap, Carroll, Cheshire, Grafton, Merrimack and Sullivan counties.

#### **Qualified Census Tracts (QCTs)**

Manchester – 4.00, 5.00, 14.00, 15.00 and 20.00.

Nashua – 0105.00, 0107.00 and 0108.00.

Strafford County – 802.01 and 802.02.

Source: web reference is [www.huduser.org/datasets/qct.html](http://www.huduser.org/datasets/qct.html).  
Federal Register – September 3, 2008; page 51560

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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 (see sheet on spreadsheet application)
10. Documentation Verifying Eligibility for Selection Criteria Points
11. 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.

\*Exhibit numbers refer to the application spreadsheet, at Part 3 Section 2, List of Exhibits, certain exhibits may not be applicable – see Application.

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### APPENDIX D PROGRESS PHASE REQUIREMENTS

The following documents must be submitted to the Authority within 120 days of notification of a Reservation of Tax Credits or 30 days prior to deadline for Carryover Allocation (i.e. December 1<sup>st</sup>), 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 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
9. Exhibit 16 – Appraisal (if required by the Authority)
10. Exhibit 17 – Market Study
11. Exhibit 2 – Environmental Site Assessment (if required by the Authority)\*
12. Evidence of Continued Site Control
13. Copy of the Architect Contract
14. For projects providing tenant services, an Executed Agreement Binding on Both Parties
15. Copies of Construction Proposals (or bids), if available
16. Copy of Contract for Consultant Services (if applicable)

\*Exhibit numbers refer to the application spreadsheet, at Part 3 Section 2, List of Exhibits, certain exhibits may not be applicable – see Application.

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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 Limited Partnership from New Hampshire Secretary of State or copy of the Certificate of Limited Partnership stamped by Secretary of State.
4. Copy of Partnership Agreement or Offering Summary (draft acceptable)
5. Evidence of Continued Site Control
6. Copy of Construction Proposals (or bids) and executed Construction Contract. Include a copy of Schedule of Values showing contractor overhead and profit breakdown (i.e. 6-2-6 rule) as per HFA:109.05J.
7. Recorded Land Use Restriction Agreement (LURA)(**contact Authority at least 14 days prior to deadline to receive document**)
8. Market Study completed
9. Construction Contract meets 6-2-6 Limits (HFA:109.05J)

\*The Carryover Cost Certification must be completed within 6 months of the “date of allocation”, and must be copied to the Authority within a reasonable period after that.

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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 (LURA) 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 Designation and Training
13. Placed In Service Date for each Building
14. Construction Contract meets 6-2-6 Limits (HFA:109.05J)
15. Sign-off by the Authority Construction Analyst
16. 10% cost certification completed within one year of carryover allocation
17. Asset Management fees, if applicable.

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### APPENDIX G SAMPLE - RIGHT OF FIRST REFUSAL

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 200\_, 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:109.05N of the 2008 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 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 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 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.

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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 with the Total Development Cost  
totaling \$ \_\_\_\_\_, dated \_\_\_\_\_. 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 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 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 Credit 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 know 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)

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### APPENDIX K 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 (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 Projects' 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.

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**APPENDIX L  
SERVICE ENRICHED HOUSING LEVEL – 1**

Property name:	
Number of units:	Indicate the number of hours per week the program will operate on-site:
Is there office space available for the Service Coordinator on-site?	Is there community or meeting space for program staff and activities on-site?
Is there eligibility criterion for services? If yes describe:	
Describe how residents will be informed that Resident Service Coordination is available:	
Describe the role and relationship between the Property Manager and the Service Coordinator in implementing this program:	
Outline and describe the scope of services to be delivered, including the plan for offering community based programs at the property and issues the proposed Service Coordinator would address with the residents:	
*If contracting with a provider for service coordination, a letter of agreement signed by both parties must be submitted with the proposal.	

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SERVICE ENRICHED HOUSING LEVEL – 1  
PROGRAM BUDGET

Budget Category		Year 1 Annual Budget	Year 2 Annual Budget	Year 3 Annual Budget
1.	<b>Personnel Costs</b> (limited to the on-site RSC and/or contracted service provider).			
1.				
2.				
Subtotal Personnel:				
Tax/Benefit @ _____%				
<b>Total Payroll and Benefits</b>				
2.	<b>Program Expenses</b> include workshops, informational/program materials, refreshments, incentives for residents participation, a one-time computer purchase (for RSC use or computer lab) and Internet services.			
1.				
2.				
3.				
4.				
5.				
<b>Total Program Expenses</b>				
<i>Administrative and Overhead Costs: training related expenses, telephone, postage, printing, copier, office supplies and bookkeeping and accounting services.</i>				
<b>TOTAL EXPENSES</b>				
<b>Identify the source of the funds committed:</b>				

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**APPENDIX M  
RESERVED**

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APPENDIX N  
MANAGEMENT AGENT QUESTIONNAIRE

Management Company Profiled:		Self Scoring Circle Answer	
Questions 1 – 7 are used in LIHTC scoring.		Yes	No
1.	Does the Agent have experience managing properties receiving subsidies or rental assistance other than Low Income Housing Tax Credit (LIHTC)?	1	0
	If yes, more than five years of experience?	1	0
	If yes, identify the Contract Administrator and/or Compliance Agency and the number of properties, number of units, location and years of experience.		
2.	Does the Agent have experience managing LIHTC properties?	1	0
	If yes, more than five years experience?	1	0
	If yes, identify the compliance agency and the number of properties, number of units, location and years of experience.		
3.	In the past 3 years has the Agent undergone a LIHTC Compliance Monitoring Review?	1	0
	If yes, identify the compliance agency.		
4.	(If not applicable, please skip to question 5) In the past 6 years, has the Agent received an <u>unsatisfactory</u> Monitoring Review of any property by a Compliance Agency or Contract Administrator?	-1	1
	If yes, explain circumstances and resolutions.		
5.	(If not applicable, please skip to question 6) In the past 3 years has the Agent managed/owned a property that has experienced any of the following?		
	<input type="checkbox"/> Persistent (2 consecutive years) and/or numerous (a finding with more than 50% of areas inspected) poor physical condition issues within the control of management.	-1	1
	<input type="checkbox"/> Persistent (2 consecutive years) late/incomplete submission of required documents (audits, budgets, certifications or other administrative or regulatory documents) to the contract administrator or compliance agency.	-1	1
	Check all that apply:		
	<input type="checkbox"/> Mortgage delinquent over 30 days		
	<input type="checkbox"/> Low Debt to Coverage Ratio (DCR below 1.00)		
	<input type="checkbox"/> Rental delinquency, greater than 7% of gross rent		
	<input type="checkbox"/> High vacancy, greater than 8% for more than 60 days		
	<input type="checkbox"/> Negative operating budget		
	<input type="checkbox"/> In litigation		
6.	Does at least one person of the Agent's staff possess a designation of training and proficiency from one of the Authority's nationally recognized Tax Credit trainers? <i>See LIHTC Compliance on website for trainers <a href="http://www.nhhfa.org">www.nhhfa.org</a>.</i>	1	-1
	If yes, list the specific designation by staff and date or attach documentation.		
7.	Does at least one person of the Agent's staff attend annual LIHTC training?	1	-1
	If yes, list the specific training attended by staff and date or attach certificate of training.		
		Total Self Scoring	

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**APPENDIX N  
MANAGEMENT AGENT QUESTIONNAIRE (continued)**

		Yes	No	
8.	In the past 6 years have any non-compliance 8823's been issued to properties managed/owned by Agent?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
	If yes, are there any 8823's not corrected?	<input type="checkbox"/>	<input type="checkbox"/>	
9.	In the past 6 years of the properties managed/owned, have any issues of non-compliance of the special conditions of the LURA been discovered?	<input type="checkbox"/>	<input type="checkbox"/>	Explain:
	If yes, are there any issues not corrected?	<input type="checkbox"/>	<input type="checkbox"/>	
10.	In the past 6 years, has the Agent been found in violation of any state or local codes?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
11.	In the past 6 years, has the Agent been found in violation of any Fair Housing Law?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
12.	Is the Management Agent aware of the specific requirements, restrictions and compliance of this property and/or program?	<input type="checkbox"/>	<input type="checkbox"/>	
13.	Can the Agent demonstrate their ability to provide management and maintenance services required for this type of property? (consider funding restrictions and compliance, documents and forms, distance from management, tenant demographics, neighborhood).	<input type="checkbox"/>	<input type="checkbox"/>	
14.	Does the Agent intend to contract out any portion of the management functions?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
15.	Are the Agent and all staff (including maintenance) who participate directly in the management of the property aware of the Fair Housing and Equal Opportunity (FHEO), Americans with Disabilities (ADA) and Section 504?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, list the specific training attended by staff and date or attach certificates of training:
16.	Is the Management Agent eligible for or have a surety bond?	<input type="checkbox"/>	<input type="checkbox"/>	
17.	Is there an identity of interest between the ownership and management entities?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
18.	Have any properties that the Agent (or any of its executive professional or supervisory personnel) managed or currently manage ever experienced a default?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:
19.	In the past 10 years has the Agent or any Principal or Officer of the Agent filed bankruptcy or had judgments levied against a firm that they were a Principal of?	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please explain:

New Hampshire Housing Development Division staff will review the completed form with Asset Management staff. Upon review, further information may be requested.

I, \_\_\_\_\_ hereby certify that the information set forth herein, and in any attachments in support thereof, is true, correct and complete to the best of my knowledge and belief.

Name of Firm: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_