

State of New Hampshire Consolidated Plan 2001-2005



Distributed by: New Hampshire Housing Finance Authority, Planning & Development Division
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Introduction

The State's Consolidated Plan is the five-year plan for the use of Community Development Block Grant, HOME Investment Partnerships, and Emergency Shelter Grant funds. These funds are granted to the State by the U.S. Department of Housing and Urban Development. At the core of this plan is the premise that housing, community development, economic development and services for the homeless and special populations are distinct but highly related components of a coherent approach to sustaining communities of populations diverse in their experience, objectives, and needs. Past and present compartmentalization of funding sources has, to some degree, encouraged proliferation of distinct service delivery systems. While there remains a need to understand and respond to the specific needs of individuals and communities utilizing specific expertise and carefully crafted delivery mechanisms, there is also a need to better coordinate these activities toward their common objectives through more comprehensive planning. The Plan provides a venue for the identification of homeless, housing, and community and economic development needs and issues and for the development of coordinated responses to them. There are three major components in the Consolidated Plan: Need, Strategic Plan, and Action Plan. The Need sections form the basis for setting the priorities in Strategic Plan section while the Action Plan serves as the basis for distributing the grant funds. The Action Plan also serves as the State's application for the funds and must be updated and submitted to HUD annually.

The Consolidated Plan shall serve as a guide for the fund administrators and housing and community development constituencies. It shall simultaneously serve as a management tool for the U.S. Department of Housing and Urban Development against which accomplishments shall be measured.

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The Consolidated Planning Process

Lead Agency

In May of 1997 Governor Jeanne Shaheen issued an Executive Order establishing the Housing and Community Development Planning Council (the Council). The Council was charged with the preparation of the State's Consolidated Plan.

The Director of the New Hampshire Housing Finance Authority is the chairperson of the Planning Council and provides staff support for the Council to coordinate and facilitate various aspects of the development of the Plan and related performance reports. Therefore, the New Hampshire Housing Finance Authority is the lead agency for the development of the plan.

The Council's Steering Committee is made up of representatives of the three agencies administering the grant funds (New Hampshire Housing Finance Authority, the Office of State Planning, the Office of Homeless and Housing Services) and the Office of the Governor. Each of the administering agencies has a policy or decision making body that was created by State statute. They are: the Community Development Advisory Committee, the Emergency Shelter and Homeless Coordination Commission and the New Hampshire Housing Finance Authority Board of Directors. The Steering Committee members bring information about their respective grant programs to the Council and assures that policies and priorities developed at the program level and the Consolidated Plan level will be consistent. The Council acts as a sounding board for public input as well a forum for sharing ideas and information on addressing the needs of the State.

Consultation

Council membership (see below) includes representatives from: state agencies representing the housing needs of specific populations (including children, elderly persons, disabled persons, and persons with HIV/AIDS), and economic and community development related issues; local housing authorities; community development agencies; nonprofit housing, economic and community development organizations; local governments; regional planning agencies; nonprofit and for-profit lenders to housing, economic and community development projects; homeless and social service providers for specific populations.

Housing and Community Development Planning Council

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Jack Dugan, Monadnock Economic Development Corporation
Linda Harvey, Laconia Area Community Land Trust
Kenn Ortmann, Planning Department, City of Rochester
Robert G. Nichols, Executive Director, Community Development Finance Authority

* Steering Committee

The Council is the primary source of agency consultation. In addition, steering committee staff members consulted with a variety of other agencies and organizations such as the nine Regional Service Delivery Systems within the Balance of State Continuum of Care, the Governor's Council on Aging, and the New Hampshire Department of Public Health. The consultation process for this plan began in late 1999 and is continuous until the publication of a final plan.

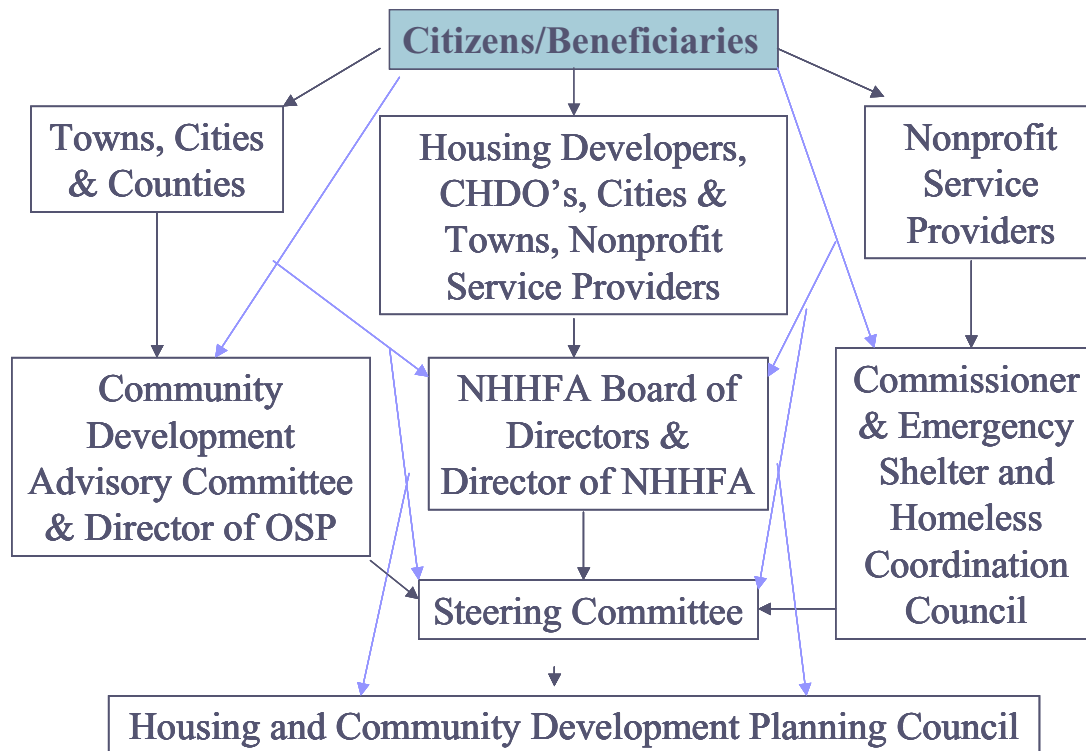
Citizen Participation

Late in 1999 the State received HUD funded technical assistance from the Coalition for Low Income Community Development (CLICD) on improving citizen participation. CLICD conducted a workshop which was designed to inform and encourage the citizens of the State of participate in the Consolidated Planning process. Modifications were made to the Citizen Participation Plan, which is now available on the Internet at www.nhhfa.org.

During the ensuing year many presentations were made in order to solicit citizen and agency input on the needs of the State. These included housing and homeless forums in the northern parts of the State, Regional Service Delivery Systems, and a local cable television appearance.

Also throughout the year, the Balance of State Continuum of Care was developing the State’s Supportive Housing application. That process involved over 100 grass roots community-based organizations that provide homeless services in every part of the State. Through a Coordinating Committee, needs were estimated and priorities set.

The public has continuous access to the Consolidated Planning process. The diagram below indicates that all citizens and beneficiaries have many avenues to comment on the planning process as well as the implementation of the programs.



Finally, State statute requires each applicant for CDBG funds to hold locally sponsored public hearings where the range of eligible Community Development activities is presented. This can be the basis for citizens to look further into the sources and uses of the HUD funds available in the State. State statute also requires public hearings in the development of State Administrative Rules that are used by the three agencies to award grant funds (the Office of Homeless and Housing Services is currently developing those rules). This brings additional input from the public to the administering agencies that directly effects the policies of the programs.

Public hearings were held in Portsmouth, Keene, Littleton and Concord to solicit comments on the Draft Consolidated Plan. The hearings included a brief presentation highlighting the state’s needs, priorities and the proposed distribution of funds for the first year (2001) of the 5 year plan. The public comment period ended on October 20, 2000. The following table summarizes the comments received and the responses.

Public Comments and Responses

Comment	Source	Response
More funds are needed for assisted living for low income elderly.	Cheshire County	The frail elderly are considered part of the “special needs” population and are a high priority.
Since only 3 or 4 projects are funded in a CDBG funding round, our agency decided not to apply for housing. Other projects would be more competitive.	Southwestern Community Services	Through the administrative rules process, OSP will be strengthening the competitiveness of housing applications by reducing the priority points attributed to certain center facility applications.
Don't use HOME funds for rental housing production since they don't work well with Low Income Housing Tax Credits. Use HOME funds for single family rehabilitation or tenant based rental assistance.	Southwestern Community Services	The efficiency of using HOME funds with Low Income Housing Tax Credit funds is dependent on the geographic location of the project as well as the specific project costs. In addition, HOME funds are often combined with other sources such as NHHFA funds, tax exempt bond funds or CDBG funds to finance rental housing. Both rental housing production and single family housing rehabilitation are high priorities in the state.
Unemployment is low. We can't fill the jobs we have. Affordable housing is critical and therefore we don't see the need for having 1/2 of the CDBG funds used for job creation. If economic development remains a high priority, use the funds to leverage higher quality jobs with benefits.	Southwest Region Planning Commission, Cheshire Co. and Southwestern Community Services	OSP does understand the critical need for affordable housing and will, during the upcoming year, study possible changes to the method of distribution. The present scoring system does award higher points for better quality jobs.
Small projects in rural areas are sometimes difficult to keep full even when there is no debt service on the development. Tenants cannot have incomes above 50% of the median but below 40% tenants cannot afford the rent. Rent subsidies are needed.	AHEAD Inc.	When underwriting these projects, reserves (to cover longer vacancy periods) are often required to be higher than normal in recognition of this difficulty. In order to mitigate the problem in current projects, tenants with rental subsidies (Section 8 vouchers) should be sought. A project based rent subsidy program using Section 8 vouchers is currently being developed.

Public Comments and Responses (cont.)

Comment	Source	Response
Landlords should be educated about the Section 8 program.	AHEAD Inc.	The NHHFA periodically conducts outreach campaigns designed to interest landlords in participation in the Section 8 program. In addition, owner briefing packets which explain the program, are distributed to those interested in participating.
Multi-family projects are hard to develop and have high risk.	AHEAD Inc.	NHHFA provides technical assistance loans to assist in the development of multi-family projects. In addition, both OSP and NHHFA provide funding to the New Hampshire Community Loan Fund to support the training of the nonprofit housing network members.
The data for the length of stay in shelters understates the problem. We are seeing more “intact families”, the working poor, at the shelter.	Friends Emergency Shelter Program	The homeless shelter providers report the average length of stay on an annual basis. The latest data available reflects the period ending June 30 th 2000 and indicates a one year increase from 35 to 38.5 days. Given the current housing market and the difficulty in placing families (requiring larger units) in permanent housing, it is likely that the average length of stay will continue to increase.
There are more calls for assistance from poor elderly as rents are increasing for those on fixed incomes.	The Way Home Inc.	More housing needs to be constructed for low income, special needs and assisted living populations.
There has been an increase in the number of people with serious medical needs and the handicapped seeking shelter.	The Way Home Inc.	Closer controls need to be placed on organizations that discharge a person to homeless shelters. Shelters are inappropriate for persons with serious mental illnesses.

Public Comments and Responses (cont.)

Comment	Source	Response
We believe there has been an increase in the number of people who are living in over crowded conditions. The number is difficult to ascertain. They often have no rights since they are not on the lease. They jeopardize the tenancy of the leaseholder as well.	The Way Home Inc.	The 1990 Census data shown in Tables A & B below includes the percent of very low income households with housing problems. Overcrowding is considered a housing problem, but the data does not reflect the current conditions. The current tight rental housing market has forced some households to seek alternative living arrangements.
Incomes for the mentally disabled are extremely low and that population is not well served.	Fellowship Housing Opportunities Inc.	The mentally disabled are considered part of the “special needs” population and are a high priority.
The application process for access to housing development funds is too cumbersome.	Fellowship Housing Opportunities Inc.	Housing development is a complex process requiring knowledge of real estate, finance and the market. It becomes a greater challenge when using public subsidies, which increase the need for accountability and require targeting of the resources to match the goals of the funding sources. As a result, service providers wishing to develop housing for their clients are encouraged to partner with a housing developer. The Special Needs program within the HOME program is designed to encourage project sponsors to bring together development, property management, and service expertise around a project that is less advanced than those in a regular funding round. Technical assistance funding is then available to the selected projects.

Public Comments and Responses (cont.)

Comment	Source	Response
There should be greater recognition of the need for supportive services to be provided to formerly homeless families as they transition to permanent housing. Many households need this support for years to prevent recycling through the homeless system. Many resources (such as mental health care, substance abuse, budgeting, etc.) are available to some degree or another but someone needs to work with clients on an ongoing and comprehensive basis.	Tri-County Community Action	There is clearly a need for a long term, stable funding source for supportive services. This would make those needing the services more competitive in the housing market and allow housing developers to more confidently match the availability of those services with the term of their project financing.
There is very limited economic development data to support the non-housing community development priorities.	Southwest Region Planning Commission	Additional data has been added to the Plan that reflects the trends in employment since 1990 and supports the need for increased job quality in the state. In addition, the State Development Plan that is scheduled for released by the Governor's Office in the next 3 months, will have additional data to support the priorities. As noted above, OSP will study possible changes to the method of distribution of CDBG funds. The present scoring system does award higher points for better quality jobs.
More funds are needed for lead hazard control.	The Way Home Inc.	With the recent promulgation of 24 CFR part 35, <u>Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance</u> , more funds will likely be used for newly required lead-based paint hazard reduction activities.

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Homeless and Housing Needs Assessment

Housing Needs

In order to meet the HUD regulation, the consolidated plan must include housing data based on the U.S. Census, as provided by HUD. The data may be updated by a properly conducted study. The data must include estimates on the number and type of families in need of housing assistance for extremely low income, low income, moderate income, and middle income families, for renters and owners, for elderly person, for single persons, and for large and small families. The data is based on cost burden (paying over 30% of income for housing), overcrowding and substandard housing conditions. The required data is shown in tables A and B below. The source of the data is the 1990 Census. The state does not conduct a census and therefore the data cannot be updated. As new data become available from the 2000 Census, an analysis will be undertaken to determine if the needs seen here are significantly different and if so, the Consolidated Plan will be amended. The most relevant data available to assess the housing needs in the state is included in the Housing Market Analysis below. Much of that data is derived for the annual statewide rental cost survey conducted by the NHHFA and purchase price information from the New Hampshire Department of Revenue Administration.

In general there is a tight housing market which is pushing up housing costs. The rental market is the most affected and those with the lowest incomes (less than 50% of the median) are feeling the greatest impact.

Table A
Housing Problems Among Renter Households

Very Low Income Households with Housing Problems
(high cost burden, overcrowding, and/or substandard unit)

		ALL	ELDERLY	SMALL	LARGE
		HOUSEHOLDS		RELATED	RELATED
All	(Percent)	73.5%	59.0%	83.2%	83.0%
	(Number)	30,123	9,454	9,445	1,973
Minority Households	(Percent)	81.2%	81.7%	80.5%	88.0%
	(Number)	1,380	125	589	257
Black Households	(Percent)	79.4%	67.3%	80.9%	100.0%
	(Number)	367	33	174	61
Hispanic Households	(Percent)	82.4%	83.6%	77.2%	85.6%
	(Number)	588	51	237	125

Table A - Housing Problems Among Renter Households (cont.)**Households with High Cost Burdens (greater than 30% of gross income)**

		ALL	ELDERLY	SM. AND LG.	ALL
		HOUSEHOLDS		RELATED	NON-ELDERLY
Very Low Income	(Percent)	71.9%	58.0%	81.3%	81.0%
	(Number)	29,468	9,303	11,171	20,164
Extremely Low Income	(Percent)	71.0%	57.0%	87.7%	83.1%
	(Number)	15,989	5,940	5,451	10,049
Other Very Low Income	(Percent)	73.0%	60.0%	76.0%	78.7%
	(Number)	13,479	3,362	5,720	10,117
Low Income	(Percent)	47.0%	52.0%	41.5%	46.0%
	(Number)	13,205	1,854	5,787	11,351
Moderate Income	(Percent)	17.0%	25.0%	14.9%	16.0%
	(Number)	2,451	267	1,162	2,184
Total Very Low, Low and Moderate Income	(Percent)	54.0%	55.3%	51.1%	53.6%
	(Number)	45,124	11,424	18,120	33,699

Households with Severe Cost Burdens (greater than 50% of gross income)

		ALL	ELDERLY	SM. AND LG.	ALL
		HOUSEHOLDS		RELATED	NON-ELDERLY
Very Low Income	(Percent)	44.3%	31.0%	48.8%	52.0%
	(Number)	18,150	5,049	6,711	13,101
Extremely Low Income	(Percent)	56.0%	35.0%	74.6%	74.1%
	(Number)	12,611	3,648	4,635	8,964
Other Very Low Income	(Percent)	30.0%	25.0%	27.6%	32.2%
	(Number)	5,539	1,401	2,076	4,138
Low Income	(Percent)	4.0%	8.0%	3.0%	3.0%
	(Number)	1,124	285	418	838
Moderate Income	(Percent)	1.0%	2.0%	0.1%	1.0%
	(Number)	144	21	11	123
Total Very Low, Low and Moderate Income	(Percent)	23.3%	26.0%	20.1%	22.0%
	(Number)	19,418	5,355	7,140	14,062

Table B - Housing Problems Among Home Owner Households**Very Low Income Households with Housing Problems
(high cost burden, overcrowding, and/or substandard unit)**

		ALL		SMALL	LARGE
		HOUSEHOLDS	ELDERLY	RELATED	RELATED
All	(Percent)	68.7%	63.9%	76.1%	82.8%
	(Number)	25,991	14,698	6,535	1,723
Minority Households	(Percent)	79.8%	79.2%	74.1%	82.5%
	(Number)	339	95	120	52
Black Households	(Percent)	92.4%	90.5%	100.0%	100.0%
	(Number)	85	19	18	7
Hispanic Households	(Percent)	84.1%	91.2%	80.3%	100.0%
	(Number)	95	31	49	12

Households with High Cost Burdens (greater than 30% of gross income)

		ALL		
		HOUSEHOLDS	ELDERLY	ALL OTHERS
Very Low Income	(Percent)	67.1%	62.7%	73.8%
	(Number)	25,404	14,430	10,945
Extremely Low Income	(Percent)	79.0%	79.0%	78.0%
	(Number)	13,018	8,314	4,644
Other Very Low Income	(Percent)	58.0%	49.0%	71.0%
	(Number)	12,386	6,116	6,301
Low Income	(Percent)	39.0%	16.0%	52.0%
	(Number)	15,311	2,215	13,215
Moderate Income	(Percent)	35.0%	12.0%	42.0%
	(Number)	8,876	664	8,327
Total Very Low, Low and Moderate Income	(Percent)	48.4%	40.8%	54.1%
	(Number)	49,591	17,309	32,487

Table B - Housing Problems Among Home Owner Households (cont.)**Households with Severe Cost Burdens (greater than 50% of gross income)**

		ALL		
		HOUSEHOLDS	ELDERLY	ALL OTHERS
Very Low Income	(Percent)	37.9%	29.4%	51.8%
	(Number)	14,353	6,760	7,687
Extremely Low Income	(Percent)	56.0%	50.0%	68.0%
	(Number)	9,228	5,262	4,049
Other Very Low Income	(Percent)	24.0%	12.0%	41.0%
	(Number)	5,125	1,498	3,638
Low Income	(Percent)	12.0%	3.0%	17.0%
	(Number)	4,711	415	4,320
Moderate Income	(Percent)	7.0%	3.0%	8.0%
	(Number)	1,775	166	1,586
Total Very Low, Low and Moderate Income	(Percent)	20.3%	17.3%	22.6%
	(Number)	20,839	7,341	13,593

Homeless Needs

In New Hampshire, there are three Continuums of Care: Manchester, Nashua, and the Balance of State. The State of New Hampshire's Balance of State Continuum of Care has been redesigned and a more efficient structure has been developed that includes the involvement of over 2000 grassroots community based organizations that provide homeless services in every part of the state. Together, they make up a seamless delivery system that provides a comprehensive array of housing and supportive services that assist the homeless. Developed in collaboration with the Office of Homeless and Housing Services, NH's Balance of State Continuum of Care is governed by a Coordinating Committee comprised of representatives selected from each of the state's nine regional service delivery systems. The Coordinating Committee also represents the Balance of Hillsborough County not covered by the Manchester and Nashua Continuums. Representatives from both the Manchester and Nashua Continuums attend the Balance of State Continuum meetings in order to coordinate activities.

A variety of different sources and methods have been employed in order to accurately measure the number of homeless people living within jurisdictions served by NH's Balance of State Continuum of Care. This methodology is required because the general geographic makeup of the Continuum is a mix of rural and urban areas. Therefore, the most practical way to develop an accurate and complete gaps analysis is to allow each individual Regional Service Delivery System to develop its own plan for conducting a point-in-time data collection. Information is then provided on the number of homeless people in the jurisdiction and the particular needs in relationship to the number and type of homeless people identified. In certain jurisdictions within the Continuum, questionnaires were sent to homeless providers who conducted their own point-in-time count and reported the results to their Regional Service Delivery System. All data has been tabulated at the regional level and forwarded to the Continuum of Care for analysis and dissemination to appropriate sources. Please note that the date of collection was not unified and varied in different regions of the Continuum. With the recent redevelopment of the Continuum, future efforts at conducting an assessment of the number of homeless people will be done at the same time using a tool that is uniformly appropriate for the task. This will assure consistency across the Continuum and avoid any possibility of duplication.

The following is a list of data sources, methods, dates of collection time and whether street counts and/or shelter counts were used by Regional Services Delivery Systems to document the number of homeless people.

Data Source	Method	Date of Collection	Street Count	Shelter Count
Cheshire County	Street Canvass	9/9/99	X	
Cheshire County	Survey	9/9/99		X
Sullivan County	Street Canvass	7/29/99		X
Sullivan County	Survey	7/29/99	X	
Upper Valley	Survey	3/27/00	X	X
West Rockingham County	Survey	3/26/00	X	X
Strafford County	Survey	3/27/00		X
Strafford County	Questionnaire	1/00	X	
Grafton County	Survey	4/26/00	X	X
Grafton County	Survey	4/26/00	X	X
Coos County	Survey	4/24/00	X	X
Coos County	Survey	4/25/00	X	X
Upper Grafton County	Survey	4/25/00	X	X
Upper Grafton County	Survey	4/26/00	X	X

The Gaps Analysis Chart was developed and core groups comprised of representatives from each of the Continuum's Regional Service Delivery Systems completed a quantitative analysis of the results prior to submission to the Coordinating Committee for further analysis and final tabulation. Each service delivery system developed its own plan using information resulting from technical assistance training and seminars conducted by the State. Each group used a logical and fair approach that included ground rules for participation and decision-making. Special meetings were held for the specific purpose of developing objective criteria eventually used to assess relative needs throughout the community. The task of analyzing qualitative criteria was eventually used to prioritize gaps in service. The qualitative criteria used to develop a priority list for unmet needs included:

- A review of the relative needs among the region's homeless populations;
- A review of vulnerability of various population groups, including a review of the age, disability, treatment needs, and other criteria that apply to the region;
- A review of the various homeless groups that are currently not served, and the development of a comparison between housing resources currently in place versus apparent needs identified;
- Determination of whether needs are growing and the development of an estimate of the timeframe needed to begin meeting needs;
- Review of hospital records, information provided by treatment facilities, police and welfare reports and referrals.

Following a comprehensive review of the information provided, members of the core committee responsible for prioritizing unmet needs met to determine relative priority for each category listed in the Gaps Analysis below.

Table C
Continuum of Care: Gaps Analysis

Individuals

		Estimated Need	Current Inventory	Unmet Need/ Gap	
Beds Units	Emergency Shelter	460	171	289	
	Transitional Housing	385	189	196	
	Permanent Supportive Housing	3,035	1,914	1121	
	Total	3,880	2,274	1,606	
Supportive Services Slots	Job Training	669	197	472	
	Case Management	872	366	506	
	Substance Abuse Treatment	411	216	195	
	Mental Health Care	468	184	284	
	Housing Placement	810	255	555	
	Life Skills Training	748	227	521	
	Other Transportation	375	129	246	
	Other				
	Sub-Populations	Chronic Substance Abuse	626	246	380
		Seriously Mentally Ill	727	286	441
Dually-Diagnosed		324	227	97	
Veterans		116	58	58	
Persons with HIV/AIDS		67	55	12	
Victims of Domestic Violence		579	528	51	
Youth		119	60	59	
Other Waiting for SSI		190	51	139	
Persons in Families With Children					
Beds/Units	Emergency Shelter	333	160	173	
	Transitional Housing	302	92	210	
	Permanent Supportive Housing	3,790	2,435	1,363	
	Total	4,433	2,687	1,746	
Supportive Services Slots	Job Training	672	225	447	
	Case Management	7,137	1,939	5,198	
	Child Care	417	239	178	
	Substance Abuse Treatment	200	24	176	
	Mental Health Care	124	42	82	
	Housing Placement	2,513	474	2,039	
	Life Skills Training	753	262	491	
	Other, Transportation	16	6	10	
	Other				
	Sub-Populations	Chronic Substance Abuse	219	101	118
Seriously Mentally Ill		126	59	67	
Dually- Diagnosed		64	23	41	
Veterans		85	63	20	
Persons with HIV/AIDS		35	14	20	
Victims of Domestic Violence		666	605	667	
Other		126	90	36	

Special Needs of Non—Homeless			
Sub-Populations	Priority Need		Estimated Number
	High, Medium, Low		
	31% to 80% MAI	Very Low Income	
Elderly	L or M	M	147,796
Frail Elderly	H	H	4,266
Severe Mental Illness	M	H	6,850
Developmentally Disabled	M	H	8,100
Physically Disabled	H	H	27,744
Persons w/ Alcohol/Other Drug Addictions	M	H	5,000
Persons w/ HIV/AIDS	M	H	521

* Elderly is not considered a Special Need Sub-Population.

With the exception of the general category of Elderly, the estimated number of non-homeless special needs persons is shown above. In the estimate, the Frail Elderly shown here were considered to be those elderly over the age of 85 and requiring assistance with 1 or more Activities of Daily Living (ADL's). The number significantly increases (14,100) when considering those who are 65 years and older. The estimate was prepared utilizing independent and assisted living need indicators for New Hampshire. The estimate for Severely Mental Illness is based on information provided by the State Department of Health and Human Services and includes 3,081 SPMI, 1,516 SMI, and 2253 low utilizers who are in treatment. There are approximately 8100 persons served who are Developmentally Disabled. It is assumed that this population is housed. The estimate of the physically disabled is based on the U.S. Census, Americans With Disabilities, Current Population Report for 1997 and adjusted to reflect only the physically disabled requiring assistance with 1 or more ADL's. Persons with Alcohol or Other Drug Addition are estimated to be 5,000 based on treat totals. Finally, there were 885 reported cases of HIV/AIDS from 1983 to 2000, with 32 new cases reported in 2000. Of that number, 396 have died. (Other documentation estimates the infection rate to be as high as 1,300 to 1,500.)

Lead Paint Hazards

Utilizing 1990 Census figures for housing, as analyzed by CHAS (Comprehensive Housing Affordability Strategy) and HUD formulas, it is estimated that 228,330 of NH's year round housing units contain lead-based paint. Of these units an estimated 1/3 are rental units. Fully 88% (66,780) of the rental units are occupied by very low and low income families.

The New Hampshire Childhood Lead Poisoning Screening and Management Guidelines published by the New Hampshire Department of Health and Human Services in December 1998 indicate that:

In New Hampshire, the leading risk factor for lead poisoning in children is living in an older home, particularly homes built before 1950. Nearly ninety percent of the environmental inspections performed by the Department in response to the poisoning of a child identify a lead paint hazard in the home.

Another important risk factor for lead poisoning in New Hampshire is poverty. While New Hampshire is not a poor state overall, it does have communities with high rates of poverty. According to the most recent phase of the National Health and Nutrition Examination Survey (NHANES), children enrolled in Medicaid were more than three times as likely to have high blood lead levels as compared to children not receiving care under Medicaid.

In 1997, 22 percent of the approximately 77,000 New Hampshire children less than age six had a blood lead test. The rate of testing varies greatly with age. While 67 percent of the one year olds were tested, only 25 percent of the two year olds, and less than nine percent of the older children were tested

In 1997, 17,661 children less than age six were screened resulting in 230 new lead poisoning cases, defined as blood lead levels $\geq 15 \mu\text{g/dL}$. Of these cases, 97 were among the one and two year old population. The two to five year olds tested to date are selectively tested due to a known exposure or risk, a previously elevated blood lead level or were not tested at a younger age. They do not accurately reflect the total population of that age group.

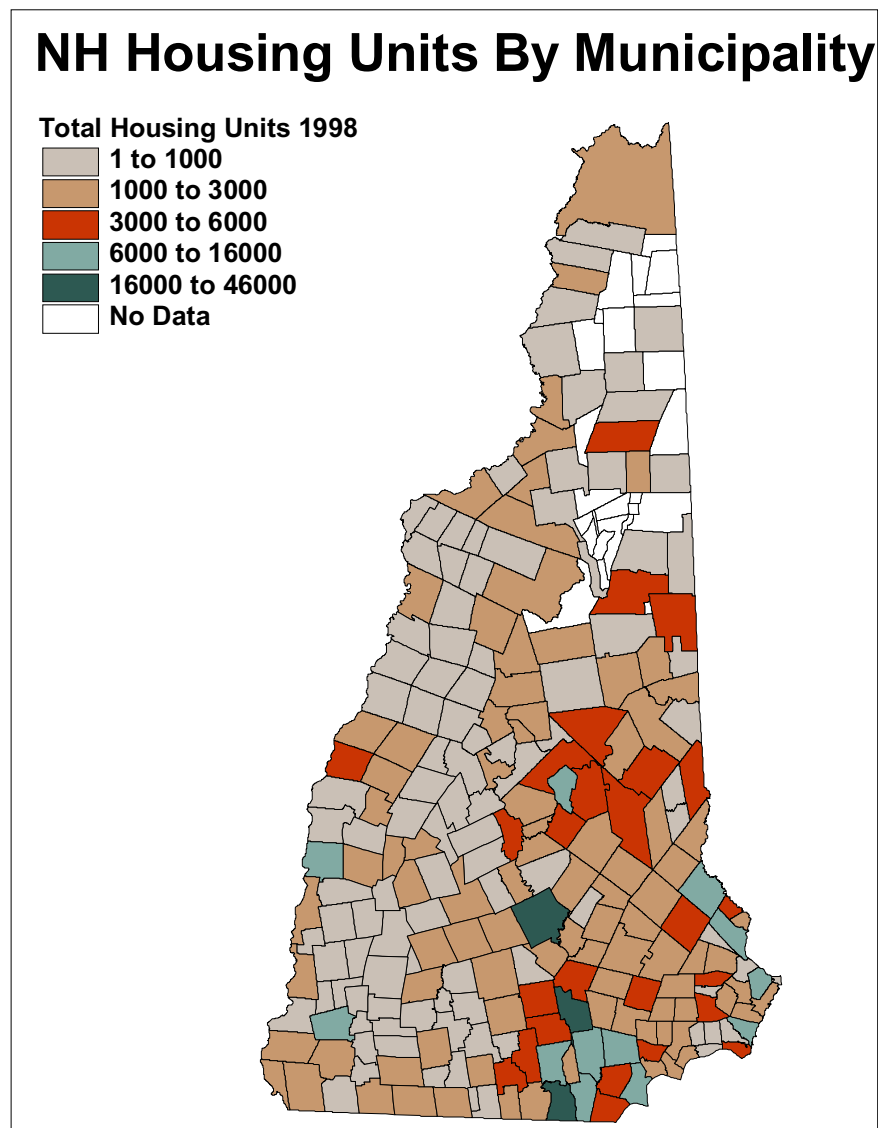
In 1997, four percent of New Hampshire one year olds tested, and 10 percent of two year olds tested, had an elevated blood lead level. Among children enrolled in Medicaid who were tested, 16 percent of one year olds and 23 percent of two year olds had elevated blood lead levels. In 1998, there are more than 700 children with elevated blood lead levels in active case management.

Housing Market Analysis

Overview

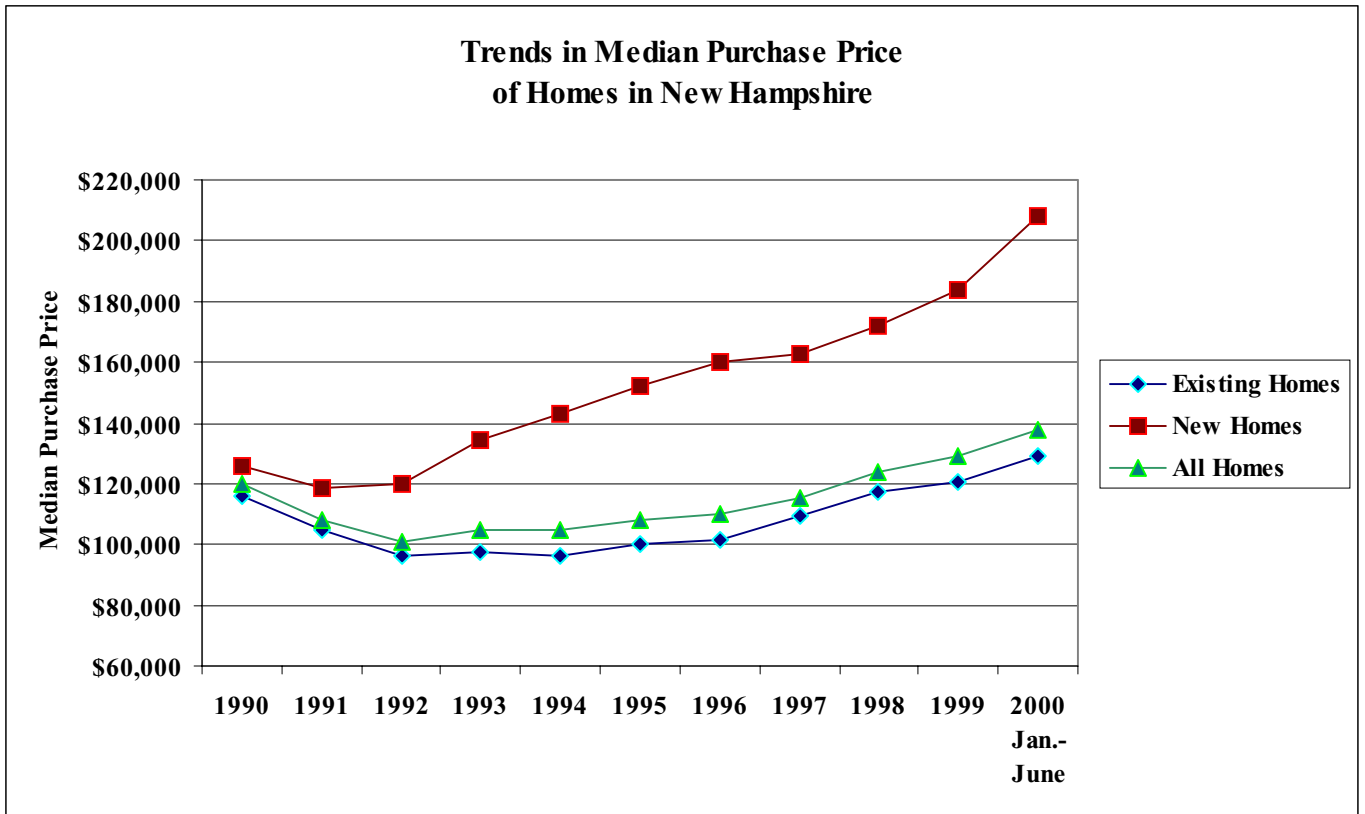
Demographic, housing and general economic data relevant to the analysis of housing conditions in New Hampshire is published as a separately bound volume entitled Selected Housing Data, Appendix to the State of New Hampshire Consolidated Plan 2001-2005. The Appendix includes statewide and regional data and it is the intention of NHHFA to update this data from time to time as appropriate.

There are approximately 450,000 occupied housing units in the State of New Hampshire. Of that number, approximately 70% or 315,000 are owner occupied and 30% or 135,000 are renter occupied. In addition there are approximately 60,000 seasonal units.



Owner Occupied Housing

In 1999 New Hampshire ranked 4th in the nation in home price appreciation. HUD’s Office of Federal Housing Enterprise Oversight reported that New Hampshire’s appreciation rate for 1999 was 10.4%, second in New England only to Massachusetts and up from 7.2% in 1998. The trend in median purchase prices for homes also indicates increasing costs, especially in new home construction.

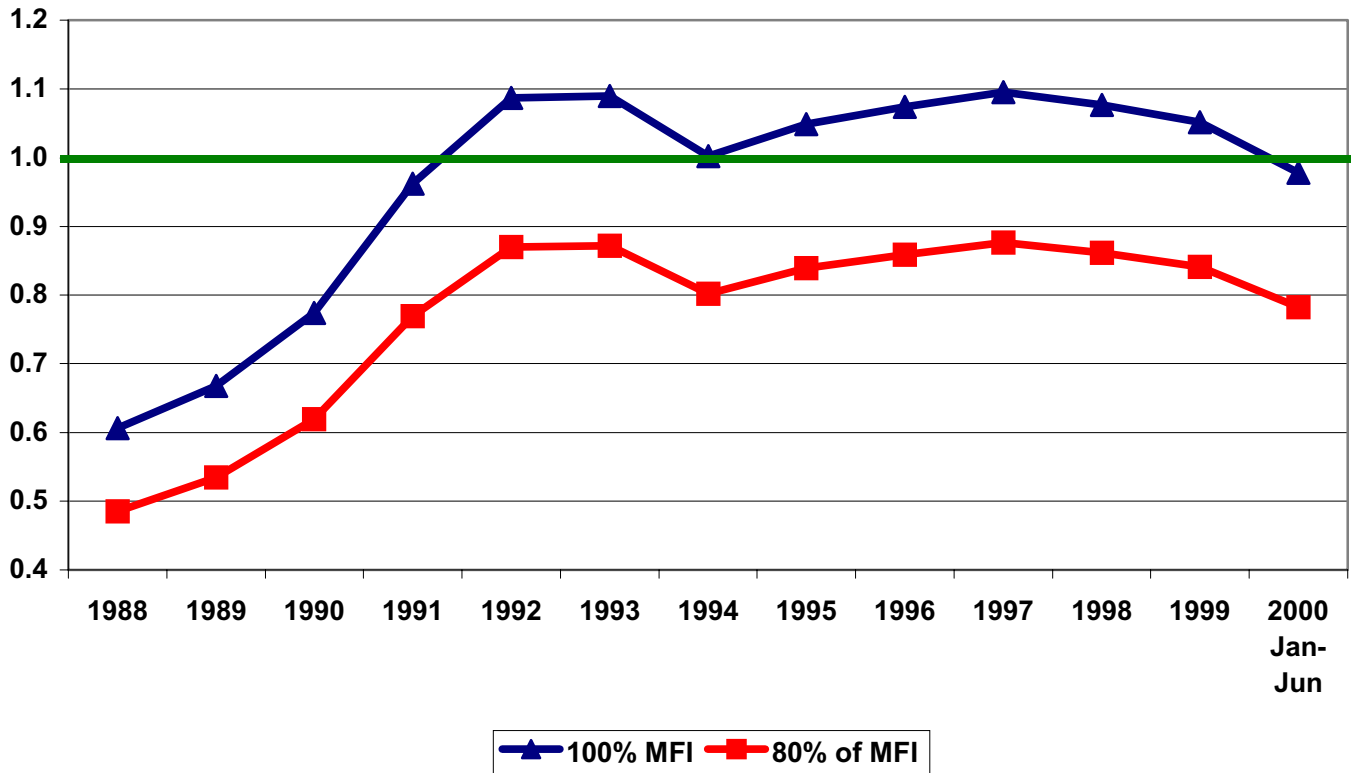


The median purchase price for a newly constructed home is \$208,000 as compared to \$129,000 for an existing home. While this difference is great, the number of newly constructed owner occupied homes is not sufficient to significantly raise the median price of all homes.

The NHHFA analysis of affordability indicates that for most of the decade more than half of the single family units in the state are affordable to median income families, but affordability is waning as demand pushes prices up. Newly constructed units are well beyond affordable to median income families.

In the analysis, affordability was based on paying no more than 28% of a family income for loan principal, interest, taxes and insurance. The index generated is a ratio of 28% of the selected income to the monthly housing cost of the median priced home. On the following chart, points above the 1.0 mark on the vertical axis indicate the affordability of more than half the units sold in that year.

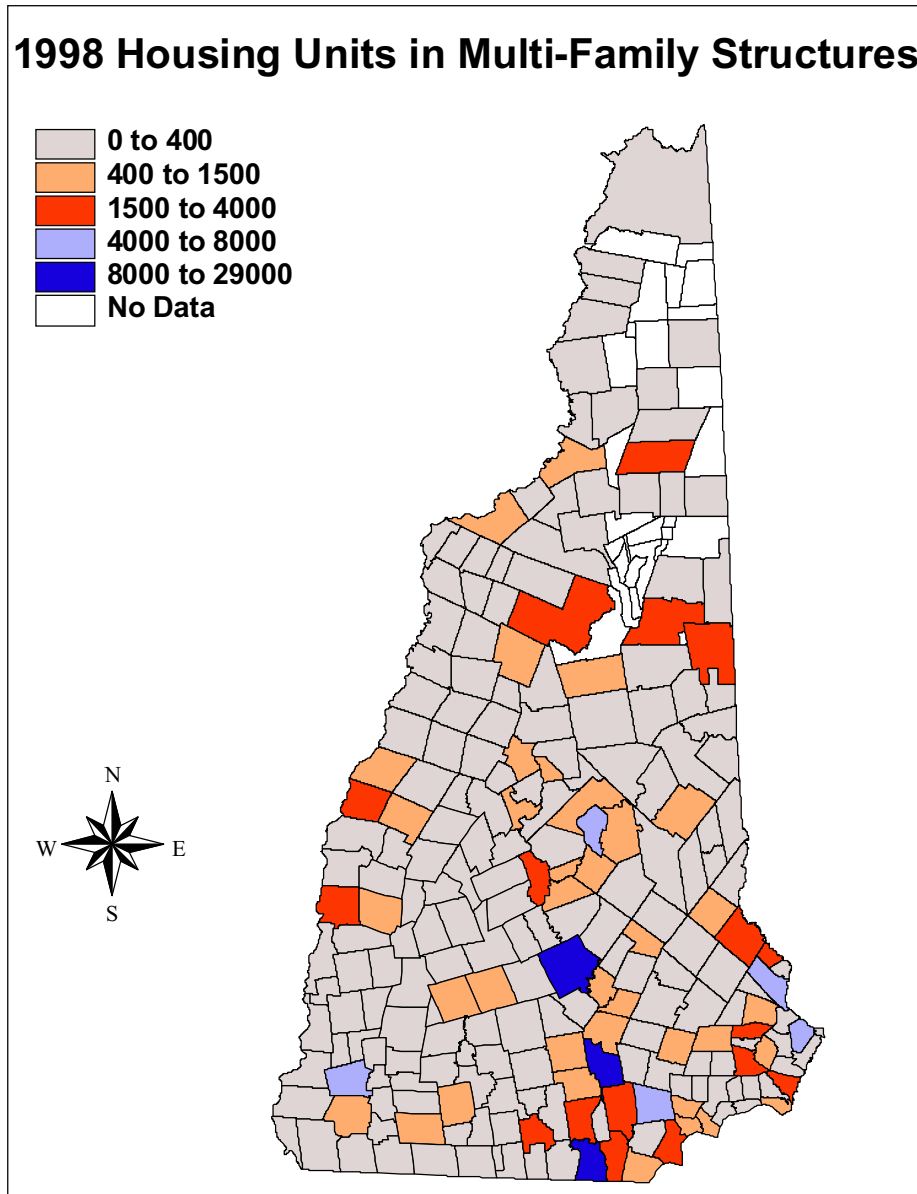
Index of Home Purchase Affordability In New Hampshire Ratio of Affordable Payment to Cost of Median Price Home



During the late '80's real estate prices were high but dropped with the recession. As a result, purchase prices became more affordable, especially for those households earning more than the median income. While incomes and the number of jobs began to climb in 1991 and 1992, purchase prices also began to climb and thus affordability remained relatively flat for most of this decade. Most recently, a shortage of housing has pushed prices higher with a concurrent rise in mortgage interest rates. The outcome can be seen above as a downward trend in affordability since 1997.

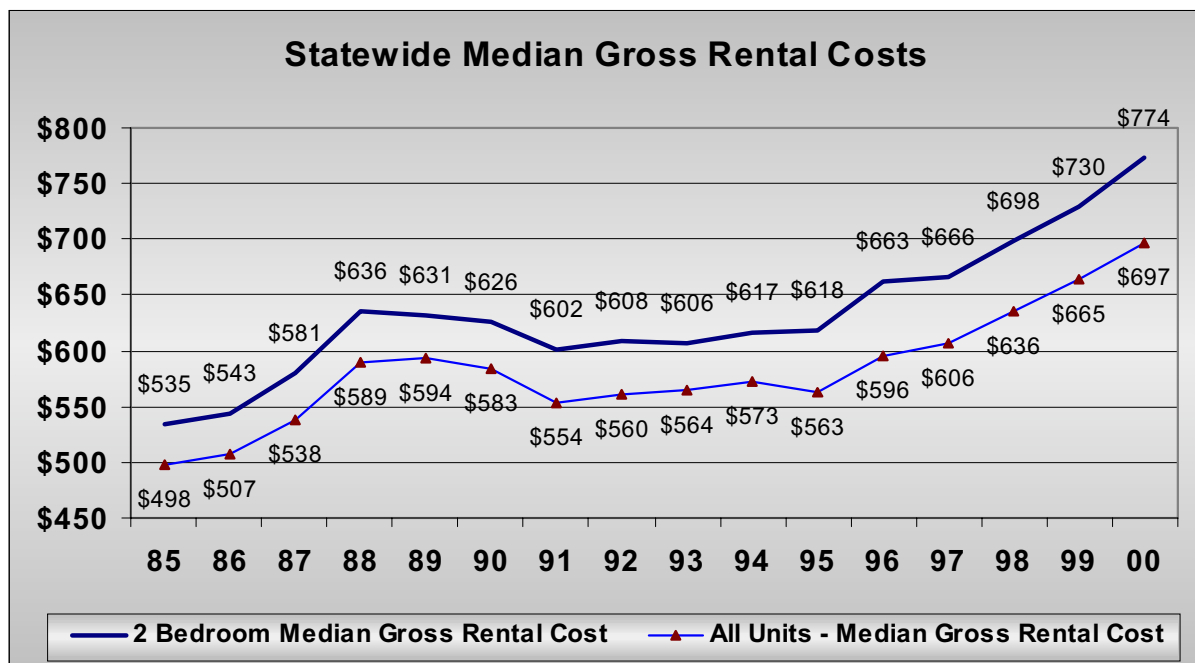
Rental Housing

New Hampshire is still predominantly a rural state, with concentrations of units in multi-family structures in larger cities and towns and along major highways. (Note that the high number of units in multi-family structures in the north-central section of the state (except Berlin) reflects seasonal condominiums.)



Annually, the NHHFA conducts a rental housing cost survey in order to monitor costs, provide information and housing data to users and to support NHHFA program administration (i.e. the Section 8 Rental Subsidy Program).

The Authority typically obtains information on 27,000 to 28,000 rental units across the state. Rental properties polled were either included in the previous year's survey or were added to the polling list from newspaper advertisements published during the year. For purposes of determining median rents, only a portion of units from projects with more than ten units have been used so as not to bias the results towards larger complexes. As a result, the calculation of median rents is based on a total sample of approximately 10,000 units. Gross rents are calculated for each property polled by adding dollar allowances for those utilities the tenant is expected to pay. The addition of allowances for tenant paid utilities has the effect of standardizing rental costs. The Authority determines these utility allowances at the time of the rental survey. They are based on physical consumption allowances determined by HUD and current energy costs as determined by a survey conducted by the Authority. The complete rental cost survey is available on the Internet at www.nhhfa.org.







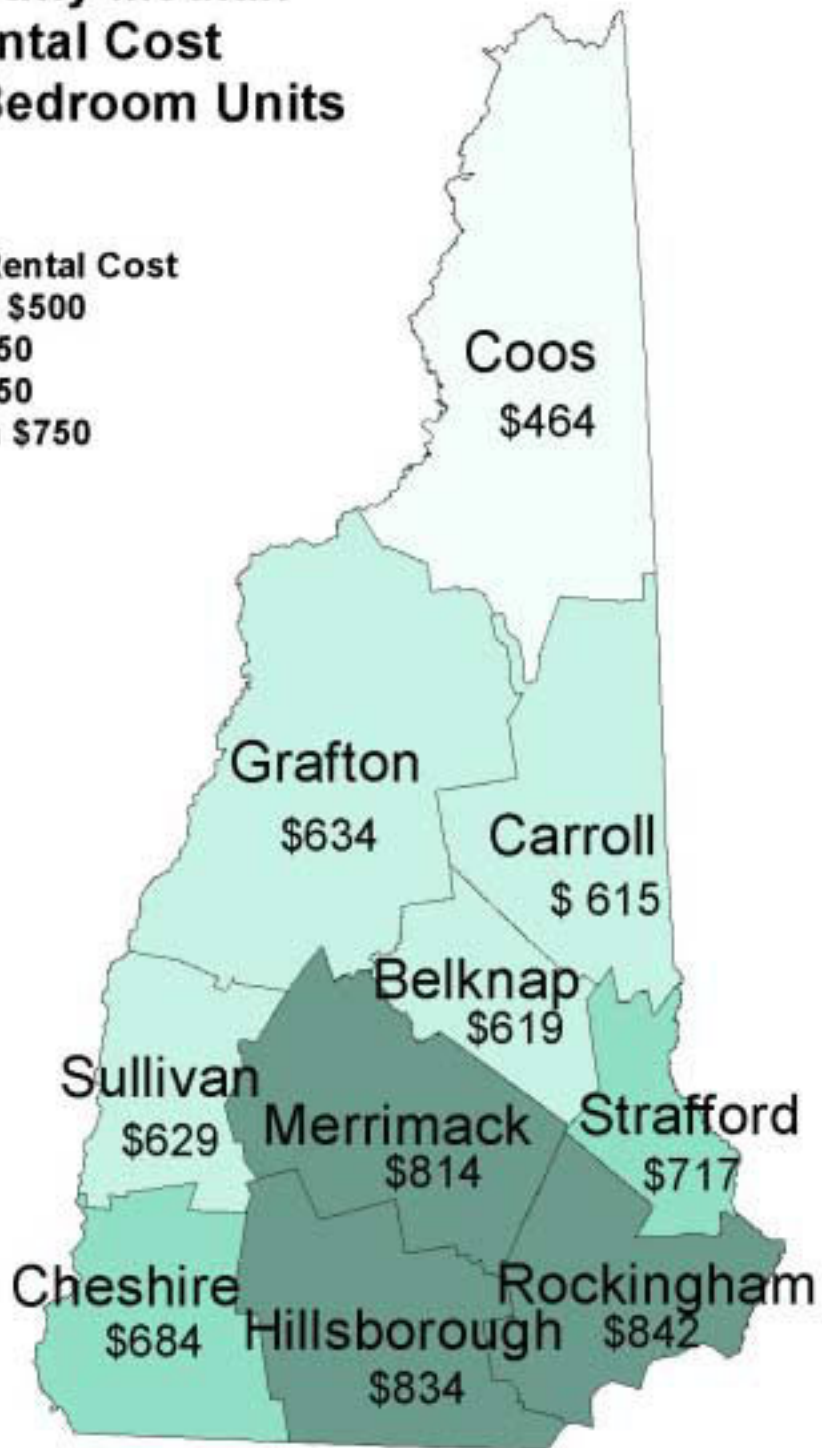
From 1999 to 2000 there was a 6% increase in the gross rental cost of 2 bedroom units and a 5% increase in all units. Half of the 2 bedroom units in the state have gross rental costs of over \$774.

Eighty percent of the units in the survey had gross rental costs of more than \$634. Rental Costs decrease with distance from the Boston labor market. Therefore, southern New Hampshire has the highest rental costs.

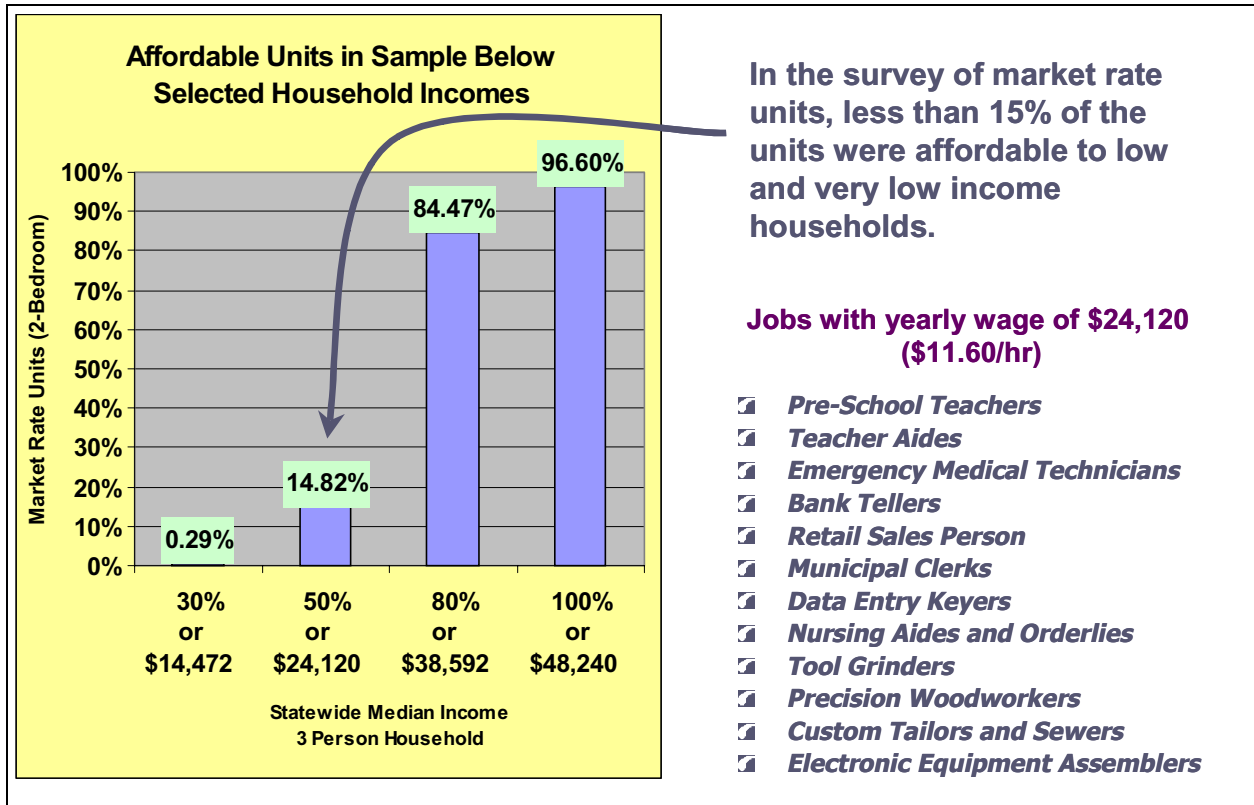
2000 Monthly Median Gross Rental Cost for Two Bedroom Units

Median Gross Rental Cost

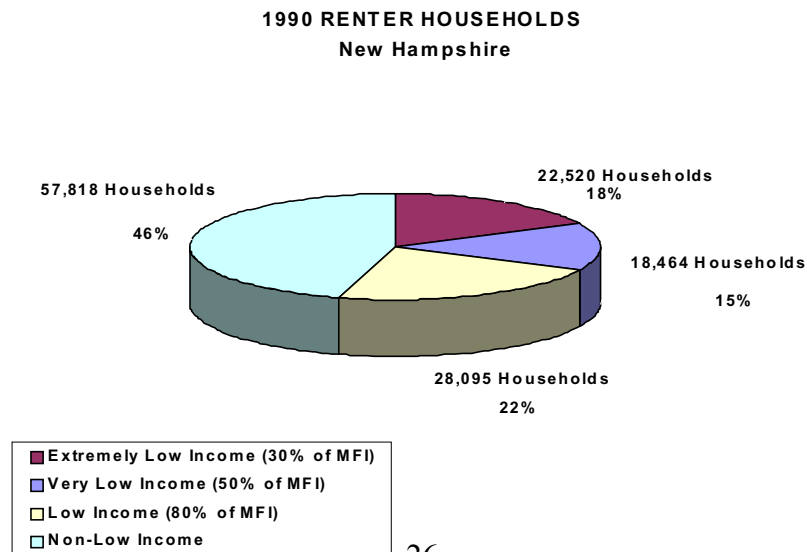
-  Less Than \$500
-  \$500 to \$650
-  \$650 to \$750
-  More Than \$750



The NHHFA analyzed the affordability of the units in the survey. While families earning 80% of the median family income could afford more than 84% of the market rate rental units, those families earning 50% or below could afford less than 15% of the units. As in the affordability analysis of home ownership, paying no more than 30% of family income for housing costs was considered affordable.

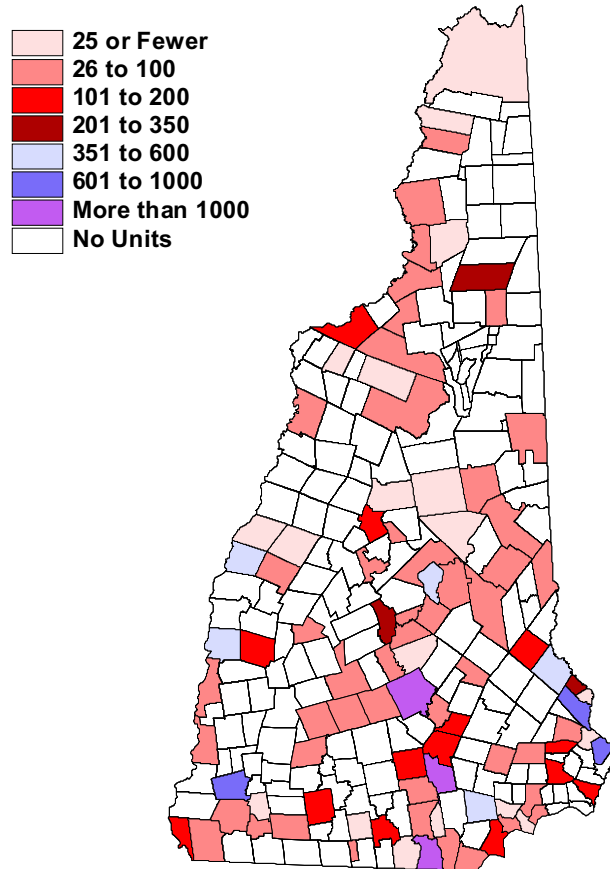


The size of the population that is affected by this lack of affordable units is estimated with data from the 1990 Census. At that time, 1/3 (41,000) of the renter households earned less than 50% of the median family income. If the proportion holds true for 2000, the number of households below 50% would be approximately 45,000.



Based on the rental cost survey, families and individuals with incomes below 50% of the median have very limited affordable housing choices. Some of that population lives in rent assisted (controlled) units that are publicly and privately owned.

Rent Assisted Housing Units

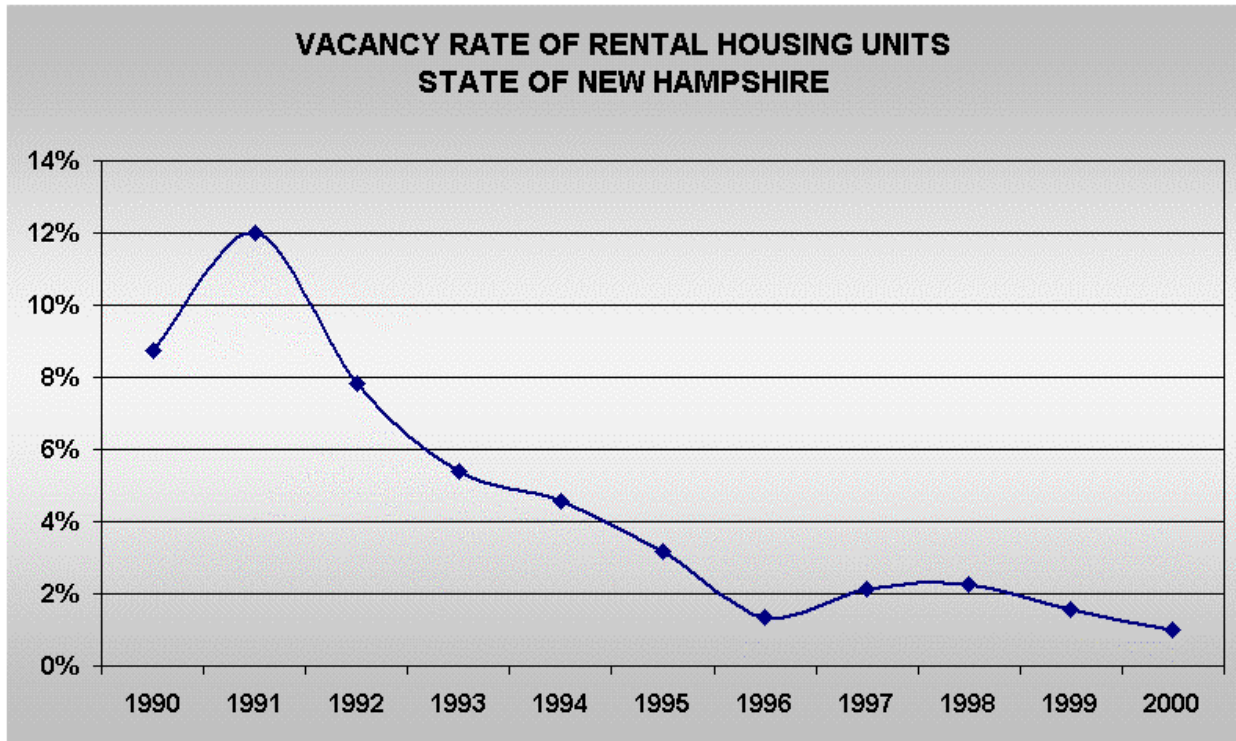


There are 17,272 rent assisted units in the state. These units serve households with incomes as high as 80% of the median. Elderly households occupy about 56% of those units. In addition, there are Section 8 Rental Vouchers and Certificates that provide rent subsidies. Some portion of those vouchers and certificates are used in the rent assisted units.

Some of the low income households (50% median family income) live in non-market rate units as in the case of a relative or an elder long-time tenant; however, it is most likely that the majority of low income households are over paying for housing. That is, paying more than 30% of their income for housing costs. In some cases this contributes to homelessness. Shelters are reporting an increase in the number of working families being served.

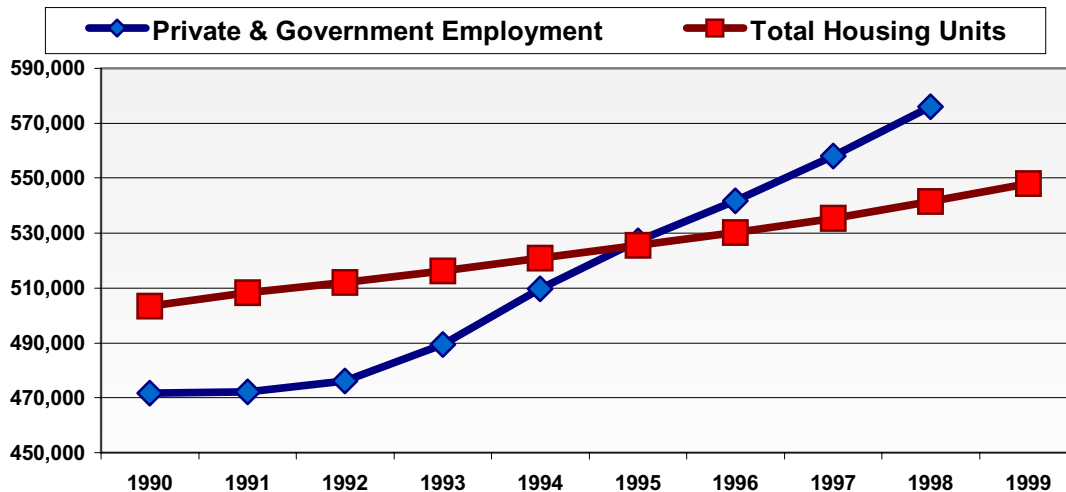
The prolonged economic growth since 1991 has fueled a strong demand for housing. Until about 1995 the market absorbed the surplus of housing that was created by the recession in the late 1980's. By 1996 rental housing vacancy rates were down below 4%. Vacancy rates continued

to drop to the currently reported 1%. Rates below 2% are considered turnover, not true vacancy. This lack of available rental housing results in increasing rental costs.



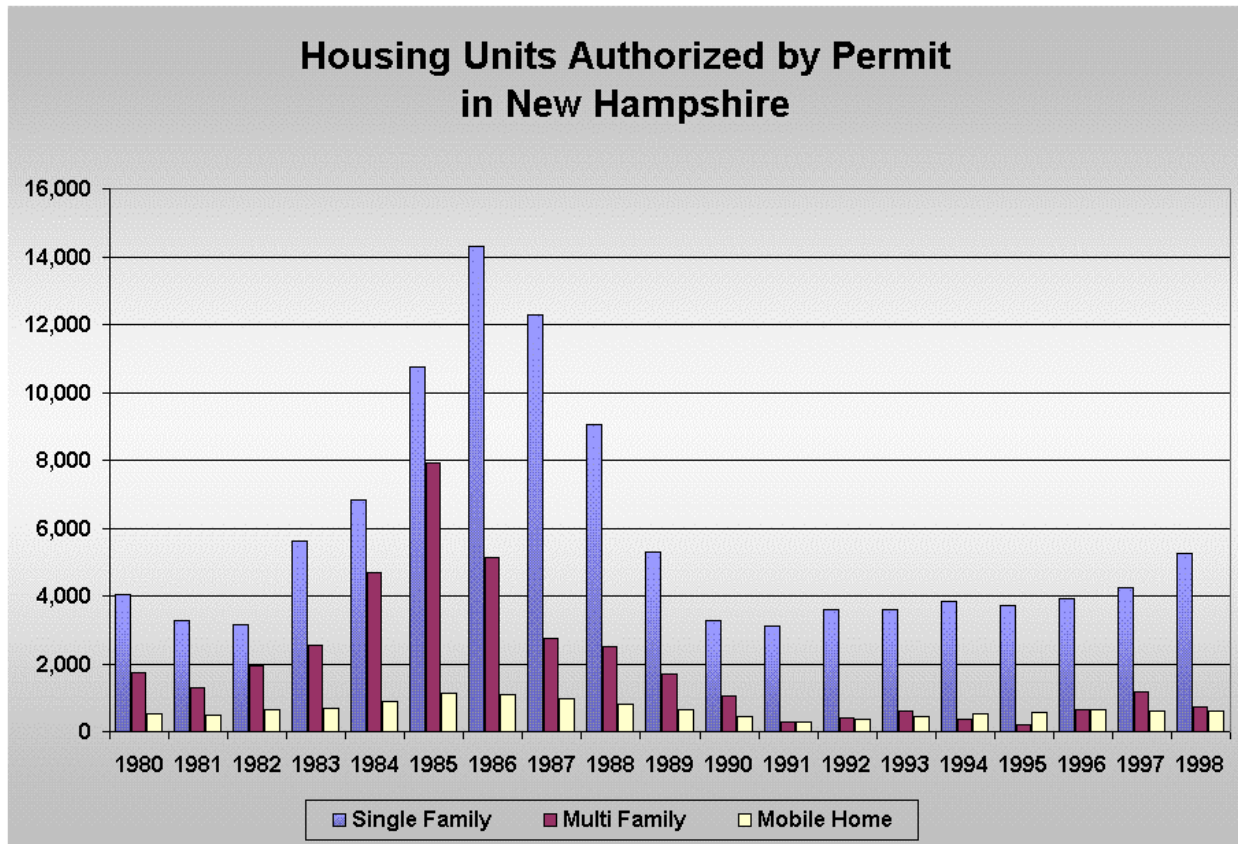
The low vacancy rate is caused by a shortage of rental units. For example, with a 2% vacancy rate and 135,000 rental units in the state, there would be 2,708 vacant units. With a more healthy 5% vacancy rate there would be 6,770 vacant units. In simple terms the state has a shortage of approximately 4,062 rental units. In-migration and family formation make these figures a snapshot of current market condition.

Employment Vs. Housing Units In New Hampshire

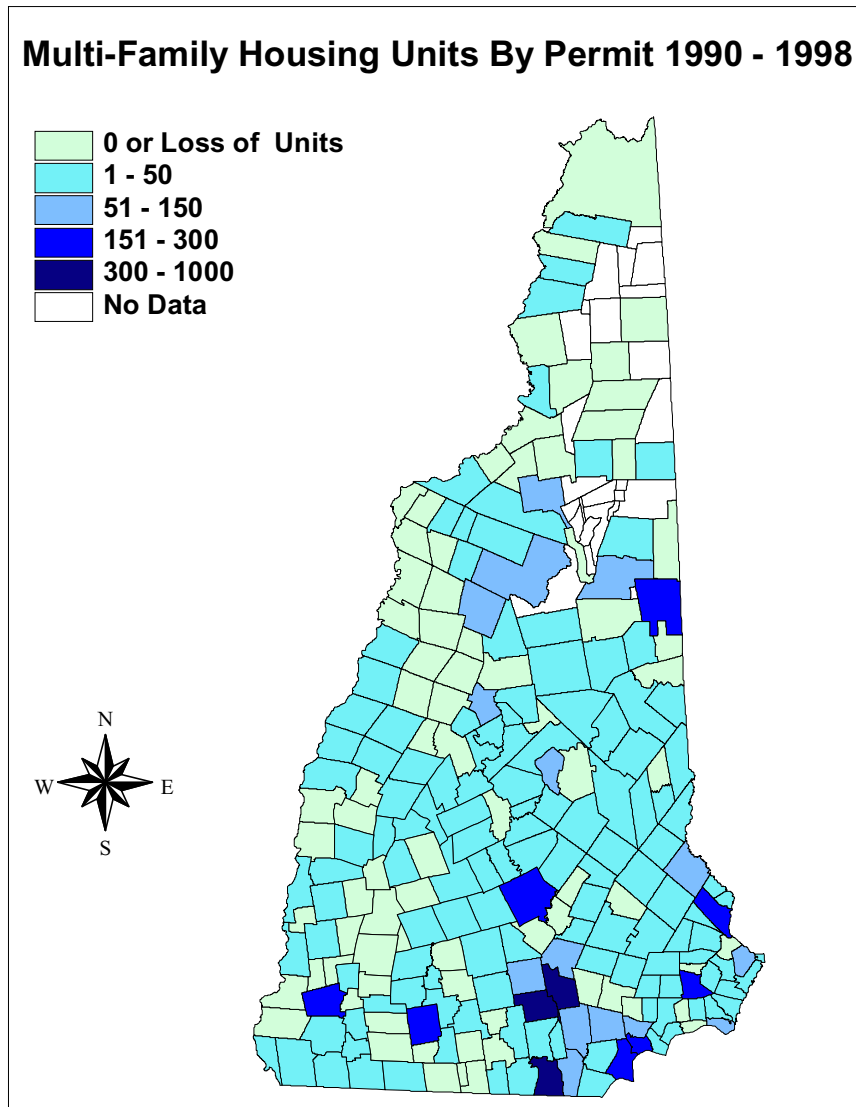


As noted above, strong economic growth since 1991 has fueled housing demand but the production of housing has not kept pace.

Housing production is measured by the Office of State Planning through the collection of building permit data. That data is displayed below. It shows the real estate boom in the late 1980's and the following recession. During the 1990's the production of single family homes returns to normal levels while the production of rental units does not.



From 1990 to 1998 approximately 35,000 single family units were added to the housing stock. During the same time period only 5,000 rental units were added. Rental units made up 12.5% of the total units added rather than a more typical 30%. In fact, many municipalities have seen no gain or even a loss in multi-family housing since 1990.



In short, the lack of rental housing production and the strong economic growth has lead to low vacancy rates and rising rents that place low income renter households at risk of being homeless.

Barriers to Affordable Housing

The primary barrier to affordable housing at this time is the shortage of rental housing stock. As noted above, to raise the vacancy rate to a level that would slow rental increases an additional 4,000 units would need to be added to the stock. Less than 1,000 units per year are now being built and those units are being absorbed rapidly by in-migration and family formation.

The factors that contribute to the shortage in rental housing include:

- Builder Capacity
- Credit Risk
- Land and Material Costs, and
- Perceived and Actual Regulatory Impediments

Since the late 80's there has been a 50% reduction in building trade employment. In addition, there is a current labor shortage. The remaining builders tend to avoid the extended build-out periods of large multi-family projects and thus avoid the risk of market contraction. Therefore builders will favor work on high cost single family construction that is profitable faster and carries less risk, and requires fewer employees. The median price of a newly constructed home is \$208,000.

Banks may also be reluctant to lend to projects with long build-out periods, again, avoiding the risk of market contraction.

Land costs have increased significantly, especially in higher density areas where there is competition from alternative uses. Surrounding municipalities have often chosen to retain their rural character and discourage high density development. Material costs have also increased.

Local zoning ordinances, growth control measures, impact fees and other municipal regulations (whether intended or not) have created a major barrier to the construction of multi-family housing and manufactured housing parks. They have been a significant factor in the failure of the marketplace to respond to the rental housing shortage in the state. The current tax structure of the state strengthens the local resistance to the development of affordable housing.

In addition to the shortage of rental units, the available resources and subsidies are insufficient to meet the demand for affordable housing for low income households (as evidenced by long waiting lists of income qualified applicants). The current (October, 2000) waiting list for the NHHFA Section 8 rental subsidy program is the highest it has been in 2 years at 4,087. The number of households on the list continued to increase even after the recent addition of 500 vouchers from the Welfare to Work program.

Even when the resources are available, such as in the Section 8 program, tenants are not finding units to rent. With low vacancy rates it is a "landlord's market" and often the low income tenant does not compete well for the available units.

Other contributing factors that have aggravated the lack of resources include a shrinking federal role in financing new affordable housing and the refinancing of older federally subsidized projects. The latter absorbs the limited housing resources in order to maintain the existing affordable housing stock.

Homeless Facilities

With rental costs increasing and vacancy rates near zero, individuals and families at the bottom of the economic ladder have fewer viable housing opportunities. As those opportunities disappear, these individuals and families become homeless in greater numbers, increasing the pressure on the states already stretched homeless facilities network.

The State of New Hampshire, Office of Homeless and Housing Services, with advice from the Emergency Shelter and Homeless Coordination Commission, provided funding on a statewide basis to 39 homeless/temporary housing providers in SFY '99. Shelter services were funded in the following categories:

PROGRAM TYPE	NUMBER OF PROVIDERS
Domestic Violence Shelters	9
Emergency Shelters	10
Transitional Housing	14
Specialty Shelters	6
TOTAL	39

Temporary housing was provided to 6,159 persons in SFY '99. Of those sheltered, 3,803 were single adults, 981 were adults in families with 1,375 children; a reported 145 individual adults were in families without children. A reported 855 persons sheltered had a diagnosed mental illness, 1,736 experienced substance abuse problems, 950 were victims of domestic violence, 95 were veterans and 11 with HIV/AIDS.

Shelters faced an increased need for services as presented in the following statistics:

	SFY '94	SFY '95	SFY '96	SFY '97	SFY '98	SFY '99
Total persons sheltered:	* 5,047	6,027	6,070	6,390	6,373	6,159
Total bed days increased from:	113,320	153,121	160,749	189,977	197,525	216,622
Average length of stay increased from:	* 22 days	25 days	26 days	29 days	31 days	35 days
Shelter capacity turnaway:	----	----	3,735	7,156	8,523	8,738

All shelters funded are part of a local continuum of care designed to provide timely access to important community based services such as employment, medical, educational, mental health and substance abuse counseling, housing and other services that facilitate an individual or family's ability to attain and maintain a stable living environment. State funding will continue to focus on the most vulnerable homeless and those providers who offer a comprehensive approach to homelessness. Table G, Homeless Services by County includes addresses, contacts and telephone numbers of each service provider. (See the Supporting Tables section of this Consolidated Plan.)

*Adjusted for change in reporting

Homeless Intervention/Prevention Services

The State of New Hampshire, Office of Homeless and Housing Services, provided 45,377 units of service statewide in SFY '99 to 40,618 persons at imminent risk of homelessness. These significant homeless services resulted in an important intervention, which prevented the occurrence of homelessness. Services were funded through 6 Community Action Agencies, and 9 other nonprofit service providers.

Prevention services includes payments for rental arrearages when there is a notice of eviction, past due electrical bills when there is a disconnect notice, fuel assistance, security deposits for housing rental, security deposit loans, budget counseling, and referral to alternative homeless intervention providers in the community. The majority of persons who apply for prevention services do so as a last resort, in an attempt to maintain their current living or employment situation. A survey of Community Action Program agencies serving 10 counties revealed that over 40% of those applying for these services did so based upon a sudden and unexpected drop in income. Approximately 20% sought homeless prevention services due to high medical bills.

The State of New Hampshire Housing Security Guarantee Program (a certificate program) issued 65 security loan certificates in SFY '99. This program provides security deposit loans for households who meet the HUD "very low income" criteria. The program has assisted 1,427 households since inception in 1993. An important strategy of this program is a flexible loan payment schedule designed to fit within realistic budget parameters.

The conscientious efforts of homeless service providers who employ creative intervention strategies result in the actual prevention of thousands of individuals and families from experiencing the devastating effect of homelessness. Continuation of a strong homeless prevention strategy is an important component in the evolving continuum of care designed to break the cycle of homelessness.

Special Needs Programs/Facilities

The State of New Hampshire provided funding on a statewide basis to 22 special needs programs in SFY '99. Services were provided by Community Action Agencies, Community Mental Health Centers, and New Hampshire Hospital and include outreach, intervention, transitional and permanent housing, and supportive services to hard to engage homeless and/or homeless with disabilities.

Special needs services were provided in the following categories:

Program Type	Number of Programs
HUD - Innovative Outreach/Intervention	6
HUD - Permanent Housing for Homeless Handicapped	6
HHS - Projects for Assistance in Transition from Homelessness (PATH)	9
HUD - Transitional Housing for Serious Mental Illness (NH Hospital)	1
Total	22

The HUD funded McKinney Supportive Housing, Supportive Services Only, Outreach/Intervention Program provided an estimated 1,296 service units in SFY'99. The HUD funded Supportive Housing Program provided permanent housing and supportive services for 68 persons and transitional housing and supportive services for 32 persons with disabilities. The US Department of Health and Human Services (HHS) funded Projects for Assistance in Transition from Homelessness (PATH) for homeless intervention and supportive services to 981 persons. Both transitional and permanent housing for the homeless handicapped include extensive supportive services.

Each of these programs is uniquely designed to meet the special needs of persons who are suffering with chronic homelessness who have a serious mental illness, dual diagnosis, Acquired Brain Disorder, and other disabling conditions. These vulnerable homeless require the intensive and comprehensive case management services provided by these programs.

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Strategic Plan

This 5 year Strategic Plan has been developed to achieve the following statutory goals:

- Provide decent housing and
- A suitable living environment and
- Expand economic opportunities

Affordable Housing

The priorities below are set by the Housing and Community Development Planning Council. They reflect the desire to address the needs identified in the Market Analysis. They are intended to guide the expenditure of the federal resources governed directly by this Consolidated Plan (HOME, CDBG, and ESG). Table D ranks the needs according to the HUD prescribed categories. The data is from the 1990 Census and has been adjusted to reflect the 1998 household estimates from the Office of State Planning.

The obstacles to meeting the underserved needs are both the lack of affordable housing and the lack of resources to address the need. This creates a “landlords market” where many of the lowest income, those with special needs and households with children are considered a higher housing risk and subsequently are not competing well for the limited housing supply.

In addition, the new lead paint regulation (24 CFR part 35), while designed to protect children from lead-based paint hazards, has had a chilling effect on owners of pre-1978 rental property. They are less likely to participate in the Section 8 rental subsidy program and are concerned with potential liability and the cost of renovations. For families with children the new regulation could not have come at a worse time, that is, when there are limited rental units available and owners can afford to be selective. It is therefore, very important to encourage affirmative action with regard to housing in all of the funded programs. The NHHFA will continue to support the New Hampshire Legal Assistance Fair Housing Initiative Program which has become crucial to fair housing enforcement in the State and in providing essential work in outreach, education and advocacy.

The Market Analysis indicated a very high need for rental housing which is affordable to households at or below 50% of the statewide median area income (MAI). Households at 80% MAI could afford more than 84% of the market rent units while households at 50% MAI could only afford 15% of the market rent units. Table D indicates that there are over 12,500 renter family households and 10,400 renter elderly households with unmet needs. This represents approximately 32,000 family members and 15,900 elders.

Table D – Priority Needs Summary Table

PRIORITY HOUSING NEEDS (households)		Priority Need Level High, Medium, Low		Unmet Need
Renter	Small Related	0 - 30%	High	5,228
		31 - 50%	High	5,168
		51 - 80%	Medium	5,674
	Large Related	0 - 30%	High	842
		31 - 50%	High	1,323
		51 - 80%	Medium	1,436
	Elderly	0 - 30%	Medium	6,639
		31 - 50%	Low	3,763
		51 - 80%	Low	2,055
	All Other	0 - 30%	Medium	5,182
		31 - 50%	Low	4,990
		51 - 80%	Low	6,338
	Owner	0 - 30%	High *	14,539
		31 - 50%	High *	14,028
		51 - 80%	High *	17,822

* High priority for rehabilitation only. Low priority for acquisition.

Subsequently the highest priorities are:

- Develop and preserve affordable rental housing for low and very low income (50% of median and below) families.
 - Objective: Use the majority of the funds available for housing to develop or preserve affordable housing for families.
 - Objective: Develop affordable housing where supply does not correspond to the needs of the greater community.

- Use tenant rental subsidies to create true affordability for very low and low income households.
- Utilize existing properties for affordable housing through rehabilitation and redevelopment.
- Rehabilitate moderate, low and very low income owner occupied housing.
 - Objective: Use funds for single family rehabilitation in order to prevent homelessness, allow aging-in-place and preserve the existing housing stock.
 - Objective: Use funds for single family rehabilitation in order to promote decent, safe and sanitary environments.
- Serving very low income special needs populations is considered a high priority in any of the HUD defined categories.
 - Objective: Use funds to develop housing with associated services based on the needs of the special needs populations.
 - Objective: Facilitate partnerships between housing and service providers at the local, regional and state levels.

Special Needs of Non—Homeless		
Sub-Populations	Priority Need High, Medium, Low	
	31% to 80% MAI	Very Low Income
Elderly*	L or M	M
Frail Elderly	H	H
Severe Mental Illness	M	H
Developmentally Disabled	M	H
Physically Disabled	H	H
Persons w/ Alcohol/Other Drug Addictions	M	H
Persons w/ HIV/AIDS	M	H

* Elderly is not considered a Special Need Sub-Population.

Although elderly households at or below 50% and 30% MAI are a low and medium priority respectively, the frail elderly would be considered part of the special needs population and subsequently a high priority. Frail elderly are those elderly affected by 1 or more limits to Activities of Daily Living. Activities of Daily Living (ADL's) include difficulty in: bathing or showering, getting in/out of bed/chair, feeding oneself, getting around inside home, dressing, and toileting. Currently those numbers are not expected to be great. An analysis of the elderly housing needs conducted by Bruce C. Mayberry for the NHHFA and the Federal National Mortgage Association indicates that independent living with some supportive services such as congregate dining (at least 1 meal), heavy chore services and transportation is the highest need

for elderly housing in the short term (next ten years). Independent living would typically serve elderly affected by 1 or more instrumental activities of daily living (IADL's) including preparing meals, light housework, shopping, heavy housework, managing money and using the telephone. As the "baby boomers" age, assisted living for the frail elderly becomes a high priority in the following decade. Services which will be important are: congregate dining (2-3 meals), housekeeping service, laundry service, transportation, and personal care service.

The medium priorities are:

- Develop and preserve affordable rental housing for moderate income families.
- Develop and preserve affordable housing for very low income elderly.
- Develop and preserve affordable housing for very low income unrelated individuals.

The low priorities are:

- Develop and preserve affordable housing for moderate and low income elderly.
- Develop and preserve affordable housing for moderate and low income unrelated individuals.
- Assist in homeownership.

The needs out-strip the available resources in all of the categories. Furthermore, funding sources, by regulation or competitive design often require that specific categories be targeted. Therefore, when there are opportunities to address the medium or low priority categories with other funds, it is necessary to be less restrictive with regard to consistency with the Consolidated Plan.

How the Proposed Distribution of Funds Will Address the Identified Need

The Action Plan describes the proposed distribution of funds. It includes HOME funding for multi-family development as well as single family rehabilitation to meet the above identified high priority needs. Up to 2/3 of the HOME funds will be available for multi-family development while the remaining 1/3 will be available for single family activities (primarily rehabilitation). ESG funds frequently provide the financial support for the service portion where services are being provided in special needs housing. CDBG funds can be used to meet the high priority needs where the local municipal applicants identify those needs. The majority of CDBG

funds are available to the municipalities in two categories, Economic Development for job creation and Housing and Public Facilities, all high priorities.

Proposed Affordable Housing Accomplishments

The proposed accomplishments are estimated for the 5 year period of the Consolidated Plan based on past affordable housing creation (new construction, rehabilitation or retention) by all programs (funding sources). Subsidy levels, available equity, and available debt are assumed to be level for the period but adjusted for inflation (based on the Consumer Price Index for shelter).

Income Range	Affordable Housing – All Programs	
	Homeownership	Rental
0 – 30%		746
31 - 50%	409	653
51 - 80%	2944	392
Total	3,353	1,791

The estimate of the number of single-family units is based on the historic activity of the NHHFA First Time Homebuyers Program and the actual incomes of buyers assisted in 1999. These units are not typically newly constructed.

The estimate of the number of multi-family units by income-range is based on actual tenant incomes in projects occupied in 1999 as compared to the HUD median family income for the state for a three-person family. The unit count includes retention of affordable units through refinancing and rehabilitation as well as newly constructed units. It is important to note that a high percentage of these tenants were participating in the Section 8 Rental Assistance Program. Therefore, on average their incomes were well below those that would be required to support projects (typically underwritten to house a population with incomes closer to 60% of the median). The use of rent subsidies is critical to fully utilize the available debt and equity. It allows projects to serve a greater portion of the market and thus reduces the risk of losses.

For this estimate it is assumed that there will be a continued high occupancy rate by tenants with Section 8 certificates and vouchers.

Actual annual accomplishments vary widely due to the timing of reports (i.e. a 50 unit project may be receive occupancy permits, or may be occupied immediately following the end of a reporting period and subsequently reported in the following year).

Homelessness

New Hampshire will facilitate movement of homeless individuals/families through components of the Continuum of Care using a comprehensive network of Regional Service Delivery Systems located in throughout the state. Because it is a small state, New Hampshire's service deliver systems coordinate with one another through a network of regional Community Action Programs (CAP) that are located in six field offices across the state. New Hampshire's Community Action Programs have assumed a leading role in providing homeless prevention activities and they operate the state's Homeless Outreach/Intervention Program. In addition, they also manage a number of homeless shelters.

New Hampshire's system of providing assistance to homeless individuals/ families includes outreach/intervention, emergency shelters, transitional housing programs, permanent and permanent supportive housing, and supportive services. Homeless people enter the network through multiple access points including self-referral, referral from shelters, CAP agencies, churches, welfare organizations, law enforcement agencies, health care providers, public housing agencies, and local government. Additionally, the state sponsors a Homeless Hotline (1/800-852-3345) that provides a direct link to personnel at the Homeless Outreach/Intervention Program.

The immediate objective is to provide shelter and then to provide access to services that will empower movement from homelessness to self-sufficiency. Intervention is offered in the form of transportation to shelters, medical assistance and/or information and referral. A standardized intake form, in use by all homeless agencies in the state, is completed for every homeless individual/family that enters the system. Once a homeless person is active in the system, they complete a needs assessment to consider multiple factors including housing, employment, education, childcare, and medical and nutritional concerns. Homeless intake personnel also seek to determine any underlying mental health, physical and/or emotional disability needs, domestic violence, substance abuse or other issues that may impact the ability to obtain/maintain a permanent residence.

The assessment tool provides sufficient information for intake staff to make appropriate referrals to homeless resources throughout the Continuum. The needs of each homeless individual/family are taken very seriously and intake personnel make every effort to secure resources sufficient to allow people to secure permanent housing and/or employment as quickly as possible. The majority of homeless individuals and families enter the system as the result of having lost their homes for failure to pay rent/mortgage. This occurs for a variety of reasons including illness, loss of employment, extreme housing cost, and a host of other reasons. Homeless people falling in this category are often provided with referrals to local public housing agencies where they fill out applications for housing, are apprised of employment opportunities, and are referred to the local welfare offices and other services as deemed necessary. Many people recover from the shock of homelessness within a short period of time and after being provided assistance with housing, employment and/or economic assistance, they find themselves back in the workforce and living in adequate housing.

For those people who are not able to move directly from the shelter to permanent housing, the Continuum supports transitional housing programs. Transitional housing programs offer

services for 6-24 months depending on the program and the needs of the individuals/family. Transitional housing programs are designed for three distinct population groups: (1) families that require extensive skills in order to obtain/sustain permanent housing and employment; (2) people who suffer from alcohol and other drug addictions; (3) people determined to be homeless as the result of mental health, HIV/AIDS, disability and/or domestic violence. People in these programs are guided to service programs within the Continuum that offer training and educational opportunities, as well as extensive treatment and counseling services.

People leaving transitional housing frequently enter NH's system of permanent housing provided by local public housing authorities and other public and private housing providers. Public and private housing providers are prominent members of the state's Continuum and serve as the conduit for federal housing subsidy funds that come into the state from HUD. They administer public housing and participate in the Section 8 certificate/ voucher program that many former homeless individuals/families access in order to maintain permanent housing.

People with traumatic brain injuries and people discharged from psychiatric units of hospitals and others not able to care for themselves are referred to the state's supportive housing network of programs that offer permanent housing in addition to treatment and supportive services. This network is integrally linked with the state's Community Mental Health centers. It is the goal of the supportive housing network of agencies to promote community integration on behalf of all residents.

Components within the Continuum are linked together through direct daily contact between outreach/intervention personnel and homeless providers. Information is provided daily from emergency shelters across the state on the availability of beds.

Basis for Priorities

State funding will continue to focus on the most vulnerable homeless and those providers who offer a comprehensive approach to homelessness.

The qualitative criteria used to develop the priority list for unmet homeless needs included:

- A review of the relative needs among the region's homeless populations;
- A review of vulnerability of various population groups, including a review of the age, disability, treatment needs, and other criteria that apply to the region;
- A review of the various homeless groups that are currently not served, and the development of a comparison between housing resources currently in place versus apparent needs identified;
- Determination of whether needs are growing and the development of an estimate of the timeframe needed to begin meeting needs;
- Review of hospital records, information provided by treatment facilities, police and welfare reports and referrals.

Following a comprehensive review of the available information, members of the Continuum of Care, core committee responsible for prioritizing unmet needs met to determine relative priority for each category listed in the Gaps Analysis.

Homelessness Priorities:

**Table E - Continuum of Care: Gaps Analysis
Individuals**

		Estimated Need	Current Inventory	Unmet Need/ Gap	Relative Priority	
Beds Units	Emergency Shelter	460	171	289	High	
	Transitional Housing	385	189	196	High	
	Permanent Supportive Housing	3,035	1,914	1121	High	
	Total	3,880	2,274	1,606		
Supportive Services Slots	Job Training	669	197	472	Low	
	Case Management	872	366	506	High	
	Substance Abuse Treatment	411	216	195	Medium	
	Mental Health Care	468	184	284	Medium	
	Housing Placement	810	255	555	Medium	
	Life Skills Training	748	227	521	Medium	
	Other Transportation	375	129	246	Medium	
	Other					
	Chronic Substance Abuse	626	246	380	Medium	
	Seriously Mentally Ill	727	286	441	Medium	
Sub-Populations	Dually-Diagnosed	324	227	97	Medium	
	Veterans	116	58	58	Low	
	Persons with HIV/AIDS	67	55	12	Low	
	Victims of Domestic Violence	579	528	51	Medium	
	Youth	119	60	59	Low	
	Other Waiting for SSI	190	51	139	Medium	
	Persons in Families With Children					
	Beds/Units	Emergency Shelter	333	160	173	Medium
Transitional Housing		302	92	210	High	
Permanent Supportive Housing		3,790	2,435	1,363	High	
Total		4,433	2,687	1,746		
Supportive Services Slots	Job Training	672	225	447	High	
	Case Management	7,137	1,939	5,198	Medium	
	Child Care	417	239	178	Medium	
	Substance Abuse Treatment	200	24	176	Medium	
	Mental Health Care	124	42	82	Medium	
	Housing Placement	2,513	474	2,039	Medium	
	Life Skills Training	753	262	491	Medium	
	Other, Transportation	16	6	10	Medium	
	Other					
	Sub-Populations	Chronic Substance Abuse	219	101	118	Medium
Seriously Mentally Ill		126	59	67	Medium	
Dually- Diagnosed		64	23	41	Low	
Veterans		85	63	20	Medium	
Persons with HIV/AIDS		35	14	20	High	
Victims of Domestic Violence		666	605	667	Medium	
Other		126	90	36	Low	

Periodic adjustments will be made to the Gaps Analysis based on changes in need, inventory and data availability. Amendments will be proposed in the annual Action Plans. Since the State's Program Year is a calendar year, applications for HUD NOFA Homeless Assistance program funds in May will reflect an updated Continuum of Care Gaps Analysis submitted to HUD at that time.

NH Balance of State Continuum of Care – Long Term Goals

GOAL

1. Increase overall housing supply and supply of affordable housing.

ACTION STEPS

- a. Increase participation and coordination with NH Housing Finance Authority
- b. Increase participation and coordination with Local Public Housing Authorities.
- c. Create Permanent Housing Committee to develop action plan
- d. Identify barriers and obstacles to permanent housing development.
- e. Develop permanent housing action plan
- f. Charter and support project committees/initiatives in local service delivery areas to create specific housing programs.
- g. Identify appropriate funding sources to fund creation of permanent housing for non-disabled homeless individuals and families.
- h. Coordinate with key housing developers/local housing authorities, and New Hampshire Housing Finance Agency to work in cooperation with Balance of Stet Continuum of Care (BOSCOC), Local Service Delivery Areas (LSDAs), and local providers to seek appropriate resources.

2. Increase access to affordable permanent housing.

- a. Set up meeting with providers, local governments and non-profits to identify barriers to access.
- b. Develop creative mechanisms to encourage landlords to rent to persons transitioning from homelessness.
- c. Propose rent guarantee program for TANF eligible families.
- d. Investigate creation of rental subsidy/voucher program for families transitioning from homelessness.
- e. Identify rental and/or vacant properties.
- f. Obtain access to existing housing certificates
- g. Implement the Rental Guarantee Program
- h. Establish County housing counseling program

NH Balance of State Continuum of Care – Long Term Goals

GOAL

ACTION STEPS

3. Expand Balance of State Continuum of Care by increasing participation in under-represented areas of the State and in the BOSCOG and LSDA planning initiatives.

- a. Identify underrepresented areas and populations.
- b. Create Outreach subcommittee of the BOSCOG
- c. Set up meeting with local providers, local governments, and consumers in these identified underrepresented areas/populations.
- d. Devise corrective action plan including reducing barriers to access and creating incentives to participation.
- e. Implement corrective action plan

4. Proactively utilize homeless information to make changes to state’s current system of providing services to the homeless.

- a. Continue to appoint BOSCOG members to serve on: Governor’s Homeless Taskforce, Legislative Committees, and State’s Coalition on the Homeless.
- b. Disseminate information and better inform all state and local agencies that work with the homeless population of recent data and BOSCOG and LSDA activities.
- c. Continue to raise awareness of homelessness through dissemination of data and information.
- d. Continue to improve gaps analysis process to obtain more meaningful and useful information, data and analysis.

5. Increase immediate opportunities for communities to increase shelter capacity to prevent turn-aways.

- a. Assess State’s current homeless programs and delivery systems designed to address this problem.
- b. Evaluate delivery system and develop better coordination of statewide efforts.
- c. Create additional bed capacity based on local needs and subpopulation needs.
- d. Make emergency shelter accessible for people with physical disabilities.
- e. Research feasibility of creating a shelter for victims of domestic violence in Littleton region.

6. Prevent homelessness by promoting and establishing policies and programs to address causes of homelessness.

- a. Increase availability of emergency rental assistance to help individuals and families at risk of eviction by reviewing State funding plan and advocating for additional resources.
- b. Sponsor statewide forum on homelessness and homelessness prevention.
- c. Establish task force to develop and implement State Discharge Policy.
- d. Review and clarify State Homeless Statutes (RSA 165-A)
- e. Develop and provide transitional services to families so they can keep and maintain their housing.

Non-Housing Community Development Needs

The Community Development Block Grant Program is the primary federal funding source in New Hampshire available at the municipal level to meet non-housing community development needs. An analysis of its goals and practices provides the most useful basis for prioritizing these non-housing needs over the near term. In addition, trends in employment in the state shed light on the economic needs.

Priorities

The overall goals of the New Hampshire CDBG Program is to provide housing, public facilities or employment opportunities primarily to low and moderate income persons or households. The state has also adopted and incorporated the federal statutory goal to provide decent housing and a suitable living environment and expanding economic opportunities, principally for low and moderate income persons and to promote projects and activities that address the following national objectives:

- Direct benefit to low and moderate income persons or households
- The prevention of slums and blight, and:
- The elimination of conditions which seriously and immediately threatens the public health and welfare.

As a part of the administration of the New Hampshire CDBG Program, OSP has also adopted longer term objectives in order to encourage projects and activities which:

- Solve community development problems with long term benefit and innovative solutions;
- Provide direct benefits in the form of improved housing, public facilities and employment opportunities to low and moderate income individuals and households;
- Promote successfully raising or matching dollars and resources from public and private sources;
- Fund needed projects for which other public or private programs or sources of funds are not otherwise available;
- Prevent or eliminate slums and blight;
- Serve to implement a long-range community development strategy or plan and conform to the municipality's master plan and related ordinances, and;
- Preserve and protect historically and culturally valuable structures and sites.

In order to address the objectives identified above, and to respond to emergent problems and opportunities, OSP will pursue the following short-term non-housing community development priorities:

- | | |
|-----------------------------------|---------------|
| • Economic Development | High Priority |
| • Water Facility | High Priority |
| • Sewer Facility | High Priority |
| • Childcare Facilities | High Priority |
| • Transitional Housing Facilities | High Priority |

- | | |
|-------------------------------------|-----------------|
| • Center Facility | Medium Priority |
| • Other Public Facility | Medium Priority |
| • Removal of Architectural Barriers | Medium Priority |
| • Streets | Low Priority |
| • Flood and Drainage Facility | Low Priority |
| • Public Services | Low Priority |

Basis for Priorities

Priority non-housing community development needs are identified based on an assessment of needs as demonstrated through pervious CDBG applications, public hearings, economic data and other public input. The following non-housing community development activity categories and aggregated grant requests were identified by an assessment of applications requesting assistance in 1998 and 1999.

- | | |
|--|--------------|
| • Center Facilities
(day care facilities, senior centers and community centers) | \$10,720,723 |
| • Water Facilities | \$ 3,672,023 |
| • Sewer Facilities | \$ 1,502,658 |
| • Streets | \$ 205,500 |
| • Other Public Facilities | \$ 700,000 |
| • Removal of Architectural Barriers | \$ 985,500 |
| • Planning, Acquisition and Relocation | \$ 1,051,350 |

Applications for Economic Development grants were not included in the above analysis but continue to be identified as a high priority non-housing development need.

A similar analysis of funded CDBG projects from 1996 through 1999 indicated funding in the following proportions:

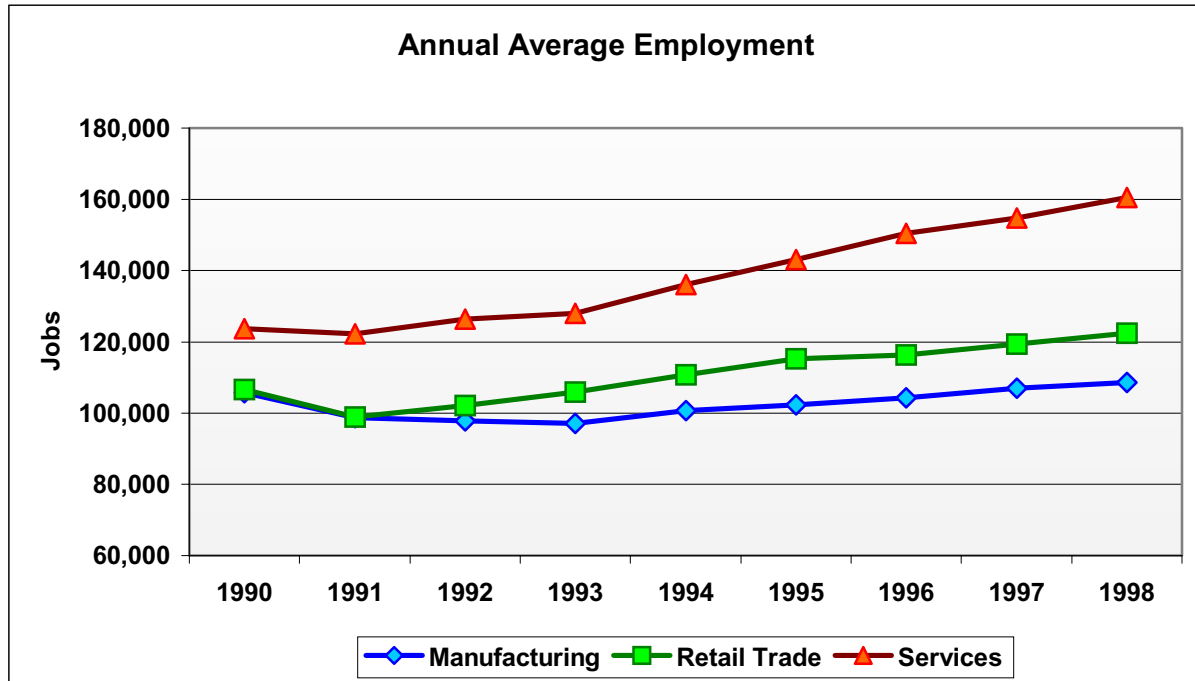
- | | |
|--------------------------|-----|
| • Economic Development | 32% |
| • Housing | 25% |
| • Public Facilities | 20% |
| • Center Facilities | 18% |
| • Services | 3% |
| • Handicap Accessibility | 2% |

Priority: Assist Economic Development Activities

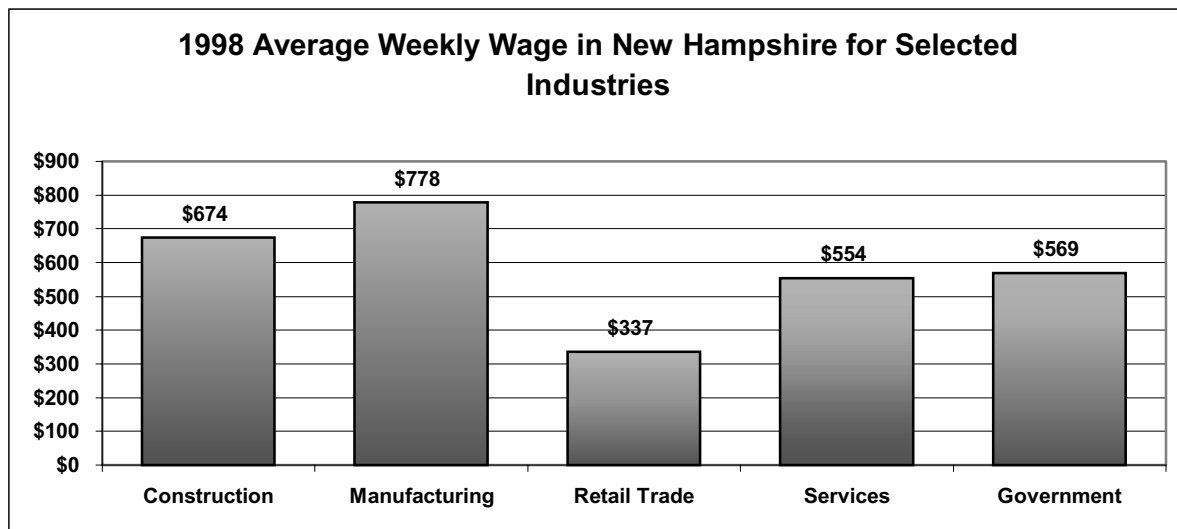
Objectives:

The economic expansion in New Hampshire over the past nine years has resulted in a significant number of new jobs as well as other economic opportunities statewide. However, this economic growth has to some extent been regional in nature, providing far fewer benefits to the northern tier. Further, the economic opportunities during this period of growth have not always provided a benefit at the lowest income levels. Whether in a period of economic expansion or contraction economic development issues continue to be in the forefront of state and community concerns.

As with housing, the employment statistics demonstrate that the recession in the late 80’s “bottomed out” around 1991 and the state began a long period of recovery extending to the present time. In 1991 the total employment in manufacturing and in retail trade was approximately the same. From 1991 to 1998, 10,000 manufacturing jobs were added in the state. During the same period, over twice as many retail jobs were added (23,399).



The average weekly wage for retail employment is less than half that of manufacturing, \$337 vs. \$778 (in 1998). In addition, retail employment has fewer benefits. Preliminary estimates for 1999 and 2000 indicate that manufacturing employment is now decreasing as retail trade employment continues to increase.



Service employment grew at a rate almost 4 times as great as manufacturing (38,378 jobs added), but again, the average wage for service employment was only 71% of manufacturing.

In summary, of the 100,000 jobs added from 1991 to 1998, 38% were service jobs, 23% were retail jobs and only 10% were manufacturing jobs. While the number of jobs created has been healthy, the quality of the jobs in the state, as measured by average weekly wages, has been slowly eroding. The jobs lost during the recession have been replaced with lower paying jobs.

The following are objectives being pursued by OSP to address these issues.

- Continue to provide technical and financial assistance to municipalities and their agents to foster the development of worthy projects that provide competitive wages and salaries and create permanent rather than temporary or seasonal jobs.
- Continue to provide a significant portion of CDBG funds as an economic development set aside in order that applications for projects may be processed year-round to take advantage of immediate opportunities.
- Provide financial and technical assistance to organize and sustain non-profit development corporations at the regional level that are capable of creating and operating revolving loan funds on a continuing basis.
- Coordinate CDBG activities with the efforts of state level economic development agencies, including the Department of Resources and Economic Development, the Business Finance Authority, and the Community Development Loan Fund and federal level agencies, including EDA and Rural Development.

Priority: Assist the Development, Improvement, and/or Expansion of Public Facilities

Objectives:

As federal resources continue to shrink New Hampshire communities are increasingly hard pressed to provide basic infrastructure and community facilities. Compounding the problem are federal mandates for improvements. While considerable progress has been made over the past five years, compliance with the provisions of the Clean Water Act and the Safe Drinking Water Act continues to be a major problem for many of the state's municipalities. Objectives aimed at helping to address these problems include the following:

- Continue to set-aside a portion of CDBG funds for emergency grants in order to respond year-round to problems that pose immediate threats to public health and welfare where no other funds are available.
- Continue to set-aside a portion of CDBG funds for two feasibility grant-rounds per year that lead directly to addressing public facility needs.
- Continue to coordinate infrastructure projects with the Department of Environmental Services, principally to insure CDBG funds are used for high priority projects.
- Continue to encourage infrastructure improvements that directly support economic development and job creation.

- Continue to fund community center/facility projects that meet high priority local needs such as day care centers.

Priority: Assist with Other Locally Identified Community Development Activities

Objectives:

With the passage of the Americans with Disabilities Act and the aging of their populations, many local governments have a heightened awareness of the need to provide access to municipal facilities and programs. This can be a difficult and costly undertaking in New England due in part to the age of the buildings and the often historical nature of their architecture.

- Continue to encourage handicapped improvements to public buildings
- Continue to support the cost of planning access to municipal facilities and programs (Section 504 of the Rehabilitation Act of 1973) with the administrative funds that accompany each grant.

Barriers to Affordable Housing

The Homeless and Housing Needs Assessment (page 28) identified the following barriers to affordable housing:

- Rental Housing Shortage
 - Builder Capacity
 - Credit Risk
 - Land and Material Costs, and
 - Perceived and Actual Regulatory Impediments
- Insufficient subsidies
- Federal withdrawal from new construction
- Preservation of affordable units

In addition to directly financing the addition of units to the rental housing stock the state will:

- Increase the state funded Security Deposit Loan Guarantee from \$1 million to \$2 million.
- Create a referral system for counseling and placement of low income families.
- Create Rental Guarantee Program that will provide up to 3 months rent for TANF eligible families.
- Double the Emergency Housing Funds administered by the NHHFA.

These actions will tend to make low income tenants more competitive in the tight housing market.

Across New Hampshire regulatory means of restricting housing opportunities are in part the result of the reliance on property taxes for local revenues. This dependence often creates community resistance to development that is perceived as not paying its proportional costs for community services and school support.

The state recently enacted (1998) a state property tax that was designed to pay for schools at the local level. More recently, the Governor created a task force to evaluate various alternatives to fund education. These actions may reduce the fiscal pressure resulting from new housing development at the local level and subsequently lessen the resistance to that development.

Lead-based Paint Hazards

HUD's new lead-based paint regulation, Requirements For Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance, 24 CFR 35, became effective on September 15, 2000. This regulation consolidates all of the Department's existing lead regulations in one part of the Code of Federal Regulations, and implements the new requirements, concepts, and terminology established by the Residential Lead-Based Paint Hazard Reduction Act of 1992. Housing activities funded through HOME, CDBG, and ESG are included within the requirements of the regulation. The new requirements fall into the categories of notification, lead hazard evaluation, lead hazard reduction, ongoing maintenance, and response to children with environmental intervention blood lead levels. The extent of these requirements in each program is driven by the type, amount and duration of federal assistance. Clearance testing to make certain that lead dust hazards aren't left behind after painting or renovation activities is almost universally required.

The NHHFA will continue to coordinate the training of inspection staff and contractors in order to respond to the requirements of the new regulation.

Anti-Poverty Strategy

It is anticipated that activities undertaken to meet objectives and priorities discussed herein shall have individual and combined effects of creating stable housing and employment opportunities for households empowering them to reach their own self-sufficiency goals.

Compared to the U.S. average and rates in other states, the poverty rate in New Hampshire is low. However, larger percentages probably live in poverty-like conditions in New Hampshire because of relatively high housing costs and other costs of living.

Priority: Reduce the number of households living in poverty and those living in poverty-like conditions.

Objectives: Increase the number of opportunities for decent and affordable housing for very low income households through new development of affordable housing, rehabilitation and preservation of existing affordable rental housing.

Provide assistance to very low income homeowners for rehabilitation of their properties.

Continue and improve upon mechanisms to increase the incomes of very low income households through job creation and retention.

Increase opportunities for transitional housing programs.

Emphasize homeless prevention activities to break the cycle of homelessness or prevent it altogether.

Institutional Structure

In order to carry out this strategy for assistance specific needs have been identified with respect to the delivery system. In response, the following priorities and objectives have been formulated.

Priority: Improve the technical skills of the nonprofit sector

Objective: Facilitate the development of staff skills to meet the challenges of organization missions through the provision of training or financial assistance for attending training programs.

Improve communication on programs and resources available from resource providers.

Facilitate peer technical assistance networks.

Priority: Coordinate the use of public and private operating assistance resources for non-profits and improve the reliability of these resources to support technical and capacity development.

Objective: Coordinate the goals of the various operating assistance programs.

Provide a stable source of operating funds for non-profits.

Priority: Facilitate creative partnerships between public and private, for-profit and nonprofit entities.

Objective: Provide opportunities for discussion of common goals and areas of expertise.

Facilitate the development of partnerships through education, training and resource coordination.

Enhance coordination among the various delivery networks.

Coordination

Strategy

To comprehensively serve needs of low-income households in New Hampshire limited public resources shall focus on providing the following comprehensive array of services and opportunities:

- prevention of homelessness
- shelter and transitional housing and services for homeless
- permanent affordable housing opportunities for renters
- assistance for home purchases among potential first time home buyers
- preservation and improvement of existing low-income housing
- linkages of services with housing assistance
- development and support of public facilities and infrastructure to improve delivery of services and opportunities for housing and commercial development
- retention and development of employment opportunities
- development of the delivery system capacity and structure to deliver such services and opportunities.

Institutional Framework

The following table describes the responsibilities of the three major statewide entities in facilitating efforts under these goals.

<p>Division of Mental Health and Developmental Services</p>	<p>Develop and implement programs responding to the needs for homeless prevention and assistance. This shall include development of a statewide continuum of care response to these needs.</p> <p>Coordinate statewide service responses to special needs populations including the developmentally disabled, mentally ill and others.</p> <p>Facilitate the development and coordination of service delivery networks.</p>
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<p>New Hampshire Housing Finance Authority</p>	<p>Develop and implement programs responding to the needs for permanent and transitional housing opportunities including rental, ownership and owner assistance opportunities.</p> <p>Facilitate the coordination of services with affordable housing development and the delivery of tenant assistance.</p> <p>Facilitate the development and coordination of housing and service delivery networks</p>
<p>Office of State Planning</p>	<p>Develop and implement programs to respond to economic development, community development and permanent housing needs as identified by local communities.</p> <p>Facilitate the coordination of delivery networks and community development</p>

Other institutions operate programs and/or undertake efforts to further support these goals. Such institutions include:

- nonprofit service agencies, nonprofit housing developers, and nonprofit community development organizations,
- for-profit housing development and management companies,
- other state agencies and statewide organizations including the Department of Health and Human Services, Business Finance Authority, and the Community Development Finance Authority,
- county and local governments and government agencies including local housing authorities,
- regional planning agencies,
- nonprofit charitable and loan fund organizations such as the NH Community Loan Fund and the New Hampshire Charitable Foundation,
- banks, lenders and consortia of these including the New Hampshire Community Reinvestment Corporation.

Implementation of specific activities supported by the three core statewide agencies are initiated primarily by local or regional organizations and local governments. It is these local actors that best define the specific needs, responses and timing of activities to make communities more livable, better functioning and more attractive. The three statewide resource providers typically

offer funding programs that are flexible enough to respond to local proposals yet define specific types of needs to be addressed in accordance with the overall coordination of roles among themselves as described in the above table.

Coordination among the three major resource providers therefore is undertaken in the following areas:

- identification of major types of needs and responsibilities for programmatic responses to them
- facilitating the coordination of resources available to address multiple needs within single projects (e.g. housing/commercial development projects, transitional/permanent housing project),
- coordinating and guiding the development of service and development delivery organizations.

Resource Coordination

The types and amounts of resources available to achieve these goals are very difficult to predict with any accuracy. It is assumed that some form of federal assistance will be available to respond to homeless, permanent housing, and community and economic development needs in each of the next five years. Generally the following responsibilities for administration of federal housing formula resources will be maintained:

- administration of homeless and special needs assistance resources from federal formula funds will continue to be the responsibility of the Division of Mental Health and Developmental Services,
- administration of federal formula resources for permanent and transitional housing development and tenant rental assistance will continue to be the responsibility of the NHHFA, and
- administration of federal formula grant resources for community development will continue to be the responsibility of the Office of State Planning

If the current delineation of federal formula grants (ESG, HOME, and CDBG) available to the state is changed (reflecting a new combination of uses) or if any one resources is significantly altered in its focus, DMHDS, NHHFA, and OSP shall develop a plan for their administration that considers each entity's expertise and constituencies.

Low-income Housing Tax Credit Use

The NHHFA administers the LIHTC program. Coordination of LIHTC therefore is facilitated by the fact that NHHFA also administers several other major resources for affordable housing development including HOME.

Priority: Enhance the coordination and use of LIHTC.

Objectives: Update the LIHTC Allocation Plan as necessary to reflect the assessment of needs and establishment of priorities for assistance as determined in the Consolidated Plan

Provide a single application for multiple NHHFA-administered development resources in electronic format

Enhance opportunities for use of LIHTC in small projects

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2001 Action Plan – One Year Use of Funds

Introduction

Of the three major components in the Consolidated Plan (Needs, Strategic Plan, and Action Plan) the Action Plan must be updated and submitted to HUD annually. The Action Plan serves as the basis for distributing State Community Development Block Grant, Emergency Shelter Grant, and HOME Investment Partnerships grant funds in the upcoming program year. The Action Plan also serves as the State's application for those funds.

A. HOME Investment Partnership Funds

1. Distribution of Funds and Assistance Goals

The federal allocation of HOME funds to the state for fiscal year 2001 is \$4,427,000. HOME investment will be matched in accordance with regulatory requirements. Match will be generated primarily from NHHFA and private investment of resources that are leveraged by HOME investment in multifamily projects. Up to 10% of the allocation may be used for administrative costs. The following initiatives are planned.

Because HOME resources are relatively flexible in their use and targeting, these federal funds shall be used to provide a source of funding to meet demonstrated needs through activities that would not otherwise receive sufficient funding - specifically those of families and persons with special needs.

a. Rental Housing Development

The Authority will operate a rental housing development program to provide nonprofit and for-profit developers and owners with access to acquisition and/or rehabilitation assistance with HOME funding. The NHHFA, in its discretion may sub allocate funds under this program to a municipality with demonstrated capacity to undertake a similar program. This initiative is described as follows.

- Approximately two-thirds of the 2001 allocation will be used to support rental housing development activities.
- Nonprofit and for-profit entities are eligible applicants. A minimum of 15% of the total HOME allocation will be reserved for CHDO's through their rental housing development activities.
- Up to 25% of the rental housing development funds shall be used for projects meeting the needs of housing for families and persons with special needs sponsored by nonprofit entities. These funds are intended to be blended with other NHHFA funds.
- The NHHFA will directly administer all funds allocated to rental housing development (with the exception of any sub allocation).
- The NHHFA shall implement program rules that, at a minimum shall ensure that all applicable federal regulations are met.
- Applications, except those for the Special Needs Housing Program below, will be accepted two times per year in accordance with the following schedule:

<u>Round</u>	<u>Application Deadline</u>	<u>Funds Allocated</u>
1	February 23	Up to one half of rental housing allocation
2	June 8	Up to one half of rental housing allocation and any unused, returned or additional HOME funds available for the program year.

- Applications received in the February and June rounds shall be reviewed and approved with associated LIHTC applications. Nonprofit and for-profit entities are eligible applicants.
- Applications for the Special Needs Housing Program funds will be accepted two times per year in accordance with the following schedule:

<u>Round</u>	<u>Application Deadline</u>	<u>Funds Allocated</u>
1	March 30	Up to 25% of rental housing allocation
2	September 28	The remainder of the set-aside.

- Review and approval of Special Needs Housing Program funding requests will be coordinated with other NHHFA-administered housing development resources and the State CDBG Program.
- All applications will be reviewed with consideration of the appropriate strategic priorities and funding availability.
- Projects meeting the needs of housing for families and persons with special needs will receive priority.
- All rental units assisted by HOME must be occupied by households that have incomes at or below 60 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.
- All rental housing supported with HOME funds shall, where feasible, provide for a minimum of a 20-year commitment to targeted groups. Furthermore, programs proposing to commit to terms beyond the minimum requirements shall be given priority.
- Projects shall be required to maintain the specified commitment period independent of the status of the original financing. Transfers of property are allowable to parties willing to maintain the respective commitment to affordable housing. Failure to maintain the specified commitment to affordable housing shall constitute a default under the project mortgage and regulatory agreement.
- Funding can be provided to viable proposals in any area of the state where needs are demonstrated. In communities that receive a direct allocation of HOME funds from HUD, the NHHFA shall provide assistance to projects only when local programs do not address the specific need identified, or if local HOME funds are insufficient to support the proposed development.
- An amount up to 5% of the total HOME allocation may be provided in the form of operating assistance grants to qualified Community Housing Development Organizations. Approximately 3 CHDO's may receive operating assistance grants.

- Pre-development/feasibility loans may be made to qualified CHDOs that receive a reservation of HOME funds from the NHHFA. The total amount of these loans shall not exceed 10% of the total amount of funds reserved for CHDOs.
- Approximately 70 rental housing units will receive funding commitments during the year.

b. Home Ownership Assistance

Up to 1/3 (33%) of the Home Allocation will be made available to assist homeowners and homebuyers.

1) Home Rehabilitation

The Authority will operate a rehabilitation program targeting low-income homeowners, which shall meet the following objectives:

- Priority will be provided for low and very low-income families.
- The NHHFA shall implement program rules that, at a minimum, meet all applicable federal regulations.
- The NHHFA may contract with local or regional agencies/organizations to assist with administration of this program.
- A statewide program may be implemented if HOME resources are sufficient for efficient program distribution, making resources potentially available to homeowners in any community in the state.
- Approximately 25 owned housing units may receive funding commitments during the year.

2) Home Acquisition

The Authority will undertake an acquisition assistance program such as a mortgage subsidy, development subsidy for nonprofit sponsors or down payment assistance program using up to ten percent of the HOME funds allocated to Home Ownership Assistance. Approximately 10 households will be assisted during the year. The NHHFA, in its discretion, may sub-allocate funds under this program to a municipality or nonprofit entity with demonstrated capacity to undertake a similar program.

2. HOME Re-sale Restrictions and Recapture Provisions

Resale Restrictions

The procedure described below was developed to establish a process governing the resale of homes which have been acquired, constructed or rehabilitated using a HOME development subsidy. A HOME development subsidy represents the amount of HOME funds which are used by a project sponsor to offset the difference between the cost of development and the market value of the property. Any HOME subsidy which is greater than that difference is not considered a development subsidy. If, based on an appraisal of the fair market value, the HOME subsidy used by the sponsor or HOME assistance received by the buyer reduces the

purchase price below the market value, then the HOME Recapture Provisions below may, at the option of the NHHFA, be applied to the project in place of these resale restrictions.

The purpose of the resale restrictions is twofold: to provide for continued affordability and to allow the seller the opportunity to receive a fair and reasonable return on his or her investment in the home, while prohibiting the seller from obtaining any undue profit as a result of the HOME subsidy.

All original and subsequent homeowners must comply with the terms and conditions of this resale procedure for a term which shall be negotiated with the developer but shall not be less than the term required by 24 CFR 92.254, ("Term of Assistance").

Except for the buyback requirement described in Section 2f below, HOME assisted units shall be resold only to eligible homebuyers for the selling price defined below.

a. Eligible Homebuyers

An eligible homebuyer is a first-time homebuyer (as defined by the NHHFA in its First-time Homebuyers Single Family Mortgage Program) who:

- earn no more than 80% of the median family income for the county where the project is located, adjusted for household size and as published annually by the U.S. Department of Housing and Urban Development;
- has not owned a home during the previous three (3) years; and
- will occupy the home as his/her primary residence throughout the entire period of ownership. Renting the property will not be allowed.

b. Determination of the Selling Price

The maximum allowable selling price ("the Selling Price") shall be the lesser of either the appraised value of the property at the time of the sale or an amount which is affordable to a family whose size is appropriate to the number of bedrooms in the unit. In the case where the outstanding balance of the first mortgage exceeds the Selling Price, the Selling Price shall be increased to an amount equal to the lesser of either the outstanding balance of the first mortgage plus the closing costs or the appraised value at the time of the sale. A Selling Price is deemed to be affordable if the percentage of the area's median family income required to pay principal, interest, taxes, insurance and condominium fees at the time of the resale is the same as the percentage required at the time of the original HOME subsidy.

The affordable Selling Price is calculated based on:

- the NHHFA Single Family Mortgage Program interest rate and term available at the time of the original HOME subsidy and at the time of resale;
- a 3% down payment;
- a housing cost to income ratio of up to and including 30%;

- the median family income for the county or the MSA (published annually by the U. S. Dept. of Housing and Urban Development) at the time of the original HOME subsidy and at the time of resale; and
- taxes, insurance and condominium fees at the time of the original HOME subsidy and at the time of resale.

c. Distribution of Proceeds of Sale

At the time the property is sold, proceeds of the sale will be distributed in the following manner and order:

- Payment of the homeowner's ("the Seller") portion of the closing costs (including broker's commission, deed preparation, prorated property taxes, real estate transfer tax, etc.);
- Payment of the first mortgage; and
- Payment to the Seller of his/her equity contribution plus appreciation, as described in Section 2e below; and
- Payment to the developer of any remaining proceeds ("the Net Proceeds of the Sale") to be utilized for down payment and/or closing cost assistance to future Eligible Homebuyers.

The seller shall be required to pay any shortfall in the payment of the first mortgage.

d. Seller Equity Calculation

To the extent that proceeds from the sale are available, the Seller will receive an equity payment based on:

- his or her contribution toward the down payment from personal resources (savings, down payment gifts from family members, early distributions from retirement plans, IRA withdrawals);
- the total of the principal payments made by the seller during his or her period of ownership; and
- capital improvements made by the seller.

The total of the three items is the Seller's equity contribution to which an equity appreciation factor will be applied. The Seller's equity contribution will be multiplied by the appreciation factor, as determined below; the result of this calculation is the seller's equity payment.

e. Appreciation Factor

To establish the Appreciation Factor, the appraised value of the unit at the time of resale will be divided by the original appraised value. The result of this calculation is the Appreciation Factor used to determine the Seller's equity payment, above.

f. Developer Buyback

During the Term of Assistance, the Seller is obligated to list his/her property for sale with a New Hampshire-licensed real estate broker at the Selling Price calculated using the formula in Section 2b above. If, after 120 days of initial listing, the Seller is unable to sign a purchase and sale agreement with an Eligible Homebuyer, the Seller may offer the home for sale to the project developer/sponsor. The developer/sponsor shall, within 10 days of the offer, negotiate a purchase price not to exceed the Selling Price and enter into a Purchase and Sale Agreement in order to maintain the home as affordable housing. The closing between the Seller and the developer/sponsor must occur within 30 days of the date of the executed Purchase and Sale Agreement. The developer/sponsor shall resell the property only to Eligible Homebuyers for the Selling Price defined at the time of sale in conformance with Section 2b above. The developer/sponsor may lease the property after its purchase in conformance with the applicable lease-purchase regulations at 24 CFR 92.254(a)(5)(ii)(A)(7). The lease/purchase agreement and process to be followed are attached to the HOME Guidelines. In addition, the developer/sponsor shall establish preemptive rights to purchase the property before foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD, in order to preserve affordability. Should the developer/sponsor exercise this preemptive right, they may enter into a lease/purchase agreement with the subsequent buyer.

HOME Recapture Provisions

The procedure below establishes a process governing the recapture of HOME funds and a portion of any net gain resulting from the HOME investment. The HOME subsidy that is subject to recapture is the amount of HOME funds which reduced the purchase price from the fair market value to an affordable price. A portion of the net gain from the sale of the property is also subject to recapture.

Recapture of HOME Investment

After repayment of all superior mortgages, the seller's closing costs, and the owner's equity as calculated below, the remaining proceeds will be applied to the outstanding balance of the HOME debt.

With respect to a sale by an initial homebuyer who has received HOME downpayment and/or gap financing assistance that occurs within the first 10 years of ownership, the amount of the HOME debt which is due and payable shall be the total amount of the downpayment and/or gap financing assistance less 1/10th of the original downpayment and/or gap financing assistance amount for each full year of ownership by the initial homebuyer. After the end of the 10th year, the debt shall be forgiven.

With respect to a sale by an initial homebuyer participating in the Mortgage Assistance Program that occurs in the first 10 years of ownership, the full amount of the Mortgage Assistance Program loan made on behalf of the borrower(s) shall be due and payable. With respect to a sale that occurs in years 11 through 20, the amount due and payable shall be the Mortgage Assistance Program payments made on behalf of a borrower less 1/10th of the

original principal amount of the note for each full year of ownership by the borrower after the end of the 10th year.

For both the downpayment and/or gap financing assistance and the Mortgage Assistance Program, if remaining proceeds are insufficient to pay the HOME debt in full, any unpaid balance will be forgiven. Funds remaining after the full repayment of the HOME debt shall increase the owner equity payment.

a. Owner Equity

To the extent that proceeds from the sale are available, the Seller will receive an equity payment based on:

- his or her contribution toward the down payment from personal resources (savings, down payment gifts from family members, early distributions from retirement plans, IRA withdrawals);
- the total of the principal payments made by the seller during his or her period of ownership; and
- capital improvements made by the seller.

The total of these three items is the Seller's equity contribution to which an equity appreciation factor will be applied. The Seller's equity contribution will be multiplied by the appreciation factor, as determined below; the result of this calculation is the seller's equity payment.

b. Appreciation Factor

To establish the Appreciation Factor, the appraised value of the unit at the time of resale (less the cost of any permanent improvements) will be divided by the original appraised value. The result of this calculation is the Appreciation Factor used to determine the Seller's equity payment, above.

3. HOME Tenant Based Rental Assistance

Tenant based rental assistance is not a proposed use of HOME funds at this time.

4. HOME Other Forms of Investment

No forms of investment other than those specifically permitted in the regulations (grants, amortizing loans, deferred loans, etc.) are proposed. If and when the NHHFA identifies a need for non-standard form of investment it shall seek approval from the U.S. Department of Housing and Urban Development. Final action will be reviewed by the HCDPC and will require review and approval by the NHHFA Board of Directors.

5. HOME Affirmative Marketing

The following actions will be taken by the NHHFA and its HOME sub-recipients to meet the requirements for affirmative marketing and minority and women business participation as defined in the HOME regulations at 92.350 and 92.351.

a. Minority and Women Business Outreach Plan

The NHHFA shall establish and carry out a minority and women owned business outreach program to enhance the participation of women and minorities and entities owned by women and minorities in the HOME program. The following types of firms and expertise shall be included without limitation to other types of services needed: real estate firms, underwriters, accountants, management firms, financial institutions, investment banking firms, appraisal firms, providers of legal services, and construction and related trade firms.

The following efforts shall be made to enhance participation:

- collection of existing lists of minority and women owned enterprises
- outreach to new or previously un-contacted business groups for such lists
- annual update and publication of a minority and women owned business solicitation list (which shall also contain listings of Section 3 firms)
- distribution of business solicitation lists to applicants for HOME resources for multifamily projects
- require project sponsors to use such lists in their construction bid processes
- require project sponsors to track and report on minority and women business enterprises and Section 3 businesses

Information about these and more specific requirements imposed through the NHHFA's HOME program shall be provided to potential applicants through the application. Program rules and separate description of MBE/WBE requirement and Section 3 are included in the application package.

b. Affirmative Marketing

The NHHFA shall impose requirements on HOME funded projects to meet compliance with affirmative marketing regulations. Pursuant to regulations requirements will apply to HOME-assisted housing containing five or more housing units.

The following actions shall be made:

- Tenants of buildings assisted with HOME funds will be notified of the NHHFA's policy for affirmative marketing.
- The Equal Housing Opportunity Statement or logo will appear in all published notices of fund availability, solicitations of bids, signs and other public notices related to HOME fund investment
- Within the Owners' Performance Agreement executed for every HOME-assisted rental project, the owner will be required to take specific steps with respect to

- affirmative marketing. These include: notifying public housing authorities and other social services, housing assistance and/or fair housing groups in the vicinity of the project about available vacancies. The owners shall maintain records of agencies contacted and whether households or individuals referred to the project occupied the available unit(s). All advertisements for units available shall contain the "Equal Housing Opportunity" logo or statement. An annual report of affirmative marketing activities including copies of advertisements published will be required to be submitted to the NHHFA or its subrecipient. Failure of owners to comply with these requirements will be considered a breach of the owners' obligation subjecting the owners and property to appropriate measures of action set forth in the contracts
- All HOME sub-recipients using HOME funds for multifamily housing shall certify that they will comply with affirmative action requirements of the HOME regulations.
 - Instructions for developing a project specific affirmative fair housing marketing plan shall be distributed with the program applications
 - Each project awarded assistance shall be required to submit for review and approval, a fair housing marketing plan.
 - Potential applicants shall be informed of the NHHFA's resident selection policy for the HOME program through information provided in the application packet.
 - Periodically, NHHFA shall review its affirmative marketing policies to determine the success of its actions.

6. HOME Program Income

HOME Program Income received during 2001 will be added to the available funds in the program area which generated the income. For example, if the Homeowner Assistance program recaptures funds, they would increase the funds available for Homeowner Assistance.

B. Emergency Shelter Grant

1. Distribution of Funds

The allocation of HUD McKinney Emergency Shelter Grant funds to the state is \$434,000. Of this amount, \$334,000 will be matched with funds provided by the nonprofit sub-recipients.

Federal regulations require each state to make Emergency Shelter Grant funds available to recipient organizations within 65 days of the date of the grant award. Since the state contracting process can take longer than 65 days, the RFP process begins months ahead of the receipt of the grant award. This year the RFP will be made public in August 2000 via Public Notice published for three consecutive days in the statewide newspaper. An application for HUD McKinney ESG funds is considered to be a request for Emergency Shelter State Grant-In-Aid funds, and this state program, designed to compliment the McKinney ESG, is funded at a level of \$1.88 million per year. Completed applications are received at the Office of Homeless and Housing Services.

Immediately following receipt of all applications, staff review of applications commences, and this process includes independent, then collective group rating of applications. Numerical application ratings are determined by measurement of:

- 1) How effectively the applying organization proposes to address established or documented homeless service needs within a local and statewide Continuum of Care,
- 2) How critical those specific service needs are within a Continuum of Care, and
- 3) How effectively the applying organization has addressed homeless service needs in the past.

Group staff review and rating of applications establishes funding recommendations for both McKinney ESG and Emergency Shelter State Grant-In-Aid allocations. Because HUD McKinney ESG regulations include the limitations of no more than 30% each of the total award to go toward Essential Services and Preventions Activities, regulatory restrictions have some impact on distribution of the federal funds. These recommendations are presented to the State of New Hampshire Emergency Shelter and Homeless Coordination Commission, a body appointed by the Governor and Executive Council, the Speaker of the House of Representatives, the President of the NH Senate, and the Commissioner of the Department of Health and Human Services. The Commission meets to review staff recommendations and advise the Commissioner on a distribution plan. From there, state contracts are drawn up and submitted to the Governor and Executive Council for approval. The McKinney ESG funds are awarded pending the approval, by HUD, of this Action Plan.

Emergency Shelter Grant funds will be used to support initiatives in the following areas:

- a. Homeless Prevention/Intervention activities/programs designed to prevent the incidence of homelessness including (but not limited to):

- short-term subsidies to defray rent and utility arrearages for families that have received eviction or utility termination notices;
 - security deposits for an amount representing the first month's rent to permit a homeless family to move into its own apartment;
 - mediation programs for landlord-tenant disputes;
 - legal service programs for the representation of indigent tenants in eviction and service access proceedings;
 - payments to prevent foreclosure on a home; and
 - other innovative programs and activities designed to prevent the incidence of homelessness.
- b. Essential Services concerned with employment, health, drug use and education and may include (but are not limited to):
- assistance in obtaining permanent housing;
 - medical and psychological counseling and supervision;
 - employment counseling;
 - nutrition counseling;
 - substance abuse treatment counseling;
 - assistance in obtaining other federal, State and local assistance including mental health benefits, employment counseling, medical assistance, veteran's benefits, and income support assistance such as SSI, AFDC, General Assistance and Food Stamps.
- c. Operations of any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific population of the homeless, including:
- Payment for shelter maintenance, operation, rent, repairs, security, fuel, equipment, insurance, utilities, food, and furnishings.
- d. Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless;

Funds awarded with state funding under State Grant-In-Aid will be used to support the initiatives in the following areas:

- a. prevention/intervention of homelessness
- b. operation of emergency and transitional shelter programs
- c. essential services
- d. other programs identified as service gaps in a continuum of care

Applications must include a summary of the activities proposed including the dollar amount requested for each, whether the initiative is new or a continuation, the projected number of

persons served and the types of populations served. It shall also include more narrative describing the activities and use of funds, identification of the continuum existing in the community and the relationship of proposed activities to the continuum and a budget describing ESG funds, State Grant In-Aid, full operating budget and matching resources.

Grants will be awarded within 65 days from the date of formal notification of the grant approval by the U.S. Department of Housing and Urban Development.

In addition to activities funded through ESG, the state will continue to develop its continuum of care system which includes undertaking the following actions:

- a. Identify and assess capacity development needs of non-state funded homeless service providers.
- b. Implementation of new reporting system for shelter providers.
- c. Implement a refined method for estimated unserved needs.
- d. Refine identification of gaps in the service delivery system.
- e. Improve the collection of service data by the homeless provider groups.

2. Assistance Goals

- a. Serve approximately 6,000 persons with shelter.
- b. Stabilize or reduce the number served with prevention services from 1999 levels.
- c. Stabilize the average length of stay at shelters.

C. Community Development Block Grant (CDBG)

1. Distribution of Funds and Assistance Goals

The 2001 federal allocation is anticipated to be \$10,000,000 which corresponds to the housing, community development and delivery system needs identified in this document.

DISTRIBUTION OF 2001 CDBG FUNDS BY ACTIVITY

Anticipated 2001 Allocation:	\$10,424,000
Feasibility Grants (up to two percent of the allocation, not to exceed \$100,000)	\$100,000
State Administration (two percent of the allocation plus \$100,000)	\$308,480
State Technical Assistance to Municipalities and Non-profits (up to one percent of the allocation)	\$104,240
Emergency Grants	\$500,000
Economic Development Grants [Up to 33% (\$1,552,860) for Economic Development capacity development grants for regional development corporations and Up To \$500,000 for Microenterprise Development]	\$4,705,640
Housing and Public Facilities Grants	\$4,705,640

The Housing and Community Development Act Amendments of 1983 provide that up to \$100,000 plus two percent (2%) of the state's allocation may be used for State administration. The federal law also requires the state to match the federal funds dollar for dollar for the two percent (2%) portion of the administrative costs. State funds must pay for all administrative costs over the \$100,000 plus the two percent (2%) limit. The Office of State Planning has proposed a budget of \$208,480 in state general funds from the, Legislature to match the federal funds for its administrative budget for the 2000 and 2001 program years. Federal regulations limit the maximum funds which can be used for OSP administrative costs, municipal administrative costs and Feasibility Grants to twenty percent (20%) of the total allocation to the state for each grant year. The state allocation of resources for administration serves as match.

2. Administration and Method for Allocation

The following describe the objectives, projected use and method for allocating funds during the 2001 program year.

- a. Pursuant to state legislation and the state Administrative Procedures Act, the Office of State Planning (OSP) and the Community Development Advisory Committee have adopted regulations as required for fund distribution and program administration. These rules were adopted pursuant to the state Administrative Procedures Act. Specific fund distribution criteria are published in Appendix A - CDBG Grant Categories and Selection Process and include references to additional information in appendices available from the Office of State Planning. Economic Development projects may use up to \$20,000 of CDBG funds per job created and must have \$1 of matching non-CDBG funds for every \$1 of CDBG funds.
- b. The Office of State Planning anticipates the award of funds under its nineteenth year of program administration. OSP will be in a position to accept applications for Community Development Grants (which includes housing and public facility activities) by the close of business on January 29, 2001 (first round) and on July 30, 2001 (second round). Economic Development and Emergency Grant applications will be accepted continuously until all set-aside funds are allocated. Any remaining funds shall be carried forward as of January 1, 2002. Feasibility Grant applications will be accepted during two rounds in 2001, ending April 30, 2001 and October 31, 2001. Program Income shall be distributed in the Community Development Grants round immediately following its receipt. Other funds carried forward from previous federal fiscal years (including unused Emergency Grant and Economic Development Grant funds, Housing and Public Facility Grant funds, and recaptured funds, returned to the State) shall be distributed in the Community Development Grants round immediately following its receipt, but a portion may be held and distributed in the second round following its receipt for the purpose of balancing the amounts available in each round. A portion may also be held in order to fund Economic Development applications that are under consideration by OSP. Administrative or Technical Assistance funds carried forward from previous federal fiscal years shall remain in their respective categories.
- c. The state legislation requires that OSP solicit applications from all eligible municipalities and to award funds through a competitive allocation system (RSA 4-C:17, Procedures for Administration). The intent is to increase the number of municipalities participating in this program.
- d. Five (5) New Hampshire cities are currently eligible to receive funds directly from HUD under the Metropolitan Cities CDBG entitlement program and, therefore, are not eligible under the state administered State CDBG program. These cities are: Dover, Manchester, Nashua, Portsmouth, and Rochester. The remaining 229 incorporated New Hampshire municipalities and the ten (10) county governments are eligible for the State CDBG Program. The CDBG Grant Categories and Selection

- Process published in Appendix A provides a detailed method of fund distribution to eligible applicants.
- e. A county may apply for and receive funds for projects within its non-entitlement area and only for projects which counties are enabled under state law to undertake. A county may apply on behalf of one or more eligible municipalities within its borders where there is an inter-municipal cooperative agreement pursuant to RSA 53:A and there is authority granted to apply pursuant to RSA 24.
 - f. Title I of the Housing and Community Development Act at Section 104(b)(3) provides that each activity funded shall meet one of the three (3) national objectives. Federal regulations at 24 CFR 570.483 define standards for each of the three national objectives:
 - Benefit low/moderate income persons.
 - Eliminate slums or blighted areas.
 - Eliminate an urgent need (serious and immediate threat).
 - g. OSP Rules require that at least fifty-one (51) percent of the funds requested for Housing and Public Facilities and sixty (60) percent for Economic Development shall be used for direct benefit to low and moderate income persons. Low and moderate income is defined as the most current low and moderate income determinations of the Department of Housing and Urban Development for eligibility under the Section 8 Housing program. OSP may accept applications for projects where the majority of the funds requested will be used to eliminate a threat to the health and welfare of one or more municipalities jeopardizing the economic stability of a region.
 - h. All grants awarded under the program must be in contract form approved by the Attorney General's Office, the Comptroller's Office and the Governor and Executive Council. The legislation establishes a nine (9) member Community Development Advisory Committee to include the Director of the Office of State Planning as Chairman; the Director of the Division of Economic Development of the Department of Resources and Economic Development; the Executive Director of the New Hampshire Housing Finance Authority and six (6) public members, at least three (3) of whom are municipal officials, who shall be appointed by and serve at the pleasure of the Governor. The major duties of the Advisory Committee shall be to review and to concur with the proposed rules regarding the administrative process, particularly the selection process criteria for Community Development Grants and Feasibility Grants, and to review and to concur with all grant awards recommended by the Director of the Office of State Planning. The legislation requires that funds be awarded through a competitive process.
 - i. The Director of the Office of State Planning is responsible for the administration of this program and has authority to withhold or seek the return of funds due to non-compliance with the grant requirements or with State and federal laws, rules, and regulations.

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- j. A municipality or county may apply for an administrative review of its application as provided in the State Administrative Rules, except that Feasibility Grants are not subject to review.
- k. Grant applications for housing and public facilities projects may not be subject to ranking or scoring if:
- Federal funding for the fiscal year plus any additional funds carried forward from previous years (including unused Emergency Grant and Economic Development Grant funds, recaptured funds and program income returned to the state) equals or exceeds the aggregate amount requested by qualified municipalities or counties, and
 - The grant applications meet the statutory required thresholds, pursuant to RSA 4-C:14, as well as the Housing and Community Development Act of 1974, as amended, 24 CFR 570.483 and the CDBG Program Rules.
 - It can be expected that requests for Community Development Block Grant funds will exceed the total amount available. The limited resources of the CDBG Program require the setting of program priorities so that the merits of all applications can be measured. Priority will be given to applications which address as many of the following eight (8) factors as appropriate:
 - 1) those projects and activities which provide direct benefits in the form of improved housing, public facilities and employment opportunities to low and moderate income individuals and households;
 - 2) those community development activities for which existing public or private programs or sources of funds are not otherwise available;
 - 3) those activities which preserve and promote existing neighborhoods and community centers;
 - 4) those activities which protect and preserve historically and culturally valuable structures and sites;
 - 5) those projects and activities which successfully raise or match dollars and resources from other public and private sources;
 - 6) those projects which solve community problems with long-term benefit and innovative solutions;
 - 7) those activities which eliminate slums and blight; and
 - 8) those projects which are part of a long-range community development strategy, conform to the municipality's master plan and ordinances, and implement the municipality's housing and community development plan.
- l. Municipalities and counties shall show evidence of at least a fifty-one (51) percent direct benefit to low and moderate income people using Section 8 income standards for counties and metropolitan areas or evidence of a threat to the regional economic stability (where Economic Development Projects are considered under the Urgent Need National Objective), indicate they will be capable of administering the grant, and certify compliance with all applicable federal and State laws and regulations in

- their application in order to receive funding. Important additional federal and State requirements for applicants include a housing and community development plan, minimizing displacement, citizen participation, affirmatively furthering fair housing, and adequate performance on prior CDBG grants, if any.
- m. More specifically, during the next three years, the State CDBG program is expecting to create or retain 140 jobs using federal fiscal year 2000 funds. This is based on the requirements of Appendix A, and the amount of the 2000 federal allocation set-aside for Economic Development (\$4,477,690). Since New Hampshire requires that, within one to three years, one job be created or retained for every \$20,000 awarded to a municipality, the estimated maximum number of jobs would be 225. This number was then adjusted downward by 20% based on an estimate rate of failure of projects and/or business funded and again adjusted downward by 25% to reflect any potential under-utilization of the Economic Development set-aside. (As in past years, the Community Development Advisory Committee may re-allocate unused Economic Development funds to Housing/Public Facility projects.) The microenterprise portion of the Economic Development funds will primarily provide technical assistance to low and moderate income beneficiaries and therefore the final estimated number of jobs to be created or retained is 140. A review of the current projects in the "pipeline" confirms this as a reasonable number.
- n. Assuming level funding of the CDBG program and the continued level of need for Economic Development in relation to other needs, the average annual job creation or retention for the next five-year period would be 140.

3. Ineligible Activities

The following are examples of activities which are ineligible to receive CDBG program funds under federal law and regulations: buildings used for the general conduct of government (except for the removal of architectural barriers), general government operating and maintenance expenses, political activities, most equipment and vehicles (except fire and solid waste equipment and vehicles), most furnishings and personal property, and construction of new housing and income maintenance (except in very limited circumstances).

4. Program Income

Federal regulation defines program income at 24 CFR 570.489(e). Pln 311.03(e) of the rules governs the use of program income as follows:

- a. **Project Use.** The grantee shall use program income for project activities when it becomes available before drawing down other funds or shall deposit this income into a revolving loan fund approved by OSP.
- b. **Semi-Annual Reports.** Active CDBG projects shall include a semi-annual financial report identifying disposition and use for all program income received during that reporting period.

- c. Use After Project Completion. After completion of the project, but before closeout, the grantee shall use program income only for eligible activities approved in writing by OSP.
- d. Use After Closeout. The OSP-grantee project closeout agreement shall specify how the grantee shall use program income. At a minimum, such income shall be used for eligible activities, especially those benefiting low/moderate income persons and households.

D. Geographic Distribution

ESG, CDBG, HOME, LIHTC and other available resources are distributed primarily by competitive application processes therefore it is impossible to predict the ultimate geographic distribution of funds. However, programmatic responses are developed and coordinated to assure that the shelter, housing, and community development needs identified in urban and rural areas may be addressed through efficient and appropriate models. For example, the HOME and Tax Credit application scoring systems allow for added points for projects in Counties which have a high housing cost burden (see Appendix A).

E. Other Actions

During the coming year the State plans to take the following actions:

Meet Under-served Needs

Continue to seek funding for priority needs, finance the development affordable family housing, implement a housing counseling program, implement a security deposit guarantee program and a security deposit grant program, and continue to train staff and contractors in lead-based paint inspection and hazard reduction.

Foster and Maintain Affordable Housing

Expand the affordable housing supply giving families and individuals a stable and secure place to live. Continue to coordinate the use of Low Income Housing Tax Credits (LIHTC) with HOME, CDBG and other resources to achieve affordable housing development.

Remove Barriers to Affordable Housing

The housing programs now operated by the State agencies will continue to increase the supply of affordable housing. NHHFA will continue to search for and implement ways to reduce barriers to affordable housing. In the coming year the NHHFA will offer two new-construction initiatives for family and senior housing. Each is intended to increase the stock of affordable housing units. The family new-construction program will be funded with HOME funds as well as NHHFA funds. NHHFA will continue to operate a single family mortgage program, a downpayment assistance program, a reverse equity mortgage program, a rehabilitation loan program, a home ownership counseling program, the Section 8 program and a family self sufficiency program. NHHFA will also continue to participate with other financial institutions in both the New Hampshire Community Reinvestment Corporation (\$30 million loan pool for affordable housing) and the New Hampshire Housing Investment Fund (\$12 million equity pool for the purchase of Tax Credits).

Evaluate and Reduce Lead-based Paint Hazards

In cooperation with the New Hampshire Department of Public Health, the City of Nashua, The Way Home (a nonprofit corporation in Manchester) and the State's Community Action Programs, the NHHFA is addressing lead-based paint hazards with a HUD Lead-Based Paint Hazard Reduction Grant (\$2.9 million). The effort includes a comprehensive program to address hazard reduction in single family homes and small multi-family properties as well as education and microenterprise development.

Reduce the Number of Poverty-level Families

Expand economic opportunities for low and moderate income households through assistance to regional development corporations fostering job growth and through assistance to micro-enterprises.

Develop Institutional Structure to Enhance Coordination Between Housing and Social Services

As in the past year, State agencies and interest groups will continue to work together in areas such as affordable and special needs housing. In addition, HHS, NHHFA and OSP will attend various continuum of care meetings in the State to discuss funding priorities, service needs and gaps and sources of funding while the Housing and Community Development Web page facilitates communication between the groups.

Plan Monitoring

Monitoring for compliance with the Consolidated Plan and applicable federal and state laws and regulations will generally be the responsibility of each federal resource administrator.

The Office of State Planning will be responsible for compliance and monitoring with respect to the Community Development Block Grant program. In addition to requiring semi-annual reporting by all sub-recipient municipalities, OSP will conduct annual monitoring visits to each active project. Checklists covering each major area of compliance will be used to assist in the reviews by OSP and as a technical assistance tool for municipal staff. Finally, desk reviews of each payment request will continue to be conducted by OSP Grant Representatives assigned to each project.

The Division of Mental Health and Developmental Services shall be responsible for compliance and monitoring with respect to the Emergency Shelter Grants. DMHDS staff will conduct site visits. A checklist will be employed to assist in the monitoring and interviews with clients and staff will be conducted.

The New Hampshire Housing Finance Authority shall be responsible for compliance and monitoring with respect to HOME Investment Partnerships resources. A staff construction analyst monitors all multi-family construction financed directly by the NHHFA. Multi-family construction conducted by sub-recipients is monitored by the sub-recipient and annual reports are submitted to the NHHFA. Following the completion of the construction, multi-family projects are turned over to the Housing Management Division of NHHFA. That division works closely with property managers and employs a system to determine long-term compliance with all the requirements (including federal) applicable to the projects. This would include income certifications and on-sight inspections for compliance with Housing Quality Standards and lead-based paint hazards.

The NHHFA shall coordinate compliance certifications for other federal resource applications required by regulation to be consistent with this plan.

The NHHFA shall be responsible for coordinating information necessary for performance reporting, although it, together with DMHDS and OSP shall be responsible for developing plan performance reports. The Housing and Community Development Planning Council shall review annual reports. Other activities and recommendations established in this plan (e.g. actions with respect to regulatory and fair housing issues) shall be coordinated among the three agencies.

Supporting Tables

Table F – Resources Available for Housing, Community Development, and Economic Development Activities

Table G – Homeless Service Providers by County

Table F - Resources Available For Housing, Community Development And Economic Development Activities

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
FEDERAL PROGRAMS -HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant (formula grant)	Supporting local community development and housing activities	<u>State CDBG</u> New Hampshire Office of State Planning <u>Entitlement CDBG</u> Dover Nashua Portsmouth Rochester Manchester	Matching requirements vary. See Appendix A
HOME Investment Partnerships Program (formula grant)	Wide spectrum of housing assistance activities	New Hampshire Housing Finance Authority, City of Manchester	None.
Emergency Shelter Grant (formula grant)	Assistance to homeless and those at risk of being homeless	New Hampshire Division of Mental Health and Developmental Services	1:1 Match required.
Section 8 (Rental Vouchers and Certificates)	Rental assistance to very low income households	New Hampshire Housing Finance Authority and 18 local public housing authorities	None.
Family Self-Sufficiency	Rental and service assistance to Section 8 households	New Hampshire Housing Finance Authority LHAs: Berlin, Dover, Keene, Laconia, Nashua, Manchester, Portsmouth	None.

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
HOPE for Youth (Youthbuild)	Gives disadvantaged young adults meaningful on-site training in housing construction and rehabilitation of affordable housing	U.S. Dept. of HUD Odyssey House	None.
HOPE III	Provides down payment, closing cost, and rehab funds to assist low income borrowers purchase government owned housing.	New Hampshire Housing Finance Authority	25% Match requirement.
Supportive Housing For The Elderly (Section 202)	Provides capital advance grants and rental assistance to develop housing and supportive services for the low income elderly.	U.S. Dept. HUD	\$10K - \$25K or .05% deposit.
Supportive Housing For Persons With Disabilities (Section 811)	Provides capital advance grants and rental assistance to develop housing and supportive services for the low income disabled.	U.S. Dept. HUD	\$10K - \$25K or .05% deposit.

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
Public Housing	Units managed by local housing authorities to assist low income households with affordable units.	Local Housing Authorities	None
Shelter Plus Care	Housing assistance combined with supportive services funded from other sources to maximize independence for disabled homeless people.	Grantee Government or Local Housing Authorities	None awarded to NH in 1998.
Low Income Housing Preservation	Preservation of 221d3 and 236 projects	U.S. Dept. HUD	None known
FHA Multi-Family Risk Sharing	Partial loan guarantees for multifamily units.	New Hampshire Housing Finance Authority	No match required.
MCKINNEY - Supportive Housing	Grants to assist the homeless through the provision of transitional housing, permanent housing for homeless with disabilities, supportive services, and innovative approaches to assisting homeless persons in transition from homelessness.	U. S. Department of HUD	50% Cash match for Acquisition and Rehabilitation. 25% share for operating in 1 st yr., 50% in yrs. 2 and 3.
MCKINNEY - Surplus Housing To Assist The Homeless	Homeless providers may obtain the use of unutilized federal properties (land or buildings) through lease or permit (for nominal rent) or through donation.	U.S. Dept. HUD	None known

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
FEDERAL PROGRAMS - RURAL DEVELOPMENT			
Rural Development (FmHA) Section 515	Assists in the development of affordable housing in rural areas.	Rural Development	3% equity for private developers only.
Rural Development (FmHA) Section 502	Direct loans to eligible home buyers for the purchase of a primary residence within "rurally" designated areas.	Rural Development	None.
Rural Development (FmHA) Section 504	Loans are intended to assist very low income rural homeowners, including those on leasehold land, to make repairs to improve or modernize their homes to make them safer and/or more sanitary.	Rural Development	None.
FEDERAL PROGRAMS - OTHER			
Internal Revenue Service Low Income Housing Tax Credits	Federal tax credits for developers of affordable housing	New Hampshire Housing Finance Authority	No match required. Leverage encouraged.
Federal Housing Administration Section 203B	A mortgage insurance program that allows qualified home buyers to secure loans with minimal downpayment reserves.	Qualified Lenders	3% Downpayment
Federal Home Loan Bank Affordable Housing Fund, Community Improvement Program and New England Fund	Assists lenders to provide subsidized financing and grants for production of affordable housing, economic development and public improvements.	Home Loan Bank Member Institutions	Varies

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
STATE AND LOCAL PROGRAMS - NH HOUSING FINANCE AUTHORITY			
Multifamily Bond Financing	When excess bond capacity presents itself, NHHFA will target larger scale multifamily projects for this development assistance	New Hampshire Housing Finance Authority	Matching requirements vary.
Single Family Mortgage Program	Low interest mortgages to income targeted first time home buying households.	New Hampshire Housing Finance Authority Qualified Lenders	3% downpayment required.
Housing Expenses Loan Program	Provides limited financial assistance to eligible borrowers to meet down payment and closing costs.	New Hampshire Housing Finance Authority Qualified Lenders	3% downpayment required.
Home Builder Commitment Program	Support the construction of new single family detached homes.	New Hampshire Housing Finance Authority	None.
Homekeeper Mortgages	Reverse mortgages for elderly homeowners that provides funds for living expenses while allowing owner to reside in their home.	New Hampshire Housing Finance Authority	None.
Feasibility - Predevelopment Assistance Program	Assists non-profit housing developers with the production of affordable housing	New Hampshire Housing Finance Authority	33% match required.
Non-Profit Assistance Program	Assists non-profit housing developers with the production of affordable housing	New Hampshire Housing Finance Authority	None.

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
Home Of Your Own Program	Provides homeownership opportunities for developmentally disabled people.	New Hampshire Housing Finance Authority New Hampshire Division of Mental Health and Developmental Services Institute on Disability Area Agencies	5% Match required (but can be paid by Area Agency).
Home Ownership Education and Counseling Program	Educate first time homebuyers.	New Hampshire Housing Finance Authority & Consumer Credit Counseling	None.
Family Self-Sufficiency	Rental and service assistance to Section 8 households	New Hampshire Housing Finance Authority	Matching requirements vary.
Supportive Services Program	A program that establishes the provision and/or coordination of supportive services to elderly residents of NHHFA and PHA senior housing.	New Hampshire Housing Finance Authority	Matching requirements vary.

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
Resident Education and Assistance Program	A program that addresses the needs of residents in senior housing who are abusing or mismanaging alcohol or drugs including prescription and over the counter medications.	New Hampshire Housing Finance Authority	None.
STATE AND LOCAL PROGRAMS - OTHER			
New Hampshire State Grant In Aid	Appropriation to DMHDS for addressing homeless needs within the state.	New Hampshire Division of Mental Health and Developmental Services	1:1 Match required.
New Hampshire Affordable Housing Fund	A fund established by the General Court in 1988 for the acquisition, development, and preservation of low income housing.	New Hampshire Housing Finance Authority	Matching requirements vary.
New Hampshire Congregate Housing Services Program	Provides resources to develop cost-effective means of delivering supportive services which enable frail elderly, temporarily disabled and handicapped individuals to maintain dignity and independence.	New Hampshire Division of Elderly and Adult Services	60% Total Match required, 10%-20% participant fee.
Security Deposit Loan Guarantee Program	Guarantee to Landlords of one-month security deposit, repayable by the tenant.	CAP Agencies, The Way Home, and Nashua Pastoral Care	None

PROGRAM	TARGETING & USE	LOCAL SOURCE	MATCH/ LEVERAGE REQUIREMENT
Rental Guarantee Program	Provides up to three months rent to “tanif eligible” families.	NH Dept of HHS, Office of Homeless and Housing Services	None.
New Hampshire Equity Fund	Investor consortium designed to increase the availability of equity funds for the Low Income Housing Tax Credit Program.	New Hampshire Equity Fund	\$13 million in equity leveraged.
New Hampshire Community Re-Investment Corporation	A loan consortium designed to increase the availability and consistency of financing for affordable rental housing development.	New Hampshire Housing Finance Authority	\$30 million leveraged into pool.
STATE AND LOCAL PROGRAMS NH COMMUNITY DEVELOPMENT FINANCE AUTHORITY			
Housing Futures Fund	General operating support for nonprofit housing development organizations in annual grants of \$10,000 to \$25,000.	New Hampshire Community Development Finance Authority	None
Community Development Investment Program	Donations of property and cash are accepted and passed on to nonprofit housing developers.	New Hampshire Community Development Finance Authority	15% of Property Value
CFDA Discretionary and Technical Assistance Funds	Used for housing related projects.	New Hampshire Community Development Finance Authority	Variable

Table G – Homeless Services by County

BELKNAP COUNTY

New Beginnings – A Women’s Crisis Center

PO Box 622
Laconia, NH 03247
Contact: Kathy Keller
(603) 528-6511
Purpose: Domestic Violence Services
and Shelter

Laconia Area Community Land Trust

PO Box 6104
Laconia, NH 03247
Contact: Linda Harvey
(603) 524-0747
Purpose: Transitional Housing

The Salvation Army

177 Union Avenue
Laconia, NH 03246
Contact: Captain Donna Reed
(603) 524-1834
Purpose: Emergency Shelter

Community Action Program

Belknap-Merrimack Counties

PO Box 1016
Concord, NH 03302-1016
Contact: Celeste Lovette
(603) 524-5512
Purpose: Prevention/Intervention Services/
Housing Security Guarantee Program

Twin Rivers Community Corporation

608 W Main Street
Tilton, NH 03276
Contact:
(603) 286-7710
Purpose: Transitional Housing

Open Arms Outreach

25 Union Street
Laconia, NH 03246
Contact: Ron Gendron
(603) 524-4580
Purpose: Transitional Housing

GENESIS-The Counseling Group

111 Church Street
Laconia, NH 03246
Contact: John Acker, Executive Director
(603) 524-1100
Purpose: Special Needs Housing/PATH
Permanent Housing Providers

CARROLL COUNTY

Tri-County Community Action Program (Coos, Grafton & Carroll Counties)

30 Exchange Street
Berlin, NH 03570
Contact: Phil Guiser
1-800-552-4617
Purpose: Prevention/Intervention
Services/Housing Security
Guarantee/PATH

Starting Point: Services for Victims of Domestic and Sexual Violence

PO Box 1972
Conway, NH 03818
Contact: Mary Mayhew
(603) 356-7993
Purpose: Domestic Violence Services/
Shelter

Northern NH Mental Health and Developmental Services

87 Washington Street
Conway, NH 03818
Contact: Eric Johnson
(603) 447-3347
Purpose: Special Needs Housing/PATH

CHESHIRE COUNTY

Southwestern Community Services

69-Z Island Street, PO Box 603
Keene, NH 03431
Contact: Melonie Sherman
(603) 352-7512
Purpose: Emergency and Transitional
Housing/Prevention/Intervention/Housing
Security Guarantee Program

Monadnock Family Services

64 Main Street, Suite 301
Keene, NH 03431
Contact: Kenneth Jue, Executive Director
(603) 357-6878
Purpose: Special Needs Housing/PATH

COOS COUNTY

Coos County Family Health Services

54 Willow Street
Berlin, NH 03570
Contact: Donna Cummings
(603) 752-5679
Purpose: Domestic Violence Services
and Shelter

Tri-County Community Action Program (Carroll, Coos, and Grafton Counties)

30 Exchange Street
Berlin, NH 03570
Contact: Phil Guiser
1-800-552-4617
Purpose: Prevention/Intervention Services/
Housing Security Guarantee Program/
Emergency and Transitional Housing/PATH

GRAFTON COUNTY

Headrest, Inc.

PO Box 221
Lebanon, NH 03766
Contact: Paul Haskell
(603) 448-4872
Purpose: Substance Abuse Specialty
Shelter

Tri-County Community Action Program

41 Green Street
Plymouth, NH 03264
Contact: Shirley McDougall
(603) 536-7631
Purpose: Prevention/Intervention/
Emergency and Transitional Housing/
PATH/ Housing Security Guarantee
Program

Task Force Against Domestic and Sexual Violence

PO Box 53
Plymouth, NH 03264
Contact: Amy Gilsdorf
(603) 536-3423
Purpose: Domestic Violence Shelter

West Central Services

2 Whipple Place, Suite 202
Lebanon, NH 03766
Contact: Phil Wyzik
(603) 448-0126
Purpose: Special Needs Housing/PATH

HILLSBOROUGH COUNTY

Child and Family Services of New

99 Hanover Street
Manchester, NH 03101
Contact: Gale Starr
(603) 668-1920
Purpose: Prevention Services and Host
Homes for Runaway and Homeless Youth

St. John Neumann

708 Milford Road
Merrimack, NH 03054
Contact: Mary Moriarty
(603) 424-5685
Purpose: Prevention Services

Greater Nashua Council on Alcoholism Keystone Hall

Pine Street Extension
Nashua, NH 03061
Contact: Peter Swenson
(603) 881-4848
Purpose: Substance Abuse Program/
Specialty Shelter

Families In Transition, Inc.

106 Market Street
Manchester NH 03101
Contact: Maureen Beauregard
(603) 641-9441
Purpose: Transitional housing for women
and women with children

HILLSBOROUGH COUNTY (cont.)

Manchester Emergency Housing

11 Liberty Street
Manchester, NH 03104
Contact: Cheryl Kitsis
(603) 627-2636
Purpose: Family Shelter

New Horizons for New Hampshire

199 Manchester Street
Manchester, NH 03103
Contact: Louis Craig
(603) 668-1877
Soup Kitchen and Food Pantry

Harbor Homes, Inc.

12 Amherst Street
Nashua, NH 03060
Contact: Peter Kelleher
(603) 881-8436
Purpose: Homeless & Specialty Shelters/
Persons with Mental Illness

Helping Hands Outreach Ministries, Inc.

PO Box 3551
Manchester, NH 03105
Contact: Doug Rickard
(603) 623-8778
Purpose: Substance Abuse Program/
Specialty Transitional Housing

Nashua Pastoral Care

214 Main Street
Nashua, NH 03061
Contact: Maryse Wirbal
(603) 886-2866
Purpose: Transitional Housing
and Prevention Services/Housing Security
Guarantee Program

**Southern New Hampshire Services
(Hillsborough County)**

PO Box 5040
Manchester, NH 03108
Contact: Gale Hennessy
Executive Director
(603) 668-8010
Purpose: Prevention/Intervention Services

Rape and Assault Support Services

PO Box 217
Nashua, NH 03061
Contact: Dawn Reams
(603) 889-0858
Purpose: Domestic Violence Services and
Shelter

Nashua Soup Kitchen and Shelter

PO Box 3116
Nashua, NH 03061
Contact: Lisa Christie
(603) 889-7770
Purpose: Emergency and Transitional
Housing/Soup Kitchen, and Services

The Way Home

20 Merrimack Street
Manchester, NH 03105
Contact: Mary Sliney
(603) 627-3491
Purpose: Security Deposit Loan Program
and Prevention Services

**Amherst Street, Nashua, New Hampshire
Harbor Homes, Inc.**

12 Amherst Street
Nashua, NH 03060
Contact: Peter Kelleher, Executive Director
(603) 881-8436
Purpose: Permanent Housing Provider

HILLSBOROUGH COUNTY (cont.)

St. Patrick SHARE Fund

PO Box 27
Milford, NH 03055
Contact: Mariette Facques
(603) 673-9898
Purpose: Prevention Services

YWCA Crisis Service (Emily's Place)

72 Concord Street
Manchester, NH 03101
Contact: Kathryn Lawson-Scully
(603) 625-5785
Purpose: Domestic Violence Shelter

Marguerite's Place

87 Palm Street
Nashua, NH 03060
Contact: Sister Sharon Walsh
(603) 598-1582
Purpose: Transitional Housing

Community Council of Nashua

7 Prospect Street
Nashua, NH 03060-3990
Contact: Zlatko Kuftinec, Executive Director
(603) 889-6147
Purpose: PATH

Mental Health Center of Greater Manchester

401 Cypress Street
Manchester, NH 03103-3628
Contact: Peter Janelle, Executive Director
(603) 668-4111
Purpose: Special Needs Housing/PATH

MERRIMACK COUNTY

New Hampshire Coalition Against Domestic And Sexual Violence

PO Box 353
Concord, NH 03302
Contact: Grace Mattern
Executive Director
(602) 224-8893
Purpose: Coalition

Community Services Council of New Hampshire Alcohol & Drug Intervention Program

2 Industrial Park Drive
Concord, NH 03301
Contact: Michelle French [Helpline]
William Bullard [ADI]
(603) 228-1959 Helpline: (800) 852-3388
Purpose: Substance Abuse
Shelter/Housing Security Guarantee
Program

Merrimack County Rape and Domestic Violence Crisis Center

PO Box 1344
Concord, NH 03302-1344
Contact: Nancy Francoeur, Director
(603) 225-7376
Purpose: Domestic Violence Shelter

The Salvation Army McKenna House

100 Fruit Street
Concord, NH 03301
Contact: Captain Robert Kountz
(603) 225-5586 Shelter: (603) 228-3505
Purpose: Emergency Shelter

MERRIMACK COUNTY (cont.)

The Friends Emergency Housing Program

30 Thompson Street
Concord, NH 03301
Contact: Pauline LaCroix
(603) 228-1462
Purpose: Family Emergency and
Transitional Housing

Community Action Program of Belknap Merrimack Counties

PO Box 1016
Concord, NH 03302-1016
Contact: Judy Scothorne
(603) 225-3295
Purpose: Prevention/Intervention Services/
Housing Security Guarantee and
Transitional Housing

Merrimack Valley Assistance Program.

PO Box 882
Concord, NH 03302
Contact: Andy Labrie
(603) 226-0607
Purpose: Specialty/Transitional Housing

Riverbend Community Mental Health, Inc.

5 Market Lane, PO Box 2032
Concord, NH 03301
Contact: Maggie Pritchard
(603) 228-1551
Purpose: Special Needs Housing/PATH

Franklin Falls Farm, Franklin, NH Community Services Council of New Hampshire

2 Industrial Park Drive
Concord, NH 03301-8520
Contact: Larry Singelais
(603) 225-9694
Purpose: Permanent Housing Providers

ROCKINGHAM COUNTY

AIDS Response Seacoast

1 Junkins Avenue
Portsmouth, NH 03801
Contact: Wendy Noyes
(603) 433-5377
Purpose: Prevention Services

Cross Roads House

600 Lafayette Road
Portsmouth, NH 03801
Contact: Kim Brown
(603) 436-2218
Purpose: Emergency/Transitional Housing

New Generation, Inc.

568 Portsmouth Avenue
Greenland, NH 03840
Contact: Toni Trotzer
(603) 436-4989
Purpose: Homeless Shelter for Pregnant
Women and Teens

Rockingham Community Action, Inc.

7 Junkins Avenue
Portsmouth, NH 03801
Contact: Stephen Geller, Executive Director
(603) 431-2911
Purpose: Prevention/Intervention Services/
Housing Security Guarantee Program

ROCKINGHAM COUNTY (cont.)

**Seacoast Task Force Against Family
Violence (A Safe Place)**

PO Box 674
Portsmouth, NH 03801
Contact: Celia Michau
(603) 436-7924
Purpose: Domestic Violence Services
and Shelter

Seacoast Mental Health Center, Inc.

1145 Sagamore Avenue
Portsmouth, NH 03801
Contact: Jeffrey Conner, Executive
(603) 431-6703
Purpose: Special Needs Housing/PATH

Beaver Lake Lodge, Salem, New Hampshire

CLM Behavioral Health Systems

Salem Professional Park
44 Stiles Road
Salem, NH 03079
Contact: Victor Topo, Executive Director
(603) 893-3548
Purpose: Permanent Housing Provider

Springbrook, Portsmouth, New Hampshire

1145 Sagamore Avenue
Portsmouth, NH 03801
Contact: Jeffrey Connor, Ph.D.
Executive Director
(603) 431-6703
Purpose: Permanent Housing Provider

**Center for Life Management, Behavioral
Health Systems**

Victor Topo, Executive Director
Salem Professional Park
44 Stiles Road
Salem, NH 03079
(603) 893-3548
Purpose, Special Needs Housing

STRAFFORD COUNTY

**Strafford County Community Action
Committee**

PO Box 160
Dover, NH 03820
Contact: Lisa Morris
(603) 749-1334
Purpose: Prevention/Intervention
Services/ Housing Security
Guarantee Program/PATH

Strafford Guidance Center

130 Central Avenue
Dover, NH 03820
Contact: Lisa Morris
(603) 742-0630
Purpose: Special Needs Housing/PATH

STRAFFORD COUNTY (cont.)

My Friend's Place

368 Washington Street
Dover, NH 03820
Contact: Lee Rollo
(603) 749-3017
Purpose: Emergency and Transitional
Housing

Holy Rosary SHARE Fund

183 North Main Street
Rochester, NH 03867
Contact: Steve Veal
(603) 743-5033
Purpose: Prevention Services

Tide View Estates, Dover, New
Hampshire

Strafford Guidance Center

130 Central Avenue
Dover, NH 03820
Contact: Catherine Becallo
Executive Director
(603) 742-0630
Purpose: Permanent Housing Provider

SULLIVAN COUNTY

Friends of Women's Supportive Services

11 School Street
Claremont, NH 03743
Contact: Deborah Mozden
(603) 543-0155
Purpose: Domestic Violence Services
and Shelter

**Southwestern Community Services
(Claremont)**

PO Box 1338
Claremont, NH 03743
Contact: Jodi Varney
(603) 542-2448
Purpose: Emergency and Transitional
Housing/Prevention Intervention Services

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APPENDIX A

CDBG GRANT CATEGORIES AND SELECTION PROCESS

HOME APPLICATION SCORING CRITERIA

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**COMMUNITY DEVELOPMENT BLOCK GRANT
GRANT CATEGORIES AND SELECTION PROCESS**

Note: As required by RSA 4-C:16 the Office of State Planning must adopt administrative rules relative to the application process, the criteria and procedures for evaluating applications submitted by eligible municipalities, and procedures for administration, monitoring and hearings. The following is an excerpt from proposed administrative rules which are being adopted. Paragraphs and sections are numbered for the convenience of the reader (i.e. "Pln 308.01 Administrative Requirements"). While the numbering and the specific language below may be different from the finally adopted version of the administrative rules, the intent of the requirements will remain the same.

Pln 305.02 **Types of Grants.** To accomplish the national and state objectives, there shall be four (4) grant categories:

(a) Community development grants, which shall consist of the following subcategories:

(1) housing grants; and

(2) public facilities grants;

(b) Economic development grants;

(c) Emergency grants; and

(d) Feasibility grants.

Pln 305.03 **Eligibility of Applicant.**

(a) All incorporated cities and towns, except for the entitlement municipalities of Manchester, Nashua, Portsmouth, Dover and Rochester shall be eligible to apply for funding under the CDBG program.

(b) All ten (10) counties are eligible to apply for CDBG funding for projects within their nonentitlement area.

Pln 305.04 **Eligible Activities.**

(a) Eligible federal activities shall be those activities which are listed as eligible in Section 105(a) of the federal act.

(b) Ineligible activities shall be those activities which are not authorized in the list of eligible activities in Section 105(a) of the federal act.

(c) Activities not authorized shall include but not be limited to the following:

(1) general expense of conducting government;

(2) political activities;

(3) new housing construction except as provided under the last resort housing provisions set forth in 24 CFR 49;

(4) buildings for the general conduct of government, such as city halls, courthouses, or other local government office buildings;

(5) expense of operating and maintaining public facilities such as water and sewer systems and public property, except for the limited costs for public services as described in Pln 302.05(b);

(6) purchase of equipment, furnishings, motor vehicles and other personal property, except for purchases and costs related to administration of the CDBG grant in accordance with 24 CFR 85 and Office of Management and Budget Circulars A-87, A-110 and A-122; and

(7) The ineligibility of (4) above does not apply where the activity shall only provide elderly and handicapped access to such offices.

(d) Activities which are eligible may be undertaken by the grantee/recipient through:

(1) its employees; or

(2) agreements with a contractor or subrecipient through procurement procedures governed by 24 CFR 85.36 or Attachment O of OMB Circular A-110, whichever applies.

Pln 305.05 **Financial Assistance.** Subject to the specific requirements of each type of grant or subcategory, the following use may be made of CDBG funds:

(a) a direct grant to a grantee or eligible individual;

(b) grants, loan guarantees, interest rate subsidies or loans to an eligible subrecipient by the grantee;

(c) interest rate subsidies or other favorable terms from a bank participating in the project with the grantee; or

(d) any other innovative financing used either singly or in combination with those described in (a) through (c) above.

PART PLN 306 COMMUNITY DEVELOPMENT GRANTS

Pln 306.01 CD Grants Administrative Requirements.

(a) Each application shall be submitted under either the housing or the public facilities subcategory.

(b) Where two (2) or more types of activities are proposed, the application shall be submitted and scored in the subcategory which reflects the principal activity and for which at least a majority of the funds have been requested. Supporting activities shall support and be incidental to the principal activity.

(c) If an application contains more than one activity the low and moderate income benefit shall be calculated on the project as a whole. Total activities shall equal at least a 51% low and moderate benefit, but individual activities shall at least meet one of the national objectives listed in section 104(b)(3) of the federal act.

(d) Municipalities might apply for and receive one (1) or more community development and emergency grants for each federal fiscal year in which funding is available.

(e) A single municipality may apply or municipalities may apply for CDBG grants jointly, subject to the following annual funding limits and requirements:

(1) The total funds awarded to a municipality with a population of 10,000 or under shall not exceed \$350,000 for a one (1) year grant(s) or \$700,000 for a two (2) year grant(s).

(2) A municipality with a population above 10,000 shall not exceed \$500,000 for a one (1) year grant(s) or \$1,000,000 for a two (2) year grant(s) provided the applicant shows that the higher level of funding is necessary and can be used in a timely manner.

(3) Any combination of municipalities, facing a common or regional problem which either requires their cooperation or where cooperation shall be more efficient, may jointly apply for a community development grant.

(4) In order for municipalities to jointly apply for CDBG grants each municipality shall:

a. Hold at least one (1) public hearing on the proposed project in accordance with RSA 4-C14;

b. Obtain local government authority to apply and to undertake the proposed activities pursuant to:

1. RSA 23 if a municipality;

2. RSA 24 if a county; or

3. RSA 53 if an unincorporated area;

c. One of the entities shall accept complete financial and administrative responsibility;

d. The rights and responsibilities of each entity shall be clearly stated in the application;

e. All of the entities shall execute an intergovernmental agreement(s) pursuant to RSA 53-A;

f. If applicable, anything else which is necessary or desirable depending on the entities and the location, nature and circumstances of each activity or project; and

g. The maximum funding available shall be the same as for an individual applicant; however, the total population of the applicants shall be used.

(f) Grant funds requested shall be sufficient, either alone or in combination with funds from other sources, to complete the project within the grant period. The applicant shall identify the sources and amounts of other funds.

(g) Single year grants shall be designed and implemented in an eighteen (18) month period and multi-year grants shall be designed and implemented in a thirty (30) month period.

(h) Where a municipality is applying for a 2 year grant the activities shall be so related that the need for continued funding in the second year is obvious.

(i) OSP shall, however, determine after notice and hearing not to fund the second year of the grant if the director finds that the grantee has consistently failed to reasonably comply with the terms of the grant.

(j) Of the funds estimated to be available in the next fiscal year, OSP shall not commit more than one-half (1/2) for the second year of multi-year grants.

(k) Grantee administrative costs shall not exceed fifteen (15) percent of the grant funds awarded. Eligibility of such costs shall be determined using the administrative cost principles and standards established by the US Office of Management and Budget and published in Circular A-87 (Appendix 2).

(l) The following restrictions shall also apply to administrative costs:

(1) The salary for a housing rehabilitation specialist shall not be considered an administrative cost.

(2) Consultant fees for writing grant applications shall be allowable for up to \$4,000 per application.

(3) Municipalities that write their own applications shall be eligible to receive up to \$4,000 per application based on actual documented costs.

(4) Subrecipients shall not be eligible to receive any grant funds for application writing.

(m) Municipalities shall submit three copies of their community development application(s) no later than the last Monday in January and the last Monday in July of each year. Only information received before the close of business on the deadline dates shall be considered in the scoring process with the exception that if the OSP staff requests specific data to verify the information in the application, such information shall be considered.

(n) Municipalities shall include letter(s) of commitment, surveys and all other documentation supporting or verifying information in the application.

Pln 306.02 Housing Grants.

(a) Eligible housing activities shall include, but shall not be limited to:

(1) rehabilitating housing which does not meet HUD Section 8 Existing Housing Quality Standards (see paragraph (c) below);

(2) improving the efficient use of water and energy;

(3) inspecting, testing and abating lead-based paint;

(4) exterior painting;

(5) providing elderly or handicapped access;

(6) historic preservation; and

(7) water, sewer, and street improvements on privately owned property.

(b) The following shall be eligible for financial assistance:

(1) Low and moderate income homeowners; and

(2) Landlords.

(c) Landlords shall be eligible to receive financial assistance in order to rehabilitate housing units under the following conditions:

(1) The landlord agrees to rent to low and moderate income household(s) at an affordable rent for five (5) years following completion of the project and all other units in the same building meet the standards in paragraph (d) below whether or not all units utilize CDBG funds; or

(2) For the housing unit(s) actually rented to a low and moderate income household(s) in a building in which less than fifty-one (51) percent of the units are occupied by such households, provided the landlord agrees to:

a. continue renting such unit(s) to a low and moderate income household(s) at an affordable rent for at least five (5) years following completion of the project; and

b. all other units in the same building meet the standards in paragraph (c) below whether or not all units utilize CDBG funds; or

(3) For the entire building where at least fifty-one (51) percent of the apartment units are rented to low/ moderate income households provided the landlord agrees to:

(a) continue renting at least fifty-one (51) percent of the units to low and moderate income households at an affordable rent for at least five (5) years following completion of the project; and

(b) bring all units in that building up to the standards in paragraph (c) below whether or not all units utilize CDBG funds.

(d) For the purpose of meeting the fifty-one (51) percent and affordable rent requirements described in subparagraph (2)b. above in the case of a two-unit structure, only one of the units needs to be occupied by a low and moderate income household and rented at an affordable rent.

(e) Public housing authorities and private or public nonprofit organizations shall be eligible to receive CDBG financial assistance provided that they meet the criteria in Pln 306.02(b)(3).

(f) The following standards shall apply to housing rehabilitated with CDBG funds:

(1) Single family homes, apartment units and mobile/manufactured homes shall meet:

a. HUD Section 8 Existing Housing Quality Standards as listed in 24 CFR 882.109, (Appendix 3) or municipal housing and/or building, electrical and plumbing codes where they exceed the HUD standards;

b. the state's life safety code pursuant to RSA 153 and Fir 302.02 of the state administrative rules and the state energy code pursuant to RSA 155-D and Puc 1800 of the state administrative rules and

c. where applicable, the state's architectural barrier free design code pursuant to RSA 275 and Han 511 of the state administrative rules.

- (2) Other types of housing units, designed to meet the specific needs of certain groups of people, including but not limited to, the elderly and handicapped shall meet the appropriate HUD Section 8 Existing Housing Quality Standards listed in 24 CFR 882.109 (Appendix 3) and the affordable rent requirements of Pln 306.02 (c)(2)a.
- (3) The relevant rehabilitation standards above shall not apply where the sole activity consists of:
- a. painting the exterior of residences of low and moderate income households;
 - b. removing material or architectural barriers from the residences of the elderly or handicapped; or
 - c. improvements on private property in support of housing.
- (d) The following limits shall apply to housing rehabilitated or assisted with CDBG funds:
- (1) CDBG funds for rehabilitation for apartment units, single family and mobile/manufactured homes shall not exceed \$18,000 per unit;
 - (2) For all buildings with either 8 or more residential units for which a minimum of \$100,000 in CDBG funds is proposed, the applicant shall submit a proforma. The proforma and supporting information shall be submitted with the application;
 - (3) Single room occupancy housing which means a housing unit for one individual capable of living independently which contains no kitchen or bathroom, or one, but not both, is located in a structure of 4 or more units, and is recognized as a boarding or rooming house on the tax records of the municipality, shall be limited to \$7,000 in CDBG funds per residential unit;
 - (4) Funding limits for shared which means a housing unit occupied by 2 or more families, or up to 12 people consisting of some common space, a living room, kitchen, dining area and bath, and an appropriate number of bedrooms, group housing which means a dwelling unit consisting of a living room, kitchen, dining area, bathroom and bedroom(s) for up to 12 elderly, handicapped or disabled but ambulatory persons and their families who are unable to live independently and who need a planned program of continual support services provided by a resident assistant, and congregate housing which means low income housing, predominantly for elderly, handicapped, disabled or displaced families, which may or may not have kitchen facilities but which is connected to a central dining facility, shall be based on the number of residential units occupied by each person, family or household as follows:
 - a. For a building of up to eight (8) units, CDBG funds shall be limited to \$40,000 for the building plus \$10,000 per unit.
 - b. For a building with eight (8) or more units, shall be limited to \$15,000 per unit after the \$40,000 base for the building provided that the applicant shall document financial solvency of the building by submission of a proforma analysis;
 - (5) Exterior paint programs shall not exceed \$300 in CDBG funds per housing unit;
 - (6) Paint and equipment rental shall be the only allowable costs; and
 - (7) The relevant limits of paragraph (d) above do not apply where the rehabilitated housing shall provide a long term benefit by providing affordable housing to primarily low and moderate income households.

(8) Maintenance of a housing inspection program, including a provision for a housing inspector.

(e) The grantee shall place a five (5) year lien on any residential building which has been rehabilitated with CDBG funds.

(f) A municipality may operate a revolving loan fund for a housing project provided:

(1) That low as well as moderate income household will benefit;

(2) At least an equal amount of matching loan funds will be available from banks and/or other financial institutions at market or below market interest rates; and

(3) The municipality has the long term capability to administer the revolving fund after the grant closeout.

(4) Evidence of such long term capability may be a contract with a bank or administering agency to provide such services.

Pln 306.03 Public Facilities Grants For Water and Sewer.

(a) A private water system shall be eligible to receive a direct grant or financial assistance from a municipality only if rate approval shall be required by the New Hampshire Public Utilities Commission.

(b) A county water or sewer system serving primarily institutionalized populations shall be eligible only if matching funds authorized for such improvements meet or exceed \$1,500 per bed.

(c) Eligible activities under (b) above shall include, but shall not be limited to:

(1) extending or replacing water or sewer lines;

(2) constructing water or sewer treatment facilities;

(3) constructing water storage tanks or reservoirs; and

(4) digging of wells.

(d) Although an eligible activity, assistance for water and sewer systems serving primarily medical facilities and nursing homes shall be of low priority and shall receive zero (0) points when scored, as compared to the fifty (50) points which an eligible activity otherwise shall receive.

Pln 306.04 Public Facilities Grants For Public Property.

(a) Eligible activities shall include, but shall not be limited to:

(1) Constructing elderly/handicapped access to existing public buildings and property;

(2) Acquiring, constructing, reconstructing, rehabilitating or installing:

a. streets;

b. street lights;

- c. sidewalks;
- d. parks;
- e. playgrounds;
- f. recreation areas;
- g. malls;
- h. walkways; and
- i. easements;

(3) Acquiring, constructing, rehabilitating or renovating schools for use as schools, libraries and museums;

(4) Acquiring, constructing or rehabilitating medical facilities and nursing homes; and

(5) Developing municipal master plans.

(6) The repair or maintenance of items listed in (2) above shall be ineligible;

(b) Notwithstanding any additional requirements which might apply to a specific public property public facilities grant, all of the activities listed in paragraph (a) above shall have a minimum match ratio of 1:1 of CDBG funds to non-CDBG funds. If the applicant cannot raise the required matching funds, the applicant shall not apply.

(c) The activities listed in paragraph (a)(3)(4) and (5) above, although eligible, shall be of low priority and the application shall receive zero (0) points when scored, as compared to the fifty (50) points which an eligible activity otherwise shall receive.

Pln 306.05 Public Facilities Grants For Public Services.

(a) Eligible activities shall include, but shall not be limited to the following:

(1) The use of up to 15 percent of the total CDBG grant awarded to provide public services as described in Section 105(a)(8) of the federal act, but only if the applicant:

a. Has not provided such services during the twelve (12) months immediately preceding the date of submission of OSP's final statement; and

b. Submits a self sustaining plan for continued funding of such a service once grant funds shall be spent; and

(2) Acquiring, constructing, reconstructing, or rehabilitating the community centers, homeless shelters or neighborhood facilities in which public services shall be provided.

PART PLN 307 ECONOMIC DEVELOPMENT GRANTS

Pln 307.01 ED Grants Administrative Requirements.

(a) Notwithstanding the fact that Pln 306.01 applies to community development grants, the administrative requirements set forth in Pln 306.01(b),(d),(e),(f),(g) and (h) shall apply to each economic development application.

(b) Eligible activities in this subcategory shall include, but shall not be limited to the following:

(1) Acquiring, constructing, reconstructing, or rehabilitating commercial or industrial buildings;

(2) Purchasing machinery and equipment;

(3) Training employees;

a. As a public service pursuant to 306.05(b)(1); or

b. Where the cost of training is more than 15% of the total requested grant; and

1. new jobs are being created; and

2. there is a lack of skilled persons in the labor market to fill the new jobs.

(4) Acquiring land; and

(5) Making public improvements.

(c) The following shall be eligible for financial assistance:

(1) For-profit subrecipients;

(2) Non-profit subrecipients; and

(3) Municipalities without any subrecipient.

(d) For-profit subrecipients shall be eligible to receive financial assistance under the following conditions:

(1) Where the assistance shall meet the objectives in 24 CFR 570.482(e)(2); or

(2) Where the assistance is solely for training; and

a. The assistance is used solely for the added cost to be incurred by the business as a result of hiring unskilled workers and training them; or

b. The assistance is used solely for teaching higher skills to existing employees in order to retain them.

(e) Non-profit subrecipients shall be eligible to receive financial assistance under the following conditions:

(1) Where the assistance shall meet the objectives in 24 CFR 570.482(e)(2);

-
- (2) Where the assistance is for the purpose of loaning funds to a business and capitalizing a Revolving Loan Fund with the repayments; or
- (3) Where the assistance is for the acquisition or improvement of land or buildings owned by the non-profit.
- (f) Municipalities without any subrecipient shall be eligible to receive financial assistance where the assistance is for the purpose of making public improvements in support of economic development.
- (g) In order to be considered for an economic development grant the applicant shall:
- (1) Document the expected rate of return to the business ownership, relative to the industry in which it is participating;
 - (2) Document through proformas and financial projections for the business that an adequate cash flow shall exist to repay the debt resulting from the project as well as any other debt that the business has incurred; and
 - (3) Include a detailed analysis prepared by a Certified Public Accountant or a financial analyst documenting the cash value of the CDBG assistance to the business.
- (h) Grantees or subrecipients shall neither propose nor provide grants to for-profit businesses or organizations.
- (i) Applications shall include documentation that demonstrates that the project is feasible. Such documentation shall include but not be limited to the following:
- (1) A description of management capabilities and qualifications;
 - (2) Financial history that is sufficient to determine the following:
 - a. the operating cycle;
 - b. cash flow;
 - c. cash management;
 - d. permanent working capital;
 - e. use of discretionary funds;
 - f. profit and loss projections;
 - g. balance sheet projections;
 - (3) Market plans and projections; and
 - (4) Confirmed project component costs by an engineer or an independent appraiser.
- (j) Applications shall be accepted on a year round basis and shall be scored according to Part Pln 310.08.

Pln 307.02 Capacity Development Grants for Regional Development Corporations.

(a) The administrative requirements set forth in Pln 307.01(a) shall not apply to capacity development grants for regional development corporations.

(b) Municipalities shall be eligible to apply on behalf of non-profit regional development corporations in order to increase their expertise and capacity in order to capitalize and manage revolving loan funds for economic development.

(c) Municipalities shall be eligible to apply for up to \$100,000 for a single year grant or for up to \$200,000 for a two-year grant provided the applicant shows that the higher level of funding is necessary and can be used in a timely manner.

(d) Grantees shall be eligible to receive up to an additional \$15,000 to pay for half of the actual costs associated with the establishment of a regional development corporation.

(e) OSP shall, however, determine after notice and hearing not to fund the second year of the grant if the director finds that the grantee has consistently failed to reasonably comply with the terms of the grant.

(f) Grantees shall be eligible to receive up to 15% of a grant awarded under this subsection for administration.

(g) Non-profit regional development corporations shall use CDBG funds to develop and expand their capacity and expertise with regards to the following:

(1) Marketing of the revolving loan fund;

(2) Deal structuring and fitting of appropriate financing;

(3) Financial analysis;

(4) Loan servicing, including but limited to the following:

a. repayment collections;

b. renegotiating terms;

c. foreclosures;

(5) Training; and

(6) The use of up to 25% of a grant funded under this specific subcategory in order to increase the expertise and capacity of non-profit regional development corporations in providing microenterprise development assistance related to the following activities:

a. establishing revolving loan funds;

b. facilitating peer lending groups;

- c. providing loans and loan guarantees;
- d. providing technical assistance and business support services; and
- e. hiring staff or consultants for the delivery of the service.

(h) The following activities shall be considered ineligible uses for capacity development grants for regional development corporations:

- (1) Business recruitment outside the chartered boundaries of a regional development corporation;
- (2) Rent of office space; and
- (3) General promotion of a municipality or region as a whole.

(i) Regional development corporations shall not substitute grant funds for existing financing of overhead costs.

(j) Applicants shall receive funding under Pln 307.02(e) above provided the applicant documents that the non-profit regional development corporation meets, or is able to meet all of the following conditions:

(1) That at least \$500,000 of private firmly committed matching funds is proposed to be committed to a loan pool for the purpose of making economic development loans. Documentation shall include, but not be limited to the following:

- a. letters of commitment from financial institutions; or
- b. letters of credit from financial institutions.

(2) That loans made from the loan pool shall create at least one job for every \$10,000 received by the municipality under this subcategory. Documentation shall include, but not be limited to the following:

- a. loan policies and procedures; or
- b. bylaws of the regional development corporation.

(3) That jobs created or retained during the term of the assistance provided by capacity development grants for regional development corporations shall be filled primarily by low and moderate income persons. This requirement shall be measured in the aggregate during the term of the assistance. Documentation shall include, but not be limited to the following:

- a. loan policies and procedures; or
- b. bylaws of the regional development corporation;
- c. commitment letters from financial institutions; and

(4) That in the event that a business funded as a result of receiving a capacity development grant, involves the relocation of all or part of that business, only net jobs created shall be counted towards meeting the requirements in Pln 307.02(g)(2) and (3) above. Documentation shall include, but not be limited to the following:

- a. loan policies and procedures; or
- b. bylaws of the regional development corporation.

(k) Applicants shall receive funding under Pln 307.02(g)(6) above provided the applicant documents that the non-profit regional development corporation meets, or is able to meet the following condition:

(1) That each microenterprise assisted shall employ primarily low and moderate income persons. Microenterprises that employ only two people shall meet this requirement if one of them is a low or moderate income person.

(l) The scoring criteria set forth in Pln 310.08 through Pln 310.11 shall not apply to applications submitted for capacity development grants for regional development corporations.

PART PLN 308 EMERGENCY GRANTS

Pln 308.01 Administrative Requirements.

(a) Emergency grant applications shall be submitted under the subcategory of housing, public facilities or economic development.

(b) CDBG funds shall be awarded to applicants whose project shall provide immediate relief because of:

- (1) emergencies resulting from natural disasters; or
- (2) unanticipated events which have a serious and immediate threat to public health and safety; or
- (3) unanticipated actions which have resulted in plant closures or permanent layoffs of employees jeopardizing the economic stability of the community.

(c) There shall be no limit on the number of applications which may be submitted except that economic development applications under this section shall only be eligible after the Economic Development Set Aside has been awarded. Emergency Grants shall be subject to the same funding limits as community development grants.

(d) Administrative costs shall not exceed fifteen (15) percent of the grant funds awarded

(e) Emergency applications shall be accepted year round.

(f) Applications shall be scored according to Pln 310 and shall receive a minimum score of three hundred twenty-five (325) points in order to be considered for a final grant award.

(g) The requirements of Pln 307 shall apply to economic development projects awarded under this section.

PART PLN 309 FEASIBILITY GRANTS

Pln 309.01 Project Requirements.

(a) The objectives of a feasibility grant shall be to determine whether or not the project proposed:

(1) Is feasible and/or to recommend specific action(s) to be undertaken; and

(2) that at least a minimum of fifty-one (51) percent of the intended beneficiaries shall be low and moderate income persons or households.

(b) Upon completion of the study, a public hearing with opportunity for oral and written comment shall be held to discuss its recommendations and conclusions.

Pln 309.02 Eligible Activities.

(a) Eligible activities shall include the study, analysis and planning of any eligible activity, including architectural and engineering predesign, which might lead to a community development grant application.

(b) Examples of ineligible activities include final architectural and engineering designs, municipal master plans and construction.

Pln 309.03 Evidence of Low and Moderate Income Benefit; Other Requirements.

(a) Housing feasibility studies for rehabilitation activities shall include the following:

(1) A determination of area wide benefit and potential applicants by conducting an income survey of the households in the target area with at least a sixty-seven (67) percent random or serial response rate;

(2) A structural inspection of at least ten (10) percent of the eligible units in the proposed project documenting the condition of the electrical, plumbing, heating and venting systems and the extent of code compliance; and

(3) A program design including, but not limited to:

a. plans for grant administration;

b. verification of household income levels;

c. structural inspections;

d. funding mechanisms for eligible households;

e. payment schedules;

f. program outreach; and

g. marketing.

(b) Public facility feasibility studies shall document a minimum fifty-one (51) percent low and moderate income benefit in the service area by conducting an income survey with at least a sixty-seven (67) percent random or serial response rate or by using any other statistically valid method, or by using the chi-square approximation statistical technique as shown in Appendix 4 of the rules, the service area is comprised of more than 100 families.

Pln 309.04 Administrative Requirements.

(a) Each application shall be submitted under either the housing, public facilities, or economic development subcategory.

(b) Where 2 or more types of activities are proposed, the application shall be submitted and scored in the subcategory which reflects the principal activity and for which at least 51 percent of the funds have been requested.

(c) Applicants shall design and implement studies which can be completed within a 12 month period.

(d) The maximum grant award of \$12,000 shall be made only for feasibility studies which include architectural or engineering predesign, or economic analysis and a plan or approach to the study which has the potential of achieving the goals stated in the proposal.

(e) OSP shall reduce funding below the amount requested where the director finds in writing, that a less complex set of studies either meets the need specified in the application or is more appropriate.

(f) There shall be no yearly limit on the number of feasibility grant applications which may be submitted and received.

(g) The following restrictions shall apply to the funds awarded for feasibility studies:

(1) Eligible administrative costs shall not exceed twenty (20) percent, or \$2,000 where the maximum of \$12,000 has been awarded.

(2) Consultant fees for writing and preparing grants shall qualify as administrative costs, but shall not exceed \$500 per application.

(3) Any subcontract for nonadministrative services over \$2,000 shall be bid in accordance with the competitive negotiation procurement process described in 24 CFR 85.36(d)(3).

(f) The director shall give eligible municipalities and counties at least thirty (30) days advance notice of the application deadline by first class mail. Three copies of the application shall be submitted by the municipality. Only information received before the close of business on the deadline date shall be considered in the scoring process except that OSP staff request specific data to verify the information in the application if such information shall also be considered. Letter(s) of commitment for matching funds shall be included as part of the application.

PART PLN 310 SELECTION OF GRANTEES

Statutory Authority: RSA 4-C:14

Pln 310.01 Threshold Application Requirements.

(a) All applicants shall document in their application compliance with the following statutory requirements of RSA 4-C:14, prior to the application deadline:

(1) The applicant shall provide evidence of the authority it received from its citizenry, i.e. town meeting, county convention, or city council, to apply for a CDBG grant.

(2) In the case of a joint application as described in Pln 306.01(d)(3) above, the applicant shall provide:

a. copies of all necessary intergovernmental agreements; and

b. relevant minutes of meetings and authorizations; and

(3) The applicant shall provide evidence of compliance with statutory public notice and hearing requirements. Such evidence shall include, at a minimum, documentation of proper notice, posting and publication and at least one public hearing to provide citizens with information and an opportunity for oral and written comment; and

(4) The applicant shall provide evidence of authorization by the relevant governing body, i.e. board of selectmen, county commissioners, or city council, to its chief executive officer to apply.

(b) In addition to the state statutory requirements in (a) above, the applicant shall document in the application compliance with the following requirements of the federal act:

(1) All applicants shall submit a housing and community development plan which shall:

a. identify community development and housing needs which currently exist or are anticipated during the next three (3) years;

b. specify both short- and long-term community development objectives which are consistent with the national and state objectives listed in Pln 305.01 above;

c. state, as a matter of policy, that involuntary displacement of households from their neighborhoods shall be minimized;

(2) If such a plan is currently on file at OSP and has been adopted no more than three years prior to submission of an application, the applicant may submit a summary. If the plan has been revised, an update shall also be submitted;

(3) The applicant shall provide for the housing and community development plan, or its update, the minutes of the public hearing. The hearing on the plan may occur at the same time as the one held on the CDBG application, or it may be held separately. In either case, the notice and hearing requirements of RSA 4-C:14 shall be met;

(4) Subsequent to the public hearing but before the filing of an application, the plan shall be adopted by the municipality's governing body;

(5) If a proposed activity(ies) might have a significant environmental impact under the National Environmental Policy Act of 1969, as amended, the entire project shall be reviewed as part of the scoring and site visit process. If activities that have a significant environmental impact are eliminated, the remainder of the application shall be rescored;

(c) In addition to the state and federal statutory requirements listed in (a) and (b) above, applicants shall also comply with the following:

(1) In order to be eligible to apply for a fourth housing grant, the applicant shall:

- a. have adopted a housing code that is separate and distinct from the building code; and
- b. shall maintain a housing inspection program, including a provision for a housing inspector.

(2) In order to be eligible to apply for a water or sewer grant, the New Hampshire Department of Environmental Services, Division of Water Supply and Pollution Control shall have determined that the improvement shall be required for public health and safety for municipal, village district or Public Utilities Commission regulated private, water or sewer systems;

(3) A municipal or village district water or sewer system shall be eligible for financial assistance only if its current annual metered residential water rate, or current annual sewer rate, whichever applies; or the annual metered residential water rate, or the annual sewer rate, whichever applies, which shall be in effect upon completion of the proposed project for either 12,000 cubic feet or 90,000 gallons per year will exceed:

- a. one (1) percent of the moderate family income from the latest decennial census; or
- b. two (2) percent of the moderate family income from the latest decennial census for combined residential water and sewer rates for that level of use;

(4) A private or county water or sewer system shall be eligible for financial assistance only if the following conditions are met:

- a. A private water system shall be eligible to receive financial assistance from an applicant municipality or county only if rate approval shall be required by the New Hampshire Public Utilities Commission; and
- b. A county water or sewer system serving primarily institutionalized populations shall be eligible only if matching funds authorized for such improvements meet or exceed \$1,500 per bed.

(5) The threshold requirements of subparagraphs (2), (3) and (4) above shall not apply to the following:

- a. the cost of water meters or of water or sewer connections either between or immediately fronting the residential structures of low and moderate income households; or
- b. the cost of new wells or of water or sewer line extensions to service areas in support of a housing or an economic development project .

(6) In order to be eligible to apply for a public property grant, the applicant shall have a minimum match ratio of 1:1 of CDBG funds to firmly committed non-CDBG funds.

(7) In order to be eligible to apply for an economic development activity, the applicant shall document the following:

- a. a minimum match ratio of 1:1 of formally committed matching funds to CDBG funds;
- b. that the project shall create or retain a minimum of 1 job for every \$20,000 of CDBG funds requested;
- c. that at least 60% of the jobs shall be taken by or are presently occupied by low and moderate income persons; or
- d. Where existing jobs are not presently occupied by at least 60% low and moderate income persons but can be expected to meet this percentage prior to project closeout and where the applicant requires the business(s) to meet this percentage benefit, then the project shall be deemed eligible.

(8) The applicant shall document compliance with Section 102 of the HUD Reform Act of 1989 and Subpart C of 24 CFR 12.

Pln 310.02 Evaluating Applications.

(a) OSP shall evaluate applications prior to scoring using the criteria in (c)-(n) below.

(b) The evaluation shall result in one or more of the following actions:

- (1) A request for clarifying information;
- (2) Limited modifications to the proposed project;
- (3) Reduced funding;
- (4) Elimination of activities that do not meet the national objective described in Pln 305.01 (a) and (b) or are ineligible;
- (5) Elimination of activities that do not support the principal activity;
- (6) Denial of funding for the project for clear failure to comply with one or more of the criteria listed in paragraphs (c) through (n) below; or
- (7) Scoring of the application.

(c) All projects shall conform to the goal of the state enabling legislation described in RSA 4-C:12 and to the primary objective as described in Section 101(c) of the federal act, which is to benefit mainly low and moderate income persons and households without excluding low income persons and households.

(d) Such projects might also, but shall not be required to, meet the other two national objectives and the other state objectives listed in Pln 305.01.

(e) To determine whether an activity meets a national objective the criteria in 24 CFR 570.483 shall be used.

(f) In addition, the following criteria shall also be used to determine national objective compliance:

(1) For a public facilities grant for water and sewer as described in Pln 306.03, the applicant shall show that at least 51 percent of the households currently serviced, or expected to be serviced, by the water or sewer system shall be low and moderate income persons by:

a. using census data;

b. conducting a survey with at least a 67 percent random or serial response rate and at least 51 percent of those responding persons shall be low and moderate income persons;

c. using the chi-square approximation statistical technique shown in Appendix 4 if the service area is comprised of over 100 users; or

d. any other statistically valid method.

(2) For a public facilities grant for public property as described in Pln 306.04, the applicant shall show that, within the target area, at least fifty-one (51) percent of the persons expected to benefit from the proposed CDBG project shall be low and moderate income persons by:

a. using census data; or

b. conducting a survey as described in (1)b. above.

(3) For a public facilities grant for public services as described in Pln 306.05, the applicant shall show that at least fifty-one (51) percent of the persons comprising the groups expected to use the community center or neighborhood facility are low and moderate income persons by:

a. using census data; or

b. conducting a survey as described in (1)b. above in a demarcated target area.

(g) The criteria in (3) above shall not apply to public facilities grants where the national objective compliance is determined by using the criteria in 24 CFR 570.483(b)(2).

(h) To evaluate an applicant's capacity and performance to carry out a proposed community development project, the following conditions shall apply:

(1) For Prior Grantees, the applicant's present capacity to undertake a new program shall be evaluated as well as the applicant's prior performance by using the following criteria:

a. rate of progress in completing the project is an average of six (6) months or more behind schedule;

b. the applicant currently has more than \$250,000 in unspent and obligated CDBG funds;

c. efforts to provide housing for low and moderate income households generally; and

d. compliance with applicable laws, rules and regulations, including actions taken to clear OSP monitoring findings in accordance with 24 CFR 570.492 and audit findings in accordance with 24 CFR 570.493.

(2) Where a revolving loan fund is proposed for economic development activities, the applicant's or subrecipient's ability to administer the fund shall be evaluated by using the following criteria:

- a. Evidence of a long-term capability including but not limited to a contract with a bank or administering agency to provide such service; and
- b. A written plan for the re-use of the recaptured loan funds;

(i) The following shall apply to the verification of information:

(1) OSP shall verify information contained in the application by reviewing:

- a. survey and census data;
- b. municipal master plans;
- c. regional planning agency reports;
- e. reports from the New Hampshire Housing Finance Authority
- f. local universities; and
- g. previous applications.

(2) The data in (1) above shall be verified by:

- a. contacting the applicant;
- b. checking published data;
- c. consulting state and federal agencies; or
- d. consulting private entities.

(j) Where OSP does not have the expertise, other state agencies or private consultants hired by OSP shall be requested to perform a technical review of the application.

(k) Site visits shall be made with the applicant to further verify and evaluate the information contained in an application.

(l) Grant funds requested shall be sufficient, either alone or in combination with other funding sources, to complete the intended activities within the grant period. The applicant shall identify the sources and amounts of other funds as well as their proposed use.

(m) The applicant shall have no codes, ordinances and written policies which effectively exclude mobile homes or manufactured housing and multi-family housing for low and moderate income households.

(n) The requirement in (m) above shall not apply to feasibility grant applications.

Pln 310.03 Scoring of Community Development and Emergency Grant Applications.

(a) Applications shall be awarded points on the basis of the following factors cited in Table 310-1 below:

Table 310-1 Point Values

RATING FACTORS	MAXIMUM POINT VALUES Community Development and Emergency Grants
Municipality/County Scores Reflecting % of Household Population Receiving Human Services Assistance	30
Municipality/County Scores Reflecting Adjusted Median Household Income	30
Project Area Need	100
Project Impact	240
TOTAL	400

(b) Because emergency and economic development grants may be submitted year round, they shall be scored separately from other community development grants and feasibility grants.

Pln 310.04 Scores Reflecting Percent of Households Receiving Human Services Assistance.

(a) The municipality/county scores which appear in Appendix 9, reflect the percent of household population receiving state human services assistance. This percentage shall be calculated for the most recent calendar year using caseload data published monthly in report number HHS210 by the Division of Human Services in the New Hampshire Department of Health and Human Services and averaging the data from the first month in each quarter.

(b) The following sequence of formulas shall be used to determine the percent of households receiving human services assistance in each municipality:

(1) Sum the Number of Persons Receiving:

- a. Old Age Assistance (OAA);
- b. Aid to the Needy and Blind (ANB);
- c. Aid to the Permanently Disabled and Totally Disabled (APTD);
- d. Aid to Families with Dependent Children (AFDC); and,
- e. Food Stamps (stamps only; no cash payments); then

(2) Divide by the Municipal Total Household Population

(c) Municipalities shall be then ranked on the basis of the percentages obtained in subparagraph (b)] above. The municipality with the highest percentage rate shall receive 30 points, that with the lowest, 0 points, with the remaining municipalities receiving scores between zero 0 and 30 based on their ranking.

(d) County scores shall be calculated as follows:

- (1) The score for each eligible municipality within the county shall be weighted by multiplying the Municipal score from Pln 310.04(c) by the Municipal Household Population and dividing by the Total Population in the County; and
- (2) The county score shall equal the sum of the weighted scores of the eligible municipalities within the county.

Pln 310.05 Scores Reflecting Adjusted Median Household Income.

(a) The municipality scores reflecting the adjusted median household income appear in Appendix 9. The municipality having the highest adjusted median household income (AMHHI) as determined by the 1989 median income adjusted to a four person household size using HUD methodology, and the 1990 mean household size for each municipality as provided by the U.S. Bureau of the Census, adjusted shall receive 0 points. The lowest shall receive 30 points, with a remaining municipalities receiving scores between 0 and 30 based on their ranking.

(b) County scores shall be obtained by first determining the weighted scores for each eligible municipality as in Pln 310.04 (d)(1) above and then adding the weighted scores as in (d)(2) above.

Pln 310.06 Project Description.

(a) The applicant shall write a project description which details the need and the impact of the project in the area.

(b) The project description shall focus on:

- (1) the nature of the problem and need for the proposed project;
- (2) the need for CDBG funds for the proposed project;
- (3) the impact the proposed project shall have on the problem;
- (4) how the proposed project shall be implemented; and
- (5) how the proposed project meets a national objective as well as the required state objective of a minimum fifty-one (51) percent of low and moderate income benefit for either persons or households, and any other national or state objectives by either solving the problem or lessening the need.

(c) The maximum point value for the project description shall be 100 points based on the following criteria:

- (1) Up to 50 points shall be awarded on the basis of need and impact based on the following criteria:
 - a. applications in the same subcategory shall be compared in order to determine relative need and impact. The application(s) showing the greatest need and impact shall receive up to fifty (50) points;

b. the remaining applications shall receive fewer points according to the following point values cited in Table 310-2 below:

Table 310-2 Project Description Points

Showing of Need and Impact	Score
Substantial	40
Moderate	25
Minimum	10
None	0

(2) Up to fifty (50) points shall be awarded, based on the percentage of low and moderate income persons or households, residing in the target or service area, whether or not such persons or households directly benefit by using either:

- a. a statically valid survey that meets the requirements of Pln 310.02(f)b,c or d; or
- b. census data most closely corresponding to the target area, or service area where applicable.

(d) OSP shall use and make census data available to the applicant.

(e) The applicant shall adhere to the following requirements when using census data:

- (1) Tract, block or enumeration district census data shall be used where the target area is clearly smaller than a municipality;
- (2) Where the target area encompasses a larger area or there is no tract, block or enumeration district data available, data for the entire municipality shall be used; and
- (3) Where the target area covers more than one municipality, low and moderate income data shall be weighted by the total population of those municipalities.

(f) The points awarded for(c)(2) above shall equal the percentage of low and moderate income households minus 10 points but:

- (1) No score shall be above 50 points; or
- (2) Less than zero (0) points.

Pln 310.07 Project Impact.

(a) Points for project impact shall be awarded based on the following point values cited in Table 310-3:

Table 310-03 Project Impact Points

Scoring Factors	Community Development and Emergency Grants
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Low and Moderate Income Benefit	50
Match Ratio	50
Priority of Proposed Activities	50
Development Concerns	10
Other Impact Concerns	80
Total	240

(b) Up to fifty (50) points shall be awarded on the basis of the percentage of funds requested which will provide direct benefit to low and moderate income persons or households based on the following point values cited in Table 310-4:

Table 310-4 Direct Benefit Points

Percentages by Subcategory

Housing Rehabilitation	Public Facilities Economic Development	Points
51 - 60%	51 - 55%	0
61 - 70%	56 - 60%	10
71 - 80%	61 - 65%	20
81 - 90%	66 - 70%	30
91 - 95%	71 - 75%	40
96 - 100%	Over 75%	50

(c) Points awarded for low and moderate income persons or households shall be calculated by using the following criteria:

(1) Where the project proposes a single activity, the low and moderate income benefit shall be scored on the basis of that single activity; or

(2) Where the project proposes multiple activities, the low and moderate income benefit shall be calculated on the project as a whole with the following conditions:

a. each activity shall be calculated separately and in direct proportion to the funds requested for each activity;

b. each activity shall not be calculated in proportion to the funds requested for the entire project.

c. an individual activity may benefit fewer than 51 percent low and moderate income persons or households, so long as each activity meets a national objective and the total benefit is at least 51 percent.

(d) Up to fifty (50) points shall be awarded based on the ratio of the total, firmly committed non-CDBG matching funds to the total amount of CDBG funds requested based on the following point values cited in Table 310-5 below:

Table 310-5 Matching Funds Points

Community Development
and Emergency Grants

No Non CDBG funds	0
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Non CDBG 1% to 24% of CDBG	0
Non CDBG 25%to 49% of CDBG	10
Non CDBG 50% to 99% of CDBG	20
Non CDBG 100% to 199% of CDBG	30
Non CDBG 200% to 299% of CDBG	40
Non CDBG 300% or over of CDBG	50

(e) Priority of proposed activities shall be awarded points in the following manner:

- (1) 50 points for eligible project activities which are eligible;
- (2) 0 points for project activities which eligible but listed as low priority in Pln 306.03(d) and Pln 306.04(d); or
- (3) A prorated score, based on funding amounts for lower priority activities, between 0 and 50 for projects which combine an eligible activity with a low priority activity

(f) Up to ten (10) points shall be awarded for the following development concern:

- (1) Points awarded for impacts on centers and neighborhoods shall be calculated as follows:
 - a. Ten (10) points if the activities will preserve and promote existing neighborhoods and centers, and where applicable, will eliminate or reduce slums and blight or will protect and preserve historically and culturally valuable structures and sites;
 - b. Five (5) points if the activities will have a limited impact on existing neighborhoods and centers and where applicable, on slums and blight or on historically or culturally valuable structures and sites; or
 - c. Zero (0) points if the activities will harm existing neighborhoods and centers and will not eliminate or reduce slums and blight where such exist or will harm historically or culturally valuable structures or sites.

(f) Up to eighty (80) points shall be awarded for other impact concerns by grant subcategory. The most appropriate description of the project shall be selected in each of the areas below. The resulting points shall then be totaled and compared to other applications in the same subcategory. Points shall be awarded based on the following criteria:

- (1) Housing grants shall receive a maximum score of eighty (80) points based on the following criteria:
 - a. Points awarded for number of households benefitting relative to cost, shall be calculated as follows:
 1. Twenty (20) points if the project will benefit many households and the relative cost is low as compared to other applications in this subcategory;
 2. Ten (10) points if the project will benefit a moderate number of households and/or the cost in CDBG funds per household is higher as compared to other applications in this subcategory; or

3. Zero (0) points if the project will benefit a small number of households and/or the relative cost in CDBG funds per household is high.

b. Points awarded for long term benefit shall be calculated as follows:

1. Forty (40) points if a majority of the project funds will have a long term benefit by establishing a mechanism for maintaining long term affordability or for low and moderate income households;

2. Twenty (20) points if a majority of the project funds may have a long term benefit for low and moderate income households but the mechanism for maintaining long term affordability has not been adequately addressed or by the rehabilitation of single family owner occupied housing; or

3. Zero (0) points if a majority of the project funds will not have a long term benefit for low and moderate income households.

c. Points awarded for readiness for implementation shall be calculated as follows:

1. Twenty (20) points if a rehabilitation application contains a statistically valid survey and a minimum ten (10) percent structural inspections as described in Pln 308.03(a). Furthermore, the project is likely to be completed on time because of substantial work on project design and implementation. If a revolving loan fund is involved, the requirements of Pln 310.04(c) have been met. If the application is for the creation of affordable housing, much work has been completed on the project design and proformas have been done to ensure a successful project;

2. Ten (10) points if some work on project design and implementation has been done but more work is needed. If a revolving loan fund is involved, the design is unclear; or

3. Zero (0) points if a rehabilitation application contains neither a statistically valid survey nor the required percentage of structural inspections. If the application is for the creation of affordable housing, little work on the project has been done so that the applicant's ability to initiate, or to complete the project, is in doubt.

(2) Public facilities grants shall receive a maximum score of eighty (80) points. Points awarded for public facilities grants shall be calculated as follows:

a. Points awarded for number of persons benefiting, relative cost shall be calculated as follows:

1. Twenty (20) points if the project will benefit a considerable number of persons and the relative cost in CDBG funds per person is low compared with other projects in this subcategory;

2. Ten (10) points if the project will benefit a smaller number of persons and/or the cost in CDBG funds per person is higher when compared to higher rated projects in this subcategory; or
3. Zero (0) points if the project will benefit a small number of persons or the relative cost in CDBG funds per person is high.

b. Points awarded for long term benefit shall be calculated as follows:

1. Forty (40) points if a majority of the project funds will have a long term benefit to low and moderate income persons either through the nature of the improvements or by long term lease agreements;
2. Twenty (20) points if a majority of the project funds may have a long term benefit either through the nature of the improvements or by long term lease agreements, but has not been adequately addressed in the application; or
3. Zero (0) points if a majority of the project funds will not have a long term benefit to low and moderate income persons.

c. Points awarded for readiness for implementation shall be calculated as follows:

1. Twenty (20) points if final architectural or engineering design has been completed leading directly to project implementation;
2. Ten points (10) if preliminary architectural or engineering design has been completed but not final design work; or
3. Zero (0) points if neither preliminary or final architectural or engineering design has been completed.

Pln 310.08 Scoring of Economic Development Grants.

(a) Applications shall be eligible to receive up to 36 points but shall receive a minimum score of twenty five (25) points under Pln 310.09 in order to be scored further. If successful, the application shall then be scored under Pln 310.10 and Pln 310.11. Applications shall be eligible to receive up to an additional 540 points except that applications for public facilities grants in support of economic development shall eligible to receive up to 560 points. Applications shall receive no less than 250 points or 200 points if the application is a public facilities grant in support of economic development under Pln 310.10 and Pln 310.11 in order to be considered for a final grant award.

Pln 310.09 Financial Indicators.

(a) Applications shall be awarded a maximum of 36 points for financial indicators on the basis of the following point values:

- (1) 2 points if a review of the documentation provided under Pln 310.09 (b) below indicates a strength in the particular industry;

(2) 1 point if a review of the documentation provided under Pln 310.09 (b) below indicates that there is no effect in the particular industry; and

(3) 0 points if a review of the documentation provided under Pln 310.09 (b) below indicates a weakness in the particular industry.

(b) The applicant shall provide documentation and the point values listed in Pln 310.09 (a) above shall be awarded for each of the following financial indicators:

- (1) Days receivable are nearly equal to payment terms;
- (2) Days payable are nearly equal to payment terms;
- (3) Payables are less than inventory;
- (4) Days accrual are nearly equal to the payroll cycle;
- (5) Payment of taxes are current;
- (6) Days inventory are nearly equal to the inventory cycle;
- (7) Status of notes receivable;
- (8) Status of notes payable or subordinated officer debt;
- (9) Evidence that officers debt is truly subordinated;
- (10) The debt to equity ratio is reasonable;
- (11) There are positive retained earnings;
- (12) There is an increase in sales;
- (13) There is a stable ratio of cost of goods sold to sales;
- (14) The sales and general administrative costs to sales ratio is stable;
- (15) Officer compensation is reasonable;
- (16) Operating profit to sales ratio is stable;
- (17) Earnings before taxes to sales ratio is stable; and
- (18) Availability of convertible discretionary expenses to repay debt.

Pln 310.10 Business Benefit.

(a) The applicant shall submit a detailed analysis and narrative describing the business need for assistance and the value of the proposed assistance package to the business. The maximum point value for this category shall be 100 points. The narrative shall be scored based on the following criteria:

- (1) Cost of commercial finance, e.g. stock, bank, venture capital, for the project;

- (2) Cost of CDBG financing for the project;
- (3) Value of assistance to the company;
- (4) Time value of Assistance;
- (5) Rent or lease subsidies;
- (6) Tax benefits;
- (7) Availability of collateral;
- (8) Quality of collateral;
- (9) Availability of other financing; and
- (10) Total cash value of CDBG assistance to the company.

(b) Points for business benefit shall be awarded for the criteria listed in Pln 310.10(a) above based on the following scale:

- (1) 100 points if the benefit is nominal to the business;
- (2) 80 points if the benefit is minimal to the business;
- (3) 60 points if the benefit is significant to the business;
- (4) 40 points if the benefit is moderate to the business;
- (5) 20 points if the benefit is substantial to the business; or
- (6) 0 points if the benefit is maximal to the business.

Pln 310.11 Public Benefit.

(a) The applicant shall document the public benefit to be achieved as a result of the project.

(b) The maximum point value for this category shall be 450 points. Points for public benefit shall be awarded as follows:

- (1) Up to 165 points shall be awarded for direct benefit to low and moderate income persons;
- (2) Up to 115 points shall be awarded based on area need;
- (3) Up to 50 points shall be awarded based on area benefit;
- (4) Up to 110 points shall be awarded based on regional development corporation benefit.

(c) Up to 165 points shall be awarded for direct benefit to low and moderate income persons based on the following criteria:

(1) Points awarded for net job creation by the business shall be calculated as follows:

- a. 20 points if more than 30 net jobs are created;
- b. 15 points if 21 to 30 net jobs are created;
- c. 10 points if 11 to 20 net jobs are created;
- d. 5 points if 5 to 10 jobs are created; or
- e. 0 points if less than 5 jobs are created.

(2) Points awarded for percent of jobs dedicated to low and moderate income persons shall be calculated by awarding one (1) point for each percentage point over 75%.

(3) Points awarded for skill levels of jobs for at least 80% of the net jobs created shall be calculated as follows:

- a. 20 points if the business shall require 3 years or more of training, education or experience;
- b. 15 points if the business shall require 2 years of training, education or experience;
- c. 10 points if the business shall require 1 year of training, education or experience;
- d. 5 points if the business shall require 6 months of training, education or experience: or
- e. 0 points the business shall require less than 6 months of training, education or experience.

(4) Points awarded for the percentage of jobs to be dedicated to mentally or physically impaired or unskilled workers shall be calculated as follows:

- a. 20 points if the percentage is 76% to 100%;
- b. 15 points if the percentage is 51% to 75%;
- c. 10 points if the percentage is 26% to 50%;
- d. 5 points if the percentage is 10% to 25%; or
- e. 0 points if less than 10%.

(5) Points awarded for skill level of training for at least 80% of the net jobs created shall be calculated as follows:

- a. 20 points if the business shall pay full tuition to an accredited institute of higher learning to provide at least Associates degrees.

- b. 15 points if the business shall pay full tuition expenses for study through an accredited institute of higher learning in job related majors or fields of specialty;
- c. 10 points if the business shall have an apprentice training or vocational of six months or more duration;
- d. 5 points if the business shall have at least thirty days of organized classroom study, as well as on the job training; or
- e. 0 points if the business shall have less than thirty days of organized classroom study, an no on the job training.

(6) Points awarded for the percentage of the applicable county average wage per job as compiled by the U.S Department of Commerce, Bureau of Economic Analysis for at least 80% of the net jobs created shall be calculated as follows:

- a. 20 points if the average wage per job is greater than 155% of the county average
- b. 15 points if the average wage per job is 101% to 115% of the county average
- c. 10 points if the average wage per job is 86% to 100% of the county average
- d. 5 points if the average wage per job is 70% to 85% of the county average
- e. 0 points if the average wage per job is below 70% of the county average

(7) Points shall be awarded for benefits to be received for at least 80% of the net jobs created and shall be awarded based on the following criteria:

- a. 5 points if the business shall provide fully paid group medical insurance;
- b. 5 points if the business shall provide fully paid tuition expenses;
- c. 5 points if the business shall provide at least three weeks of any combination of paid vacation and sick leave;
- d. 1 point if the business shall provide child care services;
- e. 1 point if the business shall provide dental benefits at it no cost to the employee;
- f. 1 point if the business shall provide vision care at no cost to the employee; and
- g. up to 2 points for any other benefits provided by the business based on the following criteria:
 - 1. 2 points if the benefit provided shall be substantial to its employees;
 - 2. 1 point if the benefit provided shall be moderate to its employees; and
 - 3. 0 points if the benefit shall be minimal to its employees.

(8) Points awarded for the percent of full time permanent jobs to be created shall be calculated by awarding one (1) point for each percentage point over 80%.

(d) Up to 125 points shall be awarded for area need based on the following criteria:

(1) Points awarded for percent of households receiving human services assistance and adjusted median household income shall be awarded as described in Pln 310.04 and Pln 310.05 and subtracting ten points. The applicant shall not receive less than 0 points in this category.

(2) Points awarded for the applicants unemployment rate as established by the most current data provided by the New Hampshire Department of Employment Security for the municipality, if available, or county shall be calculated as follows:

- a. 20 points if the rate is 46% or more above the current state average;
- b. 15 points if the rate is 31% to 45% above the current state average;
- c. 10 points if the rate is 16% to 30% above the current state average;
- d. 5 points if the rate is at the current state average to 15% above; or
- e. 0 points if the rate is below the state average.

(3) Points awarded for the applicants median family income, as established by HUD based on Section 8 income data (Appendix 8) shall be calculated as follows:

- a. 20 points if the median family income is 21% or more below the state average;
- b. 15 points if the median family income is 11% to 20% below the state average;
- c. 10 points if the median family income is 10% below the state average;
- d. 5 points if the median family income is equal to the state average; or
- e. 0 points if the median family income is above the state average.

(4) Points awarded for the per capita taxable valuation of the project area as published by OSP shall be calculated as follows:

- a. 15 points if the per capita taxable valuation is ranked in the highest quarter;
- b. 10 points if the per capita taxable valuation is ranked in the third quarter;
- c. 5 points if the per capita taxable valuation is ranked in the second quarter; or
- d. 0 points if the per capita taxable valuation is ranked in the first quarter.

(5) Points shall be awarded for the municipality's need for CDBG assistance for a public facilities grant for economic development by comparing the public facilities costs to the municipality's available debt capacity and calculating as follows:

- a. 20 points if the costs are 41% or more of the available debt capacity;
- b. 15 points if the costs are 31% to 40% of the available debt capacity;
- c. 10 points if the costs are 21% to 30% of the available debt capacity;
- d. 5 points if the costs are 11% to 20% of the available debt capacity; and
- e. 0 points if the costs are under 11% of the available debt capacity.

(e) Up to 50 points shall be awarded for area benefit based on the following criteria:

(1) Points awarded for regional employment diversification shall be calculated as follows:

- a. 15 points if more than 25 jobs shall be created which require skills not represented in the jobs of the labor market area;
- b. 10 points if 13 or more jobs shall be created which require skills that are under represented in the jobs of the labor market area;
- c. 5 points if less than 13 jobs shall be created which require skills that are under represented in the jobs of the labor market area; or
- d. 0 points if the project shall create jobs which require skills well represented in the jobs of the labor market area.

(2) Points awarded for long term commitment to the region by the business shall be calculated as follows:

- a. 20 points if the business has or shall have a long term lease agreement with a non-profit regional development corporation;
- b. 15 points if the business owns or shall own the plant and real property;
- c. 10 points if the business has or shall have a lease agreement with the owner with an option to vacate after five years and has performed or shall perform substantial leasehold improvements at it's own cost;
- d. 5 points if the business has or shall have a lease agreement with the owner with an option to vacate after five years; or
- e. 0 points if the business shall not lease the property from the owner for at least five years.

(3) Points awarded for the extent that the project shall reduce the local demand for social service assistance shall be calculated as follows:

- a. 15 points if the project shall substantially reduce the local demand for social services by:
 - 1. reducing the need for local welfare assistance; and
 - 2. reducing the need for human services assistance listed in Pln 310.03 (b);
- b. 10 points if the project shall significantly reduce the local demand for social services;
- c. 5 points if the project shall minimally reduce the local demand for social services; or
- d. 0 points if the project shall have no effect in reducing the local demand for social services.

(f) Up to 110 points shall be awarded for regional development corporation benefit based on the following criteria:

(1) Up to 30 points shall be awarded for the management capacity of the regional development corporation. 5 points each shall be awarded for successfully meeting the following criteria:

- a. The regional development corporation has adopted and implemented written underwriting and lending guidelines and systematically weighs the risk factors of individual loans and balances its portfolio;
- b. The regional development corporation successfully screens potential borrowers and guides them to appropriate finance sources;
- c. The regional development corporation has adopted and implemented written procedures for loan origination, closing, disbursement and collection and has a professional accounting system;
- d. The regional development corporation utilizes an attorney for loan closings;
- e. The regional development corporation collects payments in a timely manner; and
- f. The regional development corporation has an established, capitalized loan loss reserve.

(2) Points awarded for the effect of the project on the security of the revolving loan fund portfolio shall be calculated as follows:

- a. 30 points if the project shall strengthen the regional development corporation's portfolio by providing enough income from interest and fees over the term of the loan to pay for the cost of staff; overhead, contribution to a loan loss reserve account and capitalization of the revolving loan fund beyond the principle;

b. 20 points if the project shall strengthen the regional development corporation's portfolio by providing enough income from interest and fees over the term of the loan to pay for the cost of staff and overhead and a contribution to a loan loss reserve account;

c. 10 points if the project shall strengthen the regional development corporation's portfolio by providing enough income from interest and fees over the term of the loan to pay for the cost of staff and overhead; or

d. 0 points if the project shall not strengthen the regional development corporation's portfolio.

(3) If the cost per job created is less than \$20,000 then points awarded for the amount of economic development funds being applied for divided by the net job creation proposed shall be calculated as follows:

a. 20 points if the project shall require less than \$6,000 of CDBG funds per net job created;

b. 10 points if the project shall require \$6,001 to \$16,000 of CDBG funds per net job created; or

c. 0 points if the project shall require more than \$16,000 of CDBG funds per net job created.

(4) Points awarded based on the contribution the project shall make towards the development of staff capacity at the regional development corporation shall be calculated as follows:

a. 30 points if the project shall support the hiring of full-time staff;

b. 20 points if the project shall support the hiring of consultants;

c. 10 points if the project shall support the hiring of part-time staff; or

d. 0 points if the project shall not support the hiring of any staff.

(g) 25 points shall be awarded if all income generated by the project shall be returned to the State of New Hampshire and not to a regional development corporation.

Pln 310.12 Scoring of Feasibility Applications.

(a) Applications shall be awarded a maximum of 26 points based on the following factors:

(1) Points awarded for the ranking of adjusted median household income as outlined in Pln 309.05, shall be calculated as follows:

a. 2 points if the points for adjusted median household income are higher as compared to the other applications; or

b. 1 point if the points for adjusted median household income are average as compared to the other applications; or

c. 0 points if the points for adjusted median household income are lower as compared to the other applications.

(2) Points awarded for the ranking of percent of human services assistance as outlined in Pln 309.04, shall be calculated as follows:

a. 2 points if the points for percent of households receiving human services assistance are higher as compared to the other applications; or

b. 1 point if the points for percent of households receiving human service assistance are moderate as compared to the other applications; or

c. 0 points if the points for percent of households receiving human service assistance are lower as compared to the other applications.

(3) Points awarded for percentage of unemployed, in the applicant's labor market area for the most recent reporting period, shall be calculated as follows:

a. 2 points if the percentage of unemployed is higher as compared to the other applications; or

b. 1 point if the percentage of unemployed is moderate as compared to the other applications; or

c. 0 points if the percentage of unemployed is lower as compared to the other applications.

(4) Points awarded for the number of potential low and moderate income beneficiaries shall be calculated as follows:

a. 2 points if the number of potential low and moderate income beneficiaries is higher as compared to the other applications; or

b. 1 point if the number of potential low and moderate income beneficiaries is moderate as compared to the other applications; or

c. 0 points if the number of potential beneficiaries is lower as compared to the other applications.

(5) Points awarded for the percentage of potential beneficiaries that are low and moderate income shall be calculated as follows:

a. 2 points if the percentage of potential beneficiaries that are low and moderate income is higher as compared to the other applications; or

b. 1 point if the percentage of potential beneficiaries that are low and moderate income is moderate as compared to the other applications; or

c. 0 points if the percentage of potential beneficiaries that are low and moderate income is lower as compared to the other applications.

(6) Points awarded for long term benefit if the proposed study were implemented shall be calculated as follows:

- a. 2 points if the proposed study if implemented shall have a long term benefit for low and moderate income beneficiaries; or
- b. 1 point if the proposed study if implemented may have a long term benefit to low and moderate income beneficiaries but has not been adequately addressed; or
- c. 0 points if the proposed study if implemented shall not have a long term benefit to low and moderate income beneficiaries.

(7) Points awarded for firmly committed funds shall be calculated as follows:

- a. 2 points if the amount of matching funds is higher as compared to the other applications; or
- b. 1 point if the amount of matching funds is moderate as compared to the other applications; or
- c. 0 points if the amount of matching funds is lower as compared to the other applications.

(8) Points for the number of previous CDBG grants received by the applicant shall be calculated as follows:

- a. 2 points if a lower number of previous CDBG grants have been received as compared to the other applicants; or
- b. 1 point if a moderate number of previous CDBG grants have been received as compared to the other applicants; or
- c. 0 points if a higher number of previous CDBG grants have been received as compared to the other applicants.

(9) Points awarded for the innovation of the proposed study as compared to CDBG projects over the most recent two year period shall be calculated as follows:

- a. 2 points if the proposed study is highly innovative as compared to other CDBG projects awarded over the most recent two year period; or
- b. 1 point if the proposed study is somewhat more innovative as compared to other CDBG projects awarded over the most recent two year period; or
- c. 0 points if the proposed study is not innovative as compared to other CDBG projects awarded over the most recent two year period.

(10) Points awarded for the probability that the proposed study will lead to implementation shall be calculated as follows:

- a. 2 points if it is highly probable that the proposed study shall directly lead to the implementation of a project; or

b. 1 point if it is probable that the proposed study shall directly lead to the implementation of a project; or

c. 0 points if it is not probable that the proposed study shall lead directly to the implementation of a project.

(11) Points awarded for addressing special needs groups, homeless clientele and low income families with children are calculated as follows:

a. 2 points if a high number of special needs groups, homeless clientele and low income families with children shall be addressed as compared to the other applications; or

b. 1 point if a moderate number of special needs groups, homeless clientele and low income families with children shall be addressed as compared to the other applications; or

c. 0 points if a lower number of special needs groups, homeless clienteles and low income families with children shall be addressed as compared to the other applications.

(12) Points awarded for the need for the Study and an implementation project shall be calculated as follows:

a. 4 points if there is a significant need for the study and an implementation project as compared to the other applications; or

b. 2 points if there is a moderate need for the study and an implementation project as compared to the other applications; or

c. 0 points if there is minimal need for the study and an implementation project as compared to the other applications.

HOME INVESTMENT PARTNERSHIP (HOME) RENTAL HOUSING PRODUCTION PROGRAM RULES

HFA: 105.01 - PURPOSE

The New Hampshire Housing Finance Authority has adopted these rules to implement the HOME Rental Housing Production Program (RHPP). The RHPP is the rental housing component of the Authority's HOME Investment Partnerships Program (HOME). The funds for this program will be allocated in accordance with the National Affordable Housing Act of 1990, as amended, the Consolidated Plan for the State of New Hampshire and the HOME Program Description. The Consolidated Plan and the HOME Program Description are required to be submitted for approval by the U.S. Department of Housing and Urban Development. These rules represent the Authority's policy for the investment of HOME funds in the Rental Housing Production Program in addition to and inclusive of the HOME regulations at Code of Federal Regulations Title 24, Part 92 (24 CFR 92).

HFA: 105.02 - PROGRAM OVERVIEW

The HOME Rental Housing Production Program (RHPP) provides financial assistance in the form of deferred mortgage loans to purchasers, developers or owners of eligible residential rental or mixed-use properties. Projects consisting of new construction, acquisition and/or rehabilitation, reconstruction or conversions are eligible. Permanent rental housing, single room occupancy (SRO) and transitional housing projects are eligible. Mortgage and land use restrictions will be placed on properties to ensure compliance with occupancy, rent limitation, physical standards and other requirements for a minimum 20-year term. HOME assistance is intended to be available to projects requiring levels of funding beyond which the private financial markets are willing to invest. Nonprofit and for profit corporations and partnerships and individual investors are permitted to apply for this program. Applications will be accepted and processed in accordance with the Authority's Application Selection Process and Scoring Criteria for the HOME Program. Applications are submitted to the Planning and Development Division.

HFA: 105.03 - APPLICATION SELECTION

In order to meet the State of New Hampshire's housing needs and priorities the project selection system was created to encourage projects that address specific objectives. These objectives are largely based on conclusions contained in the 2001-2005 Consolidated Plan for the State of New Hampshire as updated annually.

The Authority shall impose its own requirements upon the borrowers of HOME funds with regards to program administration and loan underwriting. The Authority's Executive Director may make minor changes necessary for the proper functioning of this program including, but not limited to, changes necessary to comply with HOME regulations and other applicable regulations and standards. These rules will be updated periodically to reflect changes in federal regulations and changes made by the Authority. Meeting the requirements of these rules does not relieve the

Applicant from meeting all applicable federal regulations covering the HOME Investment Partnerships Program.

The Authority will distribute the annual HOME Rental Housing Production allocation under the guidelines of two programs, HOME Rental Housing Production and the NHHFA Special Needs Housing Program. Funds will generally be distributed following the funding cycles relative to each program. However, project financing applications may be accepted and evaluated between scoring rounds provided, in the sole judgment of the Authority, that the acquisition and or development of the project is in serious jeopardy due to the timing cycles of the program for which application would be submitted. The project must meet threshold criteria and show exceptional merit in meeting the housing needs in the state and community in which it is located. Applications, which have been rejected in previous funding rounds, will not be accepted between scoring cycles.

The Authority will reserve and allocate the annual HOME Rental Housing Production Program funds in the following manner:

1. Up to 25% of the funds will be allocated in competitive rounds to housing projects designed for special needs groups. For rules regarding these NHHFA Special Needs Housing Program projects, please see HFA: 112.
2. Up to 5% of the funds will be available for supplemental allocation to projects previously approved. These funds shall be awarded by staff to projects experiencing unforeseen cost increases.
3. The balance of the funds will be available for competitive allocation according to these program rules simultaneous with the Authority's schedule for Low Income Housing Tax Credits (LIHTC) allocations (see HFA: 109). The HOME RHPP funds available annually will be evenly distributed between each round. HOME funds in excess of the allocation of that round may be reserved if necessary to avoid a partial reservation to a project. Funds not reserved after the final round or funds returned from prior reservations or commitments will be made available to applicants on a rolling application basis through the end of the calendar year. Any funds remaining at that time will be added to the following year's HOME RHPP.

HFA: 105.04 - HOME ELIGIBILITY

a. General

Applications for funding the development of affordable rental housing will be accepted by the Authority for review by the deadline of each application cycle. Proposals must contain all the information requested according to these rules and any additional information requested by the Authority necessary for project review. Mixed income and mixed-use projects can receive assistance for the development of affordable rental opportunities through this program. Nonprofit and for profit entities and individual applicants are eligible. Nonprofit housing developers qualifying as Community Housing Development Organizations (CHDOs) have access to technical assistance and operating

assistance grants. A minimum of 15% of the state's HOME allocation will be invested in projects owned, developed or sponsored by CHDOs and will be provided through the Rental Housing Production Program.

To qualify as a HOME project, a project must maintain a minimum set-aside of rent-restricted units for tenants in a targeted income group. At a minimum, at least 20% of the HOME assisted units must be rented to very low-income households, defined as households with incomes at or below 50% of Median Area Income (MAI). All other HOME assisted units must be rented to households earning at or below 60% of MAI. Units must meet HUD Housing Quality Standards (HQS) (24 CFR 982.401), HUD Requirements for the Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally-Owned Residential Property and Housing Receiving Federal Assistance (24 CFR 35) and the Authority's Design and Construction Standards (HFA: 111) at project completion and must meet these property standards for the term of the restriction period. A minimum of 20% of the total units must be HOME units. Projects proposed must provide for the designated HOME units to be set-aside for a period of at least 20 years.

Projects assisted with HOME funds must meet all of the eligibility criteria of paragraphs (b) through (g) below.

b. Eligibility of Applicants

The following are eligible to apply for project specific assistance under the HOME program:

1. Nonprofit corporations with an approved 501(c)3 tax exempt status
2. Local housing authorities
3. Units of local government
4. Limited partnerships, general partnerships, corporations, limited liability companies, proprietorships, and other business organizations.

In addition, those nonprofit housing providers described in 1. above, that also meet the regulatory criteria of Community Housing Development Organizations, and are designated as such by the Authority have access to other types of assistance as described in HFA 105.04 (h).

The following are not eligible to receive HOME funds:

1. Primarily religious organizations. Where residency would be limited to an exclusive denomination.
2. Any person who is an employee, agent, consultant, officer, elected official, or appointed official of the State of New Hampshire, NHHFA, or state recipient or sub-recipient receiving HOME funds (collectively non-eligible Persons). This includes partnerships and corporations where the

controlling partner, controlling member or person or persons in control of such an entity is a Non-eligible Person or Persons.

3. Projects financed by HUD 202/811 programs.

c. Eligible Uses of Funds

Funds can be used to assist the following types of activities: acquisition, rehabilitation, substantial rehabilitation, new construction, conversion from non-residential use, and reconstruction.

The Authority will determine the eligibility of all costs funded through the HOME program. The following are eligible costs as described in 24 CFR 92.206:

Development hard costs - cost of contracts for site preparation and construction.

Acquisition costs - purchase price and related transaction costs.

Related soft costs incurred by the owner - appraisals, developers fees, environmental assessments etc.

Tenant relocation costs - costs of temporary moves, reimbursement for increase in temporary rental cost, and relocation payments for tenants permanently displaced.

Capitalization of an operating deficit reserve for the rent-up period. This reserve cannot exceed 18 months and can only pay for project operating expenses, reserve for replacement payments and debt service. Only new construction and substantial rehabilitation are eligible.

d. Use Restriction

No project may receive more than 20% of the annual set aside for the HOME Rental Production Program. This amount is determined in the year the HOME commitment is made. Only a supplemental allocation (HFA: 105.03b.) will be allowed above the 20% limit. If a development is proposed as separate and legally distinct phases as determined by the Authority, then the limit will be applied to each phase. Each phase of such a development would be required to compete as an independent project, but no more than one phase may be applied for per any twelve-month period.

HOME assisted rental housing will be restricted for low and very low-income use for a period of not less than 20 years. Mechanisms for enforcement shall include some or all of the following: a mortgage restriction, regulatory agreement, and land use restriction agreement.

During the restriction period owners of HOME assisted projects must continuously meet HUD Housing Quality Standards (HQS) as well as HUD Lead Paint Standards as set forth in 24 CFR 35. Under the HUD Lead Regulation, the Owner is responsible for a

visual inspection of lead-based paint annually and at unit turnover, repair of all unstable paint, and repair of encapsulated or enclosed areas that are damaged. Owners should request, in writing, that the occupants of rental units monitor lead-based paint surfaces and inform the owner of potential lead hazards. Additionally, owners must comply with occupancy and rent restrictions. HOME assisted units must remain affordable for the specified time period except upon foreclosure by a lender. The Authority may, in its sole determination, reduce the number of HOME units in a project in order to maintain the financial feasibility of the project. In no case may the number of HOME units or their targeting be reduced below the HOME program minimum at 24 CFR 92.

e. Fixed and Floating HOME Designations

In each HOME assisted project the HOME assisted rental units must be designated as either “fixed” or “floating”. The determination of “fixed” or “floating” status must be determined by the developer prior to financing commitments.

A “fixed” designation means that the HOME units in the project will be specifically designated by unit address and these specific units will remain the HOME-assisted units throughout the period of affordability.

A “floating” designation provides the flexibility to maintain a certain number of HOME-assisted units throughout the affordability period, although the specific units so designated may vary with availability. Therefore, a specific number of HOME units comparable in size, features and number of bedrooms would be designated throughout the period of affordability allowing the owner the opportunity to make comparable units interchangeable with market rate units.

f. Property Standards

All HOME assisted units must meet the stricter of the Authority's Design and Construction Standards and standards imposed by HOME regulations. Additionally, all projects are subject to HUD's Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally-Owned Residential Property and Housing Receiving Federal Assistance (24 CFR 35). The Authority will determine appropriate housing quality standards through its approval of project design and work specifications. HOME assisted projects must, at a minimum, maintain HUD HQS, HUD Lead Requirements, and the Authority's Design and Construction Standards as described in the project regulatory agreement. A complete copy of the Design and Construction Standards can be obtained from the Authority or viewed at the Authority's web site <nhhfa.org>.

The housing must meet the accessibility requirements in the regulations referenced in 24 CFR 5.105(a) which implement the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

g. Historic Preservation

All buildings, structures and sites must be reviewed by the State Historic Preservation Office (SHPO) to determine if the investment of HOME funds will have an impact on any historic resource. No HOME funds shall be spent on the project until the proposed treatment to the property has been approved by the SHPO. It is the responsibility of the applicant to obtain this clearance, but the Authority will provide assistance as necessary.

h. Occupancy

In the completed, fully occupied project, at least 20% of the HOME assisted units must be HOME very low-income units and the balance of the HOME assisted units must be HOME low income units. Very low income units must be rented to households whose annual income does not exceed 50% of the median area income, adjusted for household size as determined by HUD from time to time. HOME low income units must be rented to households whose annual income does not exceed 60% of the median area income, adjusted for household size as determined by HUD from time to time. Table I provides a schedule of annual income limitations according to geographic area and household size. This table will be updated periodically. Definitions found at 24 CFR Part 813 are used for determining income qualification.

Pursuant to 24 CFR 92.257, there must be no religious or membership criteria for occupancy. Pursuant to the requirements of 24 CFR 92.257, no person shall, on the grounds of race, color, national origin, religion, age, sex, disability/handicap or familial status be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any activity funded in whole or in part with HOME funds.

Owners of properties with five or more total units will be required to follow the Affirmative Marketing Procedures adopted by the Authority. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing. Owners of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that are consistent with 24 CFR 92.253, "Tenant and Participant Protections."

i. Rent levels

Table II presents the maximum limits for gross rents charged to HOME assisted units. This table will be periodically updated.

The Authority will approve rents charged for all HOME assisted units. Gross rents for HOME very low income units cannot exceed the lesser of:

- the HUD published HOME rent limit for very low income units, (See Table II), or
- market rents for comparable units in the market area as determined by the Authority.

Gross rents for the HOME low income units cannot exceed the lesser of:

- HUD published High HOME rent limit, (See Table II),
- market rents for comparable units in the market area, as determined by the Authority.

Tenants of HOME assisted units whose annual incomes increase to 80% or more of the median area income must pay an amount for gross rental costs not less than 30% of the household's adjusted monthly income or the amount payable by the tenant under state or local law, except where the tenant occupies a unit with restrictions enforced through the Low Income Housing Tax Credit (LIHTC) program in which case LIHTC rules applicable to tenant rent contributions will apply.

Rent levels in non-HOME assisted units will be set by the owner and based on local market conditions and any other applicable financing restrictions.

j. Community Housing Development Organizations (CHDO's)

Federal regulations provide for a number of special uses for nonprofit housing providers that meet the definition of a CHDO and are designated as such by the Authority. The Authority can provide interested nonprofits with information as to the criteria and process for CHDO designation.

Community Housing Development Organization Set Aside (CHDO)

The Authority will target at least 15% of the annual HOME allocation to approved CHDOs for 24 months from the date the Authority receives its allocation. These funds will be committed for general acquisition and rehabilitation assistance to HOME projects. Projects receiving CHDO set aside funds must be developed, owned or sponsored by a CHDO and must meet the requirements of 24 CFR 92.300.

Projects receiving assistance through the HOME CHDO set aside must adhere to a fair lease and grievance procedure approved by the Authority. CHDO applicants must also provide a plan for and follow a program of tenant participation in management decisions.

Technical Assistance Loans

Technical Assistance Loans provide a source of pre-development assistance to CHDOs. These loans may be used to pay for services provided by third parties and incurred by the CHDO. CHDOs must apply for and meet the requirements of HFA:105 in order to receive Technical Assistance. The Authority may, at its sole discretion, use a portion of the HOME RHPP funds in its Technical Assistance Program (HFA: 105) up to only limits established by 24 CFR 92.

CHDO Operating Assistance

The Authority may provide at its sole discretion, up to five percent of its annual HOME allocation to approved CHDOs for reimbursement of operating expenses. Funding will be provided only to CHDOs developing, owning, or sponsoring a project that receives a commitment of HOME funds. The amount of assistance available to each CHDO depends upon the amount of HOME eligible match generated from non-Authority sources and the number of HOME assisted units produced. The maximum amount of HOME funds for operating assistance combined with any HOME technical assistance grants made through national intermediaries cannot exceed 50% of the CHDOs fiscal year operating budget.

k. Matching Resources

Investment of the New Hampshire allocation of HOME funds requires the generation/investment of non-federal matching resources in an amount equal to 25% of HOME funds applied for all other uses except operating assistance grants and administrative funds.

Project proposals providing HOME match will receive additional scoring points over other pending applications. Match can be generated from a variety of public and private sources and can include several forms. The following provides general information about the mechanisms that can be used to generate HOME match. The Authority will determine the eligibility of match.

1. Cash grant from non-federal resources.
2. Present value of yield foregone from a below market interest rate mortgage.
3. Full value of a loan repayable to the HOME Trust Account.
4. Present value of taxes, fees or charges, waived, foregone, or deferred.
5. Value of real property granted to a developer.
6. Difference between appraised value and purchase price of property acquisition.
7. Value of donated site-preparation and construction materials and volunteer labor.

The following are **not** considered eligible HOME match.

1. Contributions made with or derived from federal resources or funds.
2. Interest rate subsidy attributable to the federal tax exemption on financing or the value attributable to federal tax credits.

3. Owner equity or investment.
4. Sweat equity.
1. Determination of HOME funding level
 1. Maximum and minimum investments

In no case will the amount of HOME funds committed to the project exceed the maximum regulatory limits per unit times the number of HOME assisted units, (pursuant to 24 CFR 92.250). The maximum per unit limits are listed in **Table III** and are subject to periodic updating.

The minimum HOME investment will be \$1,000 times the number of HOME assisted units.

2. Application of the Authority's Subsidy Layering Rules

The following rules were developed by the Authority, as required by the HOME program, to ensure compliance with the certification made to the Secretary of HUD (incorporated into the Program Description) that each project will be evaluated in accordance with guidelines adopted by the participating jurisdiction. The Authority will not invest any more HOME funds in combination with other resources than is necessary to make the proposed projects financially feasible.

- i. The HOME funds may be invested as "gap" financing or primary mortgage financing provided that other resources are not available or feasible for such use.
- ii. The Authority will only invest the minimum HOME funds necessary in each project to achieve the rent and income targeting in the proposed project, consistent with the HOME regulations (24 CFR 92).
- iii. HOME funds will not be invested in any project in an amount greater than the project's eligible development costs. The eligible development cost is the total residential development cost attributable to the HOME assisted units in the project, which are eligible HOME costs. This is calculated by multiplying the proportion of the total units in the project that are HOME assisted by the total eligible development cost of the entire project unless HOME assisted units differ in size and amenities from other units in the property in which case estimates of actual costs will be made by evaluating such factors as number of bedrooms, square footage and cost of amenities. In the event of a mixed use project (i.e., commercial and residential), only the residential portion of the total development cost of the project will serve as the basis for calculating the HOME eligible development costs. Unless a compelling reason exists to use another

method, the Authority will use square footage to determine the proportion of residential space in a mixed-use project.

- iv. The Authority will review all development costs of the project to assess their reasonableness. The Authority shall assess the reasonableness of costs based on costs of comparable projects, and will reference, where necessary, recognized industry cost index publications or services. Publishing requests for proposals and soliciting bids are valid methods of determining cost reasonableness.
- v. The Authority will require, whenever possible, that the HOME funds be secured relative to the proportionate level of investment with other funds.
- vi. The investment of HOME funds will not exceed the total HOME eligible residential rehabilitation costs where assistance is provided only for rehabilitation.
- vii. The Authority's Underwriting Standards for Multi-Family Finance shall apply to all rental housing projects assisted with HOME. HOME funds will be excluded from the Loan to Value calculation of the Underwriting Standards.
- viii. The Authority reserves the right to deny HOME funds for project fees, expenses, acquisition costs, etc. that the Authority determines unreasonable or above those normally paid.
- ix. In projects with applications pending for HUD-administered assistance or assistance through the Rural Development, the determination of the need for additional assistance through the State's HOME program will be made on a case by case basis.

HFA: 105.05 - APPLICATION PROCESS

All applications shall be made on the application form provided by the Authority¹. Applications must be submitted by the appropriate deadline. An application fee of \$500 for all Authority programs will be required with the submission of a project application. This application fee is non-refundable.

A Seller Certification shall be executed whereby the seller certifies to the buyer that the transaction constitutes a voluntary sale and informs the seller of the fair market value. This certification must also notify the seller that the buyer does not have the power of eminent domain and will not acquire the property in the event negotiations fail to result in an amicable agreement.

¹ Applicants are encouraged to use the computer spreadsheet version of the application and submit both a signed paper version and a 3-1/2 inch disk containing the file.

The Authority will initiate predevelopment studies such as market analyzes, appraisals, etc. only after the applicant has submitted payment for such services.

HFA: 105.06 - SUBMISSION OF APPLICATION

In addition to submission of a complete application form, all applications must include the Application Threshold Criteria in order to be ranked in accordance with the selection criteria.

1. Application Threshold Criteria

1. Completed Application for Reservation
2. Site Information
3. Environmental Information (if available, or information regarding any known environmental problems)
4. Evidence of Site Control
5. Detailed Scope of Work with Cost Estimates, and identification of estimator
6. Verification of Non-Profit Status (if applicable)
7. List of Developer's Other Real Estate
8. Resumes of Development Team
9. Management Agent Profile
10. Management Plan
11. Tenant Selection Plan
12. Management Agent Questionnaire
13. Documentation verifying eligibility for selection criteria points
14. Financial analysis of the owners to evaluate financial stability
15. Relocation Plan (if applicable)
16. HOME Application Fee
17. Affirmative Fair Housing Marketing Plan (Appendix H of the application)

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 commitment of HOME funds shall be recommended to the Multi-Family/Special Projects Committee of the Board of Directors.

Previous Participation - The Authority reserves the right to reject an application if the project's developer, management agent or anyone affiliated with the ownership entity is or has been noncompliant with any Authority program as determined by the Authority.

2. Application Scoring Criteria

1. Project Type

Projects with construction costs (including contingency), which are greater than 60% of the total development costs.

20 points

Projects with construction costs (including contingency), which are greater than 40% but less than 60% of the total development costs.

10 points

Construction costs less than 40% of total development costs.

0 points

2. Family Units

An applicant can score points in either section in this category: a and/or b.

a. Family projects with greater than or equal to 70% of the units having 2 or more bedrooms.

10 points

b. Family projects with 20-49% of the units having 3 bedroom units.

5 points

or

Family projects with 50% or more of the units having 3 or more bedrooms.

10 points

3. Income Targeting

An applicant can score points in both of the following categories:

Greater than 40% of the total number of units reserved for very low income (<50% MAI).

10 points

Greater than 60% of the total number of units reserved for low income (<60% MAI).

10 points

4. Unit Targeting

Greater than 49% of the total project units are HOME units.

10 points

5. Location

Scoring for location is by the county in which the project is located. The ranking is based on U.S. Census data regarding the relative number of households with a high housing cost burden. Projects located in:

Carroll, Sullivan, Grafton, Strafford

8 points

Cheshire, Belknap, Coos

5 points

Merrimack, Rockingham, Hillsborough

3 points

6. Service Enriched Housing

Applicants can secure scoring in only one section in this category. To receive points, services must be actively linked to the project, not simply provided to the community at-large and the applicant must submit documentation at application, including a service plan, commitment of financial support, letters of intent to partner/contract from service providers (when services are to be contracted), a marketing plan describing outreach to potential tenants to whom the services are targeted, a description of how the services will be managed and by whom, and other such items as defined and required in the attached Guidelines for Special Needs (Category 6 Scoring).

Projects receiving scores in this section must continue in this use for the full compliance period, which will be enforced through the Land Use Restriction Agreement.

1. Service Enriched Housing Level I - An on-going supportive service provided on-site to tenants or that would not otherwise be available to them unless they were tenants. Financial support for the services can be through a third party and it does not have to be new funds

5 points

2. Service Enriched Housing Level II – Same as Level I except that two or more services will be provided on an on-going basis **or** some on-going financial support will be provided by the owner.

7 points

3. Service Enriched Housing Level III – Substantial level and range of services are integrated into the housing to support tenant needs. A minimum of 20% of the tenants selected for occupancy will be people/families who are identified as needing

the services being provided. Significant operational and financial support will be provided by the owner.

10 points

4. Service Enriched Housing Level IV - Same as Level III except that a minimum of 50% of the tenants selected for occupancy will be people/families who are identified as needing the services being provided.

15 points

5. Single Room Occupancy (SRO) or other special needs housing. Examples include housing primarily for physically challenged or mentally handicapped individuals, those with HIV/AIDS, assisted living for frail elders, homeless shelters, transitional housing, etc. To be eligible for points, the market study must demonstrate a need for housing for the proposed population.

20 points

7. Neighborhood or Town Improvement

Applications can secure up to 15 points in this category (a and b).

a. Points may be awarded for projects that are important toward neighborhood or town improvement. The points awarded will correlate with the magnitude of the impact of the proposed project. Applicants must document the extent of existing deterioration, blight etc., and indicate how the proposed project will help in improving the economic or social condition of such a designated area.

0 to 10 points

b. Points may be awarded for projects which are located in formally designated improvements areas, such as HUD Enterprise Zones, Main Street programs, designated blighted areas, or otherwise targeted areas. The minimum size improvement zone for this scoring category is generally a one-block area. The formal designation must come from an official act by a government agency, such as a City Council or Town Board.

5 points

8. Advanced Projects

Additional points may be awarded at the discretion of the Authority for advanced progress of the development, as per the following schedule:

Site Control or 1 point

Site Ownership 3 points

Phase I Environmental completed 2 points

Market Study Completed (or waived by the Authority) -

Must be commissioned by the Authority 2 points

or Primary Debt Commitment Letter 3 points

Grant/Soft Loan Commitment (significant dollar amount) 3 points

Preliminary Plans or Comprehensive Plans and Specs	1 point 3 points
Zoning and Planning Permits in Place (or not an issue)	2 points
Maximum for Category	15 points
9. Participation of Local Tax-Exempt Organizations	
Developer includes a local tax-exempt sponsor as a managing general or co-general partner (interest in the general partnership must be at least 51%).	
	10 points
or	
Development entity includes a local tax-exempt sponsor that provides uniquely non-profit oriented, ongoing and substantial services to the project.	
	5 points
10. Local Support	
Project is supported by local public officials, local housing authority, local community development organizations, neighborhood associations, civic groups, nonprofit organizations or relevant municipal office, with written documentation.	
	5 points
11. Extended Low Income Period	
Developer agrees to extend commitment period to 30 years	5 points
or	
Developer agrees to extend commitment period to 40 years	10 points
12. Matching Resources	
Applications will be awarded points for qualifying matching resources committed to the project. One point will be awarded for match equal to each full 2% of the amount of HOME funds requested. All matching resources claimed by the Applicant shall be approved by the Authority before points are awarded. Support and justification are to be provided by the Application. Total award not to exceed 20 points.	
	0-20 points
13. Maximum Rent Agreement	
Rents for all HOME units will be maintained at 90% or less of the maximum allowable HOME rents for the full compliance period.	
	10 points

14. Developer Experience With the Authority

The developer or any individual that is part of the development team:

- * has any outstanding obligations owed to the Authority of more than 30 days in arrears;
- * is involved in other HOME projects which have a history of noncompliance;
- * the project's developer, management agent, or anyone affiliated with the ownership entity is or has been noncompliant or otherwise in default with any Authority program as determined by the Authority.

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

Minus 1 to Minus 20 points

15. Management Experience

To receive points for this category, the management agent must complete and submit the Management Questionnaire (Appendix G of the application). In addition, the developer must have an executed agreement from the management agent, to be included in the application.

Developer's management agent meets the experience requirements as defined in the Management Questionnaire:

10 points

HFA: 105.06.1 - TENANT NOTIFICATIONS

After an application is submitted and determined by the Authority to be ready for review, then certain tenant notifications will be made. The Applicant is responsible for the notifications below, but the Applicant may request the assistance of the Authority.

a. Income Verification

Utilizing the list of tenants and addresses submitted with the application, the Applicant will distribute income verification forms to all residential tenants for Authority review. At its discretion the Authority may directly verify the tenant income information with the tenants and their employers.

b. Tenant Notification Of Rights Under Uniform Relocation Act

All owners, tenants, and business residents or occupants must be provided written notice of the project, its possible impact on them (e.g. the person may be displaced, temporarily relocated, or incur a rent increase), and their rights to assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and 24 CFR 92.353, "Displacement, Relocation, and Acquisition". The Applicant will issue

these notices using forms prepared by the Authority. All notices must be sent through first class, registered mail, return receipt requested.

The following shall be required to complete relevant URA notification forms:

1. all businesses and tenants currently residing in the project;
2. all businesses and tenants who have may have moved from the project because of the planned acquisition, rehabilitation, or demolition;
3. all businesses and tenants who move in after receipt of the application but prior to the final commitment of HOME funds.

If the project proceeds to development, the Authority will coordinate with the Applicant any further tenant notices required by these regulations.

c. Lead Based Paint Notifications

All tenants must receive the HUD/EPA/CPSC pamphlet “Protect your Family From Lead In Your Home” or an EPA alternative (24 CFR 35.910, 24 CFR 35.130). The owner must notify all tenants of any known lead paint hazards in pre-1978 constructed units. The above includes each tenant residing in the project as of the date of receipt of the application and those who move in after the date of the application and before the final commitment of HOME funds. These tenants must read and sign the Lead Based Paint Notification form. Tenants must be notified of any lead hazard evaluation results (or the presumption of lead-based paint/hazards) and of all lead hazard reduction activities and clearance testing (24 CFR 35.910, 24 CFR 35.125).

HFA: 105.07 - APPLICATION REVIEW

Authority staff shall review the application and supporting documentation to determine the project's eligibility for HOME funds and the project's financial and market feasibility.

a. Pro Forma Review

The Authority will evaluate and verify all expenses, rent levels, and vacancy assumptions and examine the overall financial feasibility of the project.

b. Sources and Uses Review

The Authority will evaluate all proposed sources of funds for compatibility. All development expenses will be examined for consistency with the Underwriting Standards and evaluated for comparability with prevailing market experience. For purposes of determining the reasonableness of expenses, the Applicant shall disclose any identity of interest with any third party hired to provide a professional service.

c. Credit Report/Financial Analysis of the Owners

The owners/borrowers/general partner of the project will be required to provide recent financial information for review by the Authority. The Authority will request recent financial statements, tax returns, credit reports, resumes and references as determined necessary to evaluate the financial stability of the owners. The cost of the reports shall be borne by the Applicant.

d. Site Visit

The Authority may conduct a site visit with the Applicant, Architect, and/or Engineer, as applicable.

The purpose of the site visit is to accomplish the following:

1. Determination of need for structural engineer's report

If any questions exist about the structural integrity of the building, the Authority will require a structural engineer's report. Remedies for all deficiencies reported will be added to the final work specifications. All deficiencies will be corrected to the satisfaction of the structural engineer and the Authority. The cost of the structural engineer's contract shall allow for inspections by the structural engineer during construction.

2. Review proposed rehabilitation list for compliance with the Authority's Construction Standards

3. Review fire and building code inspectors' reports

4. New construction projects will be reviewed for compliance with 24 CFR 92.202, "Site and Neighborhood Standards".

The cost of any additional studies required by the Authority will be the responsibility of the Applicant.

HFA: 105.08 -PROFESSIONAL REPORTS: APPRAISAL, PHASE 1, MARKET STUDY, SITE SURVEY

Professional studies, if required by the Authority, must be completed by the Commitment phase. Certain incentive points are given in the competitive scoring process if various reports are completed at the time of initial application (see HFA: 109.04C 11.). Appraisals and market studies may be waived at the discretion of the Authority. If required by the Authority, particularly due to a request for other Authority financing, appraisals and market studies may need to be contracted by the Authority directly.

Contractors for appraisals and market studies are chosen through a request for proposals to pre-qualified contractors. The Authority will request payment from the Applicant prior to the contract being awarded.

1. Appraisal: Acquisitions costs which exceed the appraised value are generally not acceptable except under extenuating circumstances, which must be stated in writing as part of the application process. The appraiser must meet New Hampshire standards for evaluating commercial property. The Authority may require an acquisition appraisal, post rehabilitation appraisal or both.
2. Phase I Environmental Report: A satisfactory Phase I environmental report is a requirement for HOME projects and the allocation of tax credits. The report must meet ASTM Standard E 1527-97 for Environmental Site Assessments. Buildings constructed prior to 1978 should be tested for lead paint hazards by a NH-licensed Risk Assessor or Inspector per the requirements of 24 CFR 35.930 unless paint films are to be assumed to contain lead for lead hazard control purposes. Issues raised by the Phase I report should be resolved to the extent possible (e.g. further testing of suspect materials). Phase I reports can be contracted directly by the sponsor in all cases. Based on the results of Phase I, a Phase II report or other testing may be required. In addition to the Phase I report all HOME financed projects will require an assessment in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in 24 CFR parts 50 and 58.
3. Market Study: Thorough market studies by competent third party consultants will generally be required. Exceptions may be for properties already fully occupied, or in situations where recent market studies have already been completed.
4. Site Survey: A site survey, performed by a New Hampshire licensed land surveyor, is required for all properties. The survey must meet the requirements necessary to remove the survey exception from the title insurance policy for the property.

HFA: 105.09 – RESERVATIONS

The Multi-Family/Special Projects committee of the Authority's Board of Directors shall make reservations of HOME funds. The reservation process serves as a funding set-aside for projects that have scored successfully in each round and appear to be ready to proceed to development within a time period of 90 days. A letter describing the conditions and expiration date of the reservation will evidence reservations. The reservation will become effective upon execution and return of the reservation letter within the time frame given. The Authority reserves the right to extend the time period for expired reservations only upon written request from the sponsor. The request shall include the circumstances surrounding the request for an extension and the anticipated timeline for development to commence. Projects with expired reservations may re-apply in a subsequent HOME funding round.

HFA:105.10 - COMMITMENTS

The Multi-Family/Special Projects Committee of the Authority's Board of Directors shall make commitments of HOME funds. Commitments will be evidenced by a letter describing the conditions necessary to fulfill the HOME requirements. The conditional commitment will become effective upon execution and return of the commitment letter within the time frame given.

Reservations for supplemental allocations will be evaluated outside of the competitive scoring process. Reservations of supplemental allocations can be approved by Authority staff without further Board or Multi-Family/Special Projects Committee approval. See Section HFA: 105.3.b for further information.

HFA:105.11 - FINAL WORK SPECIFICATIONS AND PLANS

At a minimum, all areas outlined in the proposed rehabilitation list and approved by the Authority will be included in the final work specifications. Projects that are given a conditional commitment for financing must submit more detailed plans and specifications that meet the requirements of the Authority's Design and Construction Standards. Two copies of these final plans and specifications will be submitted to the Authority for review. If the municipal building code or fire department requires review of plans and specifications, the Applicant will obtain this prior to submitting final plans and specifications to the Authority.

The Authority will not complete its review until reviews by SHPO, and the local fire and code enforcement departments have been completed. If any other state or federal agency's review is required (e.g., environmental reviews), this review will be done prior to the Authority's completion of its review.

HFA:105.12 - APPROVAL OF RESIDENT SELECTION PLAN, AFFIRMATIVE FAIR HOUSING MARKETING PLAN, AND LEASE

After the conditional approval and no later than time of final commitment, the Applicant shall submit a Resident Selection Plan (24 CFR 92.253) that meets the Authority's criteria and an Affirmative Fair Housing Marketing Plan (24 CFR 92.351) for approval. The Applicant shall also submit a sample lease for review by the Authority. The Authority will review the lease for compliance with Federal and State requirements and Authority policies. The following are prohibited lease terms:

- a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- b. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with state law;

- c. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- d. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- e. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

HFA:105.13 - CONSTRUCTION CONTRACTS

a. Contract Requirements

All contracts for projects with 12 or more HOME assisted units shall include a schedule of Davis-Bacon wage rates appropriate for the type of construction planned. Wage determination requests shall be made by the Authority. Consistent with 24 CFR 92 Section 350(a), all construction contracts shall provide opportunities for low-income person and businesses owned and/or operated locally. All contractors on HUD's Debarred and Suspended list shall not be allowed to participate in a HOME project either as a general contractor or a subcontractor.

b. Equal Opportunity

The Authority shall maintain a list of Women/Minority Businesses Enterprises (WBE/MBE). Applicants shall, whenever possible, actively seek bids from WBE's and MBE's. Upon request by the Authority, the Applicant and its contractor shall document efforts made to meet equal opportunity requirements

c. Contractor Selection

All construction contract amounts for projects utilizing HOME funds are to be reasonable as determined by the Authority. Methods to determine reasonableness shall include advertised public bid, selected competitive bidding, and the use of a cost estimate prepared by or approved by the Authority. No project bidding is to occur until the plans and specifications have been approved in writing by the Authority. In consultation with the Authority, the Applicant shall select the contractor with the lowest responsible bid in a method consistent with the Authority's Construction Standards.

HFA:105.14 - FINAL HOME FUNDING DETERMINATION

Based on the firm construction costs, the Authority will re-examine the proposed development and operating budgets of the project to determine whether sufficient funding exists to make the project feasible. The Authority reserves the right to terminate any HOME commitment should the Authority determine the project to become financially infeasible.

HFA:105.15 - CLOSING & EXECUTION OF LOAN DOCUMENTS

The Authority will assign responsibility for items on the closing agenda, as necessary. The Applicant shall be responsible for hiring its own attorney and be responsible for paying all legal costs of the transaction including the fee of the Authority's legal counsel.

The execution of loan documents serves as the final commitment of funds to the project. Execution will not occur until all conditions in the letter of commitment have been met to the satisfaction of the Authority.

After the execution of loan documents, the Applicant's attorney or the Authority's attorney will record the mortgage security agreement and any other necessary documents at the appropriate registry of deeds.

HFA:105.16 - RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE

The Authority reserves the right to reject proposals that fail to minimize permanent displacement of tenants. The Authority shall monitor the demolition and conversion of low income housing units in projects assisted with HOME funds and shall identify replacement units in accordance with its Residential Antidisplacement and Relocation Assistance Plan.

Prior to commencement of construction, the Authority will coordinate temporary and permanent relocation of tenants as required by URA requirements and Section 104(d) of the Housing and Community Development Act of 1974. The scheduling of tenant relocations with tenants, movers, construction contractor, and temporary housing providers will be done by the Applicant. The Authority will assist coordination efforts of the Applicant and ensure compliance with the URA and Section 104(d) regulations.

After completion of construction and final inspection, the Authority will help the Applicant coordinate the return of tenants temporarily relocated, and provide advisory counseling services and assistance payments to those households permanently displaced from the project under applicable regulations.

HFA:105.17 - CONSTRUCTION/REHABILITATION PERIOD

The project architect will attend all requisition meetings and perform periodic inspections. All requests for payment will be signed by the Applicant, the architect/ rehabilitation agent, and the contractor. The architect will maintain contact with Authority staff to apprise them of progress, change orders and problems. All necessary lien waivers forms shall be submitted to the Authority and a title update performed at the project's expense before any funds are released. All change orders are to be approved in writing and in advance by the Authority. The Authority will conduct periodic inspections. Authority staff, the Applicant, and the architect/rehabilitation agent will attend the final inspection and requisition meeting.

All other project funds, including any cash from the Applicant, are to be deposited with the Authority for disbursement during the construction process. If other regulatory barriers prohibit such a deposit, all disbursements from those sources including the order of said disbursements shall be approved by the Authority and shall precede any draws on funds held in escrow by the Authority. Failure to comply may result in the termination of the commitment of HOME funds to the project.

HFA:105.18 - ENFORCEMENT OF USE RESTRICTIONS AND DEFAULT

The minimum term of the use restriction will be 20 years. In the event of any sale or transfer of the property, the subsequent owner(s) must comply with these restrictions for the remainder of the term. Use restrictions will be enforced through mortgage and land use restrictions and a project regulatory agreement.

The Authority may require repayment of the HOME loan by requiring the payment of up to 25% of the surplus cash annually as determined by the project's financial statements or audit. The occupancy and rent restrictions will remain in place as long as there is an outstanding balance on the HOME loan, but in no case less than 20 years.

All HOME assisted units will have restrictions on the maximum rent that may be charged as well as a limitation on the income of tenants. The Regulatory Agreement will be the loan document which outlines the use restrictions and requirements of the HOME program.

The Regulatory Agreement shall include, but not be limited to, restrictions and controls on the size and funding of project reserves, order of payments of project income, limitations on distribution of surplus cash, rent and income restrictions, and compliance review and reporting requirements.

HFA:105.19 - OTHER REQUIREMENTSa. RSA 204-C

All projects receiving HOME funds are further subject to the requirements of the New Hampshire RSA 204-C. Whenever there is a conflict, the stricter requirement (as determined in the sole discretion of the Authority) shall apply.

b. Amendments

These rules may be amended at any time by the Authority in its sole and final discretion within the constraints of 24 CFR part 92.

c. Waivers

The Authority reserves the right to waive each and any of the Program Rules within the constraints of 24 CFR part 92. These waivers shall be granted on a case-by-case basis at the discretion of the Authority's Board of Directors.

HFA:105.20 – DEFINITIONS

Affirmative Marketing Plan - A plan developed by the Authority to meet the HOME regulatory requirements at 24 CFR 92.351.

Applicant - See HFA: 105.04b

Annual Income/Adjusted Annual Income - See the federal definition at 24 CFR 813 part 106.

Closing Documents - Loan documents that secure the loan of HOME funds and detail the owner's responsibilities and compliance measures. The closing documents include, but are not limited to: Mortgage and Security Agreement; Promissory Note; Construction Contract; Collateral Assignment of Plans, Specifications, and Contracts; and the Regulatory Agreement.

Community Housing Development Organization - See the definition at 24 CFR 92.2 or information available from the Authority.

Consolidated Plan - This document is created by the Housing and Community Development Planning Council and submitted to HUD annually by the Governor prior to the allocation of HOME or other program funds. All investments of state HOME funds must be consistent with the state's Consolidated plan.

Conversion - Also known as Adaptive Re-use. Any change in use of an existing building to housing units. Conversion is a form of substantial rehabilitation for purposes of the HOME program.

Environmental Assessment - Determination of the impact of the proposed project on the environment. This impact may be in one or more categories (e.g., the project may be both a

historic resource and in a 100 year flood plain). The Authority may require an independent professional be hired to perform this assessment. Where the technical and administrative capacity exists, Authority staff will undertake this assessment.

Fire and Building Code Inspection Report - Written inspection reports by local code enforcement officials, citing all fire and building code violations.

Gross Project Income - All income to a project including rent receipts, rental subsidy payments, interest on project operating accounts controlled by the owner, income from laundry and vending facilities collected during the period covered by the project audit.

Gross Rents - Total monthly rental costs, including allowances or actual costs of tenant paid utilities for heat, hot water, cooking, and domestic electricity.

HOME Assisted Units - All units in a project which have been used in determining the level of HOME assistance and which will meet the income targeting and rent level restrictions required. The total HOME assisted units are the sum of the HOME very low income units and the HOME low income units.

HOME Low Income Units - HOME assisted units which are occupied by or reserved for households whose annual income is no more than 60% of the Median Area Income, adjusted by household size, as determined by HUD. See Table I for maximum qualifying household incomes and Table III for maximum gross rents.

HOME Very Low Income Units - HOME assisted units which are occupied by or reserved for households whose annual income is no more than 50% of the Median Area Income, adjusted by household size, as determined by HUD. See Table I for maximum qualifying household incomes and Table III for maximum unit gross rents.

Lead Paint Hazards – Any condition that causes exposure to lead from dust-lead hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that would result in adverse human health effects.

Median Area Income - Income figures published by HUD annually for metropolitan and non-metropolitan areas and counties.

Mixed Income Project - A project which contains both market units and HOME subsidized units. HOME assisted units can account for less than 100 percent of the dwelling units of a project if each building in the project contains a proportionate mix of HOME assisted units. The federal definition at monthly income/adjusted monthly income - See 24 CFR 813.

Mixed Use Project - A project with uses other residential can qualify for HOME assistance if the residential living space constitutes at least 51 percent of the project space as measured by floor areas, and each building in the project contains residential living space.

New Construction - The construction of housing units on vacant land. A project where any unit is built outside an existing building envelope is considered new construction.

NH Licensed Lead Inspector – Individual who has completed an EPA-approved training course in the identification of lead-based paint and has met all other requirements to become licensed as such by the NH Office of Health Management.

NH Licensed Risk Assessor – Individual who has completed an EPA-approved training course in the identification of lead-based paint, the identification of lead-based paint hazards, and the control of lead-based paint hazards who has met all other requirements to become licensed as such by the NH Office of Health Management.

Nonprofit - An agency that currently has a 501(c) status ruling from the IRS.

Participating Jurisdiction - For purposes of these rules, the State of New Hampshire

Post-Rehabilitation Appraised Value - An estimate of the property's fair market value, based on market conditions that considers all planned rehabilitation of the property.

Program Description - Document prepared by the Authority for HUD summarizing the planned use and distribution of HOME funds.

Reconstruction - The rebuilding on the same foundation or similar footprint of housing standing on a site at the time of project commitment. The reconstructed housing must be substantially similar to the original housing and the number of housing units may not be decreased or increased as part of a reconstruction project.

Rehabilitation - Rebuilding, replacement, or repair of any component of an existing housing project. Rehabilitation (excluding site work) must occur within the existing building envelope. Rebuilding a structure on an existing foundation or where a foundation recently existed is considered rehabilitation or substantial rehabilitation.

Residential Living Space - Project dwelling unit space including laundry and community facilities for the exclusive use of the project residents and their guests.

Scattered Site - Multiple buildings can be considered a single project for purposes of HOME assistance, if they are located within a four-block area.

Section 104 (d) - Section 104(d) of the Housing and Community Development Act of 1974 which prescribes relocation benefits and low procedures for one for one replacement of low income housing units lost due to demolition or conversion activities receiving federal funds. Also known as the Barney Frank Amendment.

Substantial Rehabilitation - Rehabilitation in which the average per unit cost of the residential portion of the project exceeds \$25,000.

Uniform Relocation Act (URA) - The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. These rules deal with determining the fair compensation due to sellers of property and displaced persons when federal funds are used.

HFA:105.21 - ACRONYMS

CFR - Code of Federal Regulations. The abbreviation is preceded by the title number and followed by the part number, and any following subsections. Hence, 24 CFR 92.2 is Title 24 of the Code of Federal Regulations, part 92, Section 2.

CHDO - Community Housing Development Organization. A private nonprofit which is community based and serves the purpose of providing housing. For a complete definition see 24 CFR 92.2 or the Authority's CHDO checklist.

HUD HQS - U.S. Department of HUD Section 8 Housing Quality Standards.

HOME - (HOME Investment Partnerships Program) A federal housing program created under the National Affordable Housing Act of 1990 and administered through the U.S. Department of Housing and Urban Development. The federal regulations governing HOME are published in 24 CFR 92.

HUD - The United States Department of Housing and Urban Development.

MAI - Median Area Income

RSA - New Hampshire Revised Statutes Annotated.

SHPO - State Historic Preservation Office. In New Hampshire, the SHPO is the Department of Cultural Affairs, Division of Historic Resources.

URA - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

GUIDELINES FOR SPECIAL NEEDS (Category 6 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.

1. 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.
2. A description of each service to be provided, including any eligibility requirements, and how the service is unique to residents.
3. The number of residents the services will be provided to and whether residents will be selected for occupancy based on their need for services.
4. Any eligibility criteria for services.
5. A detailed 3 year budget for providing the services, including revenues, expenses, and sources of funds.
6. Signed letters of intent to partner/contract from service providers.

TABLE I
HOME Program Income Schedule

Based on HUD HOME Program Income Limits (March 2000), and HUD Income Limits for Section 8 Programs (March 9, 2000)

Household Size (Persons)

Area	Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Boston MA-NH PMSA NH Portion	80% of MAI	\$35,150	\$40,150	\$45,200	\$50,200	\$54,200	\$58,250	\$62,250	\$66,250
	60% of MAI	\$27,540	\$31,440	\$35,400	\$39,300	\$42,420	\$45,600	\$48,720	\$51,900
	50% of MAI	\$22,950	\$26,200	\$29,500	\$32,750	\$35,350	\$38,000	\$40,600	\$43,250
	30% of MAI	\$13,750	\$15,700	\$17,700	\$19,650	\$21,200	\$22,800	\$24,350	\$25,950
Lawrence MA-NH PMSA NH Portion	80% of MAI	\$34,050	\$38,900	\$43,800	\$48,650	\$52,550	\$56,400	\$60,300	\$64,200
	60% of MAI	\$25,560	\$29,160	\$32,820	\$36,480	\$39,420	\$42,300	\$45,240	\$48,180
	50% of MAI	\$21,300	\$24,300	\$27,350	\$30,400	\$32,850	\$35,250	\$37,700	\$40,150
	30% of MAI	\$12,750	\$14,600	\$16,400	\$18,250	\$19,700	\$21,150	\$22,600	\$24,100
Lowell MA-NH PMSA NH Portion	80% of MAI	\$35,150	\$40,150	\$45,200	\$50,200	\$54,200	\$58,250	\$62,250	\$66,250
	60% of MAI	\$27,240	\$31,140	\$35,040	\$38,940	\$42,060	\$45,180	\$48,300	\$51,420
	50% of MAI	\$22,700	\$25,950	\$29,200	\$32,450	\$35,050	\$37,650	\$40,250	\$42,850
	30% of MAI	\$13,650	\$15,600	\$17,500	\$19,450	\$21,050	\$22,600	\$24,150	\$25,700
Manchester NH PMSA HUD Median Area Income - \$56,500	80% of MAI	\$31,650	\$36,150	\$40,700	\$45,200	\$48,800	\$52,450	\$56,050	\$59,650
	60% of MAI	\$23,760	\$27,120	\$30,540	\$33,900	\$36,600	\$39,300	\$42,060	\$44,760
	50% of MAI	\$19,800	\$22,600	\$25,450	\$28,250	\$30,500	\$32,750	\$35,050	\$37,300
	30% of MAI	\$11,850	\$13,550	\$15,250	\$16,950	\$18,300	\$19,650	\$21,000	\$22,350
Nashua NH PMSA HUD Median Area Income - \$64,100	80% of MAI	\$35,150	\$40,150	\$45,200	\$50,200	\$54,200	\$58,250	\$62,250	\$66,250
	60% of MAI	\$26,940	\$30,780	\$34,620	\$38,460	\$41,520	\$44,640	\$47,700	\$50,760
	50% of MAI	\$22,450	\$25,650	\$28,850	\$32,050	\$34,600	\$37,200	\$39,750	\$42,300
	30% of MAI	\$13,450	\$15,400	\$17,300	\$19,250	\$20,750	\$22,300	\$23,850	\$25,400
Portsmouth-Rochester NH-ME PMSA NH Portion	80% of MAI	\$29,300	\$33,450	\$37,650	\$41,850	\$45,200	\$48,550	\$51,900	\$55,250
	60% of MAI	\$21,960	\$25,080	\$28,260	\$31,380	\$33,900	\$36,420	\$38,940	\$41,400
	50% of MAI	\$18,300	\$20,900	\$23,550	\$26,150	\$28,250	\$30,350	\$32,450	\$34,500
	30% of MAI	\$11,000	\$12,550	\$14,100	\$15,700	\$16,950	\$18,200	\$19,450	\$20,700

TABLE I Continued
HOME Program Income Schedule

Based on HUD HOME Program Income Limits (March 2000), and HUD Income Limits for Section 8 Programs (March 9, 2000)
Household Size (Persons)

Area	Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Belknap County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550
Carroll County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550
Cheshire County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550
Coos County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550
Grafton County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550
Hillsborough County Non-MSA Parts	80% of MAI	\$30,450	\$34,800	\$39,150	\$43,500	\$47,000	\$50,500	\$53,950	\$57,450
	60% of MAI	\$22,860	\$26,100	\$29,400	\$32,640	\$35,280	\$37,860	\$40,500	\$43,080
	50% of MAI	\$19,050	\$21,750	\$24,500	\$27,200	\$29,400	\$31,550	\$33,750	\$35,900
	30% of MAI	\$11,400	\$13,050	\$14,700	\$16,300	\$17,650	\$18,950	\$20,250	\$21,550

TABLE I Continued
HOME Program Income Schedule

Based on HUD HOME Program Income Limits (March 2000), and HUD Income Limits for Section 8 Programs (March 9, 2000)
 Household Size (Persons)

Area	Income Limit	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Merrimack County	80% of MAI	\$29,100	\$33,300	\$37,450	\$41,600	\$44,950	\$48,250	\$51,600	\$54,900
Non-MSA Parts	60% of MAI	\$21,840	\$24,960	\$28,080	\$31,200	\$33,720	\$36,180	\$38,700	\$41,160
HUD Median Area Income - \$52,000	50% of MAI	\$18,200	\$20,800	\$23,400	\$26,000	\$28,100	\$30,150	\$32,250	\$34,300
	30% of MAI	\$10,900	\$12,500	\$14,050	\$15,600	\$16,850	\$18,100	\$19,350	\$20,600
Rockingham County	80% of MAI	\$29,800	\$34,050	\$38,300	\$42,550	\$45,950	\$49,350	\$52,750	\$56,200
Non-MSA Parts	60% of MAI	\$22,320	\$25,560	\$28,740	\$31,920	\$34,500	\$37,020	\$39,600	\$42,120
HUD Median Area Income - \$53,200	50% of MAI	\$18,600	\$21,300	\$23,950	\$26,600	\$28,750	\$30,850	\$33,000	\$35,100
	30% of MAI	\$11,150	\$12,750	\$14,350	\$15,950	\$17,250	\$18,500	\$19,800	\$21,050
Strafford County	80% of MAI	\$27,700	\$31,700	\$35,650	\$39,600	\$42,750	\$45,950	\$49,100	\$52,250
Non-MSA Parts	60% of MAI	\$20,820	\$23,760	\$26,760	\$29,700	\$32,100	\$34,440	\$36,840	\$39,180
HUD Median Area Income - \$49,500	50% of MAI	\$17,350	\$19,800	\$22,300	\$24,750	\$26,750	\$28,700	\$30,700	\$32,650
	30% of MAI	\$10,400	\$11,900	\$13,350	\$14,850	\$16,050	\$17,250	\$18,400	\$19,600
Sullivan County	80% of MAI	\$26,200	\$29,950	\$33,700	\$37,450	\$40,450	\$43,450	\$46,400	\$49,400
HUD Median Area Income - \$42,200	60% of MAI	\$19,680	\$22,440	\$25,260	\$28,080	\$30,300	\$32,580	\$34,800	\$37,080
	50% of MAI	\$16,400	\$18,700	\$21,050	\$23,400	\$25,250	\$27,150	\$29,000	\$30,900
	30% of MAI	\$9,850	\$11,250	\$12,650	\$14,050	\$15,150	\$16,300	\$17,400	\$18,550

TABLE II
HOME Program Rent Schedule

EFFECTIVE DATE FMRs: 9/25/00
EFFECTIVE DATE HOME RENTS: 3/30/00
EFFECTIVE DATE OF % RENTS: 3/10/00

updated: 10/2/2000 Version 00-2

AREA	PROGRAM	EFFIC.	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
BOSTON MA-NH PMSA NH PORTION	FAIR MARKET RENT	\$695	\$782	\$979	\$1,223	\$1,437	\$1,652	\$1,868
	50% RENT LIMIT	\$573	\$614	\$737	\$851	\$950	\$1,048	\$1,146
	60% RENT LIMIT	\$688	\$737	\$885	\$1,021	\$1,140	\$1,257	-
	65% RENT LIMIT	\$725	\$778	\$935	\$1,072	\$1,177	\$1,280	\$1,383
	80% RENT LIMIT	\$878	\$941	\$1,130	\$1,305	\$1,456	\$1,606	-
	LOW HOME RENT	\$573	\$614	\$737	\$851	\$950	\$1,048	\$1,146
	HIGH HOME RENT	\$669	\$752	\$935	\$1,072	\$1,177	\$1,280	\$1,383
LAWRENCE PMSA NH PORTION	FAIR MARKET RENT	\$502	\$606	\$763	\$953	\$1,172	\$1,347	\$1,523
	50% RENT LIMIT	\$532	\$570	\$683	\$790	\$881	\$973	\$1,064
	60% RENT LIMIT	\$639	\$684	\$820	\$948	\$1,057	\$1,167	-
	65% RENT LIMIT	\$671	\$720	\$866	\$993	\$1,088	\$1,182	\$1,276
	80% RENT LIMIT	\$851	\$911	\$1,095	\$1,265	\$1,410	\$1,556	-
	LOW HOME RENT	\$484	\$570	\$683	\$790	\$881	\$973	\$1,064
	HIGH HOME RENT	\$484	\$584	\$735	\$919	\$1,088	\$1,182	\$1,276
LOWELL PMSA NH PORTION	FAIR MARKET RENT	\$510	\$659	\$796	\$997	\$1,115	\$1,282	\$1,449
	50% RENT LIMIT	\$567	\$608	\$730	\$843	\$941	\$1,038	\$1,135
	60% RENT LIMIT	\$681	\$729	\$876	\$1,012	\$1,129	\$1,246	-
	65% RENT LIMIT	\$718	\$771	\$926	\$1,062	\$1,166	\$1,268	\$1,371
	80% RENT LIMIT	\$878	\$941	\$1,130	\$1,305	\$1,456	\$1,606	-
	LOW HOME RENT	\$491	\$608	\$730	\$843	\$941	\$1,038	\$1,135
	HIGH HOME RENT	\$491	\$634	\$766	\$960	\$1,073	\$1,233	\$1,371
MANCHESTER PMSA	FAIR MARKET RENT	\$410	\$585	\$730	\$913	\$1,023	\$1,176	\$1,329
	50% RENT LIMIT	\$495	\$530	\$636	\$734	\$818	\$904	\$988
	60% RENT LIMIT	\$594	\$636	\$763	\$881	\$982	\$1,085	-
	65% RENT LIMIT	\$622	\$668	\$804	\$920	\$1,007	\$1,093	\$1,178
	80% RENT LIMIT	\$791	\$847	\$1,017	\$1,175	\$1,311	\$1,446	-
	LOW HOME RENT	\$395	\$530	\$636	\$734	\$818	\$904	\$988
	HIGH HOME RENT	\$395	\$563	\$703	\$879	\$985	\$1,093	\$1,178
NASHUA PMSA	FAIR MARKET RENT	\$483	\$673	\$835	\$1,136	\$1,352	\$1,554	\$1,757
	50% RENT LIMIT	\$561	\$601	\$721	\$833	\$930	\$1,025	\$1,121
	60% RENT LIMIT	\$673	\$721	\$865	\$999	\$1,116	\$1,230	-
	65% RENT LIMIT	\$708	\$761	\$915	\$1,049	\$1,151	\$1,251	\$1,351
	80% RENT LIMIT	\$878	\$941	\$1,130	\$1,305	\$1,456	\$1,606	-
	LOW HOME RENT	\$465	\$601	\$721	\$833	\$930	\$1,025	\$1,121
	HIGH HOME RENT	\$465	\$648	\$804	\$1,049	\$1,151	\$1,251	\$1,351
PORTSMOUTH-ROCHESTER PMSA NH PORTION	FAIR MARKET RENT	\$497	\$595	\$765	\$981	\$1,203	\$1,383	\$1,563
	50% RENT LIMIT	\$457	\$490	\$588	\$680	\$758	\$836	\$915
	60% RENT LIMIT	\$549	\$588	\$706	\$816	\$910	\$1,004	-
	65% RENT LIMIT	\$575	\$617	\$743	\$849	\$928	\$1,005	\$1,084
	80% RENT LIMIT	\$732	\$784	\$941	\$1,088	\$1,213	\$1,339	-
	LOW HOME RENT	\$457	\$490	\$588	\$680	\$758	\$836	\$915
	HIGH HOME RENT	\$479	\$573	\$737	\$849	\$928	\$1,005	\$1,084
BELKNAP COUNTY	FAIR MARKET RENT	\$436	\$504	\$663	\$896	\$1,089	\$1,252	\$1,415
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$431	\$498	\$655	\$756	\$825	\$891	\$958

TABLE II
HOME Program Rent Schedule

EFFECTIVE DATE FMRs: 9/25/00
EFFECTIVE DATE HOME RENTS: 3/30/00
EFFECTIVE DATE OF % RENTS: 3/10/00

updated: 10/2/2000

Version 00-2

AREA	PROGRAM	EFFIC.	1 RR	2 RR	3 RR	4 RR	5 RR	6 RR
CARROLL COUNTY	FAIR MARKET RENT	\$364	\$500	\$666	\$835	\$1,041	\$1,197	\$1,353
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$360	\$438	\$526	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$360	\$494	\$658	\$756	\$825	\$891	\$958
CHESHIRE COUNTY	FAIR MARKET RENT	\$452	\$537	\$687	\$895	\$1,061	\$1,220	\$1,379
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$447	\$531	\$663	\$756	\$825	\$891	\$958
COOS COUNTY	FAIR MARKET RENT	\$312	\$382	\$489	\$638	\$755	\$868	\$981
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$308	\$377	\$483	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$308	\$377	\$483	\$630	\$746	\$857	\$958
GRAFTON COUNTY	FAIR MARKET RENT	\$402	\$485	\$646	\$835	\$1,055	\$1,213	\$1,371
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$397	\$438	\$526	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$397	\$479	\$638	\$756	\$825	\$891	\$958
NON-PMSA PART OF HILLSBOROUGH COUNTY	FAIR MARKET RENT	\$428	\$535	\$713	\$943	\$1,135	\$1,305	\$1,475
	50% RENT LIMIT	\$476	\$510	\$612	\$707	\$788	\$870	\$952
	60% RENT LIMIT	\$571	\$612	\$735	\$849	\$946	\$1,044	-
	65% RENT LIMIT	\$598	\$643	\$773	\$885	\$967	\$1,049	\$1,131
	80% RENT LIMIT	\$761	\$815	\$978	\$1,131	\$1,262	\$1,392	-
	LOW HOME RENT	\$423	\$510	\$612	\$707	\$788	\$870	\$952
	HIGH HOME RENT	\$423	\$529	\$705	\$885	\$967	\$1,049	\$1,131
NON-PMSA PART OF MERRIMACK COUNTY	FAIR MARKET RENT	\$450	\$538	\$671	\$860	\$960	\$1,104	\$1,248
	50% RENT LIMIT	\$455	\$487	\$585	\$676	\$753	\$831	\$910
	60% RENT LIMIT	\$546	\$585	\$702	\$811	\$904	\$998	-
	65% RENT LIMIT	\$571	\$613	\$738	\$844	\$922	\$999	\$1,077
	80% RENT LIMIT	\$727	\$780	\$936	\$1,081	\$1,206	\$1,331	-
	LOW HOME RENT	\$445	\$487	\$585	\$676	\$753	\$831	\$910
	HIGH HOME RENT	\$445	\$532	\$663	\$844	\$922	\$999	\$1,077
NON-PMSA PART OF ROCKINGHAM COUNTY	FAIR MARKET RENT	\$468	\$547	\$733	\$1,016	\$1,173	\$1,348	\$1,524
	50% RENT LIMIT	\$465	\$498	\$598	\$691	\$771	\$851	\$931
	60% RENT LIMIT	\$558	\$598	\$718	\$830	\$925	\$1,021	-
	65% RENT LIMIT	\$585	\$628	\$755	\$865	\$945	\$1,024	\$1,105
	80% RENT LIMIT	\$745	\$798	\$957	\$1,106	\$1,233	\$1,361	-
	LOW HOME RENT	\$462	\$498	\$598	\$691	\$771	\$851	\$931
	HIGH HOME RENT	\$462	\$541	\$724	\$865	\$945	\$1,024	\$1,105

TABLE II
HOME Program Rent Schedule

EFFECTIVE DATE FMRs: 9/25/00
 EFFECTIVE DATE HOME RENTS: 3/30/00
 EFFECTIVE DATE OF % RENTS: 3/10/00

updated: 10/2/2000

Version 00-2

AREA	PROGRAM	EFFIC.	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
NON-PMSA PART OF STRAFFORD COUNTY	FAIR MARKET RENT	\$414	\$562	\$749	\$939	\$1,052	\$1,209	\$1,367
	50% RENT LIMIT	\$433	\$464	\$557	\$643	\$717	\$791	\$866
	60% RENT LIMIT	\$520	\$557	\$669	\$772	\$861	\$950	-
	65% RENT LIMIT	\$542	\$583	\$701	\$802	\$875	\$947	\$1,019
	80% RENT LIMIT	\$692	\$742	\$891	\$1,029	\$1,148	\$1,266	-
	LOW HOME RENT	\$409	\$464	\$557	\$643	\$717	\$791	\$866
	HIGH HOME RENT	\$409	\$555	\$701	\$802	\$875	\$947	\$1,019
SULLIVAN COUNTY	FAIR MARKET RENT	\$435	\$442	\$574	\$754	\$804	\$924	\$1,045
	50% RENT LIMIT	\$410	\$438	\$526	\$608	\$678	\$748	\$819
	60% RENT LIMIT	\$492	\$526	\$631	\$729	\$814	\$898	-
	65% RENT LIMIT	\$512	\$550	\$663	\$756	\$825	\$891	\$958
	80% RENT LIMIT	\$655	\$701	\$842	\$973	\$1,086	\$1,197	-
	LOW HOME RENT	\$410	\$437	\$526	\$608	\$678	\$748	\$819
	HIGH HOME RENT	\$430	\$437	\$567	\$745	\$794	\$891	\$958

Fair Market Rent: Is based on the 40th percentile rent for a 2-bedroom unit in the identified area, adjusted for the number of bedrooms. HUD publishes FMR numbers with an effective date of Oct. 1, dated for the following year. (i.e.. 1999 FMR's are effective on 10/1/98)

50% Rent Limit: Is 30% of the adjusted income of a family whose annual income equals 50% of the median income for the indicated area. Adjustments are made for family size, under the assumption units are occupied at the rate of 1.5 persons per bedroom. Adjustments are also made in areas with unusually high or low incomes.

60% Rent Limit: Is 30% of the adjusted income of a family whose annual income equals 60% of the median income for the indicated area. Adjustments are made for family size and income in the same manner as above.

65% Rent Limit: Is apx. 30% of the adjusted income of a family whose annual income equals 65% of the median income for the indicated area. Adjustments are made for family size and income in the same manner as above. Additional adjustments are made by HUD, and this number can not be calculated. It is published by HUD typically before the end of February each year.

High Home Rent: Is the lesser of the Fair Market Rent or 30 percent of the adjusted income of a family whose annual income equals the published 65% Rent Limit. This number only changes when HUD publishes a new 65% Rent Limit and High Home Rent number. HOME Low Income Units use High Home Rent Limit.

Low Home Rent: Is the lesser of the Fair Market Rent or 30 percent of the adjusted income of a family whose annual income equals 50% of the median income for the area (the 50% Rent Limit). This number only changes when HUD publishes a change. HOME Very Low Income Units use Low Home Rent Limit.

HFA: 105.04k - TABLE III
MAXIMUM PER UNIT SUBSIDY LIMIT OF HOME FUNDS
Effective 1/1/2000

<u>Unit Size (Bedrooms)</u>	<u>Non-Elevator</u>	<u>Elevator</u>
0	\$ 56,511	\$ 59,472
1	\$ 65,158	\$ 68,172
2	\$ 78,582	\$ 82,897
3	\$ 100,584	\$ 107,241
4 or more	\$ 112,056	\$ 117,717

Metropolitan Statistical Area Definitions

These PMSA (Primary Metropolitan Statistical Areas) designations were established by the Office of Management and Budget (OMB Bulletin 93-17) on June 30, 1993, for use with HUD published Fair Market Rents, and any appeal thereto. They are consistent with MSA delineations as used by the New Hampshire Office of State Planning and the New Hampshire Department of Employment Security.

Boston PMSA

Seabrook, South Hampton

Lawrence PMSA

Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, Windham

Lowell PMSA

Pelham

Manchester PMSA

Allenstown, Auburn, Bedford, Candia, Goffstown, Hooksett, Londonderry, Manchester, Weare

Nashua PMSA

Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Wilton

Portsmouth-Rochester PMSA

Barrington, Brentwood, Dover, Durham, E. Kingston, Epping, Exeter, Farmington, Greenland, Hampton, Hampton Falls, Kensington, Lee, Madbury, Milton, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rochester, Rollinsford, Rye, Somersworth, Stratham

Certifications and Standard Form 424

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STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

- (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- 3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official

Nov. 27, 2000
Date

Governor, State of New Hampshire _____
Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2001, (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

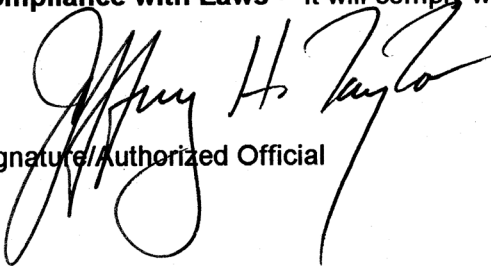
It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

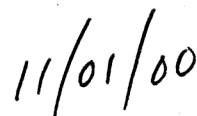
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.



Signature/Authorized Official



Date

Jeffrey H. Taylor
Director

Specific HOME Certifications

The State certifies that:

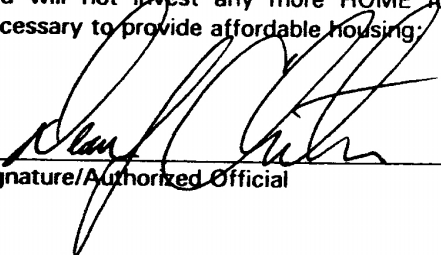
Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

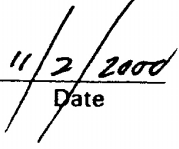
Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;



Signature/Authorized Official



Date

Deputy Executive Director, New Hampshire Housing Finance Authority
Title

**STATE GRANTEE
EMERGENCY SHELTER GRANTS PROGRAM
FY2001 CERTIFICATIONS**

I, Thomas S. Fox, MD, Acting Director, authorized to act on behalf of the State of New Hampshire, certify that the State will ensure compliance by units of general local government and nonprofit organizations to which it distributes funds under the Emergency Shelter Grants Program with:

- (1) The requirements of 24 CFR 576.21(a)(4) which provide that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services meet the following standards: (A) that the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) that the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) that there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) that the assistance must not supplant funding for preexisting homeless prevention activities from any other source.
- (2) The requirements of 24 CFR 576.25(b)(2) concerning the submission by nonprofit organizations applying for funding of a certification of approval of the proposed projects(s) from the unit of local government in which the proposed projects is located.
- (3) The requirements of 24 CFR 576.53 concerning the continued use of buildings for which Emergency Shelter Grant funds are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services, concerning the population to be served.
- (4) The building standards requirements of 24 CFR 576.55.
- (5) The requirements of 24 CFR 576.56, concerning assistance to the homeless.
- (6) The requirements of 24 CFR 576.57, other appropriate provisions of 24 CFR Part 576, and other applicable Federal law concerning nondiscrimination and equal opportunity.
- (7) The requirements of 24 CFR 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- (8) The requirements of 24 CFR 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.

- (9) The requirements of 24 CFR 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the Emergency Shelter Grants Program and that the address or location of any family violence shelter project assisted with ESG funds will not be made public, except with written authorization of the person or persons responsible for the operation of the shelter.
- (10) The requirement that recipients involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 CFR 576.56(b)(2).
- (11) The new requirement of the McKinney Act (42 USC 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that state and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of state and local resources.

I certify that the State will comply with the requirements of 24 CFR Part 24 concerning the Drug Free Workplace Act of 1988.

I certify that the State will comply with the provisions of, and regulations and procedures applicable under 24 CFR 576.57(e) with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 CFR Part 58 applicable to activities of nonprofit organizations funded directly by the State. The State also agrees to assume the Department's responsibility and authority as set forth in 24 CFR 576.57(e) for acting on the environmental certifications and requests for the release of funds submitted to the State by local government recipients.

I certify that the State will ensure the provision of the matching funds required by 24 CFR 576.51 and USC 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

I further certify that the submission of a complete and approved Consolidated Plan with its relevant certifications, which is treated as the application for an Emergency Shelter grant is authorized under State law, and that the State possesses legal authority to fund the carrying out of grant activities by units of general local government and nonprofit organizations in accordance with applicable laws and regulations of the Department of Housing and Urban Development.

Name and Title


Signature

03/02/01
Date

Acting Director, DBH
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Office of State Planning, 2 ½ Beacon Street, Concord, NH 03301 (Merrimack County)

New Hampshire Housing Finance Authority, 32 Constitution Drive, Bedford, NH 03110 (Hillsborough County)

New Hampshire Division of Mental Health and Developmental Services, 105 Pleasant Street, Concord, NH 03301 (Merrimack County)

Check ___ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).