

Housing Opportunities for Jaffrey



Agenda:

- Welcome and Overview – *Jo Anne and George*
- NH Housing Programs – *Ryan*
- Monadnock Region – *Cody*
- Quick Q&A - *Steve*
- Table Discussion #1 - What is 79:E and how does it relate to housing? - *Cody*
- Table Discussion #2 - How can Accessory Dwelling Units be financed? -
- Closing and Next Steps – *Mark, Steve, and Jo Anne*

Housing Initiatives in Jaffrey

Housing Opportunity Grant

InvestNH Demo Grant

*Housing Champion
Designation*



State of Housing in New Hampshire





NEW HAMPSHIRE
HOUSING

New Hampshire's Housing Market: How Did We Get Here? Efforts To Address Supply.

Jaffrey, NH

George Reagan

Director, Community Engagement, New Hampshire Housing

April 11, 2025



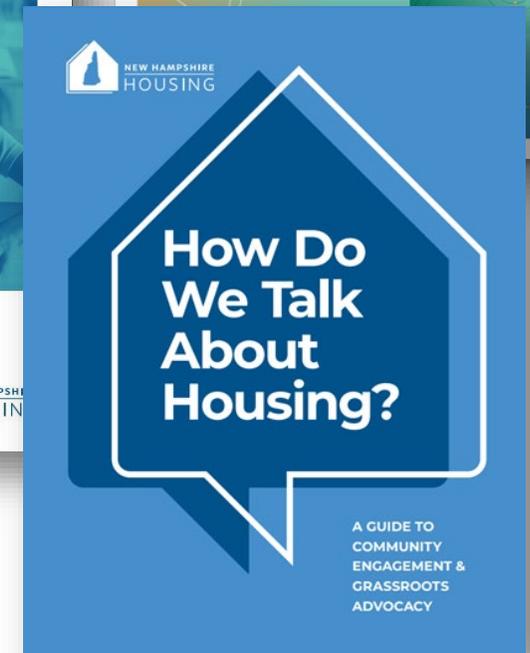
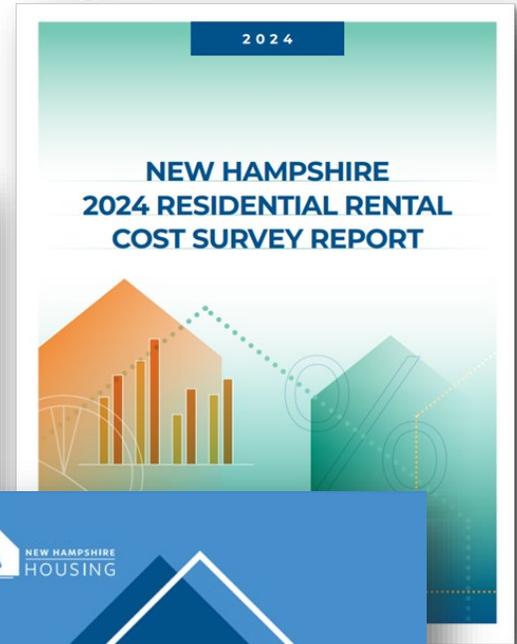
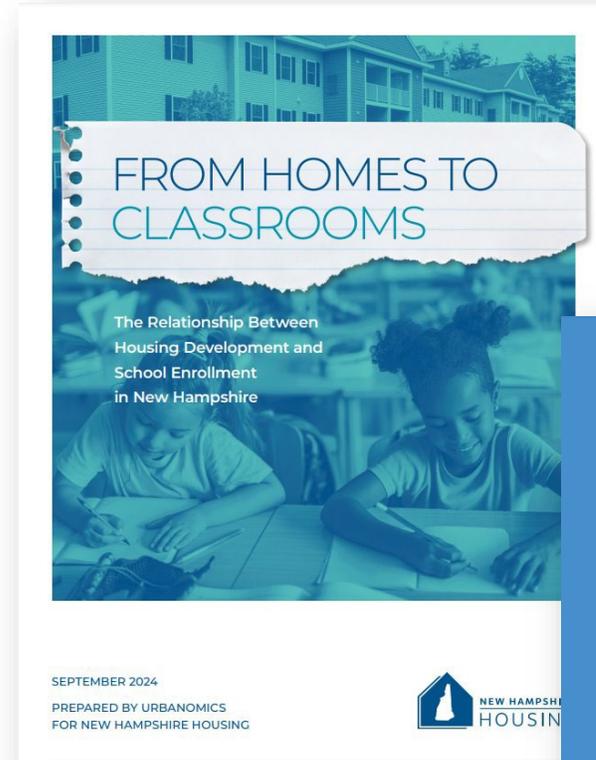


We promote, finance, and support housing solutions for the people of NH.

- Established in 1981 by state legislature as a self-sustaining public corporation.
- Not a state agency – we receive no state operating funds.
- Governed by a 9-member Board of Directors appointed by Governor and Council.

RESEARCH | ADVOCACY | TECHNICAL ASSISTANCE

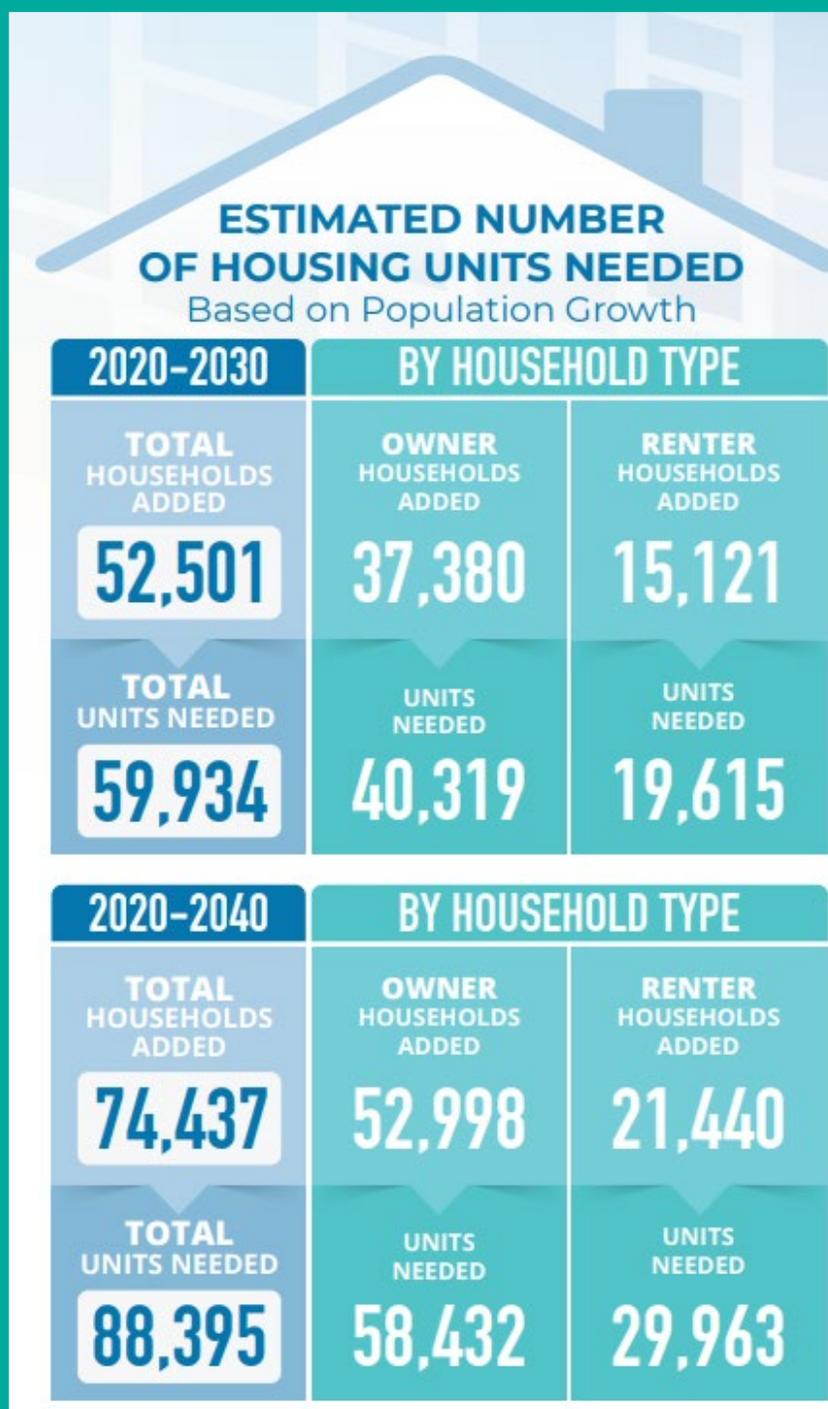
- [2023 Statewide Housing Needs Assessment](#)
- [2024 Residential Rental Cost Survey](#)
- 2023 Regional Housing Needs Assessments – ask your RPC!
- [New Hampshire Housing Toolbox](#)
- [A Municipal Guide to RSA 79-E](#)
- [How Do We Talk About Housing? A Guide to Community Engagement and Grassroots Advocacy](#)
- [Workforce Housing Law Retrospective](#)
- If there is something you need, please ask!



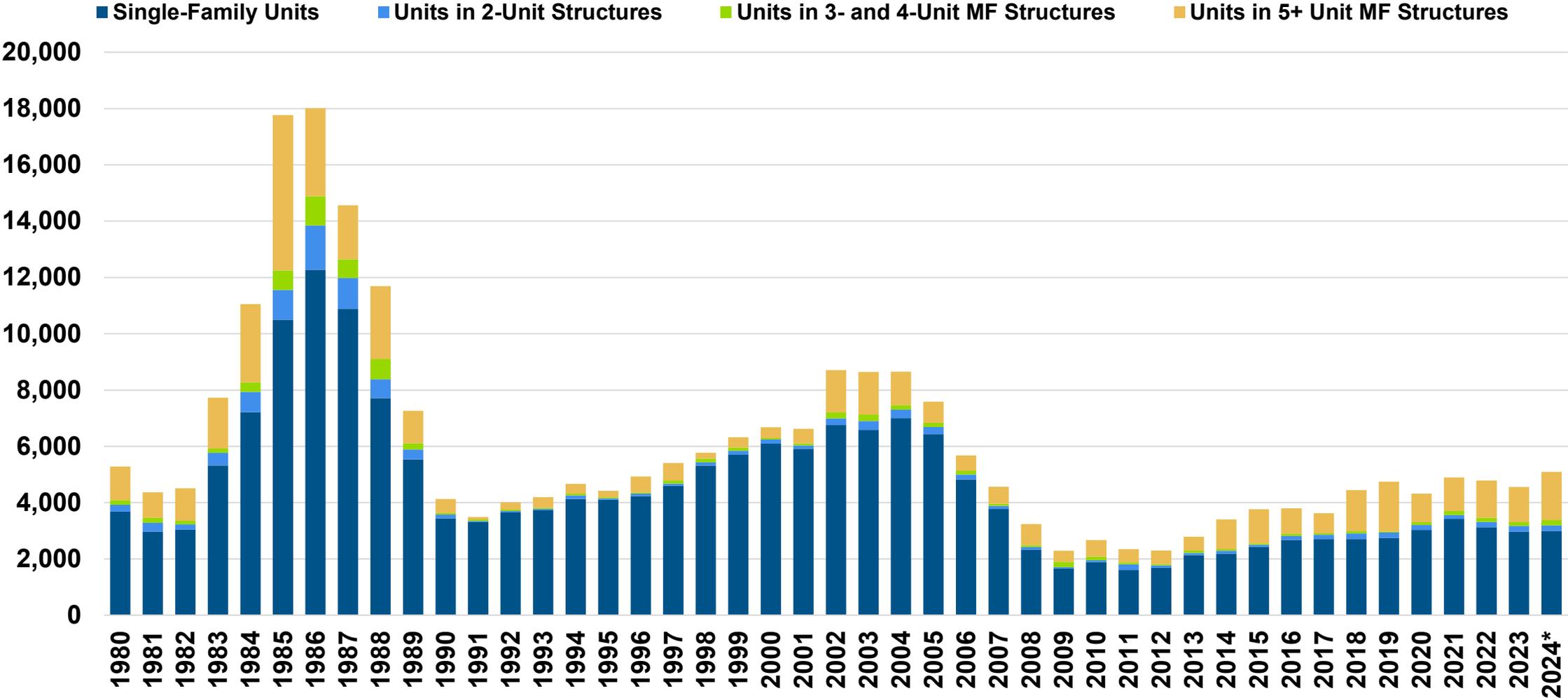
HOW MUCH HOUSING DOES NH NEED?

Based on estimated population growth:

- Almost **60,000 new units** between 2020 and 2030
- Nearly **90,000 new units** between 2020 and 2040
- **To meet production needs, building permit activity must increase by 36% statewide over recent levels**
 - Achievable through a combination of local and state action

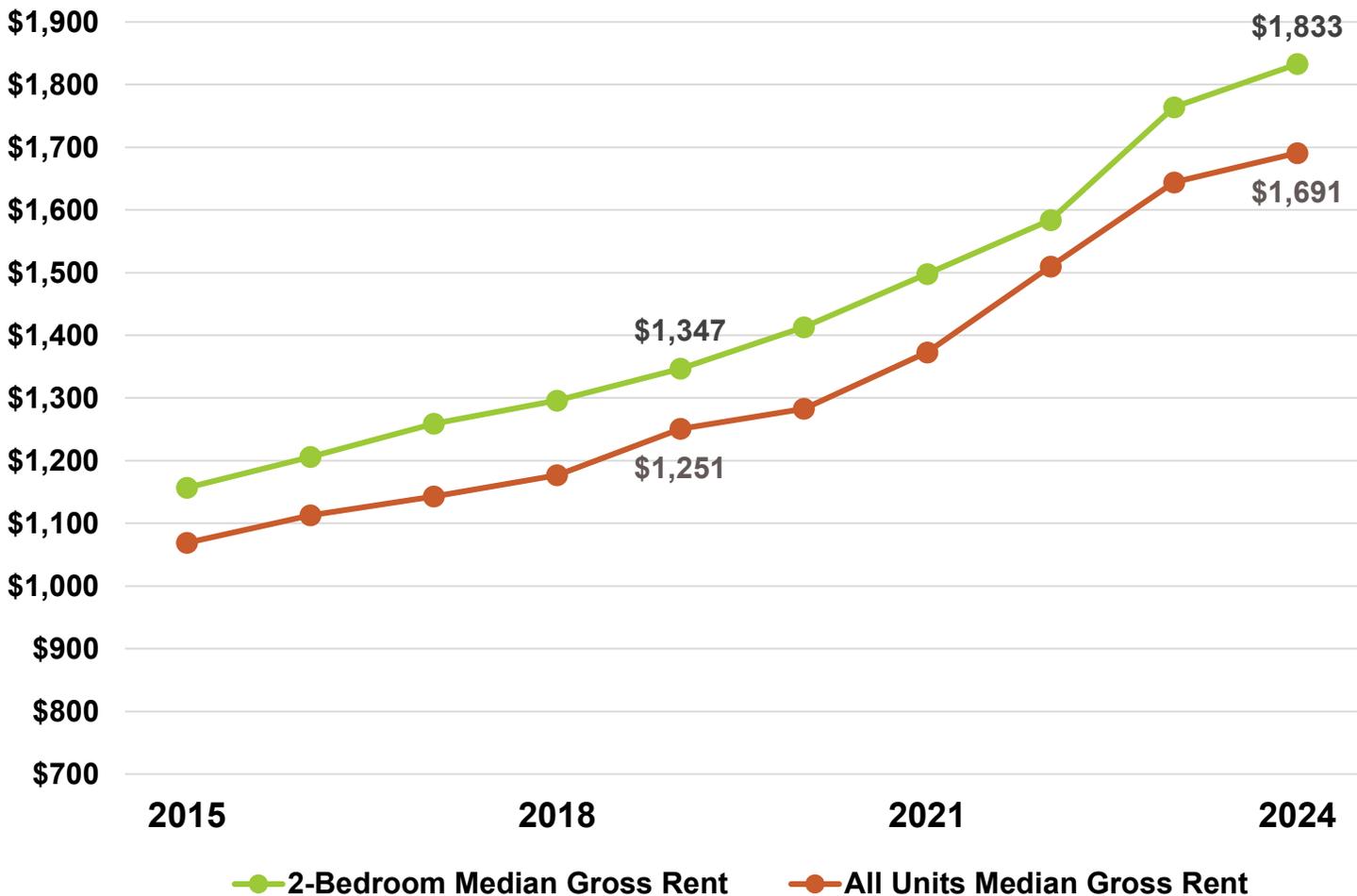


NH BUILDING PERMITS ISSUED 1980 - 2024



Source: U.S. Census Bureau, Construction Statistics Division
 Notes: *2024 Preliminary Annual Permits by State Data

MEDIAN GROSS RENTAL COST



+36%

The statewide median gross rent (including utilities) for a 2-bedroom unit has increased 36% in the past five years.

+35%

Source: 2024 New Hampshire Housing Annual Residential Rental Cost Survey

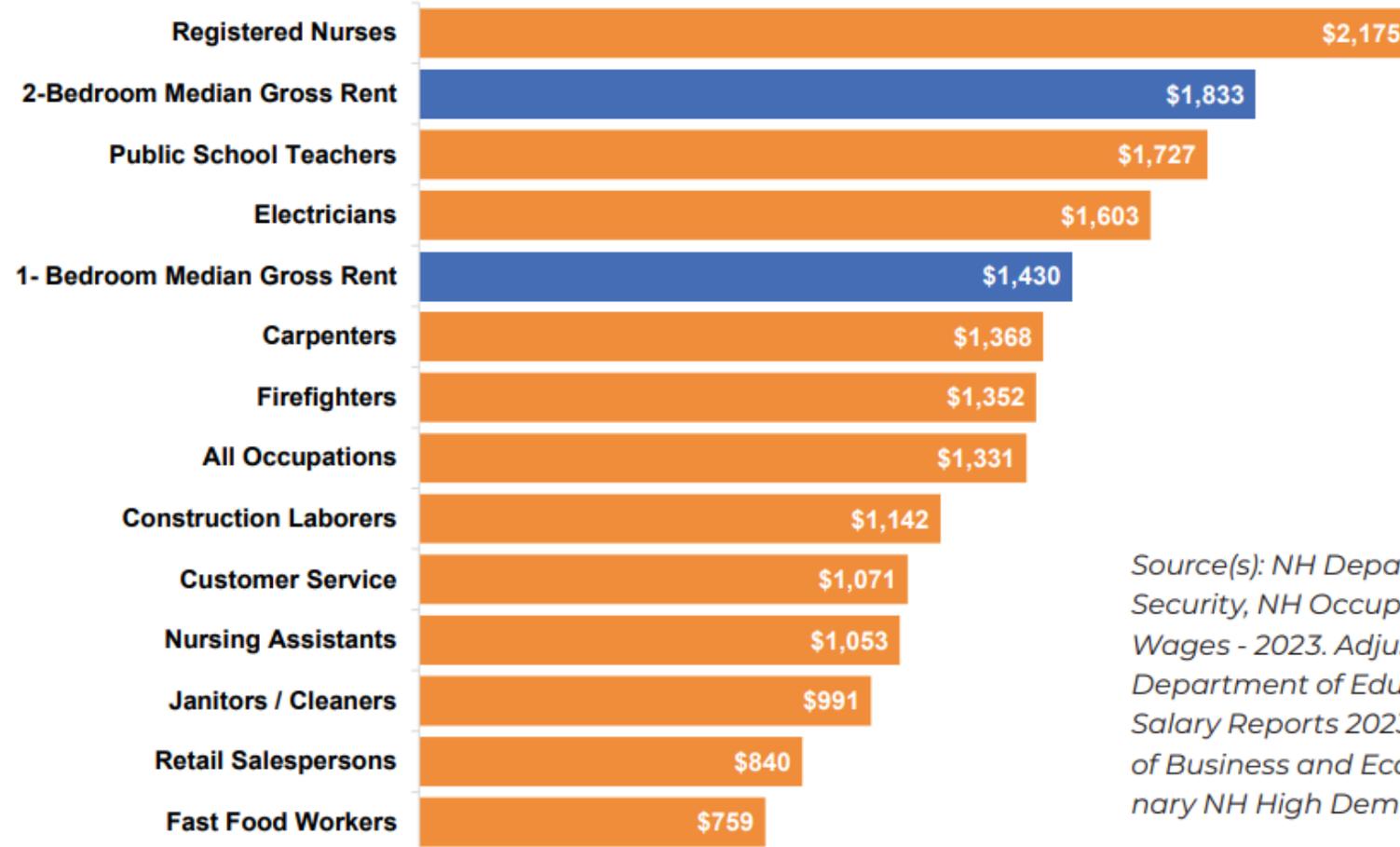
HOUSEHOLD INCOME REQUIRED TO AFFORD A 2-BEDROOM APARTMENT

	MEDIAN 2-BEDROOM RENT	INCOME NEEDED TO AFFORD RENT	% OF ESTIMATED 2024 MEDIAN RENTER HOUSEHOLD INCOME
Cheshire County	\$1,455	\$58,200	109%

2-BEDROOM UNITS AFFORDABLE TO MEDIAN INCOME RENTER HOUSEHOLDS

	ESTIMATED 2024 MEDIAN RENTER HOUSEHOLD INCOME	AFFORDABLE GROSS RENT BASED ON INCOME	% OF RENTAL UNITS THAT ARE AFFORDABLE
Cheshire County	\$49,476	\$1,237	25%

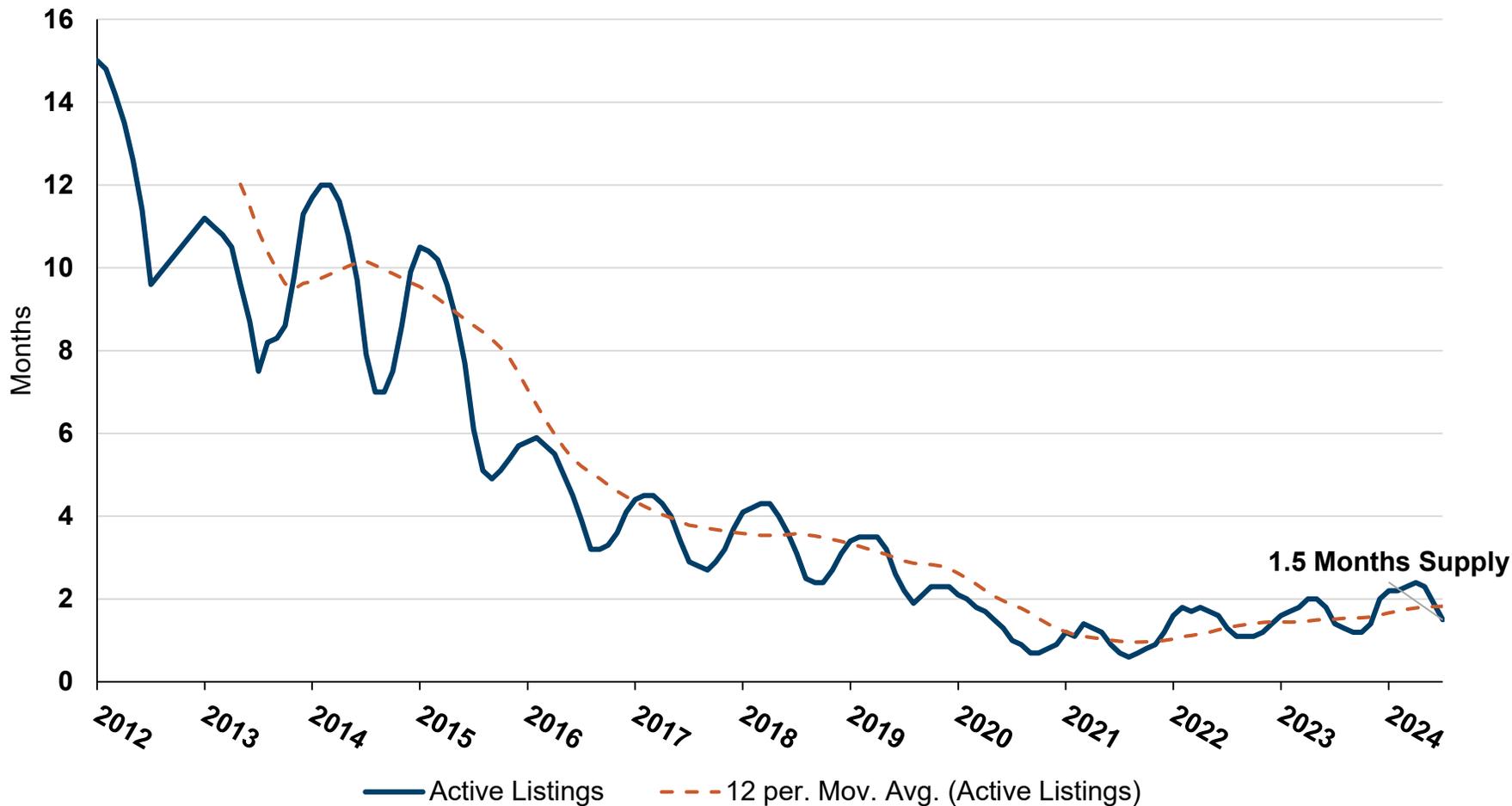
HIGH-DEMAND OCCUPATIONS AND AFFORDABILITY



Source(s): NH Department of Employment Security, NH Occupational Employment & Wages - 2023. Adjusted to 2024 dollars. NH Department of Education Administration Salary Reports 2023-2024; NH Department of Business and Economic Affairs, Preliminary NH High Demand Occupations (2022).

SINGLE-FAMILY HOUSING INVENTORY

Months to absorb active listings at prior 12 months' sales pace

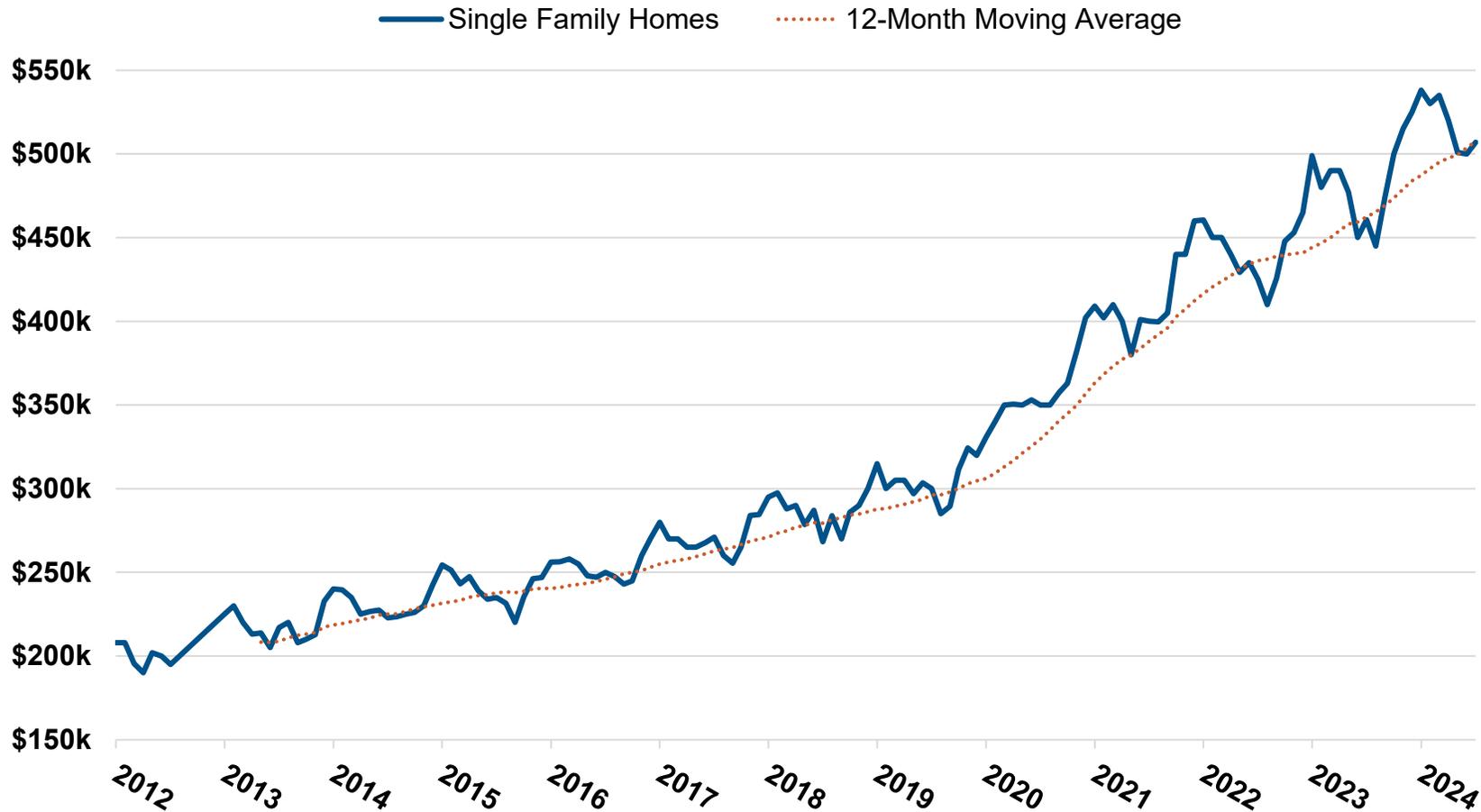


Inventory shortage has the greatest impact at the lower end of the market

Less than 6 months of inventory is a **seller's market.**

SINGLE-FAMILY MEDIAN SALES PRICE

Median Sales Price for Single Family Homes in NH from Years 2012 to 2024



Dec 2020 **\$350K**

Dec 2024 **\$507K**

45%

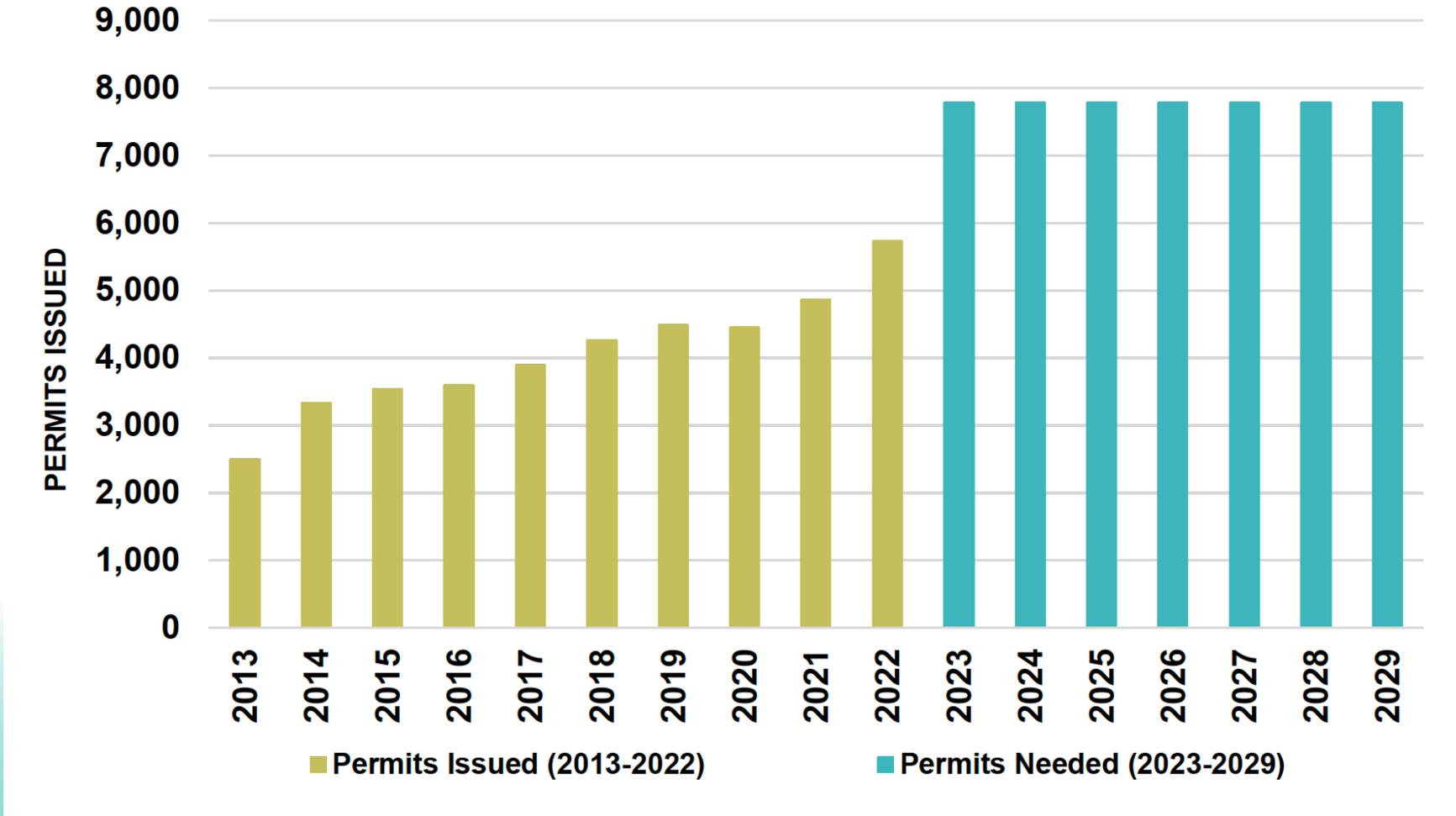
Source: New Hampshire Association of Realtors NH Monthly Indicators

IMPACT OF INTEREST RATES



Interest rate and payments calculated based on \$400,000 home with 5% down payment, 30-year mortgage. Per-month cost reflects principal and interest only, excludes estimated insurance and taxes.

HOW DO WE CLOSE A 60,000 UNIT GAP?



THE 5 "L"'S: BARRIERS TO HOUSING



LUMBER
Development costs



LABOR
Workforce
availability



LAND
Finite, but
intensity/type of use
is variable



LOANS
Financing



LAWS
Regulatory practices

HOUSING OPPORTUNITY PLANNING (HOP) GRANTS

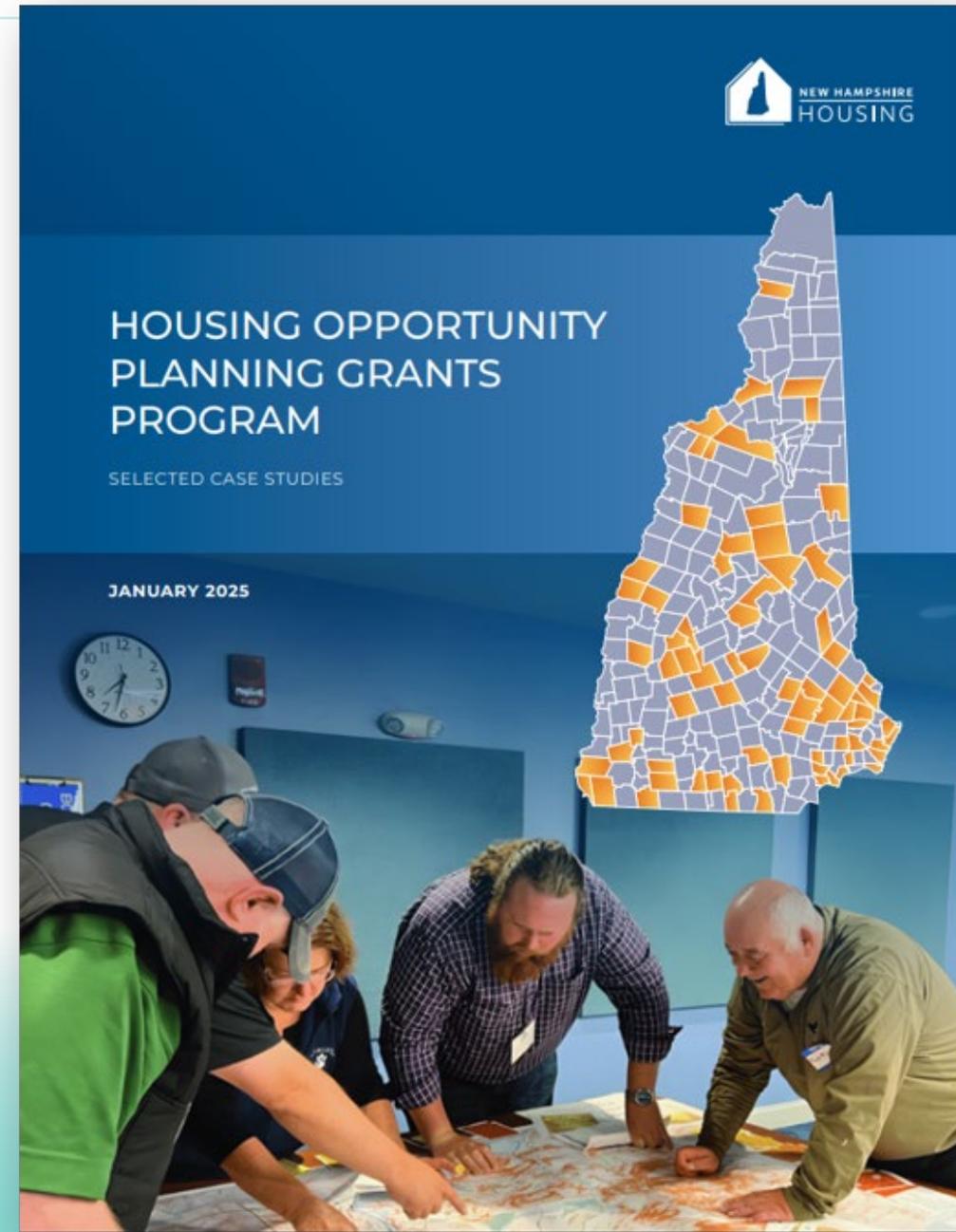
- Part of the Governor's \$100 million **InvestNH Initiative**
- In total, \$7.9 million was allocated to the **Municipal Planning & Zoning Grant Program**.
- Provides grants to municipalities to create local regulations that will help increase housing supply, especially for affordable and workforce housing.
- To date, 73 municipalities have been awarded 103 (!!!) HOP grants.
- **NHHOPgrants.org**



SMALL TOWNS, BIG CHANGE!

- Small towns participated at surprising rates
 - Pop. range 508 – 91,322
 - 50% of grantees have populations under 5,000
- Most grant recipients report having no full-time professional planning staff

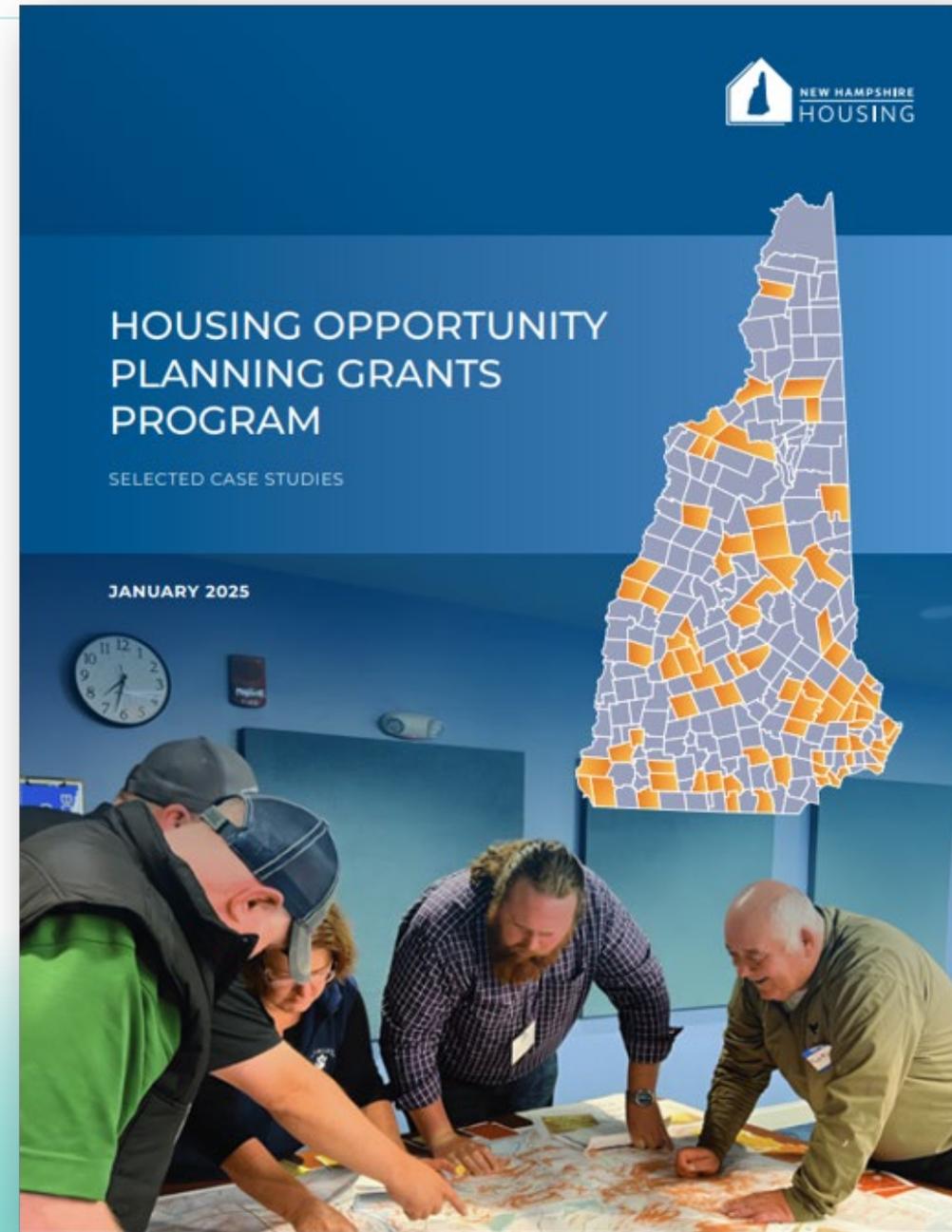
12 municipalities already adopted regulation change
2 communities have already seen units in the ground



SMALL TOWNS, BIG CHANGE!

2025 Zoning Changes

- **FITZWILLIAM**
 - Remove O/O requirements for multifamily up to 4 units
 - Replaced cluster development overlay district to allow more flexibility in siting buildings
- **HINSDALE**
 - Amended cottage court overlay district. Add new section defining cottage court (pocket neighborhoods)
- **JAFFREY**
 - Open space development ordinance





NEW HAMPSHIRE
HOUSING

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NH Housing Programs





New Hampshire Housing

Financing Affordable Multifamily Housing



April 2025

NHHousing.org

AGENDA

- NH Housing's Financing Programs
 - Low-Income Housing Tax Credits (LIHTC)
 - Tax Exempt Bond Financing
 - Supportive Housing & Opiate Use Disorder Programs
- Other State & Federal Subsidy Resources
- Long-Term Affordability Commitment

THE LOW-INCOME HOUSING TAX CREDIT PROGRAM

- Federal Program created in 1986 and made permanent in 1993.
- Strong incentive for private investment in affordable rental housing.
- Gives investors a dollar-for-dollar reduction in their federal tax liability.
 - Claimed over 10-years, investor required to remain in the project (partnership) an additional five years.

THE LOW-INCOME HOUSING TAX CREDIT PROGRAM

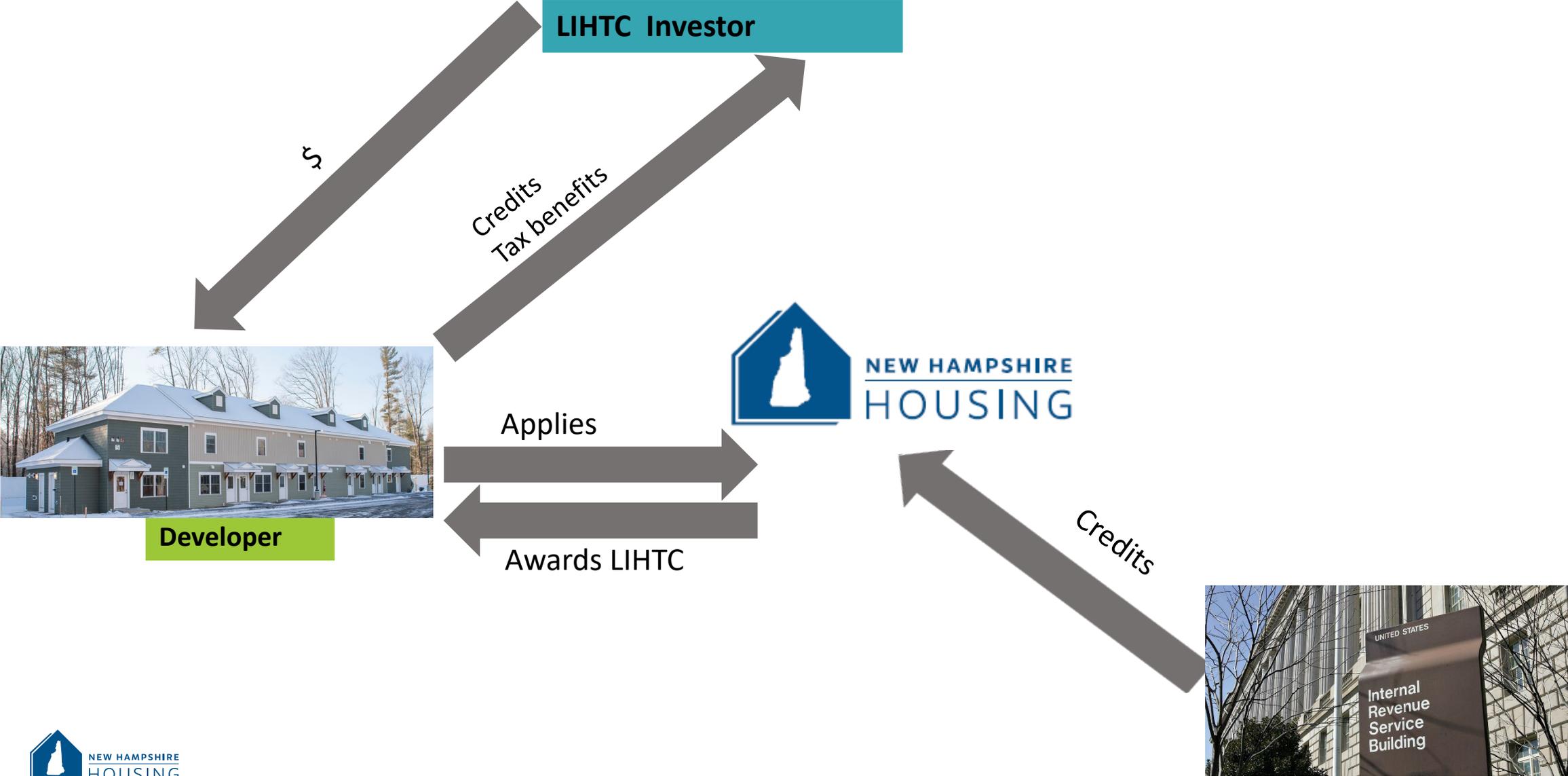
- Why are LIHTCs needed and how do they work?
 - ❑ Resident income restrictions and rent restrictions limit the allowed rents.
 - ❑ This reduces cash flow to the property.
 - ❑ This reduces the property's ability to borrow funds to finance the housing.

- Solution: Finance with equity=less debt=more affordable rents.

THE LOW-INCOME HOUSING TAX CREDIT PROGRAM

- Programs were designed to subsidize either 70% or 30% of the cost of an income targeted development. There are two primary programs:
 - ❑ 9% LIHTC (aka 70% subsidy) – can be used for rehabilitation or new construction. LIHTCs are limited.
 - ❑ 4% LIHTC (aka 30% subsidy) – combined with Tax-Exempt Bonds and can be used for acquisition, rehabilitation, or new construction. LIHTCs are not limited.
- The LIHTC Program is currently the single largest source of federal capital subsidy to create and preserve affordable rental housing.

THE FLOW OF FUNDS AND TAX BENEFITS



9% LIHTC ALLOCATION TO NEW HAMPSHIRE

The Internal Revenue Service allocates LIHTCs to states on a per-capita basis for 9% LIHTCs.

- 1,402,054 Population

- X 3.00 CY 2025 Rate

\$4,206,162 annual credit to be allocated

- \$4,206,162 annual credit allocation

- X .88 credit price (estimate)

- X 10 years of credits

\$37,014,226 approximate total annual equity



9% LIHTCs

- LIHTCs are upfront capital subsidy, not ongoing operating or rental assistance.
- States designate an agency to allocate LIHTCs using competitive criteria established in accordance with IRC §42. The State of New Hampshire has designated NH Housing as the LIHTC allocating agency to allocate LIHTCs.
- A Qualified Allocation Plan (QAP) is created and updated regularly to establish the criteria and process for the allocation of LIHTCs.

QUALIFIED ALLOCATION PLAN (QAP)

- IRS requires that each allocation agency develop and maintain a QAP.
- The QAP spells out the rules and process for allocating LIHTCs.
- Establishes threshold and competitive scoring criteria.
- Public forms are held to gather stakeholder input.
- The final QAP is:
 - ❑ Approved by the NH Housing Board of Directors; and
 - ❑ Signed by the Governor.

Note: LIHTC projects must also comply with other NH Housing policies, including policies on design, construction, underwriting and asset management.



TAX-EXEMPT BOND FINANCING – 4% LIHTC

- 4% LIHTCs (aka 30% subsidy) are combined with Tax-Exempt Bonds and can be used for acquisition, rehabilitation, or new construction. At least 50% of the project must be financed with Tax Exempt Bonds.
- LIHTCs are not limited, though the program's availability is subject to the State's Bond Cap.
- Applications requiring additional subsidy are subject to competitive funding rounds – Notice of Funding Opportunity (NOFO)
- Applications without additional subsidy need are accepted on a rolling basis.

SUPPORTIVE HOUSING & OPIATE USE DISORDER PROGRAMS

- Supportive Housing Program:

- ❑ Non-LIHTC capital subsidy to create housing for higher-need populations – i.e. living with disabilities or experiencing/at-risk-of homelessness.
- ❑ Residents receive supportive services and ongoing case management.
- ❑ Often developed &/or supported by area service agencies.
- ❑ Subject to competitive funding rounds & limited by available subsidy.

- Opiate Use Disorder Program:

- ❑ Funding to meet the housing needs of those with a history of Opiate Use Disorder (OUD).
- ❑ Program created in 2025 with dedicated subsidy resources directed by the State.
- ❑ Subject to competitive funding rounds.

Note: Projects must also comply with other NH Housing policies, including policies on design, construction, underwriting and asset management.



OTHER SUBSIDY RESOURCES

- Affordable Housing Fund (AHF)
 - ❑ Allocated by the State of New Hampshire and primarily funded by the Real Estate Transfer Tax and legislative appropriations.
 - ❑ Functionally a revolving loan fund with relatively few limitations in use.
- Federal Resources
 - ❑ HOME – Capital subsidy resource intended to support LIHTC projects. Administered annually by HUD and subject to additional Federal compliance requirements.
 - ❑ Housing Trust Fund (HTF) – Capital subsidy available to projects serving extremely low-income households. Administered annually by HUD and subject to additional Federal compliance requirements.

LONG-TERM AFFORDABILITY

- Minimum set-asides: Rent and Occupancy
 - ❑ 20% of units must be both rent restricted and occupied by households whose income is 50% or less of the AMI; or
 - ❑ 40% of units must be both rent restricted and occupied by households whose income is 60% or less of the AMI; or
 - ❑ Average Income Set-aside (average of affordable units are 60% of the AMI or less).
- Many LIHTC projects are 100% affordable.
- Properties are subject to long-term affordability enforced by a recorded Land Use Restriction Agreement (LURA) and monitored by NH Housing's Asset Management Team

THE LAND USE RESTRICTION AGREEMENT (LURA)

- LIHTC projects must execute and record a LURA (closing document):
 - ❑ Sets forth NH Housing and IRS LIHTC requirements.
 - ❑ Has recorded priority over long-term financing.
- Program Periods:
 - ❑ 15-year initial compliance period for investor
 - ❑ 15-year extended use period - federal requirement
 - ❑ States can require longer minimum affordability periods in their QAP
 - 9% LIHTC 60 years
 - 4% LIHTC 30 years | 4% LIHTC with capital subsidy 45 years
 - ❑ NH Housing awards points for longer total affordability periods:
 - 9% 75 years
 - 4% 60 years

KEY TAKEAWAYS

- NH Housing allocates/administers LIHTCs and several other subsidy resources to facilitate the creation and preservation of affordable housing.
- Projects are awarded based on competitive processes outlined in the QAP and NOFOs.
- Projects generally still need other capital subsidies.
- Affordability is enforced by the LURA and oversight of property management.



Time for Questions?

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Monadnock Region





Monadnock Housing Development Fund



Objective

Increase and improve the Monadnock Region's housing stock by providing low-interest loans for affordable housing projects.

Eligible Projects

Multifamily, in-law apartments/accessory dwelling units (ADU), subdivisions, basic infrastructure in support of a housing project, and other similar developments.

Eligible Uses

Real estate acquisition, new construction, rehabilitation, soft costs, adaptive reuse, historic preservation, infrastructure, and energy efficiency. Rehabilitation can include assistance for correcting code violations, sprinkler systems, structural repairs, life safety, energy efficiency, and disability accessibility improvements.

Project Examples



1–2-year bridge loan for land acquisition for a private developer planning to build low-income housing (up to 80 units)



Renovation of existing residential property to create an accessory dwelling unit (1-2 units)



Gap funding for demolition of a blighted commercial building to accommodate new construction of affordable housing (30 units)



Addition to existing commercial office building creating 57 new units

The Keene Sentinel

Work underway to convert old paintbrush factory into modern housing in Keene

By Rick Green Sentinel Staff Mar 29, 2024 Updated May 8, 2024 0





Discussion





Table Discussion #1

What is 79:E and how does it relate to housing?





Table Discussion #2

How can Accessory Dwelling Units be financed?





Next Steps

Regulatory Changes Underway



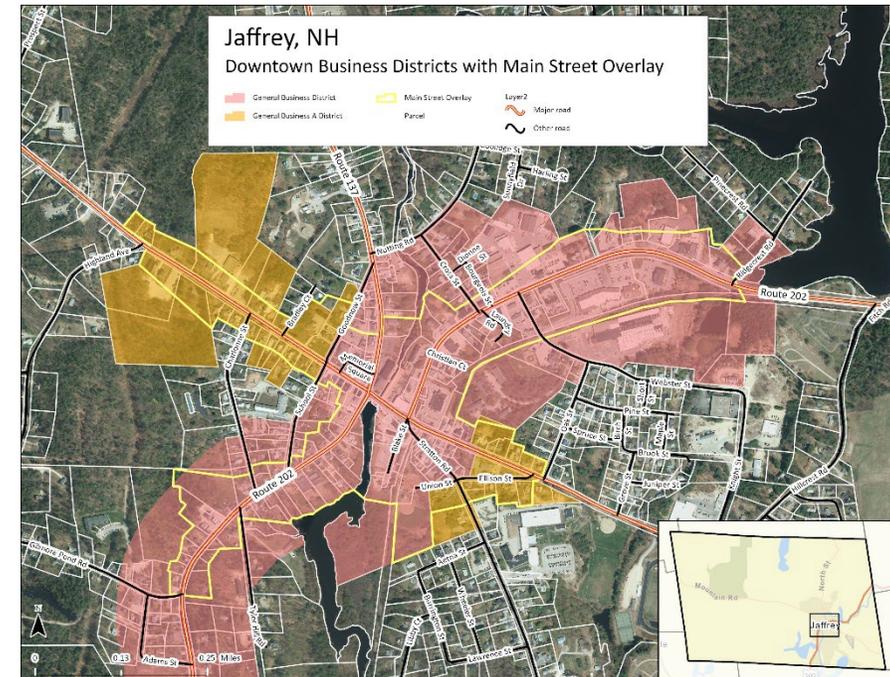
Housing Related Regulations

Town Meeting 2025:

- Updates to the Open Space Development Ordinance

Now Drafting:

- Downtown District Changes
- Residential District Changes



Thank you!

