

Housing Trust Fund Allocation Plan – State of New Hampshire

Summary

The Housing Trust Fund (HTF), capitalized with a percentage of overall GSE business from Fannie Mae and Freddie Mac during calendar year 2016, is providing the State of New Hampshire with a formula allocation of \$3 million in 2017 to create housing affordable to extremely low income (30% or less of Area Median Income) households for a minimum of 30 years. New Hampshire Housing will administer these funds for the State of New Hampshire. Although HTF regulations allow funds to be used for both homeownership and rental housing, New Hampshire will limit the use of these funds as subsidy to the development of affordable rental housing due to very high demand for rental housing affordable to extremely low income households and the challenge associated with creating viable and sustainable homeownership opportunities for extremely low income households. The majority of HTF resources will be distributed through a specific Request for Proposals process that will finance projects to benefit extremely low income households who need housing combined with services, including but not limited to chronically homeless, homeless families, families with disabled members, veterans, and housing for persons with substance use disorder. Applicants responding to the HTF RFP will be requesting financing for development subsidy and potentially project-based rental assistance which will provide affordability to extremely low income households for a minimum of 30 years. Applicants may also request HTF and other subsidy for fractional use in Low Income Housing Tax Credit (LIHTC) projects through New Hampshire Housing's traditional Multifamily Rental Housing Financing Application process. The 2018 Qualified Allocation Plan for LIHTC, which was written to be compatible with the Housing Trust Fund, awards points for projects that reserve at least 10% of the units for Extremely Low Income Households, as well as points for projects reserving 10% or more of their units for Homeless, those at risk of Homelessness, or Veterans.

Consultation and Public Participation in Planning

As 2016 was the first year that Housing Trust Fund resources were available, extensive consultation with business partners, a broader group of interested parties and the public, and the Housing and Community Development Planning Council occurred so that we could make certain that our planned structure for use of these resources would best address needs. Now that the 2016 Housing Trust Fund Allocation Plan has been successfully utilized, the 2017 Housing Trust Fund Allocation Plan follows its predecessor closely in program structure and method of allocation.

The Draft Housing Trust Fund Allocation Plan for 2017 was published on May 3, 2017 and followed by a 30-day public comment period and public hearing. Despite newspaper advertising, circulation of email notices to interested parties, notice posting on the New Hampshire Housing website and notice board, and some face to face encouragement to comment or provide feedback, the public hearing was attended by only one non-staff

individual. Ellen Groh, Executive Director of the Concord Coalition to End Homelessness, provided verbal testimony indicating concurrence with the Draft HTF Allocation Plan, expressing appreciation for both the proposed beneficiary targeting and compatibility of HTF with other affordable rental housing production programs operated by New Hampshire Housing. Written comments were received from six individuals representing different organizations (see 2017 Action Plan AP-12 and letters attachment). Five of the six commenters expressed support for continuing the current preference for service-enriched or supportive housing prioritizing chronically homeless. One of the six asked that frail elderly be prioritized equally with chronically homeless given New Hampshire's growing elderly population. Another expressed concern over the use of the HUD chronically homeless definition for prioritization as it was said to be overly complicated and restrictive. All of the commenters indicated agreement with the need for service-enriched rental housing affordable to extremely low income (ELI) households, and most noted agreement with our proposed distribution of funds. One commenter asked for geographic targeting, specific to the greater seacoast and Rochester. Three of the commenters asked that technical assistance be provided to homeless service providers interested in developing housing with supportive services and that partnerships between service providers and affordable housing developers be encouraged. The decision was made to keep the proposed prioritization and project scoring intact, the same as last year, which is consistent with the majority opinion expressed by commenters. New Hampshire Housing encourages partnerships between service providers and affordable housing developers via project scoring mechanisms as well as pre-development consultation, and considers that a more practical solution than training service providers to be affordable housing developers who may develop a single project or perhaps none at all. Prioritization of chronically homeless helps all homeless service providers throughout the state obtain competitive HUD funding.

Resources

\$3,000,000.

HTF Project Eligibility

Mixed income and mixed-use projects qualify. Non-profit and for-profit entities are eligible to apply.

To qualify as a LIHTC Project with fractional HTF use, a project must maintain a minimum set-aside of rent-restricted units for tenants in the targeted income group. All HTF-assisted units must be rented to extremely low income households, defined as households with incomes at or below 30% of Area Median Income.

All HTF-funded units must meet Uniform Physical Conditions Standards (UPCS); 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.

Projects assisted with HTF funds must meet all of the eligibility criteria.

Eligibility of Applicants

The following are eligible to apply for project specific assistance under the Housing Trust Fund program:

1. Non-profit corporations with an approved 501(c)3 tax-exempt status.
2. Local Public Housing Authorities.
3. Limited partnerships, general partnerships, corporations, limited liability companies, proprietorships, and other business organizations.

The following are not eligible to receive HTF 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, the Authority, or state recipient or sub-recipient receiving HTF funds (collectively Non-eligible Persons). This includes partnerships and corporations where the controlling partner, controlling member, or person(s) in control of such entity is a Non-eligible Person or Persons.

Eligible Activities

New Hampshire's HTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing, new construction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations, and for reasonable administrative and planning costs. New Hampshire is intentionally excluding homeownership activities from its HTF plan due to the deep income targeting, 30% or less of Area Median Income, required in this funding round. New Hampshire will not allocate HTF funds for operating cost assistance or operating cost assistance reserves due to the inherently unpredictable nature of future funding allocations.

Distribution of Funds

New Hampshire's 2016-2020 Consolidated Plan identifies 29,175 renter households as severely housing cost burdened, paying 50% or more of their income for housing. Of those, 19,750 or approximately two thirds have extremely low incomes at 30% or less of area median income, and thus the greatest need for affordable housing (see Housing Needs Assessment pg. 45). Rental Housing Affordable to Extremely Low Income Households is identified as a priority need and goal in the Strategic Plan of the 2016-2020 Consolidated Plan on pages 98 and 141 respectively, and identified as a funded activity in the 2017 Action Plan on pages 65-70.

New Hampshire Housing will use two application tracks depending upon project type:

Projects blending some HTF units into LIHTC projects will utilize New Hampshire Housing's Low Income housing Tax Credit Program Multifamily Rental Housing Financing Application found at <http://www.nhhfa.org/rental-housing-developers-financing-application.cfm> . This application is used for all projects seeking Low Income Housing Tax Credits and various forms of capital subsidy from New Hampshire Housing including but not limited to Housing Trust Fund, HOME, the State Affordable Housing Fund and other subsidy resources. This application is very thorough, requiring the applicant to provide detailed information concerning the description of the proposed project, sources and uses of all funds, rents and operating expenses, LIHTC scoring, a project pro forma, analysis of funding gaps to determine subsidy needs and a management questionnaire to assess management capacity. The Draft Qualified Allocation Plan (QAP) for the 2018 Low Income Housing Tax Credit Program http://www.nhhfa.org/assets/pdf/2018_QAP_052517_Draft.pdf provides scoring incentives to reserve 10% or more (but less than all) units affordable to extremely low income households, and also encourages through scoring incentives the provision of supportive housing for the homeless, those at imminent risk of homelessness, and veterans. Other incentives in the scoring system may also encourage applicants to apply for HTF funding. The project scoring criteria in the 2018 Qualified Allocation Plan contain the elements required by HUD and considerably more.

Projects not seeking Low Income Housing Tax Credits projects will use a separate RFP and New Hampshire Housing will make awards in accordance with the priorities which form the basis of the Threshold Requirements and Scoring Criteria for the Housing Trust Fund Request For Proposals found at Appendix A.

Housing Trust Fund RFP projects serving Chronically Homeless as defined by HUD in 24 CFR 578.3 will be given priority. Other potential beneficiary groups include but are not limited to homeless families, families with disabled members, veterans, and persons in recovery from substance use disorder. Tenant household need and eligibility for community-based services will be a threshold requirement. Project sponsors will be applying for development subsidy along with project-based rental assistance which will be used to maintain affordability for extremely low income households for at least the required minimum of 30 years. New Hampshire Housing has committed to provide up to 50 project-based Housing Choice Vouchers to support this effort. Scoring preference will also be provided to projects with written commitments from other Public Housing Authorities to provide project-based Housing Choice Vouchers for a minimum of 30 years. Tenant access to needed services will be a threshold requirement.

Recipient Application Requirements

The State will require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in § 93.200 Eligible Activities.

The State will require that each eligible recipient certify that housing assisted with HTF funds will comply with all HTF requirements.

Performance Goals and Benchmarks

Approximately 10 units in LIHTC projects. Committed by August, 2019, completed by December, 2020.

Approximately 15 units in Housing Trust Fund RFP projects. Committed by June, 2018, completed by December, 2020.

These are conservative estimates and it is our intent to exceed these production goals through the leveraging of subsidy dollars from multiple other sources.

Maximum Per-Unit Subsidy Limits

We are adopting the statewide HOME Investment Partnerships Program Maximum Per-Unit Subsidy Limits, which are currently based upon HUD Section 235 – Condominium Housing Mortgage Limits For Elevator Type Projects. Originally established by the Down Payment Simplification Act of 2002 and amended by the National Housing Act of 2004, HUD’s Office of Multifamily Housing updates the Section 235 mortgage limits annually, applying each year’s Consumer Price Index, and also separately calculates high cost percentage exceptions, of which New Hampshire has none. We thought it was particularly important to adopt the existing HOME maximum subsidy limits for the sake of uniformity, the built-in annual adjustment mechanism, and the fact that we are accustomed to using it in our projects and find them reasonable. We also thought it would be useful to adopt an existing and accepted standard. Through the experience gained by financing the development of approximately 14,700 units of affordable housing throughout the state, we find the HOME limits compatible with New Hampshire affordable multifamily housing development costs. New Hampshire Housing has served as the allocating agency for the Low Income Housing Tax Credit program and the HOME program since the inception of each. In this capacity, New Hampshire Housing has always used subsidy per unit limits to allocate federal and state resources. Analysis of the most recent five years of HOME subsidy amounts demonstrates an average HOME subsidy of \$66,517 based upon underwriting standards, the Qualified Allocation Plan, as well as subsidy layering review including bedroom configuration. We don’t anticipate higher subsidy amounts, but the HOME limits will give us some breathing room and allow us to respond to unique situations and opportunities. Although land acquisition and construction costs can vary within the state, overall development costs are consistent throughout the state, and this is confirmed by periodic analysis of development costs taking location into account. Appendix E includes an analysis of development costs, after excluding unique features, of recent projects in the southern and northern parts of the state. It is likely that New Hampshire’s relatively small geographic size contributes to this. It is also likely that New Hampshire Housing’s Design and Construction Standards and Underwriting and Development Policies for Multi-Family Finance drive considerable uniformity to design features in the projects we finance. (See subsidy limits table on the following page)

Bedrooms	HOME Maximum Per-Unit Subsidy
0	\$141,089
1	\$161,738
2	\$196,673
3	\$254,431
4+	\$279,286

Cost Reasonableness

Project applications will be carefully evaluated for cost reasonableness. The Applicant shall submit professionally prepared cost estimates with the initial application and proposals for bids with the Progress Phase Requirements or earlier upon request by the Authority. Project applications, which indicate unreasonably high total development costs (TDC) or have unreasonably high specific line item costs may be rejected at the application stage at the sole discretion of the Authority.

The Authority will review costs in relation to comparable recent projects in New Hampshire and New England, and in relation to the HUD Section 235 limits, which are published annually by the Department of Housing and Urban Development.

Use Restriction

The 30-year affordability requirement and compliance with all Housing Trust Fund rules and regulations will be set forth in a Land Use Regulatory Agreement (LURA). During the LURA period owners of HTF-assisted projects must continuously meet Uniform Physical Condition Standards (UPCS), as well as HUD Lead Paint Standards as set forth in 24 CFR 35. 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 must 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. HTF-assisted units must remain affordable for the specified time period except upon foreclosure by a lender. New Hampshire Housing asset management staff shall perform annual physical inspections of HTF-assisted properties inspecting for the observable deficiencies of the Uniform Physical

Condition Standards found in Appendix B of the Housing Trust Fund Allocation Plan Completeness Checklist and making certain that any identified deficiencies are corrected immediately.

Rehabilitation and Construction Standards

New Hampshire Housing highly recommends that prior to submission of any application for financing the owner/sponsor contact the Authority's Management and Development Division for consultation and a staff site visit. Through consultation, staff will review preliminary information about a sponsor's site, construction/rehabilitation plan, and development team, and may assist in identifying potential problems prior to the submission of the application. It is suggested that local code and fire prevention officials also review the property prior to submission of final plans. Buildings constructed prior to 1978 must be tested for lead-based paint hazards via risk assessment by a NH licensed risk assessor, otherwise all paint films will be assumed to contain lead and will be removed during construction by a licensed lead abatement contractor in accordance with the following regulations:

- NH He-P 1600 RSA 130-A NH Lead Poisoning Prevention and Control Act
- HUD 24 CFR 35
- US Environmental Protection Agency Lead Regulations 40 CFR 745
- Title X – Residential Lead-Based Paint Hazard Reduction Act of 1992
- OSHA Lead Construction standard 1926.62

(The paragraph above is excerpted from New Hampshire Housing Finance Authority Design and Construction Standards HFA:111, see Appendix C)

Although new construction is much more prevalent in recent affordable rental housing production, some HTF projects may involve housing rehabilitation. All new construction and rehabilitation of affordable housing financed by New Hampshire Housing is subject to New Hampshire Housing's extensive Design and Construction Standards (see Appendix C) in addition to Federal and State standards and codes including the following:

1. Uniform Federal Accessibility Standards and Section 504 requirements. When applicable, the 2010 ADA Standards for Accessible Design.
2. State of New Hampshire Fire Code (Saf-C 6000) including various National Fire Protection Association (NFPA) Codes.
3. International Building, Existing Building, Residential, Plumbing, Mechanical, and Energy Codes as amended by the State of New Hampshire.
4. National Electrical Code (NFPA 70) as amended by the State of New Hampshire.
5. State of New Hampshire, Division of Water Supply and Pollution Control, Standards of Design for Sewerage and Water Treatment Systems, Design Standards for Small Public Drinking Water Systems, Department of Environmental Services, Water Well Board standards.

6. Energy Star Program Standards relating to indoor air quality, HVAC systems, insulation, lighting and appliances (see <http://www.energystar.gov>).

New Hampshire Housing's Design and Construction Standards were developed to enhance the sustainability of affordable housing, exceeding parts of the operative codes listed above, and apply to rehabilitation as well as new construction. New Hampshire Housing's site inspection and early consultation, as well as the required Capital Needs Assessment and written work specifications and plans assure that all planned work meets all code and all other requirements. Rehabilitation can be somewhat unpredictable from the perspective of discovering new issues once work begins, but any modifications from written work specifications and plans must be approved by New Hampshire Housing. Any new work must meet all operative codes. If components or systems meet UPCS standards and present no life safety hazards or code violations but would not meet current code if constructed today, efforts will be made to upgrade such components or systems as financially feasible. In the case of rehabilitation projects, building systems and components that are expected to require replacement within the first five years of the affordability period are typically replaced as part of the initial rehab project instead of deferring until a later date. Replacement reserves of a minimum of \$500 annually per unit are required for replacement of other components and systems during the affordability period, and could go higher if warranted by greater needs identified via Capital Needs Assessment or pre-construction inspection (see NH Housing Underwriting and Development Policies for Multi-Family Finance, Appendix D). Projects must meet Uniform Physical Condition Standards (UPCS) at all times, and will be subject to inspection by New Hampshire Housing at least annually. Any deficiencies identified must be corrected as soon as possible, and those that are designated as life-threatening must be corrected immediately. Further detail on UPCS observable deficiencies can be found in Appendix B.

Disaster Mitigation

The State of New Hampshire Office of Emergency Management has taken the lead in assisting localities with hazard mitigation, as evidenced by their Multi-Hazard Mitigation Plan 2013 update (see link).

<http://www.nh.gov/safety/divisions/hsem/HazardMitigation/documents/hazard-mitigation-plan.pdf>

This plan includes guidance on development in hazard prone areas. Although available to provide expertise and advice on hazard mitigation, development requirements for potential hazard areas such as floodplains, steep slopes, wetlands, etc. are implemented at the local level through community zoning ordinances, Subdivision Regulations, and Site Plan Regulations. Project plan approval concerning all local codes, ordinances, and rules is a mandatory element of New Hampshire Housing's Design and Construction Standards. Both these Design and Construction Standards in Appendix C and our Underwriting Standards in Appendix D require Phase 1 Environmental Studies including assessment and mitigation of any site hazards including potential for natural disaster. Building within 100 year floodplain areas is prohibited without specific mitigation. The State Building Code includes minimum design loads for building snow loads. As snow loads vary from town to

town, case studies of ground snow loads have been performed for all New Hampshire communities, facilitating informed decisions about building design.

Resale and/or Recapture Provisions

Not Applicable. The State will not use HTF funds to assist first-time homebuyers.

HTF Affordable Homeownership Limits

Not Applicable. The State will not use HTF funds for homeownership housing.

State Limited Beneficiaries or Preferences

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population:

HTF rental units awarded through the Housing Trust Fund RFP process will be restricted to projects that benefit extremely low income households who need housing combined with services, including but not limited to chronically homeless, homeless families, families with disabled members, veterans, and housing for persons with substance use disorder. In addition, scoring will prioritize chronically homeless as currently defined by HUD in 24 CFR 578.3. This tracks with our 2016-2020 Consolidated Plan as households solely reliant on a SSI disability income fall well below 30% of area median income (see pg. 61, Non-Homeless Special Needs Assessment), and thus are likely to disproportionately experience severe housing cost burden as noted in the priority needs section of the Strategic Plan of the 2016-2020 Consolidated Plan on page 102, the goals section on page 114, and funded activities on page 131.

HTF rental subsidy awarded through the Low Income Housing Tax Credit program application process will be restricted to use in units affordable to extremely low income households. Project scoring as dictated by the 2018 Qualified Allocation Plan awards points for projects that reserve at least 10% of the units for extremely low income households. Scoring incentives will encourage applying for HTF assistance to subsidize rental units for homeless, at risk of homelessness, veterans, and households including those with substance use disorder. Although such populations are not required for an HTF award, it is anticipated that scoring incentives will encourage applications that address such populations.

Refinancing of Existing Debt

Not applicable. New Hampshire will not use HTF funds for refinancing of existing debt.

Page intentionally blank

APPENDIX A

THRESHOLD REQUIREMENTS AND SCORING CRITERIA FOR THE HOUSING TRUST FUND REQUEST FOR PROPOSALS

Page intentionally blank

Threshold Requirements and Scoring Criteria for Housing Trust Fund Request For Proposals

In addition to submission of a complete application form, all applications will be reviewed under the following Threshold Criteria. Failure to comply with any of the Threshold Criteria may, at the sole discretion of the Authority, result in the rejection of the application.

Requirements for geographical distribution will be triggered if more than two projects are funded through this RFP.

Number of Projects funded in this RFP	Number of Counties which must be represented
2	1
3	2
4	3
5	4

Projects may be selected over higher scoring applicants to meet this requirement. However, the Authority will not consider applications which fail to meet threshold requirements regardless of whether funding those projects would allow this requirement to be met.

Threshold Criteria:

- a. Feasibility and Appropriateness: The proposed project’s characteristics or location must be considered feasible from a financial and regulatory standpoint including but not limited to compliance with:
 - i. NH RSA Chapter 204-C
 - ii. The Authority’s Rules for HOME Investment Partnerships and other capital subsidy programs (HFA:105)
 - iii. The Authority’s Underwriting and Development Policies for Multi-Family Finance
 - iv. Exhibit B of this RFP: Minimum Insurance coverage.
 - v. HFA:111, the Authority’s Design and Construction Standards

Authority Rules and policies are available at

<http://www.nhhfa.org/rental-housing-developers-policies-standards.cfm>
- b. Financial Sustainability:
 - i. The Authority will review the sources and uses proposed for the project as well as the operating budget and pro forma. The level of funding requested must be sufficient but not exceed the amount needed to ensure the proposed project is financially viable and does not depend on later infusions of subsidy.
- c. Income Targeting and Rent Limits: all units assisted with the Housing Trust Fund must be reserved throughout the affordability period for extremely low-income

(ELI) households as defined by HUD (this generally refers to households that do not have income in excess of 30% of the Area Median Income). Rents cannot exceed ELI rent limits published by HUD, adjusted for unit size, geographic area, and utility allowances.

- d. **Beneficiary Targeting:** This program is designed to meet the State of New Hampshire's growing need for housing combined with services that address individuals with specific needs including but not limited to transitional housing, housing for chronically homeless, housing for homeless families, housing for homeless veterans, drug/alcohol rehabilitation and sober housing, housing for persons with disabilities, and housing for persons with HIV/AIDS.
- e. **Site Control:** Applicant must have secure site control in the form of a deed, executed option to purchase, or executed purchase and sales agreement. A long term lease, the duration of which is not less than the affordability period, is acceptable.
- f. **Cost Reasonableness:** Project applications will be evaluated for cost reasonableness. Applications which indicate unreasonably high total or specific line item development or operating costs may be rejected. Projects must comply with the following Maximum Per-unit Development Subsidy Amount:

0 Bedroom	\$141,089
1 Bedroom	\$161,738
2 Bedroom	\$196,673
3 Bedroom	\$254,431
4+ Bedroom	\$279,286

- g. **Development and Management Capacity:** the members of the development and management organizations must:

- i. Demonstrate the experience or ability to successfully complete and manage the project;
 - ii. Be compliant or otherwise not in default with this or any other Authority program as determined by the Authority;
 - iii. Not have a history of noncompliance in Authority programs;
 - iv. Not have any significant negative history with other local, state or federal agencies.
- h. Readiness: the project must be able to satisfy the following criteria for readiness at time of application:
- i. Development and Operating Budgets prepared
 - ii. Schematic design complete
 - iii. Permit status letter submitted (signed by applicant's attorney or local zoning official; letter must describe status of zoning and permitting but need not be a formal legal opinion).
 - iv. The project must be able to satisfy the criteria of the Progress Phase Requirements (Appendix A) within 120 days of notification of a reservation of funding.
- i. Matching Non-Federal Resources: The Authority requires the generation/investment of matching non-federal resources in an amount equal to 5% of awarded Housing Trust Fund financing. Donations in the form of cash, property, materials, etc. are eligible sources of match. So-called "sweat equity" is not an eligible matching resource.

Scoring Criteria:

Applications which have been evaluated and accepted into the application pool for scoring shall be scored in the categories below. Where appropriate, scoring shall be based on comparisons between applications received in the same round. Documentation that is received after the time of application will not be used in the scoring unless it is requested by the Authority. The Authority may reject any documentation deemed to be insufficient, unsupported, or inadequate for the particular scoring criteria.

- a. Development Capacity: Applications will be scored based on evidence that the Applicant can successfully develop the property. If Applicant has no prior development experience, zero points will be awarded.
0-10 points
- b. Management Capacity and Experience: Applications will be scored based on evidence that the Applicant can successfully operate the property. If Applicant has no prior experience managing rental property, zero points will be awarded.
0-10 points

- c. Introduction of New Units for Affordable Housing: Applications will receive points based on the number of new units being introduced to the state's supply of rent and income restricted affordable housing.
0-20 points; 1 point for each new unit up to a maximum of 20 points

- d. Advanced Readiness: points will be awarded for projects that have achieved certain milestones in the development process:
 - i. 5 points: Phase 1 Environmental Site Assessment completed in the last five years.
 - ii. 15 points: All necessary local planning and zoning permits are in hand, including site plan approval as evidenced by a permit status letter from the sponsor's attorney, project engineer, or local planning official. A site plan approval that requires additional zoning board or planning board approvals will not be given these points. The status letter need not be a formal legal opinion. Projects that do not require planning and zoning approval will qualify for these points.
 - iii. Up to 10 points: Design/Construction readiness. This category awards additional points to developers whose projects have advanced in the design and construction procurement process. These points are cumulative; a project with a signed contract and complete documents will receive 10 points.
 - 1. Design Development Documents completed 3 points
 - 2. 100% Construction Documents completed 3 points
(submit complete set marked FOR CONSTRUCTION)
 - 3. Executed contract with general contractor or construction manager
with guaranteed maximum price amendment: 4 pointsProjects that do not require construction documents may qualify for these points provided that any work being done to the facility is adequately defined in a scope of work document to allow for bidding by trade contractors, in the sole determination of the Authority.

- e. Service Plan: All applications will be evaluated for the quality of their plan to provide services to support residents' needs. While applicants proposing a higher level of services may have an advantage in scoring as compared to others with service plans of similar quality, the primary purpose of this scoring category is to evaluate the plans' ability to be implemented and consistency with industry best practices.
0-5 points

- f. Projects which have a new rental assistance subsidy for at least 66% of the units for at least five years. Public Housing Authority project-based Section 8 units are not eligible, unless the rent subsidies are a new allocation to the PHA specifically for the proposed project.

5 points

- g. Duration of Affordability period: A Land Use Restriction Agreement (LURA) will be placed on properties to ensure compliance with occupancy, rent limitation, physical standards and other requirements for a minimum 30-year term. Applications will be awarded points for committing to a 40-year affordability period instead of the required 30-year affordability period.

5 points

- h. Chronically Homeless: Applications will be awarded points for committing to serve the Chronically Homeless population as defined by HUD in 24 CFR 578.3.

10 points

- i. Matching Non-Federal Resources: Applications will be awarded points for qualifying non-federal matching resources committed to the project. One point will be awarded for match equal to each full 5% of the amount of Housing Trust 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 Applicant. Total award not to exceed 10 points.

0-10 points

- j. Matching Federal Resources: Applications will be awarded points for qualifying federal matching resources committed to the project. One point will be awarded for match equal to each full 5% of the amount of National Housing Trust 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 Applicant. Total award not to exceed 10 points.

0-10 points

Page intentionally blank

APPENDIX B

UNIFORM PHYSICAL CONDITION STANDARDS FOR MULTIFAMILY REHABILITATION

Page intentionally blank

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Requirements for Site		
Inspectable Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Fencing and Gates	Damaged/Falling/Leaning	<i>Fence or gate is missing or damaged to the point it does not function as it should</i>
	Holes	<i>Hole in fence or gate is larger than 6 inches by 6 inches</i>
	Missing Sections	<i>An exterior fence, security fence or gate is missing a section which could threaten safety or security</i>
Grounds	Erosion/Rutting Areas	<i>Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrian's or makes the grounds unusable</i>
	Overgrown/Penetrating Vegetation	<i>Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable</i>
	Ponding/Site Drainage	<i>There is an accumulation of more than 5 inches deep and/or a large section of the grounds- more than 20%-is unusable for its intended purpose due to poor drainage or ponding</i>
Health & Safety	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Mailboxes/Project Signs	Mailbox Missing/Damaged	<i>Mailbox cannot be locked or is missing</i>
	Signs Damaged	<i>The project sign is not legible or readable because of deterioration or damage</i>
Parking Lots/Driveways/Roads	Cracks	<i>Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard</i>
	Ponding	<i>3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe</i>
	Potholes/Loose Material	<i>Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling</i>
	Settlement/Heaving	<i>Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles</i>
Play Areas and Equipment	Damaged/Broken Equipment	<i>More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk</i>
	Deteriorated Play Area Surface	<i>More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk</i>
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space	<i>A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal</i>
Retaining Walls	Damaged/Falling/Leaning	<i>A retaining wall is damaged and does not function as it should or is a safety risk</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Storm Drainage	Damaged/Obstructed	<i>The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended</i>
Walkways/Steps	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Cracks/Settlement/Heaving	<i>Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard</i>
	Spalling/Exposed rebar	<i>More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches--they affect traffic ability</i>
Requirements for Building Exterior		
Inspectable Item	Observable Deficiency	
Doors	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged Surface (Holes/Paint/Rusting/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Deteriorated/Missing Caulking/Seals	<i>The seals/caulking are missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any exterior door that is missing</i>
Fire Escapes	Blocked Egress/Ladders	<i>Stored items or other barriers restrict or block people from exiting</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Visibly Missing Components	<i>Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing</i>
Foundations	Cracks/Gaps	<i>Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart</i>
	Spalling/Exposed Rebar	<i>Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other</i>
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered--more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects--including roaches and ants--throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Lighting	Broken Fixtures/Bulbs	<i>10% or more of the lighting fixtures and bulbs surveyed are broken or missing</i>
Roofs	Damaged Soffits/Fascia	<i>Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible</i>
	Damaged Vents	<i>Vents are missing or so visibly damaged that further roof damage is possible</i>
	Damaged/Clogged Drains	<i>The drain is damaged or partially clogged with debris or the drain no longer functions</i>
	Damaged/Torn Membrane/Missing Ballast	<i>Balast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration</i>
	Missing/Damaged Components from Downspout/Gutter	<i>Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior</i>
	Missing/Damaged Shingles	<i>Roofing shingles are missing or damaged enough to create a risk of water penetration</i>
	Ponding	<i>Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials</i>
Walls	Cracks/Gaps	<i>Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration</i>
	Damaged Chimneys	<i>Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard</i>
	Missing/Damaged Caulking/Mortar	<i>Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage</i>
	Missing Pieces/Holes/Spalling	<i>Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage</i>
	Stained/Peeling/Needs Paint	<i>More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration</i>
Windows	Broken/Missing/Cracked Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Damaged Sills/Frames/Lintels/Trim	<i>Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness</i>
	Damaged/Missing Screens	<i>Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length</i>
	Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Peeling/Needs Paint	<i>More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration</i>
	Security Bars Prevent Egress	<i>The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
Requirements for Building Systems		
Inspectable Item		
	Observable Deficiency	
Domestic Water	Leaking Central Water Supply	<i>Leaking water from water supply line is observed</i>
	Missing Pressure Relief Valve	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion on Heater Chimney	<i>The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney</i>
	Water Supply Inoperable	<i>There is no running water in any area of the building where there should be</i>
Electrical System	Blocked Access/Improper Storage	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Outlet Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
Elevators	Not Operable	<i>The elevator does not function at all or the elevator doors open when the cab is not there</i>
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	<i>Auxiliary lighting does not function</i>
Fire Protection	Missing Sprinkler Head	<i>Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped</i>
	Missing/Damaged/Expired Extinguishers	<i>There is missing, damaged or expired fire extinguisher an any area of the building where a fire extinguisher is required</i>
Health & Safety	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Elevator - Tripping	<i>An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sectioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards – Tripping Hazards	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
HVAC	Boiler/Pump Leaks	<i>Evidence of water or steam leaking in piping or pump packing</i>
	Fuel Supply Leaks	<i>Evidence of any amount of fuel leaking from the supply tank or piping</i>
	General Rust/Corrosion	<i>Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice</i>
	Misaligned Chimney/Ventilation System	<i>A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases</i>
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	<i>The roof exhaust fan unit does not function</i>
		<i>Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains</i>
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	
	Missing Drain/Cleanout/Manhole Covers	<i>A protective cover is missing</i>
Requirements for Common Areas		

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Inspectable Item	Observable Deficiency	
Basement/Garage/Carport	Baluster/Side Railings - Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
Closet/Utility/Mechanical	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
Community Room	Call for Aid - Inoperable	<i>The system does not function as it should</i>
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches' long</i>
Kitchen	Ceiling - Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1-foot square</i>
Lobby	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate ---not a sanitary surface to prepare food</i>
Office	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Doors - Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking are missing on any entry door, or they are so damaged that they do not function as they should</i>
	Doors - Missing Door	<i>Any door that is missing that is required for the functional use of the space</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Dryer Vent -Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
	Electrical - Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Electrical - Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Electrical - Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware</i>
	Electrical - Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Electrical - Missing Breakers	<i>Any open and/or exposed breaker port</i>
	Electrical - Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
	Floors - Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floors - Floor Covering Damaged	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams</i>
	Floors - Missing Floor/Tiles	<i>More than 5% of the flooring or tile flooring is missing</i>
	Floors - Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Floors - Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Floors - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1-foot square</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Graffiti	<i>Any graffiti on any exposed surface greater than 6 inches by 6 inches</i>
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	HVAC - General Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
	HVAC - Inoperable	<i>HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged</i>
	HVAC - Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	HVAC - Noisy/Vibrating/Leaking	<i>HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Lavatory Sink - Damaged/Missing	<i>Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used</i>
	Lighting - Missing/Damaged/Inoperable Fixture	<i>More than 10% of the permanent lighting fixtures are missing or damaged so they do not function</i>
	Mailbox - Missing/Damaged	<i>The U.S Postal Service mailbox cannot be locked or is missing</i>
	Outlets/Switches/Cover Plates - Missing/Broken	<i>Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring</i>
	Pedestrian/Wheelchair Ramp	<i>A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning</i>
	Refrigerator - Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance</i>
	Restroom Cabinet - Damaged/Missing	<i>Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Sink - Missing/Damaged	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Smoke Detector - Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
	Stairs - Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Stairs - Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Ventilation/Exhaust System - Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Walls - Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
	Walls - Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Walls - Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Walls - Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Walls - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1-foot square</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
	Windows - Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
	Windows - Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
	Windows - Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Windows - Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Windows - Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
Health & Safety	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sectioned for staging or storing garbage or debris</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Pools and Related Structures	Fencing - Damaged/Not Intact	<i>Any damage that could compromise the integrity of the fence</i>
Trash Collection Areas	Chutes - Damaged/Missing Components	<i>Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other components--have failed</i>
Requirements for Unit		
Inspectable Item	Observable Deficiency	
Bathroom	Bathroom Cabinets - Damaged/Missing	<i>Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Lavatory Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Plumbing - Clogged Drains, Faucets	<i>Drain or faucet is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Ventilation/Exhaust System – Absent/Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
Call-for-Aid (if applicable)	Inoperable	<i>The system does not function as it should</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Ceiling	Bulging/Buckling/Leaking	<i>Bulging, buckling or sagging ceiling or problem with alignment</i>
	Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches' long</i>
	Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1-foot square</i>
Doors	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
	Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking are missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality</i>
Electrical System	Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
Floors	Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floor Covering Damage	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams</i>
	Missing Flooring Tiles	<i>Any flooring or tile flooring that is missing</i>
	Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1-foot square</i>
Health & Safety	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sectioned for staging or storing garbage or debris</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Hot Water Heater	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Inoperable Unit/Components	<i>Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly</i>
	Leaking Valves/Tanks/Pipes	<i>There is evidence of active water leaks from hot water heater or related components</i>
	Pressure Relief Valve Missing	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

HVAC System	Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>
	Inoperable	<i>HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged</i>
	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Noisy/Vibrating/Leaking	<i>The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>
Kitchen	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate -- not a sanitary surface to prepare food</i>
	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning</i>
	Refrigerator-Missing/Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance</i>
	Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
Lighting	Missing/Inoperable Fixture	<i>A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room</i>

New Hampshire Housing HTF Rehab Standards Appendix B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation – July 2017

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Outlets/Switches	Missing	<i>An outlet or switch is missing</i>
	Missing/Broken Cover Plates	<i>An outlet or switch has a broken cover plate over a junction box or the cover plate is missing</i>
Patio/Porch/Balcony	Baluster/Side Railings Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
Smoke Detector	Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
Stairs	Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
Walls	Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
	Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew covering a wall area greater than 1-foot square</i>
Windows	Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
	Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>

Page intentionally blank

APPENDIX C

**NEW HAMPSHIRE HOUSING DESIGN AND
CONSTRUCTION STANDARDS**

Page intentionally blank

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY DESIGN AND CONSTRUCTION STANDARDS

HFA:111.01 MISSION

It is the intent of these standards for new construction and existing structures to ensure a basis for providing safe, sanitary, cost effective, energy efficient, and decent housing for all occupants as well as protecting the Authority's security interest in the property.

HFA:111.02 INTRODUCTION

These standards establish both general and minimum criteria for the design, construction and rehabilitation of multi-unit housing developments financed under all New Hampshire Housing Finance Authority administered housing programs.

The Authority requires full conformance with current federal, state and locally adopted building, plumbing, electrical, fire protection, accessibility, energy, and engineering codes and standards, including Title 24, Code of Federal Regulations procurement requirements. The Authority also requires full conformance with all relevant federal, state and local regulations regarding zoning and subdivisions, floodplains, wetlands and other environmental concerns.

The Authority recognizes and endorses the National Green Building Standard (current edition of ICC 700).¹ The Authority encourages voluntary owner incorporation of universal design and green building elements, so long as project costs remain reasonable and comparable to other affordable housing projects.^{2, 3}

The Authority's standards will complement or supplement any national, state or local regulations. In any situation where conflicting standards exist, the more stringent standard will apply.

A. All construction drawings and design specifications shall be completed utilizing these standards, and stamped by a licensed architect or professional engineer registered with a permanent licensing number issued by the appropriate State of New Hampshire licensing board. All professionals involved with a project will be responsible to the primary architect or engineer of record when under contract with the architect or engineer. These professionals may include land surveyors, civil, structural, mechanical, and electrical engineers. When the developer or owner has a civil engineer under a separate contract, then the engineer will be responsible for those drawings and specifications. Inspections shall be required by the engineers of record prior to concealment of work, and again at completion of work, prior to final payment. All primary design professionals must provide proof of insurance to the Owner and NHHFA prior to performing work. The coverage shall provide protection against design errors and omissions and shall have an annual aggregate limit of no less than \$2,000,000.

¹ Reference Energy Star website – www.energystar.gov.

² Reference Universal Design website – www.aarp.org/families/home_design.

³ Enterprise Foundation website – www.greencommunitiesonline.org; Green Building Council website – www.usgbc.org; New England Sustainable Energy Association website – www.nesea.org.

B. All design and construction shall be done in accordance with the most current edition of these following standards and codes as they may apply:

1. Uniform Federal Accessibility Standards and Section 504 requirements. When applicable, the 2010 ADA Standards for Accessible Design.
2. State of New Hampshire Fire Code (Saf-C 6000) including various National Fire Protection Association (NFPA) Codes.
3. International Building, Residential, Plumbing, Mechanical and Energy Codes as amended by the State of New Hampshire.
4. National Electrical Code (NFPA 70) as amended by the State of New Hampshire.
5. State of New Hampshire, Division of Water Supply and Pollution Control, Standards of Design for Sewerage and Water Treatment Systems, Design Standards for Small Public Drinking Water Systems, Department of Environmental Services, Water Well Board Standards.
6. Energy Star Program Standards relating to indoor air quality, HVAC systems, insulation, lighting and appliances (see <http://www.energystar.gov>).

HFA:111.03 DEVELOPMENT REVIEW

Prior to the submission of any application for financing it is strongly recommended that the owner/sponsor contact the Authority's Management and Development Division for consultation. It is recommended that the owner/sponsor make appropriate arrangements with the Authority to have staff visit the site prior to the submission of the application. Through consultation, staff will review preliminary information about a sponsor's site, construction/rehabilitation plan, and development team, and may assist in identifying potential problems prior to the submission of the application. It is suggested that local code and fire prevention officials review the property prior to submission of final plans. Buildings constructed prior to 1978 must be tested for lead-based paint hazards via risk assessment by a NH licensed risk assessor, otherwise all paint films will be assumed to contain lead and will be removed during construction by a licensed lead abatement contractor in accordance with the following regulations:

- NH He-P 1600/RSA 130-A NH Lead Poisoning Prevention and Control Act
- HUD 24 CFR 35 regulations
- U.S. Environmental Protection Agency Lead Regulations 40 CFR 745
- Title X - Residential Lead-Based Paint Hazard Reduction of Act of 1992
- OSHA Lead Construction Standard 1926.62

Soil testing for lead-based paint hazards will be required prior to submission of preliminary plans for the rehabilitation of any building constructed prior to 1978.

HFA:111.04 PLANS AND SPECIFICATIONS

Plans and specifications shall be provided to the Authority for review. Specifications will follow the format of "Master Spec" by AIA or a similar format. Plans shall be prepared in conformance with these standards and shall be of uniform size and numbered

consecutively. A certified survey by a licensed surveyor registered in the State of New Hampshire shall accompany the plans. The specification book must include a current copy of NHHFA Design and Construction Standards and HUD Section 3 information. Requirements for liquidated damages shall be included in the specification book. Specifications shall include a section dealing with winter conditions. The General Contractor or Construction Manager shall be responsible for all costs associated with winter conditions incurred by themselves or their subcontractors. Job site security shall also be included in the specifications and shall be the responsibility of the General Contractor or Construction Manager.

The plans should include and show the following:

A. Cover Sheet

1. Proposed buildings by type, size and construction type as defined by IBC.
2. Dwelling unit distribution by floor, square footage, number of bedrooms/baths and number of required accessible units.
3. Square footage breakdown between commercial, residential, community and other usage in the building/development.
4. Number of parking spaces, parking ratio proposed and required by zoning and accessibility standards.
5. Dwelling units per acre proposed and allowed under zoning.
6. Percentage breakdown of the tract to be occupied by buildings, by parking and other paved vehicular areas, and by open areas.

B. Site Plan

1. Site location map.
2. Lot lines, streets, and existing buildings.
3. Proposed building footprint, parking, site improvements and general dimensions.
4. Adjacent buildings' footprints, heights.
5. Zoning restrictions, e.g. setback requirements, easements, height limits, etc.
6. Environmental constraints, e.g. wetlands edge, ledge, existing vegetation, aquifer protection zones.
7. Proposed new site improvements including landscaping, fences, paving, retaining walls, etc.
8. Approval of stamped site plan by local jurisdiction.

9. Location of test borings, with boring reports.

C. Floor Plans

1. All plans if different; entry level and typical floor plan if repetitive.
2. Typical dwelling unit furniture layout and square foot tabulations.
3. ¼" scale typical unit and accessible unit plans with elevations and dimensions. Accessible units shall be dispersed throughout a project to the greatest degree feasible.
4. Locations of all required braced wall lines and braced wall panels.
5. Detailed door, window and finish schedules.

D. Exterior Elevations, Perspective, or Photographs

1. All exterior facades, window types, exterior materials.

E. Typical Building, Wall and Floor Sections

1. Building materials, construction type, insulation levels with tabulation of R values.
2. Wall sections and floor/ceiling assemblies, with fire ratings, UL # and STC ratings.
3. Complete stair details with dimensions, showing rise/run, nosing profiles, railing and baluster details.

F. Complete mechanical, electrical and plumbing drawings and specifications prepared by a NH licensed engineer.

Upon receipt of the final plans and specifications, the Authority Construction Analyst will perform a review of the documents within twenty-one (21) days. Incomplete plans and specifications will not be accepted for final review. The Authority may, at the developer's expense, submit plans for review outside the agency. The review is performed solely to assist the project design architect, developer, and potential contractor in an attempt to ensure that the project conforms to all the standards and codes as stipulated in the Authority's Design and Construction Standards. Review by the Authority Construction Analyst is strictly an assistance to the design architect. The final responsibility for compliance with necessary standards and codes rests solely and entirely with the developer, design architect and the contractor. Due to the very nature of this type of review it is impossible to identify all areas of non-compliance and deficiencies.

After a review of the plans and specifications by the Authority Construction Analyst, the design architect or engineer will prepare stamped construction ready, plans and specifications based upon the completed review. Upon receipt of the stamped construction ready plans and specifications, the Construction Analyst will have seven (7)

days to approve the final plans and specifications. At that time an appropriate time schedule will be established and agreed to by all parties to determine final pricing for the project depending on the procurement method selected, either general contractor bidding or construction management. Under no circumstances shall a project be put out for final pricing until final plans and specifications have been approved by Authority staff.

If the developer does not agree with a determination or interpretation made by the Authority's Construction Analyst during plan review or during construction, then the developer may contact the Authority's Director of Management and Development to request an appeal. The developer must present written good cause with the appeal request. The Director of Management and Development will have up to seven (7) days to render a decision in the appeal request. Failure to respond may be considered an approval of the appeal.

The Authority will provide written notification of its approval of plans and specifications. However, as construction proceeds, items of non-compliance with applicable state, local, and federal codes that are discovered by Authority or other inspectors shall be corrected at the owner's expense and as approved by the Authority. The Authority and its staff assume no responsibility or liability for errors or omissions in the design and contract documents as prepared by the owner's architect.

HFA:111.05 PROCUREMENT

Owners may contract for construction services for Authority funded projects by use of selective sealed bids or through construction management services. Some other funding sources may require publicly advertised bidding which will also be acceptable to the Authority.

A. Construction Management

Owners shall solicit a minimum of three proposals for construction management services. Proposals must include the following:

1. Construction management fee expressed as a percentage of the Cost of the Work (to be fixed as a lump sum when the Guaranteed Maximum Price [GMP] is established.)
2. Pre-construction services fee, expressed as a lump sum fee inclusive of all costs (including labor, travel expenses, and consumables) incurred during the Preconstruction Period. Owner must define the maximum duration of the Preconstruction Period after which additional reimbursement for preconstruction services may be negotiated between the Owner and CM with NHHFA approval if the Preconstruction Period has not ended and additional services are required.
3. A firm price proposal for the General Conditions. An allocation schedule that specifies what costs will be considered Fee, General conditions, and Cost of the Work shall be prepared by the Architect of Record and included in the Request for Proposal provided to each prospective construction manager.
4. Upon completion of the project, all GMP savings are to be returned to the Owner.

5. Schedule for completion. The time to complete the project shall not be a consideration in selecting the CM.
6. Bonding company and bonding capacity.
7. Proposals shall be opened publicly at a time and place determined by the Owner or their Agent. The construction manager offering the best combined pricing for the fees and services noted above will be awarded the project.
8. Working with the owner's design team, the CM will refine the scope of work based on approved plans and specifications, and then manage the competitive bidding process with qualified subcontractors for each construction component, leading to a guaranteed maximum price (GMP) contract with the owner. The CM shall obtain a minimum of 3 bids for all subcontracts for the project and shall award the work to the lowest responsible bidder in each case unless authorized to hire a different bidder by the Owner and NHHFA. Bids shall be provided to the Owner and NHHFA for review. In addition to the Authority's bonding requirements (see HFA: 111.08), the GMP contract shall include assignment of responsibility for acquiring builder's risk insurance with extended coverage in the amount of the GMP and any subsequent modifications from change orders.
9. The CM may perform the work specified for one or more components provided however that at least two other bids are received from other subcontractors and that the CM's price proposal for that component is the low bid for that component. The CM may perform miscellaneous other work on the project without competitive bidding provided that the total value of such work does not exceed 10% of the GMP. The CM must be able to provide documentation that the value of the un-bid work does not exceed 10% of the GMP.

B. Sealed Selective Bids

1. Owner/sponsors may deal directly with specific contractors provided that a minimum of three (3) bids are obtained. There shall be one mandatory pre-bid meeting that all contractors shall attend. Failure to attend the mandatory pre-bid meeting will disqualify the contractor from bidding on the project.
2. Bids shall be opened publicly at a time and place determined by the Owner or their Agent. The contract shall be awarded to the lowest responsible bidder by the Owner or their Agent using only the base bid amount. Alternates and/or Unit Costs shall not be considered when determining the lowest bid.
3. The general contractor (GC) chosen for the contract award, and all subcontractors selected by the GC, shall not appear on HUD's list of debarred contractors.
4. If the bid documents require the GC to provide a time for completion of the project, this shall not be considered along with the bid price in determining which GC will be awarded the contract.

C. Bids Over Budget

In the event that the construction bid exceeds the budgeted amount for construction by ten percent (10%) or less, the developer may negotiate changes with the contractors provided that all changes be approved by both the architectural team and the Authority Development Staff prior to adoption. Negotiated changes requiring modification of the approved plans and specifications that are in excess of ten percent (10%) of the project construction budget will not be accepted. If the negotiated changes to the plans and specifications do exceed ten percent (10%) of the construction budget, then redesign by the architect (and approved by the Authority) and re-bidding in conformance with HFA 111:05 will be required. Additional bids may be required should the Authority consider the general contractor cost or any subcontractor costs excessive.

D. Identity of Interest Cases

1. The Authority's Executive Director or designee may grant permission for general contractors (GC) or construction managers (CM) sharing an identity of interest with the developer to participate in the project. The developer/GC or CM must demonstrate appropriate qualifications and experience and must employ an "open book" Construction Management process including the competitive bidding of all subcontracts as described in HFA:111.05.A.8. An identity of interest, as defined by the U.S. Department of Housing and Urban Development Subsidy Layering Review process, means a financial, familial, or business relationship that permits less than arm's length transactions. This includes but is not limited to existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors, or stockholders; or family relationships between officers, directors, or stockholders.
2. In the case of an approved identity of interest, the Authority may require the payment of an additional inspection/oversight fee to be paid directly to the Authority from non-project resources.

E. All bidders must provide a schedule of values to the Owner and NHHFA within 24 hours of the bid opening. The schedule of values shall include the names of the subcontractors carried by the General Contractor and the bid amount for their respective scope of work.

F. OSHA 10 hour construction safety training must be completed by all on-site employees per New Hampshire RSA 277:5-a.

G. Whether organized as corporations, partnerships, or individual proprietorships; all developers, consultants, design professionals, contractors, and sub-contractors must be registered with the New Hampshire Secretary of State per RSA 349.1.

HFA:111.06 CONTRACT REQUIREMENTS

For projects using either the construction management or selective bid method in the determination of the total construction costs, the construction contract will include all items included in the bid packages as well as the standard contract terms and general

conditions, bid proposal, and bond and insurance forms, using standard AIA contract documents, or an otherwise acceptable contract as approved by the Authority. The General Contractor shall be responsible for all costs associated with winter conditions incurred by themselves or their subcontractors. All construction contracts, including architectural and design contracts, shall adhere to the requirements in NHHFA Design and Construction Standards. In the case of a conflict between the contract documents and NHHFA Design and Construction Standards, the more stringent requirement shall apply, as determined by the Authority. A draft AIA construction contract shall be submitted to the Authority Construction Analyst for review and approval prior to final execution.

Winter conditions shall be included in all construction contracts as part of the base bid, as qualified based on the anticipated start date provided by the Owner in Bid Documents. Any adjustment to Winter Conditions costs as a result of changes to project schedule must be documented with fuel and/or rental invoices and approved by the Owner and NHHFA.

HFA:111.07 PRECONSTRUCTION CONFERENCE

Prior to the commencement of any construction a mandatory preconstruction conference shall be arranged. The owner shall notify all parties in writing of the time and place for the conference. NHHFA will provide an agenda to all parties prior to the meeting. The owner and contractor can add any items to the agenda that they deem necessary.

HFA:111.08 BONDING AND INSURANCE

A: Bid Security: All construction projects procured by means of sealed selective bids as described in HFA:111.05B and consisting of eleven (11) or more units will require a bid bond in an amount not less than five percent (5%) of the base bid.

B: Payment and Performance Security: All projects consisting of eleven (11) or more units will require 100% payment and performance bonds from a qualified U.S. bonding company that meets the following criteria:

1. The bonding company must be licensed and approved by the New Hampshire Insurance Department.
2. The bonding company must be on the United States Department of the Treasury's Listing of Approved Sureties (Circular 570).
3. The bonding company must be rated by the A.M. Best Company and have a rating of A minus or better.

The Authority's Executive Director or designee may allow for the use of, a letter of credit valued at 25% of the total construction loan in lieu of a Payment and Performance Bond. If a letter of credit is used it must be kept in place for one year after substantial completion. The letter of credit provider must be acceptable to and approved by the Authority in writing.

For projects of ten (10) or fewer units the Authority may, at its discretion, permit the use of other security deemed appropriate.

The Authority reserves the right to review the financial statements of contractors performing work on Authority funded projects.

Builder's risk insurance for the project shall be procured by the Owner and shall have a maximum deductible of \$2500.00

HFA:111.09 APPLICATIONS FOR PAYMENT

A. Schedule of Values

1. Prior to the start of construction the contractor or construction manager shall submit to the owner/agent the schedule of values. The project manual Table of Contents shall be used as a guide to establish the format. The approved Schedule of Values will become the Continuation Sheets (G 703) for the Applications for Payment.

B. Applications for Payment

Each application for payment shall be consistent with previous applications and payments as certified by the owner/agent and paid for by the owner. All payment requests shall require the title to be updated by the Authority and paid for by the mortgagor out of the construction loan. The civil engineer of record will be required to approve and sign for the civil work, and the architect or professional engineer responsible for the building portion will be required to approve and sign the requisition.

1. Payment Application Times: Payment dates are indicated in the agreement. The period covered by each application is the period indicated on the requisition form.
2. Payment Application Forms: Use AIA Document G 702 and Continuation Sheets G 703 as the form for the application.
3. Application Preparation: Complete every entry, including notarization and execution by person authorized to sign on behalf of the owner. Incomplete applications will be returned without action.
 - a. Entries shall match data on the schedule of values. Use updated schedules if revisions have been made.
 - b. Include amounts of change orders and construction change directives issued prior to the last day of the period covered by the application.
 - c. Prepare draft requisition for review by owner/agent and Authority staff.
4. Transmittal: Submit 3 executed copies of each application to the owner/agent for Authority use. Copies shall be complete, including waivers of lien and similar attachments. Transmit each copy with a transmittal listing attachments, and recording information related to the application.
5. Waivers of Lien: With each application, submit waivers of lien from every entity who may file a lien arising out of the contract, and related to the work covered by the payment. Affidavit of waiver of lien release under RSA 447:12-A will be

properly executed and signed by the contractor or construction manager and all subcontractors prior to release of any payment.

6. Progress Payments: The contractor or construction manager agrees that the total contract price shall be paid in one or more progress payments based upon the value of the work satisfactorily completed at the time the progress payment is made. Such progress payments shall be disbursed on a monthly basis, after inspection and approval of the work by the owner and the Authority, or its duly authorized representative, less a holdback of 10% of the price of the work completed. Prior to receiving any progress payment, the contractor or construction manager shall furnish the owner with AIA Document G702, Application and Certificate for Payment, for the materials and labor procured under this contract.

The licensed architect or engineer of record must personally sign each requisition form (G702).

7. Retainage: At the discretion of the owner and the Authority the retainage may be reduced from 10% to 5% at the point where the total completed and stored to date equals at least 50% of the total contract price. Upon completion of the whole contract and acceptance of the work by the owner and the Authority, and compliance by the contractor or construction manager with all contract terms, the amount due the contractor or construction manager shall be paid including any remaining retainage. Partial completion of a project shall not entitle the contractor to partial release of remaining retainage. Retainage for the project shall be withheld until the entire project has reached substantial completion and the requirements for the final payment application listed in HFA: 111:14 below are satisfied.
8. Withholding of Payment: Payments otherwise due may be withheld on account of defective work not remedied, liens filed, damage by the contractor or construction manager to material or labor, material removed from site, or for failure to make payments properly to agents.
9. Final payment shall not be due until the contractor or construction manager has delivered to the owner and the Authority a complete release of all liens arising out of the contract, or payment receipts in full covering all labor and materials for which a lien could be filed. Refer to paragraph 5 for additional criteria.
10. Stored Materials: Payment for materials stored on or off site will be allowed provided that the following items are provided:
 - a. Bill of Sale to the Owner for stored materials listing values that match the amount that is being billed for.
 - b. Right of Entry to the storage facility.
 - c. Photos of stored materials.
 - d. Proof of insurance (current through the billing period) showing the Stored Material is insured for a sum not less than the amount that is being billed. The Owner and NHHFA must be named as additional insured on the Certificate of Insurance.

The owner/developer, architect and engineer shall be responsible for maintaining an inventory log of all stored materials.

11. Davis-Bacon: When applicable, Davis Bacon certified payrolls must be submitted by all contractors prior to release of payment for time and period of requisition. According to Department of Labor letter number LR-96-01, self-employed individuals are required to be carried on the payroll of the contractor for whom they are working. The exception is a self-employed individual in a non-labor supervisory role.
12. HUD Section 3 forms shall be submitted with each requisition when a project is federally funded.

C. Initial Application for Payment: Administrative actions and submittals that must precede or coincide with submittal of the first application for payment include:

1. List of subcontractors.
2. List of suppliers and fabricators.
3. Schedule of values.
4. Contractor's or construction manager's construction schedule (preliminary if not final).
5. Submittal Schedule (preliminary if not final).
6. Copies of building permits.
7. Copies of licenses from governing authorities.
8. Certificates of insurance and insurance policies.
9. Performance and payment bonds (if required).
10. Identification of testing agency to be used.

D. Application for Payment at Substantial Completion: Following issuance of the Certificate of substantial completion, submit an application for payment. Administrative actions and submittals that precede or coincide with this application are listed under HFA: 111:14A below.

E. Final Payment Application: Completion of project closeout requirements must precede or coincide with submittal of the final payment application. (See HFA: 111.14B below) All finish grading, seeding, sodding, landscape planting and any off-site improvements must be completed. When, however, these improvements are not complete, the Authority shall establish an escrow or performance bond consisting of 200% of the estimated cost of completion and establish a deadline date.

HFA:111.10 CHANGE ORDERS

1. Changes in the Work shall be handled as described in Article 7 of the AIA A201 General Conditions.

2. All changes from the original contract shall be in writing and approved by the Authority's Construction Analyst. Claims by the contractor or construction manager for extra cost must be made in writing to the Owner and Authority for approval before executing the work involved.
 - a. The cost to the owner resulting from a change that increases the cost of the work shall be calculated as follows;
 - a. Cost of the work performed by the General Contractor or Construction Manager's own forces, plus a percentage of 10% for overhead (inclusive of any increase in general conditions) and profit. All invoices for material and labor as computed in hours must accompany change order.
 - b. Cost of the work performed by Subcontractors, plus a percentage of 5% for GC/CM profit.
 - i. Subcontractor Change Order Proposals must be broken out to show material, labor (including labor rates) and markups.
 - ii. Subcontractors are allowed (and must show) a single line item inclusive of overhead and profit which is calculated at 10% for the cost of the work performed by their own forces. All invoices for material and labor as computed in hours must accompany change order.
 - iii. Any work performed by second-tier subcontractors ("sub-sub contractors") must be attached to the proposal of the first tier subcontractor and must also list values for material, labor including labor rates, and markups.
 - iv. For work performed by second-tier subcontractors:
 1. The GC/CM is allowed a single markup line inclusive of overhead and profit which is calculated at 5% of the first-tier subcontractor's proposal amount.
 2. The first-tier subcontractor is allowed a single markup line inclusive of overhead and profit which is calculated at 5% of the second-tier subcontractor's proposal amount.
 - c. If the bonding company requires the contractor or construction manager to provide a performance bond for the change order the contractor or construction manager shall be reimbursed for the cost of the bond in addition to the percentage for overhead and profit.

 3. Change Order Procedures: Upon the owner's and Authority approval of a change order proposal request, the architect or contractor will issue a change order for signatures of the owner, Authority, and contractor or construction manager on AIA Form G701, as provided in the conditions of the contract.

HFA:111.11 PROGRESS MEETINGS

A. Progress Meetings: Conduct progress meetings at regular intervals. Notify the owner and owner/agent of scheduled dates. Coordinate meeting dates with preparation of the payment request. Meetings shall be conducted and minutes taken by the Architect, Owner, or their assigned representative.

1. Attendees: The owner, agent, architect, contractor or construction manager, and Authority, or other entity concerned with progress or involved in planning, coordination or performance of future activities shall be represented by persons familiar with the project and authorized to conclude matters relating to progress.
2. Contractor's or construction manager's construction schedule: Contractor must submit and keep updated a Construction Schedule as outlined in Article 3.10.1 of the AIA A201 General Conditions.

B. Reporting: No later than 3 days after each meeting, copies of minutes of the meeting shall be distributed to each party present and to parties who should have been present. Include a summary in narrative form of progress since the previous meeting.

HFA:111.12 QUALITY CONTROL SERVICES

A. Quality control services include inspections and tests performed by independent agencies and governing authorities.

1. The owner must engage and pay for services of an independent agency to perform inspections and tests for all civil work and any other work requiring testing or inspection. Where the owner has engaged an agency for testing and inspection, and the contractor or construction manager is also required to engage an entity for the same element, the contractor or construction manager shall not employ the entity engaged by the owner, unless otherwise agreed to in writing with the owner.
2. Retesting: The contractor or construction manager is responsible for retesting where results prove unsatisfactory and do not indicate compliance with contract documents. Cost of retesting construction revised or replaced by the contractor or construction manager is the contractor's or construction manager's responsibility, where required tests were performed on original construction.

B. The contractor or construction manager is responsible for repair and protection regardless of the assignment of responsibility for inspection and testing.

C. The contractor or construction manager shall guarantee and re-execute any work that fails to conform to the requirements of the contract and that appears during the progress of the work, and shall remedy any defects due to faulty material or workmanship which appear within a period of one year from the date of final acceptance of all the work required by the contract.

The provisions of this article apply to work done by all Agents and/or direct employees of the contractor or construction manager. Furthermore, the contractor or construction manager shall furnish the owner and Authority with all manufacturers' and suppliers'

specifications, written guarantees, and warranties covering materials and equipment furnished under the contract.

D. The contractor or construction manager shall permit and facilitate observation of the work by the Authority and its duly authorized representative.

E. Inspections shall be conducted at the rough-in and finish stages of construction by the architect and engineers of record (structural, electrical, mechanical). Written approval of work in place shall be required for all inspections.

F. If requested by the Developer/Owner, the Authority may, at its discretion, approve the inclusion of a Clerk of the Works in the Development Team, and a corresponding line-item in the development budget. The intent is to allow sponsors who don't have the on staff expertise the opportunity to hire a qualified third party to serve as the Clerk. On staff personnel may not be charged to the project. The Clerk of the Works must demonstrate extensive construction experience, and must be familiar with current industry standards, materials, and methods. The Clerk's salary shall not exceed prevailing industry wage rates for this position.

HFA:111.13 PRODUCT SUBSTITUTIONS

A. Substitutions: Requests for changes in materials, equipment, and methods of construction required by contract documents proposed by the contractor or construction manager after award of the contract are considered requests for "substitutions".

B. The contractor's or construction manager's submittal and owner/owner's agent and Authority's acceptance of shop drawings, product data or samples that relate to construction activities not complying with the contract documents does not constitute an acceptable or valid request for substitution, nor does it constitute approval.

C. Requests for Product Substitution must be made in writing by the Contractor or Construction Manager to the Owner and Architect and must be accompanied by product data sheets for the specified materials or equipment and the proposed substitute. NHHFA must approve all Product Substitutions.

HFA:111.14 PROJECT CLOSEOUT

A. Substantial Completion: Before requesting inspection for certification of substantial completion, complete the following:

1. In the application for payment that coincides with the date substantial completion is claimed, show 100% completion for the portion of the work claimed substantially complete.
2. Submit specific warranties, workmanship bonds, maintenance agreements, final certifications and similar documents, including occupancy permits from local jurisdiction.
3. Change-over permanent locks and transmit keys to the owner.

4. Complete start-up testing of systems, and provide instruction to the owner's personnel. Remove temporary facilities from the site, along with construction tools, mock-ups, and similar elements.
5. Submit final meter readings for utilities, a record of stored fuel, and similar data as of substantial completion.
6. Complete final clean up. Touch-up and repair and restore marred exposed finishes.
7. Test for radon and provide results to owner and NHHFA (testing fee to be paid by owner). Testing shall include a minimum of 20% of all ground floor units or two units per building in the case of townhomes. Water shall be tested for radon in all projects not using a public water supply.
8. For rehab projects identified as containing hazardous materials, perform clearance testing prior to occupancy. Testing shall be performed by a NH licensed testing agency and results provided to the Owner and NHHFA (testing fees to be paid by Owner).

B. Final Acceptance: Before requesting inspection by NHHFA for certification of final acceptance and final payment, provide the following:

1. Final payment request with final lien releases.
2. Executed AIA Form G704, Certificate of Substantial Completion.
3. Completion of punch list items identified during end of project walk-throughs.
4. Copy of oil burner permits (if applicable).
5. Copy of elevator inspection certificate (if applicable).
6. Written certification of final approval of the project by the design architect and all engineers of record (civil, structural, mechanical, and electrical). Architect shall also provide certification that all State of New Hampshire Energy Code and accessibility requirements have been met. (Reference RSA 155-D:4, VI, and VII, RSA 155-A:5-a, and RSA 155-A:5-b)
7. Certified as-built site survey.
8. As-built construction plans and O&M manuals to the owner.
9. Architect's certification that Section 504, Fair Housing, and other applicable accessibility requirements have been satisfied.
10. Written approval from local building/zoning department (final occupancy permit).
11. Written one year warranty.

12. Proof that taxes, fees and similar obligations have been paid.

13. HVAC systems training for all individuals responsible for building maintenance.

HFA:111.15 WAIVERS

The Authority recognizes that due to unique or unusual circumstances in real estate and construction, strict application of the Authority's requirements may cause an undue burden. The Authority's Executive Director or designee may, for good cause, waive provisions of HFA:111 as appropriate.

DESIGN STANDARDS

HFA:111.16 GENERAL

A. The Architect and Civil Engineer of record are required to execute a design architect's or engineer's certification and an inspecting architect's or engineer's certification for the benefit of the Authority. Plans for all developments will require civil, structural, electrical, and mechanical drawings stamped by a licensed professional engineer registered in the State of New Hampshire. Architectural drawings will also be required, and may be stamped by either a licensed architect or engineer registered in the State of New Hampshire.

B. Hazardous materials, when discovered, shall be abated in conformance with applicable local, state and federal law. The Authority requires total and complete abatement of both the interior and exterior for all lead based products and asbestos. In the case of a building with both commercial and residential uses, complete abatement of the entire building exterior shall be required, regardless of the designated use. A review of the development site by an environmental scientist may be required by the Authority. At the discretion of the Authority, a Phase I, Phase II and abatement plan may be required prior to final commitment. All existing buildings are to be tested for mold. If mold is discovered it shall be abated.

C. Accessible dwelling units shall be designed and constructed to Dept. of HUD 24 CFR Chapter I Fair Housing Accessibility Guidelines, and/or Dept. of HUD 24 CFR Part 8 non-discrimination in federally assisted programs (504 Uniform Federal Accessibility Standards) and/or in conjunction with the State Building Code. Fair Housing laws provide that failure to design and construct certain residential dwelling units to include certain features of accessible design will be regarded as unlawful discrimination. Developers and their architects and engineers are advised to be knowledgeable of the law themselves. In the case of a conflict between different accessibility codes or regulations, the more stringent, as determined by the Authority, shall apply. Townhome projects will be required to have 5% of the total number of dwelling units designed as fully accessible and 2% of the total number of units designed for use by the hearing and visually impaired. These units shall be single story flats or lower units of a 2 story configuration.

HFA:111.17 SITE

A. Emphasis will be placed during the various design reviews and the construction period on the following:

1. Sensitive treatment of any existing valuable features, i.e. natural foliage, surface contours, streams, ponds, etc.
2. Properly engineered grading and storm drainage to ensure against flooding or standing surface water. Storm water runoff shall be retained on site in accordance with the New Hampshire Department of Environmental Services Alteration of Terrain Program. These guidelines shall be used regardless of the size of the building site.
3. Elimination of abrupt or excessive grade change.
4. Ease of maintenance.
5. Landscaping and planting which is practical, drought resistant, and native to the area shall be used. Fully developed grading and landscaping plans stamped by a licensed landscape architect or engineer must be submitted for review prior to final commitment. If an irrigation system is used, you are encouraged to use all available retained storm water runoff before utilizing other water sources.
6. Site lighting will be located to provide visibility for parking facilities, walkways, and traffic lanes, and should not be obtrusive to onsite tenant units or surrounding properties.
7. All construction debris, including stumps, shall be removed from the job site. Manifests will be required when hazardous materials are being disposed of.
8. Test pits will be required for all project sites. A geotechnical report with recommendations and test pit data is to be provided to the Owner and NHHFA. Test pits will be required at building corners, center of building footprint and infrastructure locations, i.e. along water and sewer line routes.

B. Additional Requirements:

1. All family developments consisting of 50 units of more must have an appropriate on site playground area. Plans and specifications for the playground area must show the design, layout, size, fencing, and equipment to be installed.
2. All common areas (site office, community space, playgrounds, etc.) and any other common area provided on the project site shall be on an accessible route and shall be designed for use by individuals with disabilities.
3. Fencing shall be installed at all areas that pose a safety hazard, as determined by the Authority.
4. Grade level access shall be provided to at least one entry door per dwelling unit, including townhome style units, and at all common entries in multifamily buildings. This requirement may be waived if existing site conditions make it unreasonably expensive.

5. A construction project sign shall be erected in a visible location on the job site as soon as possible after the start date. Specifications for the sign are included at the end of this document.

C. Paving:

1. Roads, driveways, and parking lots shall be paved using the following criteria:
 - 1" wearing course NHDOT type E (3/8") pavement.
 - 2" base course NHDOT type B (3/4") pavement.
 - 6" crushed gravel NHDOT 304.3.
 - 12" bank run gravel NHDOT 304.2.
2. Sidewalks shall be paved using the following criteria:
 - 2" wearing course NHDOT type E (1/2") pavement.
 - 6" crushed gravel NHDOT 304.3.

The use of permeable paving and pavers for parking lots and walkways is allowed to encourage water retention on site.

HFA:111.18 STRUCTURAL

The following standards will be applied in the evaluation of existing and new structures. Correction of all structural damage, deficiencies, and their cause must be included in the project scope of work.

- A. Foundations must be sound, plumb and free from movement. Foundation sill height elevations shall be confirmed as soon as possible after installation. Any discrepancy with elevations on the approved plans shall be reported to the owner and NHHFA immediately.
- B. Wood structural members shall be free from significant deflection and/or cracking, deterioration, rot or termite damage. Non-toxic treatment for termite control is required for new construction using a sodium borate based spray a minimum of 4 feet up from sill on all exterior and interior (slab on grade) wood walls. Spray must contain a colored dye (suggest red) so the application can be visually verified.
- C. Minimum 5/8" Oriented Strand Board (OSB) or exterior grade plywood is to be used for all roof sheathing. H clips to be used for spacing of sheathing.
- D. Prior to final commitment, when possible, the Authority reserves the right to hire an independent structural engineer registered in the State of New Hampshire to perform a structural survey to verify the adequacy of all structural members for current loads.
- E. Exterior wall sheathing shall include a minimum 48" high band of pressure treated plywood or structural sheathing with a minimum 50 year warranty with sealant at base, to be installed around the perimeter of the building as measured from the top of the foundation wall.

F. Approved fasteners and hangers shall be required for all pressure treated wood connections. Approved fasteners include hot dip galvanized, stainless steel, silicon bronze, and copper. Electro-galvanized fasteners are not allowed. Minimum standards for galvanizing are covered in ASTM A123, ASTM A653, and ASTM 153.

G. Provide detailed snow load calculations for all roof trusses and/or conventional framed roofs using the following criteria: Drawings shall include the ground snow load as listed in ERDC/CRREL TR-02-6 as adjusted for the specific ground elevation at the project site. The flat roof and sloped roof snow loads shall also be listed for the applicable roof materials and slopes provided, calculated in accordance with the latest version of ASCE 7. In addition, any/all sliding and drifting snow loads applicable to various roofs shall be included on the drawings. Separate listings or graphic details shall be provided where applicable to delineate all required design loads imposed on all roofs. All assumed temperature and importance factors shall also be listed on the drawings.

H. Permanent bracing for engineered roof trusses and all other roof system components shall be designed, inspected, and approved in writing by the Structural Engineer of Record.

HFA:111.19 INSULATION AIR SEALING AND MOISTURE PROTECTION

Installation methods for insulation and requirements for air sealing shall follow the most current Energy Star Program Standards.

In both new and rehabilitated buildings, the following minimum requirements for insulation will apply. Cellulose insulation shall be borate treated. Wet applied cellulose shall not be used.

1. Exterior walls: R-21. Blown-in fiberglass insulation, cellulose, spray foam, or a combination are acceptable methods. Other methods will be evaluated on a case by case basis. Basement and other below grade walls shall be considered exterior walls for insulation purposes. Door and window headers at exterior walls shall have rigid insulation filling the center cavity if they are constructed of multiple 2X members and the headers are approved for loading requirements by the structural engineer of record.
2. Roof/ceiling assemblies: R-49.
3. Floors above unconditioned spaces: R-30. Any cantilevered or overhanging living space shall have their floors insulated with spray foam to R-38 minimum.
4. Slab on grade beneath conditioned spaces: R-12.5 (4'-0" minimum horizontally directly below slab and full height of frost wall vertically around perimeter)
5. Band Joists: R-21 with spray foam only. All spray foam shall have a fire retardant coating or shall be manufactured with fire retardant qualities where exposed.
6. Heating hot water pipes: 1-1/2" thick minimum.
7. Recirculated domestic hot water pipes: 1" thick minimum.

8. Branch domestic hot water: 1/2" thick minimum.
9. Domestic cold water pipes: 1/2" thick minimum.
10. Exhaust air ducts for HVAC systems, ERV's/HRV's, and local exhaust fans in conditioned spaces are to be insulated to R-5 ten feet in from the point of building envelope penetration.
11. Outside air intake ducts for HVAC systems, ERV's/HRV's, and local exhaust fans in conditioned spaces: R-8
12. All air ducts for HVAC systems, ERV's/HRV's, and local exhaust fans in unconditioned spaces: R-8.
13. Heating and conditioned air duct joints are to be sealed with mastic or by other approved methods as established in the International Mechanical Code.
14. Door and window perimeters and air gaps in all surrounding framing shall be sealed with a non-expanding foam product. Other exterior wall penetrations (i.e. air conditioning sleeves) shall also be sealed in the same manner. All spray foam used in these areas shall conform to AAMA Standard 812-04.
15. Building wrap shall have a built-in drainage plane. All building wrap and vapor barrier seams shall be taped.
16. All roof coverings (shingles, metal, etc.) shall have a minimum 30 year warranty. Rubber roofing shall have a minimum 20 year warranty.
17. A waterproofing membrane (ice & water shield) shall be installed over roof sheathing a minimum of 72" in from all exterior walls. Valleys shall have a 36" membrane in the center of the valley, with an additional 36" membrane lapping each edge. Wall/roof intersections shall have minimum 18" membrane extending up the wall.
18. Metal drip edge shall be provided at entire roof perimeter – minimum .026 thickness.
19. Roofing felt shall be 30# weight minimum. Equivalent options will be considered.
20. All window flashing shall be installed in accordance with the manufacturer's recommendations and warranty requirements.
21. Tops of all interior stud walls in attic areas shall be sealed with spray foam to prevent air leaks.
22. Mold and moisture resistant drywall is to be used on all walls in bath area.
23. Air and vapor tight boxes shall be used at exterior walls and ceilings, below attic spaces and adjacent to unconditioned spaces. This includes all electrical boxes, cable boxes, fire safety system boxes, etc. In locations where spray foam insulation is used behind the boxes, this requirement may be waived. Alternative methods for sealing the

outside of traditional type boxes will be considered but will be subject to approval by the Owner, NHHFA and local authorities having jurisdiction. Under no circumstances shall spray foam or any other material be used inside the boxes to seal them.

24. A continuous sealant (i.e. construction adhesive or caulking) shall be applied between the concrete foundation and the wood sill plate, in addition to a thermal break (sill sealer).

25. Vinyl siding shall have a minimum thickness of .046".

26. The perimeter of all exhaust fans located on the top floor of a building shall be sealed to prevent air leakage through the penetration into the attic area.

HFA:111.20 INTERIOR

A. Acceptable dwelling unit and room sizes will be evaluated on a performance basis by Development Staff. Determining factors are the placement of furniture, tenant circulation, functional livability and adequate storage.

B. All dwelling units must have two means of egress via doors except:

1. In multiple level buildings where an enclosed, fire rated, single or double loaded common corridor with two means of egress is shared and the entire building has an approved sprinkler system, only one means of egress is required from the living unit.
2. In multiple single family townhome dwelling units where each unit has a separate means of egress and the entire building has an approved sprinkler system, only one means of egress is required.

Exception: Two means of egress via doors are required for all accessible townhome style units or attached flats. The second door must be located away from the entry door, i.e. at the back of the unit or in the master bedroom.

3. All egress doors shall be on an accessible route to a safe area.

C. Bedrooms are to have four full walls from floor to ceiling and adequate closet space. Minimum dimensions of bedrooms (excluding closet space) are as follows:

1. Primary bedroom - 10' x 12'
2. Secondary bedrooms - 8' x 10'

D. All dwelling unit habitable spaces shall have operable windows with screens (kitchens and bathrooms exempt). All bedrooms must have at least one window which complies with current State of NH NFPA Life Safety Code escape requirements. This includes buildings with sprinklers.

E. All new windows must be double hung, awning or casement, have a full screen, and meet current AAMA standards or at a minimum AAMA-101/I.S.2/A440-08. All

windows shall be Energy Star rated, with a U-Factor less than or equal to .28 as determined by the NFRC (National Fenestration Ratings Council). Warranty period for all windows in multi-family projects is to be 20 years for vinyl, components and glass seal. The use of single hung windows will be considered for senior and historical projects on a case by case basis.

F. All concrete slabs in habitable areas shall be 4” thick minimum. All uninhabitable areas (i.e. crawl spaces) shall have a minimum 3” thick concrete slab. The use of a high strength vapor barrier (i.e. Stego Wrap or similar) will be considered on a case by case basis. If used, vapor barriers must be 15 mils thick minimum, have taped seams and be turned upwards onto the foundation walls a minimum of 24” and be mechanically attached to the wall.

G. Provisions will be made to allow for multiple access doors to all attic areas and crawl spaces for maintenance and/or inspection purposes. Where possible, such access doors shall be outside of the dwelling unit. If inside, access doors will be insulated and furnished with key locks.

H. It is recommended that dwelling units in multi-story buildings be designed with stacked bathrooms and kitchens utilizing a common plumbing wall unless conditions prevent this type of design.

I. All painted wall/ceiling surfaces are to receive primer plus two coats of finish.

J. When metal stud wall framing is used, 2x wood reinforcing members shall be installed at all building interior openings (doors, windows, etc.).

K. Hallways within a dwelling unit shall be 36” wide minimum.

L. All passage doors within dwelling units shall have a minimum 36” nominal opening. Doors above the first floor level in non-elevated buildings are exempt.

M. Loop style pulls shall be provided on all cabinet doors and drawers.

N. Lever style handles shall be provided on all doors.

O. All windows in each living space of accessible dwelling units shall be provided with accessible controls (i.e. locks, opening hardware). Required opening force for accessible double hung windows shall not exceed 5 pounds. Casement, awning or horizontal sliding windows may be used in lieu of double hung windows.

P. Accessible dwelling units shall have all kitchen countertops at a maximum height of 34” and be designed for a flush mount drop-in range, or cook top and wall oven. Range controls shall be mounted on the front edge of the unit.

Q. Accessible unit bathrooms shall be designed to have a minimum dimension of 42” from the centerline of the toilet to the closest obstruction to allow side loading from a wheelchair. A vertical grab bar shall be installed above the side grab bar at toilets.

R. In accessible dwelling units and common areas the maximum height for all accessible features and controls shall be 48”.

S. Costs incurred for washers/dryers within dwelling units shall not be part of the project budget but shall be paid for by the Owner. Hook-ups for washers/dryers may be paid for using the project budget.

HFA:111.21 PLUMBING SYSTEMS

A. There must be at least one accessible interior main shutoff for each dwelling unit. In the case of multiple unit buildings, hot and cold copper or PEX branch lines shall have accessible shutoffs in the common area. Ball valve shutoffs shall be installed for each plumbing fixture within the dwelling unit.

B. Each dwelling unit shall be provided with hot water supply (individual or common) adequate to service the number of occupants and fixtures. Water heaters shall produce at least 110 degree F water at all fixtures and be insulated. In the case of multiple units on a shared hot water system, hot water shall be provided via a circulator, with temperature gauges on both the supply and return lines.

C. All water supply piping above ground shall be Type L copper or Cross-Linked Polyethylene tubing (PEX) manufactured using the Engel method (PEX-a). Fittings shall be manufactured to the ASTM F1960 standard. No joints will be allowed when using PEX. All PEX products must meet or exceed ASTM F876/F877. The design of PEX systems shall include copper or PEX main and riser lines from the water entrance that terminate near the dwelling unit at a stop valve or manifold. Where stop valves are used, access panels shall be provided. PEX lines from the manifold shall be continuous until termination at the fixture. All PEX installations shall be performed in strict conformance to the manufacturer’s instructions. Installer must have experience with projects of similar size and complexity and possess documentation proving successful completion of PEX plumbing installation training by the PEX manufacturer. All cold water supply piping below ground shall be Type K copper or PEX-a.

D. All copper piping, PEX piping, sewerage drain piping and gas piping are to be supported by metallic hangers properly sized to include the specified pipe insulation when required.

E. All sewerage drain piping above or below ground is to be a minimum Schedule 40 PVC or cast iron.

F. Lever style handles shall be provided for all faucets.

G. Chlorinated Polyvinyl Chloride (CPVC) is not allowed for domestic water systems.

H. An engineered sub-slab piped ventilation system shall be designed and installed to provide radon mitigation. Each section of radon piping shall be clearly marked as such. Electric power shall be provided in the attic area to serve exhaust fans. Both the designer and installer shall hold a current certification from either the National Radon Proficiency Program or the National Radon Safety Board (NH RSA 310-A:189-a).

I. Low flow shower heads and kitchen faucets shall be required in all dwelling units – 1.5 gallons per minute rating maximum. Bathroom faucets shall be 0.5 gallons per minute maximum.

J. High Efficiency Toilets shall be required for all dwelling units – 1.3 GPF (gallons per flush) maximum, with a 250 gram solid waste removal capability minimum.

K. All accessible dwelling units shall be provided with a roll in shower.

L. Water piping, HVAC or sprinkler lines are not allowed to be installed in exterior wall cavities or unconditioned attic ceiling spaces. Dry sprinkler systems are allowed in unconditioned spaces where required.

M. Piping insulation shall be installed per HFA:111.19 above or as required by the energy code currently adopted by the State of New Hampshire, whichever has the greater requirement.

N. Type M copper shall not be allowed for heat piping.

O. Domestic hot water tanks shall be Energy Star labeled and have the following minimum Energy Factor (EF) ratings: Electric - .95; Gas - .70; Oil - .60; Instantaneous Gas - .82. Solar water heaters shall have a minimum Solar Energy Factor (SEF) of 1.2 for gas backup and 1.8 for electric backup.

P. “On demand” type domestic water heaters shall be installed where practical and where the building type lends itself to this type of system (i.e. townhomes or smaller buildings) as determined by the project design professional.

HFA:111.22 MECHANICAL SYSTEMS

A. Individual wall mounted non-mercury thermostatic controls are required for each dwelling unit heating system. Central heat for entire dwelling unit is required. Thermostats shall have enlarged numbers and scale for easy reading.

B. Gas fired boilers shall have a minimum AFUE (Annual Fuel Utilization Efficiency) rating of 96%. Oil fired boilers shall have a minimum AFUE of 89%. Gas furnaces shall have a minimum AFUE rating of 98%. Oil furnaces are not allowed. Heating systems shall be designed to utilize multiple smaller boilers as opposed to one large boiler. Central air conditioning shall have a minimum SEER (Seasonal Energy Efficiency Ratio) rating of **15** and a minimum EER (Energy Efficiency Ratio) of 12. The proposed use of electric heat will be reviewed on a case-by-case basis. New boilers shall be of cast iron, cast aluminum, or stainless steel construction with fin tube baseboard radiation or radiant heat design. All copper piping is to be Type L. All piping supports shall be metallic and sized for the specified pipe insulation. Cross Linked Polyethylene tubing (PEX) is allowed for domestic heat applications and in concrete floor slabs for closed loop heating lines. PEX used for heating applications shall be rated for temperatures up to 200 degrees F and shall have an oxygen barrier. No joints will be allowed when using PEX. The system shall include a supply manifold with shutoff valves and return manifold with balancing valves. All PEX lines shall be continuous runs from the manifold to the heating fixture. All PEX installations shall be performed in strict conformance to the manufacturer’s instructions.

Installers must have experience with projects of similar size and complexity and possess documentation proving successful completion of PEX plumbing installation training by the PEX manufacturer. All hydronic piping for heat shall be insulated to a minimum R-5. HVAC ducts, energy & heat recovery ducts and local exhaust ducts in conditioned spaces shall be insulated to a minimum R-6. HVAC ducts, energy & heat recovery ducts and local exhaust ducts in unconditioned spaces shall be insulated to a minimum R-8. All joints in duct work shall be sealed with mastic or by other approved methods as established in the International Mechanical Code. If a glycol based anti-freeze is used in the heating system, it must meet the boiler manufacturer's specifications. All duct work is to be rigid galvanized.

C. Mechanical whole house ventilation is required in all buildings, utilizing an engineered Energy Recovery or Heat Recovery ventilation system (ERV or HRV). Ventilation systems shall conform to the latest versions of ASHRAE 62.2 and 90.2 standards. ERV/HRV supply air grilles shall be located in a remote location away from the main living areas, such as in a hallway. Design shall indicate a separation of the supply and return locations at a minimum of twenty (20) feet. In the case of townhomes supply and return are to be on separate levels. Local exhaust is required in all bathrooms and kitchens. ERV's/HRV's shall not be used to meet the local exhaust requirement. Kitchen exhaust grilles must be separated from the range or cook top according to manufacturer's instructions to prevent grease buildup in the ductwork. When a ductless range hood is used, the kitchen exhaust fan shall be interconnected with the range hood so that it will operate whenever the range hood fan is switched on.

All exhaust fans, ERV's and HRV's shall be rated for continuous operation (this does not mean that they are to run continuously). They shall also be equipped with timers to allow intermittent use. Bath fans are to be interconnected with light and shall be equipped with a timer to allow the fan to operate in a delay mode when the light is shut off and shall have a maximum noise rating of 1.5 sones.

Minimum balanced ventilation requirements shall be 50 cfm for bathrooms and 100 cfm for kitchens.

Common corridors shall be provided with an outside air supply and exhaust system that is independent of other ventilation systems in the building. All supply and return ventilation ducts that open into common corridors shall be equipped with smoke dampers. If fire dampers are also required by code in these locations, then combination smoke/fire dampers may be used.

D. Exhaust fans in baths and kitchens shall be ducted to the exterior of the building. Exhaust ducts are not allowed to be terminated at the building soffits. When fans are ducted to a common duct within the dwelling unit first, the common exhaust duct shall be required to be mechanically exhausted to the exterior of the building. Common exhaust ducts for multiple dwelling units are not allowed. All ducting shall be of rigid galvanized or PVC material. Flex duct is discouraged, but up to four lineal feet per branch line will be permitted.

E. The use of alternative energy sources for heat and electricity (i.e. solar, wind, geothermal) shall be designed to supplement the primary conventional system.

Alternative systems shall be designed by a licensed engineer in the State of New Hampshire and have a maximum payback period of 15 years. If pellet boilers are used they shall be ASME certified.

F. It is recommended that boiler rooms have mechanical supply and exhaust ventilation designed by the mechanical engineer of record sufficient to control excessive heat buildup from equipment and piping.

G. Shutoff valves shall be provided on both sides of all circulator pumps.

H. All HVAC systems shall be properly sized for each building in a project using Air Conditioning Contractors of America (ACCA) Manual J calculations (or equivalent computer software computation procedure). The calculations shall be provided to the Owner and NHHFA along with the plans and specifications.

I. All HVAC ductwork shall be pressure tested prior to being enclosed in walls, soffits, etc. Pressure classifications shall be per the International Mechanical Code.

J. All HVAC system balancing is to be performed by a third party balancing contractor regularly engaged in balancing work and who shall be independent of the HVAC system installer. All balancing work shall be done in accordance with the procedures of the Associated Air balance Council (AABC) or the National Environmental Balancing Bureau (NEBB).

K. It is recommended that all projects with large HVAC systems (heating systems over 480 MBH or cooling systems over 600 MBH) be commissioned in order to ensure proper and efficient operation of system equipment.

HFA:111.23 ELECTRICAL SYSTEMS

Individual living units with two or more bedrooms are to have a minimum 100 AMP service disconnect.

A. Service entrance wiring and feeders rated at 100 amps or more may be copper or aluminum. All branch circuit wiring must be copper.

B. The bathroom ventilation system shall be interconnected with the bathroom light switch. (Refer to HFA:111.22 paragraph C above).

C. A receptacle outlet shall be provided at each telephone jack.

D. Wall switches shall be provided for the fan and light on all kitchen range hoods in all senior projects and accessible units.

E. All interior lighting fixtures shall meet or exceed Energy Star efficiency standards.

F. All dwelling units shall be wired for, and include, at least one combination horn/strobe fire alarm unit wired to the common alarm. In addition, the accessible units shall also have a strobe unit in each living space, bedroom and bathroom, wired to the dwelling unit smoke/heat detector.

G. Overhead or sconce type light fixtures shall be provided in all living areas and in closets with a floor area greater than 20 square feet. Switched outlets are not allowed.

H. Electric power shall be provided in the attic area to serve exhaust fans for the radon mitigation system should they be needed.

I. All dwelling units shall be provided with the capability for individual metering (meter sockets).

J. Large rocker type light switches are required throughout all accessible and senior dwelling units.

K. When emergency power generators are provided they shall be tested under a full load, including elevator operation. Test results shall be provided to the owner and NHHFA.

L. Emergency lighting shall be provided in all common area bathrooms.

M. Emergency power generators capable of providing power for all water and sewer pumps and related equipment shall be provided for all projects using non-public water, sewer and fire protection.

N. All appliances shall be Energy Star Listed if available.

HFA:111.24 VOC LIMITS

Use of the following low VOC (Volatile Organic Compound) building materials is required. Limits for VOC content have been established by the agencies listed.

Although hard surface flooring is recommended throughout the dwelling unit, if carpet is used it must have the Green Label Approval from the Carpet and Rug Institute.

Adhesives must meet the limits in the following table:

ADHESIVE	VOC LIMIT IN GRAMS/LITER (g/L)	REFERENCED STANDARD
Indoor Carpet Adhesive	50	South Coast Air Quality Rule 1168 – Adhesives (www.aqmd.gov)
Carpet Pad Adhesives	50	“
Outdoor Carpet Adhesives	150	“
Wood Flooring Adhesive	100	“
Rubber Floor Adhesives	60	“
Subfloor Adhesives	50	“
Ceramic Tile Adhesives	65	“
VCT & Asphalt Tile Adhesives	50	“
Drywall & Panel Adhesives	50	“
Cove Base Adhesives	50	“
Multipurpose Construction Adhesives	70	“
Structural Glazing Adhesives	100	“
Roof Membrane Adhesives	250	“
PVC Welding	510	“
CPVC Welding	490	“
ABS Welding	325	“
Plastic Cement Welding	250	“
Adhesive Primer For Plastic	550	“

Paints & Coatings must meet the limits in the following table:

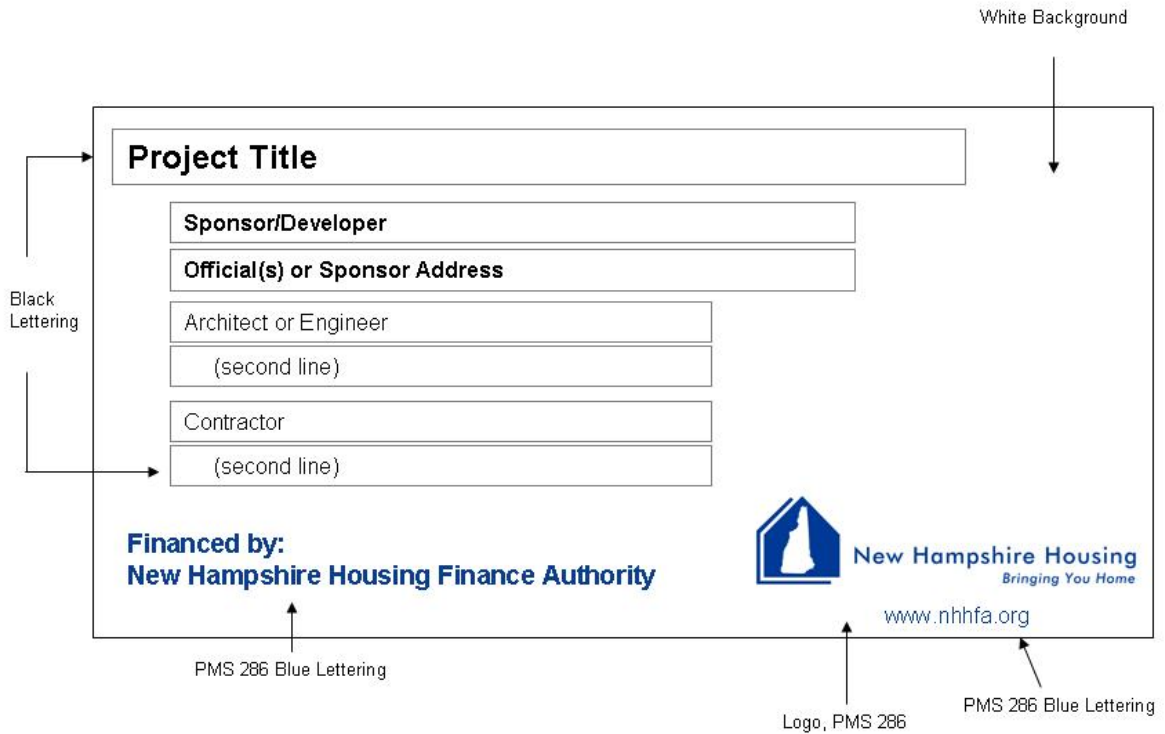
PAINT/COATING	VOC LIMITS IN GRAMS/LITER (g/L)	REFERENCED STANDARD
Flat Paint	50 g/L	Green Seal Standard GS-11 (www.greenseal.org)
Non-Flat Paint	150 g/L	“
Interior anti-corrosive or anti-rust paint	250 g/L	“
Clear Wood Finish - Varnish	350 g/L	South Coast Air Quality District Rule 1113 - Architectural Coatings (www.aqmd.gov)
Clear Wood Finish – Lacquer	550 g/L	“
Floor Coatings	100 g/L	“
Waterproofing Sealers	250 g/L	“
Sanding Sealers	275 g/L	“
All Other Sealers	200 g/L	“
Stains	250 g/L	“

Guidelines for Temporary Construction Signage for Authority-financed Projects

For projects in which New Hampshire Housing is:

The major funder (1st mortgage, tax credits or construction financing)

Signage should adhere to the following guidelines:



Sign Dimensions: 1200mm x 2400mm x 19mm (approx. 4' x 8' x 3/4")

Plywood Panel (APA Rated A-B Grade – Exterior)

Authority Logo with Tag image file may be obtained from New Hampshire Housing staff

One of multiple funders

Signage for the Project must include the Authority's logo, which may be obtained in electronic format from New Hampshire Housing. The following format should be used.



Logo color should be PMS 286. Image size should be commensurate with sign size and other funder logos.

If no logos are used in such signage, New Hampshire Housing's name should be included on the sign as a financing source for the Project. The name should be listed as:

New Hampshire Housing Finance Authority

New Hampshire Housing reserves the right of approval for any signage prior to its placement.

Housing Trust Fund 2017 Allocation Plan

APPENDIX D

**NEW HAMPSHIRE HOUSING UNDERWRITING AND
DEVELOPMENT POLICIES FOR MULTI-FAMILY
FINANCE**

Page intentionally blank

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
UNDERWRITING AND DEVELOPMENT POLICIES FOR MULTI-FAMILY FINANCE**

Purpose: These underwriting standards are intended to be an internal procedures document to assist New Hampshire Housing Finance Authority (“Authority”) staff in the evaluation and analysis of applications seeking a commitment of one or more Authority administered financing sources for the acquisition, rehabilitation, and/or new construction of affordable multi-family housing and related facilities.

*UNDERWRITING CRITERIA &
LOAN TERMS*

Type of Loans: The Authority offers permanent, deferred payment, construction, construction/permanent, energy efficiency and tax credit bridge loans. All loans must be in compliance with the program rules for the source of the loan proceeds as well as with the requirements of NH RSA 204-C.

Type of Projects: Multi-family living units which are newly constructed or substantially rehabilitated and acquisition financing for the purpose of preserving affordability. In general, the Authority will not provide financing for acquisitions only without a definitive rehabilitation, preservation or development plan.

Loan Amounts: No minimum for construction and permanent loans. Deferred payment loans from the Authority’s Capital Subsidy program are limited as follows:

- The lesser of \$50,000 per unit or \$1.5 million total for non age restricted projects using 9% LIHTCs; the lesser of \$45,000 per unit or \$1 million for age restricted 9% projects.
- A maximum of \$60,000 per unit for tax exempt bond financed projects using 4% LIHTCs, with no maximum overall dollar amount but limited by the availability of funds per the Authority’s program plan (i.e. annual funding budget).

In general, the maximum loan amount will be limited by the availability of the funding sources identified.

Term/Amortization Schedule: Permanent loans shall not exceed 40 years. In general, construction loans shall not exceed 24 months. Tax credit bridge loans are amortized in accordance with the scheduled capital

contributions of investor equity.

In general, deferred payment loans are non-amortizing. However, based on the financing requirements of a particular project, the Authority may charge and accrue interest on deferred payment loans. Deferred payment loans are due and payable in full at the expiration of the mortgage - typically 30 years. Repayment on deferred payment loans is made from available surplus cash, if any. In general, repayment will be required on an annual basis as a project is reviewed for regulatory compliance and it is determined through the project financial statements or audits that the project has produced surplus cash. This repayment will be based on a percent of the annual surplus cash (typically 25-50%) and will reduce the loan by the amount of accumulated payments resulting from surplus cash. Repayments will be applied first to accrued interest, if any.

**Recourse/Non-Recourse
Debt:**

Loans are non-recourse debt secured by a mortgage and security agreement.

Debt Coverage Ratio:

The forecasted initial year DCR shall be no less than 1.15. The DCR as estimated using the 15-year cash flow projection may not drop below 1.0 before year 13. Generally, the DCR should be no higher than 1.45 during the 15 year projection.

Any project with projected operating deficit during the 12 -15 year projection period may be required to provide additional funds to the capitalized Operating Reserve to cover the projected shortfall amount.

The lower limit of 1.0 in year 12 is more important than the upper limit of 1.45 in year 1, so if a higher DCR is necessary in order to keep the DCR above 1.0 in year 12, the project should be structured accordingly and no special permission or waiver is required for the initial year DCR being greater than 1.45.

In the case of a project supported by a long-term rent subsidy contract or other extenuating circumstance, the initial year DCR will be adjusted accordingly. A higher DCR may be used in cases of small or special use projects where there is higher than normal risk.

If a project has a higher-than-usual ratio of income to operating expenses (this is usually due to a market rate component that makes the project more dependent on debt and less dependent on tax credit equity) the forecasted year initial DCR may be as low as 1.10 provided that the 15-year cash flow projection shows the DCR increasing in every subsequent year.

As part of the subsidy layering analysis, the Authority will review the proposed DCR and the 15-year cash flow projection to ensure that a project receives no more capital subsidy or credit reservation than is necessary to make the project financially feasible.

Syndicators, investors, and lending institutions sometimes apply different underwriting criteria that have the effect of increasing the project's need for capital subsidy relative to the need when underwritten using the Authority's underwriting criteria. This can result in very high DCRs. If this is the case, and DCR exceeds 1.45 in year 1 *and* 1.15 in year 12, the developer/sponsor may be required to:

- Provide evidence of competitive solicitation for tax credit investment.
- Show efforts to obtain terms from other lending institutions that would not have required additional subsidy.

If the developer/sponsor chooses to work with a syndicator, investor, and/or lending institution that applies such stringent underwriting criteria that additional subsidy is necessary in spite of the availability of more favorable terms from other syndicators, investors, and lending institutions, the developer/sponsor may be required to provide that additional subsidy as a Developer Fee loan or a cash contribution to the project.

Loan to Value Ratio:

The maximum loan to value ratio shall be 90%, except for projects owned or sponsored by a non-profit or limited equity cooperative for which the maximum LTV shall be 95%. Non-amortizing or deferred payment loans may be excluded from the LTV calculation.

Interest Rates:

Interest rates and terms are set in accordance with Authority policy established for various funding programs. The Authority will commit to a maximum interest rate on the mortgage at the conclusion of a favorable project review and financial underwriting.

LOAN SECURITY

Security:

First Mortgage or First Leasehold Mortgage as security for all permanent and construction loans. Subordinate Mortgage or Subordinate Leasehold Mortgage as security for all subordinate loans. For projects involving low income housing tax credits, an Assignment of the Investor's Capital Contributions is to be provided as security for all permanent, construction and tax credit bridge loans. Construction loans will require additional security

in accordance with the Authority's Construction Loan Program for Rental Housing Program Rules (HFA:110).

All projects receiving financing must maintain income and rent targeting requirements in accordance with the respective financing program rules. Restrictions will be enforced by either one or a combination of the following agreements: Mortgage Regulatory Agreement, HOME or other Land Use Restriction Agreement, and Land Use Restriction Agreement for Low Income Housing Tax Credits.

PROFORMA REQUIREMENTS

Project Rents:

In most cases, maximum rents for a project are based on household income levels that are adjusted annually by HUD. In general, gross rents will be underwritten at the lower of: (a) 98% of maximum allowable tax credit rent; (b) 98% of maximum allowable HOME rents or (c) 90% of market rent in the area as determined by 3rd party reports, i.e. market study, rent comparability study, appraisal. The final determination of a market rent will be exclusively determined by the Authority.

For projects with a commitment of project based rental assistance provided by HUD's Office of Public and Indian Housing and administered by a Public Housing Authority or Housing Finance Authority, rent associated with units for which rental assistance is committed shall be underwritten using the payment standard set by the entity committing the rental assistance unless the permanent debt for the project is insured through the HUD Risk Sharing program in which case those units for which rental assistance is committed shall be underwritten using the lesser of: (a) the payment standard set by the entity committing the rental assistance, or (b) 98% of maximum allowable tax credit rent; or (c) 100% of market rent in the area as determined by 3rd party reports.

For preservation transactions where the existing affordable housing property has a Housing Assistance Payment (HAP) contract regulated by HUD's Office of Multifamily Housing, rent associated with units covered by the HAP contract will be underwritten at the lesser of: (a) the Gross Rent as determined in accordance with the applicable program rules; (b) 100% of market rent in the area as determined by 3rd party reports.

"Gross rent" for the purpose of underwriting includes contract rent and utility allowances but does not include any other fees.

The Authority reserves the right to review each project for unique conditions in order to ensure compliance with program rules.

Other Income:

In general, the Authority will not recognize other income in excess of 2% of the gross rental income unless adequately supported by market or other data.

Vacancy Rates:

In general, vacancy rates will be underwritten at 5%. Vacancy rates greater than or less than 5% may be used based on the risk analysis performed by the Authority. Vacancy rates may be adjusted for out years based on the expected maturing of a project. In no case will the vacancy rate be underwritten at less than 2% unless the property has a long- term rent subsidy contract.

Operating Expenses:

Project sponsors are required to submit operating expenses which have been reviewed as reasonable by the professional management agent who will be managing the project. The Authority will further determine the reasonableness of these expenses based on the Authority's experience with similar properties.

Income and Expense Trending:

Trending assumptions are based on historical information and projections for future changes and may vary by project type and location. Trending assumptions will necessarily require adjustment from time to time. Rent trending will reflect historic changes in median area incomes and local market conditions, but will typically not exceed 2% on an annual basis. Operating expenses will be trended at 3% throughout the projection period with the exception of property tax expense which may be trended at the same rate as income if the developer/sponsor confirms intent to opt for assessment under NH RSA 75:1-a. If evidence exists for a different rate of change for a specific expense category, such as a binding contract for services, then the developer should submit that information to the Authority for consideration.

Project income and expenses will be projected out a minimum of 15 years, and the project should be able to fund all operating expenses and debt service payments for at least a 12 year projection period utilizing the Authority's trending assumptions. Any project with projected operating deficit during the 12 -15 year projection period may be required to provide additional funds to the capitalized Operating Reserve to cover the projected shortfall amount.

DEVELOPMENT BUDGET

Construction Budget: The construction budget must reflect reasonable costs giving consideration to the scope of the project and market conditions.

In general, the construction hard cost contingency shall be no less than 5% of the construction amount for new construction projects and 10% for rehabilitation projects.

Soft Cost Budget: The Authority will review the soft cost budget to determine that the budget is both reasonable and adequate. Budget line items may be adjusted by the Authority to levels actually incurred by other similar projects financed by the Authority within the year prior to the sponsor's application, unless variances are satisfactorily justified by the sponsor.

Developer Fee: The Developer Fee is not a guaranteed or automatic budgetary figure and must be approved by the Authority within the context of each project. The fee will be strictly limited, and with all LIHTC projects, any violations of the developer certification of development cost forward to the IRS using IRS Form 8823.

For purposes of calculating the maximum developer fee allowed, the Authority does not distinguish between the developer fee and fees for consultants doing those tasks typically done by a developer, regardless of whether the developer/sponsor is a for-profit entity. "Consultant fees" counted as developer fee do not include normal professional fees such as architectural, engineering or appraisal fee.

Up to 33% of the Developer Fee, net of any developer fee loan, may be paid at construction loan closing with the balance held for payment until after construction completion. Modifications to this payment schedule may be made on a case-by-case basis to reflect specific requirements of a project's equity investor provided that, at the Authority's discretion, sufficient performance-based incentives are maintained to achieve timely construction completion, final closing and rent-up of the project.

Maximum Developer Fee Calculation:

1. The maximum fee in any case shall absolutely be 15% of total development costs.

2. Projects primarily related to acquisition, with renovation/new construction (including contingency) equaling less than 50% of total development costs not including land:

\$6,000 per unit.

3. Family projects (i.e. NOT age restricted):

\$21,000 per unit for first 10 units;
\$17,000 per unit for next 30 units;
\$14,000 for next 60 units;
\$6,000 per unit for any unit above 100.

4. Age restricted projects (senior designation):

\$19,000 per unit for first 10 units;
\$15,000 per unit for next 30 units;
\$13,000 per unit for next 60 units;
\$6,000 per unit for any unit above 100.

5. Projects financed through the issuance of tax-exempt bonds are eligible for a developer fee of 15% of the total development costs not including the developer fee; however, the difference between the developer fee that would have been otherwise allowed under this section and the developer fee calculated at 15% of total development cost must be loaned back to the project in the form of a Developer Fee Loan.

Builder's Fees

In total, Builder's Overhead, Profit, and General Conditions may not exceed 14% of the hard construction cost excluding bonds and building permits.

Where there is an identity of interest between the builder and developer, the sum of the Developer's Fee plus the Builder's Overhead, Profit, and General Conditions may not exceed 18% of the Total Development Cost.

Reserves:

In general, the Authority will hold all reserve and escrow accounts. The Authority may, in conjunction with the equity investor, allow the first mortgagee to hold some reserve and escrow accounts.

In most cases, the following reserves will be required to be funded no later than completion of construction:

Operating Reserve: In general, a minimum amount equal to four months of the project's annual operating budget, including debt

service, must be capitalized and held for the term of the mortgage loan.

Replacement Reserve: In general, a minimum amount equal to \$500 per unit per year must be capitalized for most project types. Additional reserves may be required based on an Authority commissioned Capital Needs Assessment (CNA) or other analysis completed on the property. In general, the annual rate of deposits will increase by 3% annually.

Rent-up Reserve: The sponsor is required to submit an absorption schedule detailing the estimated amount of the Rent-up Reserve to be capitalized. The Rent-up Reserve shall fund marketing, operating, and debt service deficits during the lease-up period. For new housing units, a market study will be relied upon to help determine the projected lease-up period. The reserve shall remain in effect until three consecutive months of stabilized occupancy are achieved. Any remaining funds in the Rent-up Reserve after three consecutive months of stabilized occupancy are achieved shall be used to pay down the balance of any Authority deferred payment loan or remitted to the Replacement Reserve in the absence of a deferred payment loan.

Insurance Escrow: An amount equal to one full year's property and liability insurance premium meeting the Authority's requirements will be escrowed at loan closing. The necessary construction period insurance premium shall be paid in full at loan closing. The Authority will be named as loss payee on all policies. Other types of insurance will be required as the Authority deems necessary.

Real Estate Tax Escrow: At loan closing sufficient funds shall be escrowed to pay the estimated amount of real estate taxes at the next billing date, less any amounts estimated to be escrowed for real estate tax payment from rental receipts for the period between the closing and the real estate tax billing date.

DEVELOPMENT TEAM REQUIREMENTS

Developer/Owner:

The Authority requires that the developer/owner demonstrate sufficient previous experience in the development of projects of similar scale and complexity to the proposed project. The Authority requires resumes for all members of the development team. The Authority, in its sole discretion, may require the developer/owner to include a qualified development consultant as

part of the development team.

The developer/owner must possess a satisfactory credit history and adequate financial capacity to complete and own the project. The Authority will require tax returns and financial statements for the previous three years (preferably audited and/or prepared by a CPA).

Limited Partner: The Authority requires approval of a Limited Partner who acquires or holds an interest of 25% or more in the Partnership.

General Contractor/CM: The General Contractor (GC)/ Construction Manager (CM) shall be selected in a method consistent with the New Hampshire Housing Finance Authority Design and Construction Standards (HFA:111).

Architect: The architect must be licensed and registered in the State of New Hampshire and must meet all the requirements of HFA:111.

Management Agent: The management agent must have demonstrated experience with the management of subsidized housing and be acceptable to the Authority. The Authority must also approve the Management Agreement, Management Plan, Tenant Selection Plan, Affirmative Fair Housing Marketing Plan, and Lease or Occupancy Agreement.

Clerk of the Works: The Authority recognizes the importance of an Owner's Representative to monitor project construction. If requested by the Developer/Owner, the Authority may, at its discretion, approve the inclusion of a Clerk of the Works in the development team, and a corresponding line-item expense in the development budget.

The Clerk of the Works must demonstrate extensive construction experience, and must be familiar with current industry standards, materials, and methods. The Clerk's salary shall not exceed prevailing industry wage rates for this position.

Employees of the Sponsor/Developer or Management Agent may not be charged to the project or paid for out of project resources for construction oversight.

GENERAL REVIEW REQUIREMENTS

Appraisal: Acquisition costs which exceed the appraised value are generally not eligible to be financed except under extenuating circumstances which must be stated in writing as part of the application. The

appraisal must comply with all requirements of the Uniform Standards for Professional Appraisal Practice (USPAP). In general, when the Authority provides permanent financing, the Authority will commission all appraisal reports. If a third party is providing permanent financing, the Authority may rely on appraisal reports commissioned by the permanent lender, provided that the Authority is listed as an interested party or intended user.

Environmental:

A satisfactory Phase 1 environmental report is required as defined in the most recent edition of the ASTM Standard Practice for Environmental Site Assessments - Phase I. If hazardous conditions exist, the Authority will require an adequate mitigation plan and budget to cure such conditions. Older buildings planned for renovation should have asbestos and certified lead testing completed (unless a total renovation is planned). In general, environmental reports should be commissioned by the developer/sponsor. For HUD programs subject to 24 CFR Part 58 environmental review procedures, additional documentation will be required to complete the environmental review record, including, but not limited to, historical inventory form and archaeological study.

Floodplain Development:

The Authority will not fund projects proposed in the 100 year floodplain, except in situations where a portion of a site not containing the housing is in the floodplain but will remain either undisturbed or used as recreation, or existing buildings where all residential access and living/mechanical areas will be above the 100 year flood elevation.

Site Survey:

A site survey, performed by a New Hampshire licensed land surveyor, is required for all properties. The survey and survey affidavit must meet all requirements necessary to remove the survey exception from the title insurance policy for the property.

Market Study:

An independent, comprehensive, and professional market study will be required for projects that receive LIHTCs for the production of new housing units. The market study should be commissioned by the developer and should be performed by one of the approved providers listed on the NHHFA website. At a minimum, the market study shall meet the Authority's Market Study Requirements.

The Authority may require the completion of an independent market study meeting the requirements described above for the refinancing and/or resyndication of existing affordable properties depending on such factors as historical vacancy information and

current and proposed rents. Generally, a market study will be required unless an existing project can show that it has experienced vacancy of less than 7% of housing units over the most recent three years, charging rents that comply with current underwriting standards.

The Authority may require the completion of an independent market study meeting the requirements described above for the production of new housing units receiving financing under programs other than LIHTC.

For NH Housing purposes, the date of the site inspection is the effective date of the report. The effective date must be obviously stated on the cover page or in the Executive Summary section of the report. For a market study with an effective date that is 6 to 24 months old at the time of submission, if there are no material changes to the development and/or market, the analyst can provide a letter stating “No material changes since last report dated...” If there are material changes, the market study must be updated to include detailed discussion about those changes. No market study greater than 24 months old will be accepted, meaning a site inspection by the market analyst must occur within 24 months of NH Housing application deadline.

For projects receiving Authority financing to address the housing needs of individuals with special needs, the Authority may at its sole discretion accept other methods of establishing the market for a proposed project such as a current waiting list for a similar project and population or recent independent studies or reports documenting the need for the proposed project.

The Authority may require additional market and rent analysis above and beyond the requirements described to be commissioned at developer/sponsor expense if determined by staff to be necessary for project underwriting, or if required by other parties such as loan placement or insurance parties.

Rehabilitation/Construction

Risk Management:

The Authority must review and approve all plans and specifications in accordance with HFA:111. The Authority will require a CNA prior to review of a project application in order to help determine the necessary scope of work to be completed. The Authority may also require an energy audit.

*OTHER AUTHORITY
POLICIES & BUSINESS
TERMS*

**Anti-Displacement and
Relocation Policy:**

Involuntary permanent displacement of tenants is strongly discouraged. The Authority reserves the right to reject any application that fails to minimize permanent displacement of tenants. Any proposed temporary and permanent relocation of tenants should generally meet standards equivalent to the federal Uniform Relocation Act (URA). Projects using federal funding resources such as HOME must fully comply with the URA. Because of tenant noticing requirements, it is essential that a relocation plan be submitted at the time of application for funding if any temporary or permanent relocation is anticipated.

Tenant Selection Policy:

Any project financed in whole or in part with Authority funds, or other federal resources, shall not provide a preference for selecting residents from a specific community or group of communities.

Special Needs Housing:

The Authority will review all financing applications in accordance with the Authority's Special Needs Housing Program Rules (HFA:112). In addition to the Authority's minimum underwriting standards imposed herein, analysis will also include, but not be limited to, review of the service provider and its capacity to provide both financial and program services to the proposed project. The Authority will also review the social programs necessary to support the tenants for the proposed project.

Distributions:

Authority financed projects may require a limitation on distributions to the borrower depending on such considerations as project management, physical and financial condition of the project and the presence of deferred payment loans or subsidy. The annual distribution to a borrower will be established in accordance with rules established by the Authority (reference HFA:204).

Surplus Cash:

See HFA:204 for definitions and method for calculating Surplus Cash.

In general, the Authority will impose additional stipulations on surplus cash when it provides a subordinate or deferred payment loan. An interim repayment provision will be required on an annual basis as a project is reviewed for regulatory compliance and it is determined through the project financial statements or audits that the project has produced surplus cash. This repayment will be

based on a percent of the annual surplus cash (typically 25-50%) and will reduce the loan by the amount of accumulated payments resulting from surplus cash. Repayments will be applied first to accrued interest, if any.

Investor Servicing Fees: The Authority must approve all Investor Servicing Fees as reasonable. In general, Investor Servicing Fees, if approved as reasonable at the sole discretion of the Authority, shall be included in the operating budget as an annual operating expense of the project. On a case-by-case basis, the Authority may allow a reasonable Investor Servicing Fee reserve to be capitalized at permanent closing.

Developer Fee Loans: In general, the Authority will not allow developer fee loans to exceed 50% of the maximum developer fee allowed as determined at project funding commitment. The Authority will not allow interest rates to be charged on Developer Fee Loans. Developer Fee Loans may be paid from available Surplus Cash in priority to any Authority Deferred Payment Loan. The 15-year cash flow projection included in the application must show the Developer Fee Loan being paid off completely in ten years or less.

Seller/Sponsor Loans: A Sponsor/Seller Loan means a loan independent of any Developer Fee Loan provided by the developer/General Partner of a project that is receiving Authority financing. Sponsor/Seller Loans generally take the form of cash provided to the project by the Sponsor that is then repaid over time according to procedures defined in recorded project regulatory documents and consistent with applicable program rules and Authority policy. If a Seller/Sponsor loan takes some form other than cash, the value represented as the principal of the loan must be an eligible cost in the development budget as approved by the Authority.

Seller/sponsor loans are permitted as amortizing and/or deferred payment loans. Interest rates may be permitted on such notes with Authority approval; however may not exceed the lesser of the 10-year Treasury Note Rate plus 250 basis points or the rate on the long-term amortizing debt. Payments made towards principal and/or interest on deferred payment Seller/Sponsor loans may only be paid from Surplus Cash in relative proportion to the size of each deferred payment loan at origination. Seller/Sponsor and other non-amortizing loans from other sources including the Authority will generally be repaid from 50% of Surplus Cash.

If the source of funds for deferred payment loan is the Authority's Operating Fund, no interest may be charged on Seller Notes.

LIHTC Equity: On all LIHTC projects that receive Authority financing, the Authority will require that at least 20% of the Limited Partner's LIHTC equity be made available during the construction period.

Holdbacks: In general, the Authority will hold back 10% of its capital subsidy amount until substantial construction completion.

FEES & CHARGES have been removed from the Underwriting Policy. Please refer to the Authority's program-specific term sheets for commitment fees, origination fees, monitoring fees, and application fees.

APPENDIX E

GEOGRAPHIC ANALYSIS OF DEVELOPMENT COSTS

Page intentionally blank

Construction Cost Analysis March 3, 2016 comparing development costs of Clough Farm, Salem, NH, Conway Pines I, Conway NH, Salmon Brook, Nashua NH, and Conway Pines II, Conway, NH.

Both Nashua and Salem are located in southern New Hampshire on the border with Massachusetts, and Conway is in northeastern New Hampshire near the border with Maine.

Clough Farm vs. Conway Pines I

These projects were selected because:

- Both were designed by the same architect, Burnell-Johnson.
- Both were built by the same general contractor, Gary Chicoine Construction Corp.
- Both are three story, thirty-two unit buildings. Both buildings have twenty three 2 bedroom units. Additionally, Clough Farm has nine 1 bedroom units, and Conway Pines I has six 1 bedroom units and three 3 bedroom units.
- They have similar square footages, 37,384 square feet and 41, 023 square feet respectively.
- They were built within a relatively close timeframe.

Salmon Brook vs. Conway Pines II

These projects were selected for comparison because:

- Both buildings are 3 stories high and about the same size, 29,430 square feet vs 30, 292 square feet.
- Salmon Brook has 31 units and Conway Pines II has 30 units. Salmon Brook has 31 units, all 1 bedroom, and Conway Pines II has 24 1 bedroom units and 6 2 bedroom units.
- Both projects had similar start and end dates.
- The Salmon Brook architect was David White, and the general contractor is North Branch Construction. The Conway Pines II architect is Burnell- Johnson, and the general contractor is Gary Chicoine Construction Corp.

Excluding or compensating for unique features such as on-site electricity generation via PVCs, geothermal heating and cooling, and non-mandatory change order upgrades, development costs did not deviate significantly project to project. Analysis follows.

Construction Cost Analysis - Clough Farm & Conway Pines 1

1-Mar-16

	A	B	C=A-B
Trade	Clough Farm	Conway Pines 1	Variance
3 Concrete	120,008	116,091	3,917
4 Masonry	-	-	-
5 Metals	19,776	19,334	442
6 Carpentry	575,285	545,074	30,211
7 Waterproofing	-	-	-
7 Insulation	73,855	69,811	4,044
7 Roofing	51,518	50,012	1,506
7 Siding	68,576	82,763	(14,187)
8 Doors	119,515	123,367	(3,852)
8 Windows	48,377	39,633	8,744
9 Drywall	179,775	164,300	15,475
9 Acoustical Ceilings	5,155	7,070	(1,915)
9 Flooring	96,486	99,583	(3,097)
9 Paint & Decorating	72,967	76,744	(3,777)
10 Specialties	22,048	21,217	831
10 Sign Allowance	-	15,000	(15,000)
11 Cabinets	79,238	94,207	(14,969)
11 Appliances	42,917	58,885	(15,968)
12 Blinds & Shades	7,397	9,434	(2,037)
14 Elevators	65,184	66,727	(1,543)
15 Sprinkler	79,598	84,800	(5,202)
15 Plumbing & Hot Water	306,675	332,890	(26,215)
15 HVAC	396,562	252,230	144,332
15 Geothermal	-	509,034	(509,034)
16 Electrical	375,722	370,894	4,828
alt. Solar Photovoltaic	-	190,155	(190,155)
alt. Cast Underlayment	22,805	-	22,805
alt. Video Surveillance	7,590	-	7,590
alt. Solid Surface Sills	25,978	-	25,978
alt. VCT in Community Room	3,202	-	3,202
alt. 400' of 8" Water Pipe	19,800	-	19,800
alt. Wood Base - Comm. Rm.	2,973	-	2,973
Accessory Buildings	-	-	-
Other/Misc	-	-	-
Subtotal Structural	2,888,982	3,399,255	(510,273)
2 Demolition	-	-	-
2 Earth Work	72,967	178,947	(105,980)
2 Site Utilities	84,916	146,317	(61,401)
2 Roads & Walks	118,386	46,909	71,477
2 Site Improvement	6,873	8,892	(2,019)
2 Lawns & Planting	77,058	42,400	34,658

	A	B	C=A-B
Trade	Clough	Conway	Variance
	Farm	Pines 1	
2 Unusual Site Conditions	-	-	-
2 Off-site Site Work	-	418,406	(418,406)
Subtotal Site Work	360,200	841,871	(481,671)
Total Improvements	3,249,182	4,241,126	(991,944)
General Conditions*	231,164	207,600	23,564
TOTAL	3,480,346	4,448,726	(968,380)
Builders Overhead	included above	included above	
Builders Profit	included above	included above	
			-
			-
Excludes Change Orders	913,986	148,879	765,107

* final cleaning and the bond cost is included in General Conditions

	A	B	A-B
	Clough Farm	Conway Pines 1	Variance
A TOTAL COST BEFORE CHANGE ORDERS	3,480,346.00	4,448,726.00	
ADJUSTMENTS:			
15 Geothermal HVAC System	-	(509,034.00)	
15 Traditional HVAC (\$4.50/sf added)	-	184,603.50	
alt. Solar Photovoltaic	-	(190,155.00)	
alt. Cast Underlayment	(22,805.00)	-	
alt. Video Surveillance	(7,590.00)	-	
alt. Solid Surface Sills	(25,978.00)	-	
alt. VCT in Community Room	(3,202.00)	-	
alt. 400' of 8" Water Pipe	(19,800.00)	-	
alt. Wood Base - Comm. Rm.	(2,973.00)	-	
Site Work	(360,200.00)	(841,871.00)	
B ADJUSTMENT TOTAL	(442,548.00)	(1,356,456.50)	
A+B ADJUSTED TOTAL	3,037,798.00	3,092,269.50	(54,471.50)

ADJUSTED TOTAL	3,037,798.00	3,092,269.50	(54,471.50)
Gross Square Feet	37,384.00	41,023.00	
\$/Square Foot	\$ 81.26	\$ 75.38	5.88
Units	32.00	32.00	
\$/Unit	\$ 94,931.19	\$ 96,633.42	(1,702.23)
Total Bedrooms	55.00	61.00	
\$/Bedroom	\$ 55,232.69	\$ 50,692.94	4,539.75

A+B ADJUSTED TOTAL	3,037,798.00	3,092,269.50	
Add 1 year of inflation (2012 - 2013) @ 1.75%	-	54,114.72	
TOTAL ADJUSTED FOR INFLATION	3,037,798.00	3,146,384.22	
Gross Square Feet	37,384.00	41,023.00	
\$/Square Foot	\$ 81.26	\$ 76.70	4.56
Units	32.00	32.00	
\$/Unit	\$ 94,931.19	\$ 98,324.51	(3,393.32)
Total Bedrooms	55.00	61.00	
\$/Bedroom	\$ 55,232.69	\$ 51,580.07	3,652.62

Construction Cost Analysis - Salmon Brook & Conway Pines 2

3-Mar-16

	A	B	C=A-B	
Trade	Salmon Brook	Conway Pines 2	Variance	Comments
3 Concrete	99,220	113,144	(13,924)	
4 Masonry	-	-	-	
5 Metals	6,150	27,136	(20,986)	The majority of the variance is attributable to the 30 sets of metal deck railings. Each unit at Conway Pines has a deck and Salmon Brook units do not.
6 Carpentry	491,694	570,529	(78,835)	Partial explanation - CP has 30 exterior decks which are part of the carpentry package. SB does not have any. Much of the aforementioned is negated by the interior partitions. SB is utilizing wood interior partitions, which are part of the carpentry package. CP is utilizing metal stud interior partitions, which are part of the drywall package.
7 Insulation & Caulking	59,680	71,053	(11,373)	
7 Roofing & Siding	148,900	132,512	16,388	
8 Doors	83,467	113,674	(30,207)	\$12,000 of the variance is due to the exterior doors that access the decks. \$6,000 is due to more doors in the CP units.
8 Windows	90,750	47,296	43,454	SB has more mulled windows, but that only accounts for about \$10,000.
9 Drywall	168,450	233,218	(64,768)	Partial explanation - CP utilizes double stud demising walls and SB utilizes single stud walls. CP is using metal interior studs, which are part of the drywall package. SB is using wood interior studs, which are part of the carpentry package.
9 Acoustical Ceilings	6,920	8,586	(1,666)	

9	Flooring	81,500	134,702	(53,202)	Partial explanation - The specification level is a little higher at CP. CP is using carpet tile in common areas; SB is using carpet. CP is using sheet vinyl in kitchens and baths; SB is using standard VCT. CP is using vinyl stair treads; SB is using carpet.
9	Painting	60,000	46,725	13,275	
10	Specialties	23,211	20,681	2,530	
10	Sign Allowance	-	10,000	(10,000)	
11	Cabinets	106,409	128,457	(22,048)	The kitchen and bath layouts are quite similar. The only significant difference is that the CP cabinets are specified to meet severe or extreme use specifications.
11	Appliances	68,271	52,168	16,103	
12	Blinds & Shades	7,294	4,621	2,673	
14	Elevators	68,860	83,328	(14,468)	
15	Sprinkler	60,000	79,538	(19,538)	
15	Plumbing & Hot Water	228,500	264,674	(36,174)	Both projects are very similar and have 1 bathroom per unit. The only major difference is in laundry rooms. CP has 3 of them; SB has 1.
15	HVAC	325,800	395,350	(69,550)	Partial explanation - CP units will have "room" air conditioning. SB units will not be air conditioned. The common halls at CP are being air conditioned. The common halls at SB are not being air conditioned. CP is using a little better ERV system than SB.
16	Electrical	324,600	342,329	(17,729)	
all.	Electric Hook-up Fees	10,000	30,000	(20,000)	Both projects have 3 phase power and have similar service lengths. I am not sure why the numbers vary so much.
all.	Shed/Gazebo	6,300	10,000	(3,700)	
	Accessory Buildings	-	-	-	
	Other/Misc	-	-	-	
	Subtotal Structural	2,525,976	2,919,721	(393,745)	
2	Demolition	-	-	-	

2 Earth Work	130,362	198,739	(68,377)	Sites are difficult to compare. I believe most of the variance is due to the difference in the scopes of work.
2 Site Utilities	161,600	123,910	37,690	Sites are difficult to compare. I believe most of the variance is due to the difference in the scopes of work.
2 Roads & Walks	170,650	146,632	24,018	Sites are difficult to compare. I believe most of the variance is due to the difference in the scopes of work.
2 Site Improvement	20,800	21,295	(495)	
2 Lawns & Planting	22,070	71,437	(49,367)	A \$40,000 tree replacement allowance has been included at CP. My understanding is that the town is very strict on saving/replacing trees.
2 Unusual Site Conditions	-	-	-	
2 Off-site Site Work	-	-	-	
Subtotal Site Work	505,482	562,013	(56,531)	
Total Improvements	3,031,458	3,481,734	(450,276)	
General Conditions	415,542	249,254	166,288	Most of General Conditions is based on the length of time the project takes to build. The schedule for SB shows 9 months, and the schedule for CP shows 12 months. If anything I would think the General Conditions would be higher at CP.
TOTAL	3,447,000	3,730,988	(283,988)	
Builders Overhead	included above	included above		
Builders Profit	included above	included above		

Excludes Change Orders

	A	B	A-B
	Salmon Brook	Conway Pines 2	Variance
TOTAL COST BEFORE CHANGE ORDERS	3,447,000.00	3,730,988.00	(283,988.00)
Gross Square Feet	29,430.00	30,292.00	
\$/Square Foot	\$ 117.13	\$ 123.17	(6.04)
Units	31.00	30.00	
\$/Unit	\$ 111,193.55	\$ 124,366.27	(13,172.72)
Total Bedrooms	31.00	36.00	
\$/Bedroom	\$ 111,193.55	\$ 103,638.56	7,554.99