

**ANNUAL REPORT  
FOR FISCAL YEAR 2017**



New Hampshire  
Housing



**N**ew Hampshire's economy remains strong and our state continues to be a desirable place to live and work. These positive qualities contribute to New Hampshire's success. They have also created strong demand for housing and a housing market that can be challenging for many residents of the state.

Over the past year, New Hampshire's housing market continued its recent pattern: a relatively low inventory of homes for sale, particularly in the entry-level range; higher prices for homes that are for sale; and a rental market that has low vacancy rates and increasing rents.

In response to the demand for adequate affordable housing in all regions of the state, New Hampshire Housing Finance Authority (NHHFA) provides services and programs designed to address our citizens' varied housing needs. For more than 40 years, as a self-supporting public benefit corporation, the Authority has promoted, financed and supported affordable housing. Through initiatives that expand homeownership opportunities, help to create new high-quality multi-family housing, and provide direct assistance to our most vulnerable citizens, we encourage and support the economic and community development of our state.

Business leaders and public officials rely on New Hampshire Housing as a leading and trusted resource for housing research and

data analysis. Our staff offers technical assistance and guidance to municipalities in developing land use policies that promote diverse housing options. We support local organizations engaged in efforts to expand the supply of housing available in our communities.

Housing is an important part of our economy. These statistics speak to the impact of New Hampshire Housing's investment in the state's infrastructure: we have helped more than 43,000 families purchase their own home; supported the creation of more than 14,000 quality rental units; and provided direct housing assistance annually to thousands in need in our state. Through these activities, New Hampshire Housing contributes more than \$700 million to the state's economy annually through jobs and investments.

Addressing the need for a balanced and adequate supply of housing requires an ongoing commitment from both the public and private sectors. Having a range of housing choices supports a strong and growing economy. New Hampshire Housing remains committed to these important goals.

On behalf of the Board of Directors and the staff of New Hampshire Housing Finance Authority, I am pleased to present our Annual Report for Fiscal Year 2017.

**Dean J. Christon**  
*Executive Director & CEO*

Westmill, a new 26-unit apartment building in downtown Keene for seniors developed by Southwestern Community Services, opened in the spring. It was primarily funded by an allocation of federal Low Income Housing Tax Credits.

Gail Sweeney showed off her Westmill apartment during an open house in June.



### Economic impact of New Hampshire Housing's programs

- Contributes over \$700 million in economic activity to the state annually
- Increases availability of affordable workforce housing around the state
- Creates and supports jobs in construction, real estate and lending
- Supports job growth and business growth by expanding availability of affordable housing



New Hampshire Housing finances the rehabilitation of multi-family developments, as well as new construction. These apartments in Berlin were renovated in FY17.



**N**ew Hampshire Housing works with a statewide network of dedicated lenders and real estate professionals to offer mortgage loan programs for home purchases, refinancing and purchase-rehab. Primarily used by moderate-income homebuyers, our programs include features such as downpayment and closing cost assistance, discounted or no mortgage insurance options, and funds for the rehabilitation of a purchased home.

Since inception, our programs have helped more than 43,000 families purchase their own homes. This fiscal year, we made over 1,400 loans, totaling nearly \$270 million.

Through the Home *Flex* and Home *Flex Plus* loan programs, borrowers have access to government-insured single-family mortgages. Through Home *Flex Plus*, borrowers have the option to access cash grants for downpayment and closing costs. The Federal Housing Administration allows housing finance agencies such as New Hampshire Housing to provide this option to help borrowers overcome barriers to homeownership. We are the only source in the state for this type of mortgage loan, which is our most popular loan product.

*Together, NHHFA's mortgage programs helped almost 2,000 households purchase a home in FY 2017, accounting for about 10% of all home purchases in the state.*

Another loan that is appealing to some homebuyers is our “fixer-upper” purchase-rehab loan. It allows borrowers to include up to \$35,000 for property renovation costs in their mortgage. These types of loans help preserve affordable housing stock.

New Hampshire Housing also offers the federal Homebuyer Tax Credit Program (known as the Mortgage Credit Certificate, or MCC), which provides homebuyers with an annual federal tax credit of up to \$2,000 for their home as long as it's their primary residence. In FY17, more than 860 borrowers took advantage of the program.

### ACCESSIBILITY PILOT PROGRAM GRANT

This year, Granite State Independent Living (GSIL) was awarded \$250,000 by New Hampshire Housing to use over a two-year period to greatly expand an Accessibility Pilot Program for homeowners with disabilities. Modifications not only increase self-sufficiency, but also increase the owner's overall safety and ability to independently access their home and community.

These new funds will allow GSIL to expand the scope of its current efforts in providing accessible home modifications. This larger scope of home modifications includes ramps, stair glides, door-widening, and bathroom and kitchen modifications to improve accessibility.

▶  
*Rick Black stands with Merrimack Mortgage's Renee Duval in front of Black's 2-family home in Manchester, which was purchased through a New Hampshire Housing homebuyer program.*

*New Hampshire Housing sponsored free Homebuyer Fairs in Manchester, Portsmouth and Littleton in the spring. Seminars on homeownership were offered, and real estate and mortgage loan professionals met with prospective homebuyers.*



**GoNewHampshireHousing.com**

*is our website for homebuyers, lenders and real estate professionals to learn more about New Hampshire Housing loan products and to find educational resources.*



Cheryl Senter Photography

“The MCC tax program has been a great benefit to us. It has helped lower our tax liability and increased our refund. We made the decision early on to set that money aside for home repairs...It has also helped me learn more about property taxes and mortgage insurance.”

– The Kuhn Family, Manchester



Cheryl Senter Photography

### **Mortgage Credit Certificate (MCC)**

An FY17 New Hampshire Housing survey of mortgage tax credit recipients found that the program met or exceeded their expectations, and many noted how important the credit has been in helping them meet household expenses and repairs to their homes. The MCC enables homebuyer recipients to receive an average tax credit value between \$1,700 - \$2,000 each year they own their home. There has been an estimated \$5 million in tax credit benefits to New Hampshire homeowners since the program began in 2012.

# HOMEOWNERSHIP



## ▲ **Our Top 10 Homeownership Partners**

Recognizing their importance to our borrowers, New Hampshire Housing in April acknowledged our top 10 lenders, loan originators, and real estate professionals for their dedication in helping homebuyers find affordable homes and loans through New Hampshire Housing.

## **HOMEOWNERSHIP FELLOWS**

Our third Homeownership Fellows program graduated 10 Granite State mortgage industry professionals in June. Fellows have a unique opportunity to explore the issues and challenges of the mortgage finance system. They participate in sessions about housing and public policy, housing and economic development, state government issues, and New Hampshire Housing's mission to support affordable housing in the Granite State. A highlight of the fellowship is meeting with members of New Hampshire's Congressional delegation while in Washington, D.C., and discussing issues with representatives from Fannie Mae, the Federal Housing Administration, USDA Rural Development and other federal agencies.

## **HOMEOWNERSHIP EDUCATION AND COUNSELING**

Our extensive experience with first-time homebuyers underscores the importance of education and counseling to successful homeownership. New Hampshire Housing provided more than \$600,000 in grants to three regional housing counseling agencies as well as 2-1-1 NH (a Granite United Way program).

Funds supported pre- and post-purchase counseling, including foreclosure counseling; outreach, including focused marketing for education and counseling; and intake and referral services.

- **Number of people counseled: 2,000+**
- **Number of counseling positions supported: 12**
- **Over 700 pre-purchase households received information on New Hampshire Housing programs**
- **Three regional homebuyer fairs drew more than 300 prospective homebuyers and 70 exhibitors**

## ***New Hampshire Housing FY17 Homeownership Loans***

- **Total Loans: 1,417**
- **Average Loan: \$190,350**
- **Average Income: \$68,000**
- **Average Borrower Age: 36**
- **Average Family Size: 2.41 people**

*Total Amount of Loans:*  
**\$270 million**

**\$4.1 million**  
**in cash grants**

for downpayment assistance  
through Home Flex Plus program





One of the key roles of New Hampshire Housing is to stimulate and support the availability of multi-family housing throughout the state. Our Management and Development Division manages the financing of new multi-family rental unit construction, as well as the refinancing and recapitalizing of existing properties to preserve affordable housing units. In FY17, over 600 new units were financed and 304 units were preserved, of which 69% were senior housing units.

NHHFA programs also address special needs housing, such as transitional housing, along with housing for veterans, persons with substance use disorders, and women/children in crisis.

An important tool for financing these projects is the federal Low Income Housing Tax Credit Program (LIHTC), which leverages investment in housing development. As the state's LIHTC administrator, New Hampshire Housing reviews developers' proposals and allocates tax credits based on funding and the percentage of units designated for low- and moderate-income families. Developers finance project construction by selling their tax credits to investors, who in turn receive a tax benefit over a 10-year period. In FY17, six projects were funded with LIHTC for a total of 199 units in NH. LIHTC brings more than \$30 million in private capital to the state annually.

### LEAD HAZARD ABATEMENT

New Hampshire Housing offers lead hazard reduction funds and Healthy Homes intervention funds to single-family

and multi-family owners. These federal HUD grant funds focus on the abatement of hazardous lead paint from homes and apartments where a child under the age of six resides. Funding priority is given to units with documented cases of children with elevated blood lead levels.

*Through the program in FY17, there were:*

- *271 inspections*
- *228 units remediated of lead*
- *528 contractors trained in safe work practices*
- *3,842 free blood lead level screenings for children*
- *225 attendees at our Healthy Homes conference*
- *148 community outreach and education events*

### PERFORMANCE BASED CONTRACT ADMINISTRATION (PBCA)

While New Hampshire Housing does not own residential properties, it does oversee properties that receive federal Housing Assistance Payments.

In FY17, there were 142 projects under PBCA contract with a total of 5,416 units. We processed \$57 million in PBCA funds, with 4,024 units serving elderly and disabled households.



**LIHTC Investment in Bristol.** The \$600,000 in tax credit funding for the Newfound River Apartments in Bristol will generate \$5.8 million in private equity investment. The housing tax credits leverage a public-private investment to create and preserve affordable rental housing construction, and boost economic development and job creation in New Hampshire.

## FY17 MULTI-FAMILY PROJECT COMMITMENTS

Project Name	Location	# of units	Type
Boulder Point Veterans' Housing	Plymouth	30 Special Needs	New
Bradley Commons	Dover	39 General Occupancy	New
Bridgeview Apartments	Pittsfield	24 General Occupancy	Preservation
FIT Manchester Recovery Housing	Manchester	12 Special Needs	New
Gilford Village Knolls Phase III	Gilford	24 Age Restricted	New
Homestead House at the Meeting Place	Exeter	28 General Occupancy	New
Londonderry Townhomes Phase II	Londonderry	33 General Occupancy	New
Mystic Brook Knoll	Goffstown	50 General Occupancy	Preservation
Newfound River Apartments	Bristol	32 General Occupancy	Preservation
Northfield Village	Northfield	36 Age Restricted	Preservation
Parkhurst Apartments	Lebanon	18 General Occupancy	Rehabilitation
Pillsbury Square	Derry	28 Age Restricted	Preservation
Rolling Green Village	Pittsfield	40 Age Restricted	Preservation
Safe Spaces	Concord	21 Special Needs	New
Settlers Ridge Apartments	Atkinson	26 Age Restricted	Preservation
Snowbrook	Winchester	20 General Occupancy	Preservation
Sunrise House	Laconia	18 Age Restricted	New
Three Meeting Place	Exeter	43 General Occupancy	New
Wentworth Place Apartments	Merrimack	80 Age Restricted	Preservation
<b>Total number of units committed/financed</b>		<b>602</b>	

## FRANKLIN MILL APARTMENTS ADAPTIVE REUSE PROJECT



*Franklin Mill Apartments project before and during construction. The former Acme Knitting Machine and Needle Co. site is now the home of Franklin Mill Apartments, which broke ground in August 2016. There will be 45 affordable housing units for low-income, workforce residents in this adaptive reuse project, and it will have a community garden and common spaces.*

## FY17 PROJECTS UNDER CONSTRUCTION

Project Name	Location	# of units	Type
Bradley Commons	Dover	39 General Occupancy	New
Brookside Park Apartments	Berlin	120 General Occupancy	Rehabilitation
Carpenter Center Apartments	Manchester	96 Age Restricted	Rehabilitation
Franklin Mill Apartments	Franklin	45 General Occupancy	New
Kensington Woods Apartments	Bedford	41 General Occupancy	New
Londonderry Townhomes Phase II	Londonderry	33 General Occupancy	New
Meadows at Grapevine Run	Hampton Falls	24 Age Restricted	New
Renaissance RENEW	Manchester	96 General Occupancy	Rehabilitation
Rolling Green Village	Pittsfield	40 Age Restricted	Preservation
<b>Total number of units under construction</b>		<b>534</b>	



# MULTI-FAMILY RENTAL HOUSING



## FY17 COMPLETED PROJECTS

Project Name	Location	# of units	Type
Antrim Village	Antrim	40 Age Restricted	Rehabilitation
Arthur H. Nickless Jr. Housing for the Elderly	Rochester	24 Age Restricted	New
Brookside Place at Ledgeview	Rochester	90 General Occupancy	Preservation
Chandler Place Apartments	Plaistow	25 Age Restricted	New
Dearborn House	Hampton	54 Age Restricted	Preservation
Gile Hill Apartments Phase 2	Hanover	15 General Occupancy	New
Lincoln Green	Lincoln	35 Age Restricted	Rehabilitation
Old Wellington Road Apartments	Manchester	90 General Occupancy	Preservation
Salmon Brook Senior Housing	Nashua	31 Age Restricted	New
South Main Street Supported Apartments	Manchester	20 General Occupancy	New
Westmill Senior Housing	Keene	26 Age Restricted	New
<b>Total number of completed units in FY17</b>		<b>450</b>	



Multi-family rental housing projects completed this fiscal year include (clockwise, from top left): Arthur Nickless Housing for the Elderly, Chandler Place Apartments, Salmon Brook Senior Housing and South Main Street Supported Apartments.



**N**ew Hampshire Housing provides direct assistance to low-income households, helping them attain decent and affordable housing through HUD's Housing Choice Voucher (HCV) program. This program helps prevent homelessness by offering stable housing for thousands of Granite Staters.

Through the Housing Choice Voucher Program, a qualified household pays a portion of their income toward rent and utilities, and New Hampshire Housing pays the balance directly to the landlord. Our challenge continues to be how to assist as many households as possible given a limited number of available vouchers. Due to the large number of households applying for the program, an applicant's time on the waiting list can stretch to as long as eight years.

HUD also supports a program in which a voucher is used toward homeownership. Voucher use for homeownership mortgage assistance has allowed hundreds of participants to purchase their own homes. Many participants graduate from the program into financial independence and no longer need assistance, freeing up vouchers for the next household on the list.

### HOUSING GRANTS AND ASSISTANCE

The **HCV Home Repair Grant Program** was new in FY17, and provided grants to low-income Housing Choice Voucher homeowners. Homeowners contribute at least \$500 of their own funds toward the repairs and have a

**FY17 VOUCHER ASSISTANCE**

- **3,555** *Housing Choice Vouchers assisting families in the state*
- **76%** *of vouchers are used by **seniors** or people with disabilities*
- **143** *vouchers were used by **veterans** through the Veterans Affairs Supportive Housing Program*
- **151** *current Housing Choice Voucher Homeowners*
- **75** *vouchers provided to persons with a disability transitioning from an institutional setting into community-based housing*
- **25** *vouchers provided to veterans transitioning into permanent housing*
- *Housing Choice Vouchers accounted for **\$29 million** in payments to landlords in FY17*

home inspection completed. A total of 34 HCV homeowners applied for funds in FY17; their repairs were prioritized based on health and safety, structural and system, and energy efficiency.

Through a partnership with Community Action Program agencies across the state, New Hampshire Housing also supports **emergency housing assistance**. In FY17, more than 150 households in financial difficulty were assisted with short-term rent payments, helping these households avoid homelessness.

## FINANCIAL EDUCATION AND COUNSELING

New Hampshire Housing offers resources such as Find Financial Freedom (FindFinancialFreedom.org), interactive online training to learn how to build assets, manage money, improve credit-worthiness, and prepare for homeownership. Individuals can receive coaching, and set up and maintain their household budget on the secure website. Also available are online courses in financial fitness, career and workplace development, computer literacy, buying and maintaining a used car, homeownership, and more.

## GOAL FAMILY SELF-SUFFICIENCY PROGRAM

The GOAL Family Self-Sufficiency (FSS) Program offers financial and employment coaching to Housing Choice Voucher participants who are working full- or part-time.

As their household earned income increases, matching funds are deposited into an escrow account for the participant to use upon successfully completing the program. During FY 2017, the FSS Program enrolled an additional 62 households, for a total of 201 participating in the program.

The GOAL program had 30 graduates who each received an average of \$5,750 in escrow funds upon graduation.



### CARLOS' SUCCESS STORY!

*Carlos and his wife have two children, and he participated in the FSS program for two years.*

*When the Manchester resident began the program, he was unemployed. The program provided Carlos with employment and financial capability coaching, Find Financial Freedom online training, an FSS Loan of \$2,000 for a car, and \$4,530 in escrow (most was used to pay for the car). Carlos now has a full-time job with benefits, and a household income high enough to pay his rent without subsidy. His wife also has a part-time job now.*

## GOAL FAMILY SELF-SUFFICIENCY PROGRAM FY17 SUCCESS STORIES



- *Congratulations to Eric, Hjannette, Jason, Kathleen and Kim. Each landed full-time jobs!*
- *Brian and Ruth have landed part-time jobs.*
- *Working part-time for the past four years, Gaetan's success on the job earned him a permanent position.*
- *Kudos to Joanne on her promotion to Assistant Manager. She's now working full-time and graduated from GOAL with escrow.*
- *Michelle earned her HiSET (formerly the GED).*
- *Sandi earned her bachelor's degree and graduated from GOAL with escrow.*
- *Since improving their credit, Adelina and Corey have each been approved for a car loan.*
- *Catherine, Jay and Monica have each been approved for a mortgage to purchase a home and now they're house hunting.*
- *30 participants graduated from GOAL with a combined total of \$172,500 in escrow funds!*



The Policy, Planning and Communications Group focuses on researching, surveying and identifying the state's housing needs and conditions. It also provides technical assistance and information to public officials, municipalities, and the public on housing-related matters. Additionally, it administers several grant programs to support initiatives by non-profits engaged in affordable housing activities.

As the leading source of key housing data in the state, New Hampshire Housing researches and produces regular and special reports, publications, and planning tools such as a workforce housing report, housing market updates, an annual survey of the state's rental market, and more. These are available free of charge online, and upon request in print.

### EMERGING OPPORTUNITIES GRANT PROGRAM

This grant program supports initiatives focused on developing and operating affordable housing programs that serve very low- to moderate-income households.

Two initiatives—one designed to increase supported housing for developmentally disabled adults and another to preserve existing affordable multi-family rental housing—received Emerging Opportunities Program grants of \$50,000 each in FY17.

Visions for Creative Housing, which provides supported housing for low-income developmentally disabled adults in the Upper Valley, will use its grant to increase the number of supported housing settings around the state.

A second grant of \$50,000 to Avesta Housing will help identify and preserve multi-family rental housing for low- and moderate-income residents. When these buildings (known as naturally occurring affordable housing, or NOAH) are sold, the new owners often raise rents, making the properties less affordable for tenants. By identifying NOAHs and subsequently supporting acquisition by a non-profit developer, affordable rent levels in these buildings can be preserved.

### HOUSING ADVOCACY

The state's network of workforce housing coalitions, along with Housing Action NH, are key to raising awareness about the need for a diverse and affordable range of housing in our communities. New Hampshire Housing provides grants to support their efforts, and NHHFA staff provide direct technical assistance to municipalities upon request.

### MUNICIPAL TECHNICAL ASSISTANCE GRANT PROGRAM

To provide towns and cities with assistance to address locally identified planning needs, New Hampshire Housing partners with Plan NH to administer the Municipal Technical Assistance Grant Program. Municipalities may apply for grants of up to \$20,000. In FY16 and FY17, six grants were awarded (totaling \$50,000) to Boscawen, Peterborough, Franconia, Hinsdale, Candia and Rochester.

Boscawen, for example, used its grant to establish a zoning district with standards to promote mixed-use development (multi-family,

single family and businesses). The new standards also focus on building style that will echo the town's architectural past, addressing how buildings are oriented to the street, parking, and using native plants in landscaping. The planning board engaged the public throughout the process.

## HOUSING CONFERENCE SERIES

New Hampshire Housing hosts and supports a series of conferences each year for the financial, real estate, lending, development, nonprofit, and other housing-related sectors, as well as public officials and business leaders. These events encourage discussions about ways to address the Granite State's affordable housing and economic development needs.

In FY17, over 500 people attended the Economic and Housing Market Conference, Homeownership Conference and Multi-Family Conference.



## NEW ACCESSORY DWELLING UNIT LAW

*With a limited supply of affordable rental units and houses to meet the demands of our workforce, accessory dwelling units (ADUs) are an important component of expanding the availability of housing in the state. Working with public officials and partner organizations, New Hampshire Housing provided technical assistance as the state's new ADU law was developed, and continues to provide support to communities as they implement this new law.*

*Accessory dwelling units are residential living units within or attached to a single-family dwelling, providing independent living facilities for one or more persons (e.g., an apartment over a garage, in a basement, in an outbuilding).*

*Under the New Hampshire Accessory Dwelling Unit law, which went into effect June 1, 2017 (RSA 674:71-73), homeowners statewide can now create an ADU for a family member, caregiver, or as a rental unit, in accordance with local ordinances.*

*ADUs expand a community's housing supply without further land development, facilitate efficient use of existing housing stock and infrastructure, and provide an affordable housing option.*

## FISCAL YEAR 2017 ANNUAL REPORT JULY 1, 2016 - JUNE 30, 2017 NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

### BOARD OF DIRECTORS

Stephen W. Ensign, New London – *Chair*  
Amy L. Lockwood, Deerfield – *Vice Chair*  
Kendall Buck, Wilmot  
John A. Cuddy, North Conway  
Pauline Ikawa, Manchester  
Connie Boyles Lane, Concord  
Mary Beth Rudolph, Dover  
Stephanye Schuyler, Portsmouth  
Donald L. Shumway, Hopkinton

### SENIOR STAFF

Dean J. Christon, Executive Director & CEO  
Patricia Donahue, Managing Director  
– Administration & Human Resources  
Benjamin Frost, Director – Legal & Public Affairs  
David Hebert, Managing Director  
– Information Technology  
Ignatius MacLellan, Managing Director  
– Homeownership  
Christopher Miller, Managing Director  
– Management & Development  
DeeAnn Pouliot, Managing Director  
– Assisted Housing  
William Ray, Managing Director  
– Policy, Planning and Communications  
David Sargent, Managing Director – Finance/CFO

### PROFESSIONAL SERVICES

Bond Counsel: McCarter & English, LLP  
Bond Underwriters: Bank of America Merrill Lynch |  
George K. Baum & Company | Morgan Stanley |  
RBC Capital Markets  
Legal Counsel: Craig, Deachman & Amann, PLLC  
Trustees/Paying Agents/Custodians: The Bank  
of New York Mellon Trust Company, N.A. |  
U.S. Bank National Association | Wilmington  
Trust, N.A.  
Auditor: Baker Newman Noyes, LLC

### NHHFA REPORTS AND INFORMATION

Fiscal Year 2017 financial statements and independent auditors' reports are available at NHHFA.org, or by emailing [financeinfo@NHHFA.org](mailto:financeinfo@NHHFA.org).

The following reports issued by New Hampshire Housing also are available at NHHFA.org or by request.

- 2017-2018 Biennial Housing Plan
- NHHFA Housing Market Updates
- 2017 Residential Rental Cost Survey
- NHHFA Program Plan FY18-20
- New Hampshire Consolidated Plan to HUD
- Housing and Demographic Data (online only)

[GoNewHampshireHousing.com](http://GoNewHampshireHousing.com)  
[FindFinancialFreedom.org](http://FindFinancialFreedom.org)  
[NHHFA.org](http://NHHFA.org)

Cover photographs of little girl and family: Cheryl Senter Photography



# New Hampshire Housing

P.O. Box 5087 | Manchester, NH 03108  
603-472-8623 | 800-640-7239 | TDD: 603-472-2089  
NHHFA.org | comments@NHHFA.org

---

*As a self-supporting public benefit corporation created by the New Hampshire legislature, New Hampshire Housing Finance Authority promotes, finances and supports affordable housing.*

