



New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**

InvestNH

Municipal Per Unit Grant Program Guidance

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Municipal Per Unit Grant Program Guidance

Program Overview	
Subject	Details
Program Goal	This program will provide per-unit incentive payments to municipalities to encourage expedited permitting and construction of new affordable housing units.
Specific Need Addressed	There is a statewide shortage of affordable housing in New Hampshire which can only be remedied if municipalities are equipped and empowered to expeditiously issue the necessary permits for new affordable housing projects.
Funding	<p>This program will be funded with \$30 million provided by the Coronavirus State Fiscal Recovery Fund (SFRF) created under the American Rescue Plan which are designated to compensate for government revenue lost due to the COVID-19 pandemic (expenditure category 6.1).</p> <p>Award Caps:</p> <ul style="list-style-type: none"> • \$10,000 per unit • \$1 million per project • \$1 million per municipality <p>Waivers of the per project and per municipality award caps may be issued for units that otherwise fit the requirements of the program and are built to Universal Design standards.</p>
Administration	This program will be administered by the Department of Business and Economic Affairs (BEA). BEA's responsibilities include establishing program parameters, reviewing applications, awarding funds, monitoring program participants, and reporting to the federal government. All awards are subject to approval by the Executive Council.

Program Eligibility

Subject	Details
Eligible Applicants	<p>Municipalities are eligible to receive per-unit incentives for a project if they meet the following criteria:</p> <ul style="list-style-type: none"> • The municipality has issued permits for a new affordable housing project. • Those permits were applied for after February 17, 2022, and were issued within 6 months of application. • The municipality has issued all local permits for the project, including the building permit. • The affordable units being built by the project meet the criteria detailed in the Affordability Requirements section of this document. <p>If a municipality has issued permits for more than one affordable housing project, it should submit a separate application for each project.</p>
Eligibility Period	<p>Permits must have been applied for after February 17, 2022, and must be issued within 6 months of application. All local permits must be issued within this timeframe (e.g., both zoning and building permits).</p> <p>Projects must be intended to be complete and ready for occupancy by May 3, 2024.</p>
Eligible Construction	<p>Program funds are available for new affordable housing projects. The project must include a minimum of 3 new affordable units and have a planned completion date on or before May 3, 2024.</p>
Eligible Uses	<p>There are no restrictions on the use of these funds.</p>

Application Process & Requirements

Subject	Details
Application Period	Applications will open on July 29, 2022, and will be accepted on a rolling basis until all program funds are committed.
Essential Project Information	<p>Municipalities should submit one application per project.</p> <p>As part of the application process, applicants will be required to provide the following information:</p> <ol style="list-style-type: none"> 1. Municipal Per Unit Grant funds request. 2. Municipality name. 3. Name of responsible municipal representative. 4. Municipality mailing address. 5. Municipality UEI/TIN. 6. Project name. 7. Project address. 8. Has the project been awarded Capital Grant Program funds? 9. Number of new affordable units in the project. 10. Total number of new units in the project. 11. Application date for each permit. 12. Date each permit application was ruled complete. 13. Date that project received conditional approval. 14. Date that any conditions preventing construction were met (i.e., final approval). 15. Date each permit was issued. 16. Date the appeal period for each permit lapsed. 17. Date of projected initial occupancy. 18. The project's affordable unit rent cap (e.g., 30% of 80% of AMI). 19. Length of the project's affordability commitment. 20. Enforcement mechanism for the project's affordability commitment. 21. Intended use of program funds (optional).
Required Documentation	<p>As part of the application process, applicants will be required to submit the following documentation:</p> <ol style="list-style-type: none"> 1. Documentation of all issued local permits. 2. Record of board decision for each permit. (As detailed in RSA 676:3) 3. Documentation of each project's anticipated timeline and satisfaction of this program's affordability requirements. 4. Documentation of the enforcement mechanism of the project's affordability commitment. <p>If a municipality provides documentation that a project has been awarded funds under the Capital Grant Program, any documentation requirements regarding project affordability are waived.</p>

Affordability Requirements

Subject	Details
Eligible Unit Affordability Standards	<p>Rent for eligible units must not exceed the maximum affordable gross rent for the area as determined by the Department of Business and Economic Affairs (BEA). See Appendix 1.</p> <p>BEA will publish updated affordability guidelines annually based on that year's affordability thresholds set by the U.S. Department of Housing and Urban Development.</p> <p>Affordable units must be subject to an affordability requirement that lasts for no less than 5 years from the date the unit becomes available for rent.</p> <p>There must be a mechanism for enforcement of the affordability requirement that is intended to ensure that a minimum 5-year affordability requirement is binding upon any successors, heirs, or assigns and remains in place regardless of any change in ownership of the property.</p> <p>If known to the municipality, the enforcement requirement can be met either through Capital Grant Program participation or through an enforcement mechanism provided by a different funding source.</p> <p>If the municipality is unaware of any other enforcement mechanism, the municipality is responsible for providing an enforcement mechanism.</p>
Projects with Both Affordable and Market Rate Units	<p>The unit mix for the affordable units must be proportionate (within a 10% margin) to that of the market rate units.</p> <p>The finish quality of the affordable units must be the same as market-rate units.</p>

Award Determination

Subject	Details
Maximum Award	<p>Award Caps:</p> <ul style="list-style-type: none"> • \$10,000 per unit • \$1 million per project • \$1 million per municipality <p>Waivers of the per project and per municipality award caps may be issued for units that otherwise fit the requirements of the program and are built to Universal Design standards.</p>
Award Structure	<p>Per-unit awards will be issued on a rolling basis to municipalities that meet the eligibility criteria and who can demonstrate that each unit for which an incentive is requested meets the affordability requirements.</p> <p>Awards will be announced monthly, beginning on October 5, 2022, and submitted to the Executive Council for approval at the next scheduled meeting.</p>
Distribution of Funds	<p>Funds will be disbursed as one time per project payments to municipalities upon approval by the Executive Council.</p>

Municipal Per Unit Grant Program Guidance (revised 7/19/22)

Appendix 1: 80% AMI Gross Rents* (July, 2022)

To determine the Fair Market Rent Area for your community/project, consult New Hampshire Housing's list of [New Hampshire Municipalities by Fair Market Rent Area](#).

HUD Metropolitan Fair Market Rent Areas	Studio	1BR	2BR	3BR	4BR	5BR
Boston-Cambridge-Quincy MA-NH	\$1,957	\$2,097	\$2,517	\$2,908	\$3,243	\$3,579
Lawrence, MA – NH	\$1,565	\$1,676	\$2,012	\$2,325	\$2,593	\$2,861
Portsmouth – Rochester, NH	\$1,565	\$1,676	\$2,012	\$2,325	\$2,593	\$2,861
Western Rockingham Co, NH	\$1,565	\$1,676	\$2,012	\$2,325	\$2,593	\$2,861
Manchester, NH	\$1,398	\$1,498	\$1,798	\$2,077	\$2,317	\$2,557
Nashua, NH	\$1,565	\$1,676	\$2,012	\$2,325	\$2,593	\$2,861
Hillsborough Co. NH (Part)	\$1,533	\$1,643	\$1,971	\$2,278	\$2,541	\$2,803

County Fair Market Rent Areas (non-Metro)	Studio	1BR	2BR	3BR	4BR	5BR
Belknap County	\$1,332	\$1,427	\$1,712	\$1,978	\$2,207	\$2,436
Carroll County	\$1,323	\$1,418	\$1,701	\$1,965	\$2,192	\$2,419
Cheshire County	\$1,323	\$1,418	\$1,701	\$1,965	\$2,192	\$2,419
Coos County	\$1,323	\$1,418	\$1,701	\$1,965	\$2,192	\$2,419
Grafton County	\$1,323	\$1,418	\$1,701	\$1,965	\$2,192	\$2,419
Merrimack County	\$1,466	\$1,570	\$1,885	\$2,177	\$2,428	\$2,680
Sullivan County	\$1,323	\$1,418	\$1,701	\$1,965	\$2,192	\$2,419

* Based on FY2022 Housing and Urban Development (HUD) low-income limits. Maximum gross monthly rent is rent + utilities equal to 30% of income.

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