

**2014 Entry Form**  
(Complete one for each entry.)

Fill out the entry name <i><b>exactly</b></i> as you want it listed in the program.
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Entry Name \_\_\_\_\_

HFA \_\_\_\_\_

Submission Contact \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA \_\_\_\_\_

Entry Name \_\_\_\_\_

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

## **The Need**

Despite the recent economic and housing market downturn, New Hampshire's rental housing market has remained tight. Unlike single family homes, which saw values and prices go down by as much as 25% during the recession, rental costs remained constant and actually rose during that period, and they still continue to rise. Our state's vacancy rate, which is currently 2.5% according to our recent Residential Rental Cost survey, is far below the national vacancy rate of 8.3% (as reported in *The State of the Nation's Housing 2014*). Yet rental incomes in the state have not kept pace with rising rental costs. Statewide median rent is \$1,108, which requires a \$44,300 household income to support. That amount is approximately 121% of the statewide median household renter income. Obviously, the state is in need of additional affordable rental housing.

Throughout New Hampshire, you can find examples of mill buildings, schools, and other historic buildings that are no longer used for their original purposes. This is especially true in cities such as Dover, Manchester, and Nashua, that originated as mill towns. Simply closing these buildings or demolishing them can create neighborhood blight and negatively impact the history and character of the community. Seeing an opportunity to meet both the needs of New Hampshire residents and local economic needs, some towns and cities have realized the potential to reuse these buildings by turning them into commercial space, housing, or a mix of both.

Through its Rental Housing Production Program, New Hampshire Housing has led the way on these creative endeavors by awarding the critical funding they need to become reality. Specifically, combinations of Low Income Housing Tax Credits, bond financing and federal HOME funding have been vital to these projects. Also, some projects have required extensive collaboration with town and city government, historic commissions, and multiple funding source partners, and New Hampshire Housing offers the leadership needed to navigate some of the more complicated issues that arise when reusing a historic property.

This strategy of adaptive reuse has been an effective generator of economic activity by creating construction jobs and housing that is affordable to the local workforce while effectively using existing resources. Most importantly, it preserves the viability of New Hampshire's cities and towns; rather than letting buildings deteriorate, this effort helps build places where people want to live and work. It also revitalizes downtown economies by increasing foot traffic and, as a result, patronage of local businesses.

## **Encouraging Adaptive Reuse**

New Hampshire Housing recognizes that using existing, historic buildings is a wise use of existing resources, but that it also comes with its own sets of logistical and funding challenges. To encourage this type of creativity, we have established a Qualified Allocation Plan scoring structure for our Low Income Housing Tax Credits that rewards adaptive reuse. Specifically, the scoring structure gives up to 10 extra points for projects that will be in designated community revitalization areas and up to five more points if the project preserves or restores a historic building. This type of strategy could be used in other states by other HFAs for any historic or repurposed building, such as schools, churches, etc. – not just mills.

Since there are many funding sources used with these projects, it is essential to work cooperatively with all parties to create successful outcomes. Some of the partners that New Hampshire Housing has paired its

funding with include Community Development Block Grant organizations, distributors of historic tax credits, Federal Home Loan Bank of Boston, and others. Again, New Hampshire Housing's Qualified Allocation Plan scoring structure provides significant points to developers who successfully leverage these other funding resources. Encouraging a diverse array of funding sources ensures that any direct subsidy dollars we provide, such as HOME funding, is used efficiently and is not overly central to the project's success, as public subsidies are becoming increasingly scarce.

In addition, we also assist with conceptual projects to help developers assess funding strategies and feasibility before funding is awarded; this ensures that we make wise use of our resources while building strong relationships with the development community.

### **Benefitting the Community**

Part of our mission is to promote, finance and support safe, affordable, and needed housing and related services for New Hampshire individuals and families. Converting these historic buildings into housing, rather than allowing them to be demolished, helps increase the supply of affordable housing. Our adaptive reuse projects often utilize Low Income Housing Tax Credits, which have 99 year affordability restrictions, and will remain at affordable rates for years to come. This helps provide some relief to working families in the face of high rents and low vacancy rates. Also, the central location of these projects allows people to live close to where they work. The benefits are even more tangible for seniors with fixed incomes, as these projects often offer on-site services and if not, services are often nearby and easily accessible. Finally, having housing near downtown centers boosts local business through increased foot traffic.

In addition to providing local residents with benefits, our rental housing production program has brought increased economic activity to the state. In a study by the National Association of Homebuilders, the estimated total economic impact of a project goes well beyond the initial construction phase. It is estimated that New Hampshire Housing's \$2.8 million in tax credits each year generates over \$22 million in private equity investment in the state. Long-term benefits of this type of investment include taxes paid by the development, jobs created by running and maintaining the property, and increased buying power of residents due to affordable rents. This private equity also reduces dependence on scarce public subsidies. When the project is completed, the people who move into the new housing find local jobs and spend their wages at local businesses. The project itself brings new tax revenue to the city or town where it is located.

Finally, reusing these existing structures helps cities and towns retain their history, architecture and character. Preserving this sense of place not only helps a city or town build upon its identity, but it is also central to creating desirable housing that contributes to a vibrant community.

### **Recent Project Examples**

Over the years, New Hampshire Housing's Rental Production Program has completed over 30 adaptive reuse projects, including 45% of all projects in the past two program years (5 of 11 funded projects). Attached are a few examples of these projects.

## Attachment - Recent Project Examples

### Woodbury Mill

Woodbury Mill, which is located within walking distance from Dover's downtown, converted a historic mill building into 42 units of affordable family housing. Before being rehabilitated, the building was empty and abandoned and was a blight on the neighborhood. The project used a variety of subsidy programs, including Low Income Housing Tax Credits and HOME funds through New Hampshire Housing and federal historic tax credits. The location means families who work in and around the downtown area will be close to work, as well as area amenities such as schools, the library, and transportation centers.





### Cotton Mill

Cotton Mill was a project that was many years in the making due to its size and variety of funding sources. The large, historic mill is located in the heart of downtown Nashua, the state's second largest city and an economic center. The project drew together tax credits, Community Development Block Grant funding, and historic tax credits to be possible.

In the process of this project, the nearby Jackson Falls dam needed to be rebuilt to lower the area flood levels, thereby permanently eliminating flood risk to Cotton Mill. The companion result was that nearly 100 buildings, containing businesses and housing, were no longer within the 100 year flood plain, making the whole area a more desirable and lower-risk area to work and live. The project also restored a pedestrian river crossing connecting the project to the adjoining historic mill district, the river walk and the community beyond.

The site is a blend of affordable housing and market-rate housing. Since Nashua is “built out” and land is scarce, its design exemplifies smart development since it increases housing supply without additional land use. It also contributes to the overall feel of Nashua becoming a livable, walkable city.

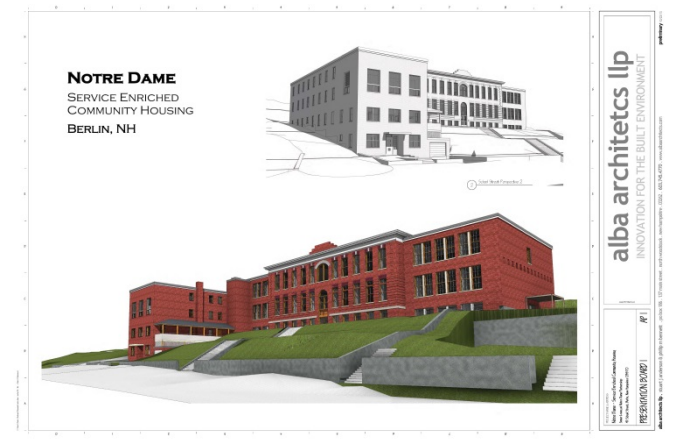


### Notre Dame Senior Apartments

Located in Berlin, Notre Dame will transform an abandoned high school building into 33 subsidized apartments for seniors. A small group of alumni from the school had been working for years to find a way to revitalize the building, which was falling into disrepair and being increasingly vandalized. The school's prominent location—high on a hill overlooking the city—was an unfortunate reminder of the economic downturn experienced after the city's major employer, a paper mill, closed.

With persistence and some help from nearby nonprofit Affordable Housing, Education and Development (AHEAD), the process of revitalizing the deteriorating building began. The project received Low Income Housing Tax Credits and HOME funding from New Hampshire Housing as well as Section 8 Project-Based Vouchers, ensuring the new units would be accessible and affordable to seniors on fixed incomes. The housing will also offer supportive services, which are increasingly needed in a greying state. Renovations are being undertaken so that the school's historic architecture will be preserved.

Notre Dame held its groundbreaking ceremony this past winter, and renovations are under way. The goal is that reviving this community icon will also lift up the surrounding neighborhood. New Hampshire's North Country has been especially vulnerable to the economic downturn and has dealt with many foreclosures and population decline. Reusing this building will not only reduce neighborhood blight but it will bring needed affordable housing to a vulnerable population.





Pine Valley Mill

Pine Valley Mill, located in Milford, converted an 1870 mill building into a small mixed-use development in a relatively rural area. In addition to using federal historic tax credits, the project used Low Income Housing Tax Credits from New Hampshire Housing to create 50 units of one- and two-bedroom housing for low-income households. The building also contains a commercial property with a wide diversity of uses, including a hydroelectric facility and a commercial blacksmith shop!

