Attachment D

Underwriting Requirements when Project Based Vouchers are being placed in a development and an Agreement to enter into a Housing Assistance Payment (AHAP) contract is required however construction has started.

When Project Based Vouchers are being placed in a new construction or rehabilitation development, NH Housing and the owner must enter into an AHAP that will govern development activity.

In the AHAP, the owner agrees to develop the PBV contract units to comply with housing quality standards, and New Hampshire Housing (NH Housing) agrees that upon timely completion of development in accordance with the terms of the AHAP, NH Housing will enter into a Housing Assistance Payment (HAP) contract with the owner for the contract units. The AHAP must cover a single project, except one AHAP may cover multiple projects that each consist of a single-family building. The effective date of the AHAP must be on or after the date the AHAP is executed. The AHAP must be executed and effective prior to the commencement of development activity as described in 24 CFR 983.154(d). In the case of new construction, development activity begins with excavation or site preparation (including clearing of the land). Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

Construction must not start before the AHAP is signed and completed.

<u>However, NH Housing, using the discretion and flexibility allowed under 24 CFR 983.154(f), may allow an owner to execute an AHAP after construction or rehabilitation has commenced, if one of the following conditions is met and confirmed with documentation</u>:

- construction pricing will expire and greatly increase;
- the development is at risk of not meeting the Placed in Service date for Low Income Housing Tax Credits; or,
- the development is at risk of losing a municipal Planning Board approval, variance or other required permit.

As always, remember that developers cannot start construction, or conduct any other choice limiting action, until after the release of funds has been received by NH Housing from HUD’s Office of Public & Indian Housing per 24 CFR 983.153(a).

NH Housing may allow for an AHAP to be entered into after construction starts for one of the above circumstances only after the owner/developer **submits a signed certification to NH Housing** attesting that the following requirements will be met before construction loan closing and can be documented:

1) Technical Design & Construction Standards or Technical Design & Construction Standards for Rehabilitation as applicable.
2) Subsidy Layering Review (SLR) – this has been completed and NH Housing has submitted the SLR to HUD per 24 CFR 983.153(b) - **this process must be done before the AHAP will be signed.**
3) Environmental Review – the release of funds has been received by NH Housing from HUD's Office of Public & Indian Housing and no choice limiting actions occurred before this release was received per 24 CFR 983.153(a)
4) Federal Labor Standards – Davis Bacon – if 9 or more Project Based Vouchers are being provided to development, Davis Bacon wage requirements are being followed at the beginning of construction per 24 CFR 983.153(c)
5) Equal Employment Opportunity – abide by federal equal employment opportunity requirements per 24 CFR 983.153(d)
6) Flood Insurance – if the development is within the 100-year floodplain, flood insurance under the National Flood Insurance Program has been obtained and complies with 24 CFR 55 and NH Housing's Underwriting Standards at 2.09 Floodplain Development
7) Uniform Relocation Act – if there are residential or commercial tenants in a building that is being rehabilitated for this development, the requirements of the Uniform Relocation Act are being followed pursuant to 49 CFR 24 and NH Housing's Underwriting Standards at 2.13 Anti-Displacement and Relocation Policy