

CHAPTER 323
SB 393 – FINAL VERSION

30Apr2014... 1532h
06/04/14 1935CofC

2014 SESSION

14-2773
05/10

SENATE BILL **393**

AN ACT relative to the housing finance authority and surplus lands housing program.

SPONSORS: Sen. Watters, Dist 4; Sen. D'Allesandro, Dist 20; Sen. Larsen, Dist 15; Rep. Butler, Carr 7; Rep. Grenier, Sull 7

COMMITTEE: Executive Departments and Administration

AMENDED ANALYSIS

This bill:

I. Clarifies definitions and eligibility requirements for participation in programs administered by the housing finance authority.

II. Permits the authority to sell or transfer undeveloped land received under the surplus lands housing program.

III. Expands the scope of the low and moderate income housing loan program to include housing rehabilitation costs.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through~~].
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 323
SB 393 – FINAL VERSION

30Apr2014... 1532h
06/04/14 1935CofC

14-2773
05/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Fourteen

AN ACT relative to the housing finance authority and surplus lands housing program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 323:1 Housing Finance Authority; Definition of Elderly. RSA 204-C:1, VII is repealed and
2 reenacted to read as follows:

3 VII. “Elderly” shall mean a person who qualifies to live in housing for older persons, as
4 defined in RSA 354-A:15.

5 323:2 Housing Finance Authority; Definition of Eligible Low Income Persons and Families.
6 Amend RSA 204-C:1, VIII to read as follows:

7 VIII. “Eligible low income persons and families” shall mean those eligible persons and
8 families whose annual income is less than the amount necessary to enable them to obtain and
9 maintain decent, safe and sanitary housing without the expenditure of more than ~~[25]~~ **30** percent of
10 such income for basic shelter cost, including the additional cost, if any, of heat, hot water, and other
11 utilities, except telephone.

12 323:3 Conditions on Mortgage Loans. Amend RSA 204-C:16, V to read as follows:

13 V. With respect to any rental housing, an eligible mortgagor may not in any one year make
14 distributions of income or earnings from or have equity in, or indebtedness from, housing financed by
15 the authority in excess of the amounts prescribed by the rules of the authority; but, in no event, shall
16 a mortgagor make distributions of income of the mortgagor in any one year **or cumulatively** in
17 excess of ~~[a percentage determined by the authority but not in excess of 12 percent on a cumulative~~
18 ~~basis]~~ **such limits as may be established by the authority in rules adopted pursuant to**
19 **RSA 204-C:53**, of the mortgagor’s equity in such housing, which for the purposes of this chapter
20 shall be the development cost of the housing, as determined by the authority at the time of making
21 the final mortgage advance, less the amount of the final advance of the mortgage loan to the eligible
22 mortgagor. Such mortgagor’s equity shall remain constant as long as the authority’s mortgage shall
23 be outstanding **unless otherwise provided for by rules of the authority**.

24 323:4 Findings. Amend RSA 204-C:20, IV to read as follows:

25 IV. That without the assistance contemplated by such commitment, private enterprise
26 cannot supply such housing in such general housing market area at rentals or carrying charges
27 which eligible persons and families can afford; and at which eligible elderly and low income persons
28 and families can afford without the expenditure of more than ~~[25]~~ **30** percent of their income for basic
29 shelter cost, including the additional cost, if any, of heat, hot water, and other utilities, except

CHAPTER 323
SB 393 – FINAL VERSION
- Page 2 -

1 telephone;

2 323:5 Rent Levels. Amend RSA 204-C:22, II to read as follows:

3 II. The rent or carrying charge to be charged to elderly and low income persons and families
4 which rent shall be sufficiently low in the judgment of the authority for at least a reasonable number
5 of the dwelling units, but in no event fewer than 1/8 of such units, to be provided by such housing to
6 enable such persons and families to occupy such units without the expenditure of more than ~~25~~ **30**
7 percent of their annual income for basic shelter cost, including the additional cost, if any, of heat, hot
8 water, and other utilities, except telephone; provided, however, that, if necessary to make the project
9 financially feasible, such percentage of annual income may be increased to 32 percent; and provided
10 further that, if, in order to meet federal requirements or to obtain federal assistance, a different
11 percentage of annual income shall be required, then such percentage of annual income shall be
12 increased or based on the federal requirement, if applicable.

13 323:6 Surplus Lands Housing Program; Housing Construction. Amend RSA 204-D:4, V to read
14 as follows:

15 V. The authority may sell or otherwise transfer land transferred to the authority pursuant to
16 this chapter upon which affordable housing has been constructed only if the authority has
17 established controls to ensure that the housing shall remain affordable to persons of low or moderate
18 income for a period of at least 30 years after such sale or transfer. ***The authority may sell or***
19 ***otherwise transfer undeveloped land transferred to the authority under this chapter if the***
20 ***purchaser or transferee enters into an agreement with the authority that the property will***
21 ***be used substantially for affordable housing purposes. If any property so sold or***
22 ***transferred ceases to be used for such purposes, ownership and or control of the property***
23 ***shall revert to the authority. Without an assurance that the property will be used***
24 ***substantially for affordable housing purposes,*** the authority may sell or otherwise transfer
25 undeveloped land transferred to the authority under this chapter only after receiving approval from
26 the long range capital planning and utilization committee, with advice from the council on resources
27 and development established in RSA 162-C and final approval by the governor and council. The
28 authority may lease land which is transferred to the authority under this chapter.

29 323:7 Repeal. RSA 204-C:25, relative to the readjustment of rent, is repealed.

30 323:8 Low and Moderate Income Housing Loan Program; Purpose. Amend RSA 204-C:63 and
31 RSA 204-C:64 to read as follows:

32 204-C:63 Purpose. The purpose of this subdivision is to assist low and moderate income persons
33 and families to purchase, ***rehabilitate, and improve*** housing.

34 204-C:64 Program Established. There is hereby established a low and moderate income housing
35 loan program to be administered by the New Hampshire housing finance authority which shall make
36 low interest loans to low and moderate income persons for the purpose of assisting them to make

CHAPTER 323
SB 393 – FINAL VERSION
- Page 3 -

1 down payments on single family homes, ~~and~~ to pay closing costs and fees associated with the
2 purchase of such homes, **and to rehabilitate and improve their homes**. For purposes of this
3 section, “low and moderate income persons” shall mean individuals and families whose gross annual
4 income is equal to or less than 100 percent of the median income of the geographic area in which
5 they reside as determined by the authority.

6 323:9 Loans for Down Payments and Rehabilitation Costs. Amend RSA 204-C:65, I to read as
7 follows:

8 I. Such funds as the general court may specifically appropriate from time to time to the
9 authority may be loaned to eligible low and moderate income persons or families for the purpose of
10 making down payments on single family homes, ~~or~~ paying closing costs and fees associated with the
11 purchase of such homes, **and rehabilitating and improving their homes**. The appropriations
12 made for purposes of this section and loan repayments, including interest, together with any funds
13 which the authority may allocate from time to time to this program shall constitute a continuing
14 revolving loan fund. The state’s and the authority’s interest in such property shall be protected by a
15 lien or in such other manner as is acceptable to the authority. The authority shall require the
16 applicant to invest personal funds, to the extent available, to ensure the applicant’s commitment to
17 the property purchased.

18 323:10 Effective Date. This act shall take effect 60 days after its passage.

19
20 Approved: August 1, 2014

21 Effective Date: September 30, 2014