



MEMORANDUM

Addendum to Request for Proposals for Transitional Housing Projects serving Individuals with Mental Illness or Substance Use Disorders

November 30, 2018: New Hampshire Housing Finance Authority (the Authority) published a Request for Proposals (RFP) on its website on October 12, 2018 seeking applications for financing projects that would provide supportive affordable transitional housing for persons leaving mental health and substance use disorder treatment facilities.

The Authority held two optional information sessions, one at the Authority offices in Bedford NH on November 13 and one at the Claremont City Hall on November 20. This document is a summary prepared by Authority staff of discussion, questions, and answers from those meetings.

Questions and Answers:

- 1. Why do we have to have an executed contract with a General Contractor or Construction Manager to get the 4 points under readiness? Why would we enter into a contract for work that we don't know we can do because we don't have the funding yet?**

An executed contract is not required. This is a scoring category which awards additional points as an incentive for projects that are closer to being ready to proceed because of the urgency of the crisis that this program is intended to address.

It would be a good idea to include a clause allowing for termination of the contract, which is not unusual in construction contracts.

- 2. What documentation do they need for donated property to be counted as match?**

To meet threshold an assessed value will be sufficient. To score points on the Matching Resources category, an appraisal or some similar report prepared by a third-party professional will be necessary.

- 3. Are the Transitional Housing funds a grant or a loan?**

AHF funds for this RFP are in the form of a deferred payment loan with a 30-year term and zero percent interest. While the loan is outstanding, 50% of cash flow (if any) after expenses and debt service must be returned to the Authority. At the end of the term, if the owner continues to use the property for supportive housing, the Authority may resubordinate (extend) the loan for a new term. In other words, the due date for the remaining balance could get pushed out another 30 years.

4. How do we use the published rent limits and utility allowances for a group home setting?

In general, when determining rent limits for SRO and Group Homes, NHHFA follows CPD 94-01 as a guide. There is no separate utility allowance as typically UA is included in the rent limit for these units.

The Authority is working on an alternate approach that would allow higher rent limits in group home settings. Further information/guidance will be provided at a later date.

5. Is the value (or partial value) of a building provided by the sponsor counted towards the 10% match?

Yes, the value can be counted towards the match as long as an assessed or appraised value is provided.

6. Does the building have to be 100% ADA compliant? Can we use a vertical lift to the second floor, or provide ADA compliant spaces on the first floor?

For information on design requirements, please review the Authority's Technical Design and Construction Standards or Design and Construction Standards for Rehabilitation found in the developer section of our web page at <https://www.nhhfa.org/forms-publications-for-developers>

7. If the transitional housing is for women who are pregnant or parenting, if we are only allowed 8 in a house, would that include children?

The RFP does not limit the size of the project to eight individuals. This is a scoring category that encourages smaller projects by awarding three additional points. Children will not be counted as individuals receiving assistance.

8. Can the funds from NHHFA be used for operating expenses?

No. Funds from this RFP are for construction, purchase and rehabilitation, or rehabilitation of an existing building. Authority funds cannot be used to cover operating deficits or expenses. However, the Authority's [underwriting standards](#) require an Operating Reserve (section 5.04.D) which may be capitalized with funds from this RFP.

9. Can we admit residents into the transitional units if there has been a lapse of time from when they were discharged from a treatment facility?

Yes. If sponsors plan to admit residents who are not coming directly from a treatment facility, the Resident Selection Plan (a required submission for all applications) should detail the circumstances under which such a resident would be admitted. The Resident Selection Plan should specify how

long after discharge from a treatment facility an individual would be considered for admittance to transitional housing with some explanation, bearing in mind that the intent of this RFP is to support the creation of transitional housing and not low-intensity inpatient treatment facilities. If the

Resident Selection Plan proposes criteria that is not consistent with this intent, or if Authority staff determine the explanation to be unsatisfactory, the project application will not be disqualified but the sponsor may be required to revise the Resident Selection Plan prior to receiving a commitment of financing.

10. How is the score calculated for Development and Management Capacity scoring categories?

For Development Capacity:

Question	Points
Does developer/development team have experience developing real estate or is developer teamed with experienced consultant?	
If yes:	1
If no:	0
Does developer/development team have experience developing housing?	
If yes:	1
If no:	0
Does developer/development team have experience developing housing with state or federal assistance?	
If yes:	1
If no:	0
Does Authority staff have a history of negative experiences with developer/development team?	
If yes:	0 or 1
If no:	2
Does developer/development team have a history of noncompliance, as determined by the Authority at its sole discretion? Any of the following conditions would apply:	
• has any outstanding obligations (including compliance fees) on any Authority-financed or Authority tax credit project that is more than 30 days in arrears;	
• is involved in or has had other Authority-financed projects which have non-compliance issues;	
• is or has been non-compliant or otherwise in default with this or any other Authority Program (as determined by the Authority) or with another Housing Finance Agency, Public Housing Authority, or state or local government;	
• has been awarded financing by the Authority in the past for a project that was not completed (unless for good cause).	
If yes:	0 to 4
If no:	5

For Management Capacity:

Question	Points
Does the management entity have any experience owning and/or managing subsidized housing or with other federal housing programs?	
If yes:	2
If no:	0
Has the management entity undergone a subsidized or federal housing program review?	
• Were there any issues of noncompliance discovered?	
If yes:	-2
If no:	0
• Have these issues been resolved or corrected?	
If yes:	1
If no:	0
Is there an identity of interest between the ownership and management entity?	No Points
Does the management entity have fidelity coverage?	
If yes:	1
If no:	0
Does the management entity maintain a Policy and Procedures Manual covering all aspects of the management of the properties?	
If yes:	1
If no:	0
Can the management entity demonstrate the ability to provide the management and maintenance services required for this type of property?	
If yes:	3
If no:	0
Does the Management entity provide annual compliance training for its regional and site staff?	
If yes:	1
If no:	0

Is the management entity and all persona who participate directly in the management of this property trained in the Fair Housing Act, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act of 1973?	
If yes:	2
If no:	0
Does the management entity intend to contract out any portions of the management functions?	No Points

More information, and the RFP itself, can be found on the Authority's website at www.nhhfa.org. For further information on the Special Needs program, please contact Lilybel Belen at 603-310-9278 or email multifaminfo@nhhfa.org.

Attachments:

1. Slides from Information Session (18 slides, pdf)