

REQUEST FOR PROPOSALS FOR MULTI-UNIT RESIDENTIAL PROJECTS SERVING POPULATIONS WITH SPECIAL NEEDS

New Hampshire Housing Finance Authority (the “Authority”) is seeking applications for financing from qualified developers for projects that will provide supportive housing in any area of the state to extremely low-income individuals, with a priority for persons experiencing homelessness.

Eligible uses for this financing include purchase, rehabilitation, new construction, or conversion of existing housing into affordable permanent housing. The site for the proposed project must be finalized prior to application.

The source of funds for this RFP is the federal [Housing Trust Fund](#). The competitive scores of respondents to this RFP will also be used to award up to 50 Project Based rental assistance Vouchers (“PBVs”) to those projects which are eligible. It is the intent of the Authority to award both PBVs and deferred (non-amortizing, non-interest-bearing) loans funded with HTF to the highest scoring projects based on the scoring criteria in this RFP.

Proposed projects must meet the following qualifications:

1. Program requirements of the federally funded Housing Trust Fund (“HTF”) (24 CFR Parts 91 and 93)
2. Program Rules for the Special Needs Housing Program ([HFA:112](#)) updated September 1, 2017.

If intending to apply for Project Based Vouchers, projects must also meet the eligibility requirements for federally funded PBVs (24 CFR Part 983). If applicants do not wish to apply for PBVs, or determine that their proposed project is not an eligible use of PBVs, they should indicate in the application cover letter that they are applying only for HTF financing and not for PBVs.

Applicants may apply for loans of \$150,000 up to \$1,250,000. At least \$1,250,000 will be available through this RFP. This program is for rental housing only.

All application materials must be emailed to multifaminfo@nhhfa.org no later than 5:00 PM on March 22, 2019.

Potential applicants are encouraged to attend an informational meeting at the offices of New Hampshire Housing at 32 Constitution Drive, Bedford, NH 03110 at 2:00 PM on Tuesday, January 8, 2019. Registration for this meeting is required; please contact Jess McCarthy at jmcarthy@nhhfa.org or (603) 310-9272.

Threshold Requirements and Scoring Criteria for Housing Trust Fund Request For Proposals

In addition to submission of a complete application form, all applications will be reviewed under the following Threshold Criteria. Failure to comply with any of the Threshold Criteria may, at the sole discretion of the Authority, result in the rejection of the application.

Threshold Criteria:

- a. Feasibility and Appropriateness: The proposed project's characteristics or location must be considered feasible from a financial and regulatory standpoint including but not limited to compliance with:
 - i. [NH RSA Chapter 204-C](#)
 - ii. [NH RSA:48-A:14](#), minimum housing standards, and local minimum requirements for use and occupancy of housing
 - iii. [The 2018 Action Plan, State of New Hampshire](#) (part of the State's Consolidated Plan)
 - iv. [The Authority's Underwriting Standards and Development Policies for Multi-Family Finance](#)
 - v. The Authority's Design and Construction Policy Rules ([HFA 111](#)) Compliance with the Authority's [Technical Design and Construction Standards](#) or [Technical Design and Construction Standards for Rehabilitation](#), as applicable.
 - vi. The Authority's Rules for the Special Needs program ([HFA 112](#))

Authority Rules and policies are available at: <https://www.nhhfa.org/> <https://www.nhhfa.org/>

- b. Eligible Applicants: per [HFA:112.10](#).
- c. Financial Sustainability: The Authority will review the sources and uses proposed for the project as well as the operating budget and pro forma. The level of funding requested must be sufficient but not exceed the amount needed to ensure the proposed project is financially viable and does not depend on later infusions of subsidy.
- d. Income Targeting and Rent Limits: all units assisted with the Housing Trust Fund must be reserved throughout the affordability period for extremely low-income (ELI) households as defined by HUD (this generally refers to households that do not have income in excess of 30% of the Area Median Income). Rents cannot exceed ELI rent limits published by HUD, adjusted for unit size, geographic area, and utility allowances.
- e. Beneficiary Targeting: Per [HFA: 112.01](#). Additionally, projects must prioritize persons experiencing homelessness ahead of all other prospective tenants. This priority for persons experiencing homelessness must apply for all HTF-assisted units. "Homeless" is defined as an individual or family who lacks a fixed, regular, and adequate nighttime residence.
- f. Site Control: Applicant must have secure site control in the form of a deed, executed option to purchase, or executed purchase and sales agreement. A long-term lease, the duration of which is not less than the affordability period, is acceptable.

- g. **Cost Reasonableness:** Project applications will be evaluated for cost reasonableness. Applications which indicate unreasonably high total or specific line item development or operating costs as determined at the discretion of the Authority may be rejected. Projects must comply with the following Maximum Per-unit Development Subsidy Amount:

# of Bedrooms	Maximum Per-Unit Subsidy
0 Bedroom	\$141,089
1 Bedroom	\$161,738
2 Bedroom	\$196,673
3 Bedroom	\$254,431
4+ Bedroom	\$279,286

These limits apply to the total Authority-administered subsidy included in the project’s development budget divided by the total number of supportive special needs housing units.

- h. **Development and Management Capacity:** the members of the development and management organizations must:
- i. Demonstrate the experience or ability to successfully complete and manage the project;
 - ii. Be compliant or otherwise not in default with this or any other Authority program as determined by the Authority;
 - iii. Not have a history of noncompliance in Authority programs;
 - iv. Not have any significant negative history with other local, state or federal agencies.
- i. **Readiness:** the project must be able to satisfy the following criteria for readiness at time of application:
- i. Development and Operating Budgets prepared and submitted in NHHFA format;
 - ii. Schematic design;
 - iii. Permit status letter
 - iv. Points will be awarded for advanced readiness;
 - v. The project must satisfy the criteria of the Progress Phase Requirements (Appendix B) within 120 days of notification of a reservation of funding; and proposed development schedule (Appendix C to this RFP) must be submitted at time of application.
- j. **Matching Resources:** The Authority requires the generation/investment of matching resources in an amount equal to 5% of awarded Housing Trust Fund financing. Donations in the form of cash, property, materials, etc. are eligible sources of match. So-called “sweat equity” is not an eligible matching resource.

Scoring Criteria:

Applications which have been evaluated and accepted into the application pool for scoring shall be scored in the categories below. Where appropriate, scoring shall be based on comparisons between applications received in the same round. Documentation that is received after the time of application will not be used in the scoring unless it is requested by the Authority. The Authority may reject any

documentation deemed to be insufficient, unsupported, or inadequate for the particular scoring criteria.

- a. **Development Capacity:** Applications will be scored based on evidence that the Applicant can successfully develop the property. If applicant has no prior development experience, zero points will be awarded. **0-10 points**

- b. **Management Capacity and Experience:** Applications will be scored based on evidence that the Applicant can successfully operate the property. If applicant has no prior experience managing rental property, zero points will be awarded. **0-10 points**

- c. **Introduction of New Units for Affordable Housing:** Applications will receive points based on the number of new units being introduced to the state’s supply of rent and income restricted affordable housing. **0-20 points**

1 point will be awarded for each new unit, up to a maximum of 20 points

- d. **Advanced Readiness:** Points will be awarded for projects that have achieved certain milestones in the development process:
 - i. Phase 1 Environmental Site Assessment completed in the last five years **5 points**

- ii. All necessary local planning and zoning permits are in hand, including site plan approval. A site plan approval that requires additional planning board approvals will not be given these points. Projects that do not require planning and zoning approval will qualify for these points. Backup must be submitted in order to qualify for these points such as a permit status letter from the sponsor’s attorney, project engineer, or town planning official. The status letter need not be a formal legal opinion. **15 points**

- iii. **Design/Construction readiness.** This category awards additional points to applicants whose projects have advanced in the design and construction procurement process. These points are cumulative; a project with a signed contract and complete documents will receive 10 points.

• Design Development Documents Completed	3 points
• 100% Construction Documents Completed (submit complete set marked FOR CONSTRUCTION)	3 points
• Executed contract with general contractor or construction manager with Guaranteed Maximum Price (GMP) Amendment	4 points

Projects that do not require construction documents may qualify for these points provided that any work being done to the facility is adequately defined in a scope of work document to allow for bidding by trade contractors, in the sole determination of the Authority. **Please note, construction contracts must be procured in accordance with Authority rules ([HFA 111](#)).**

- e. Service Plan: All applications will be evaluated for the quality of their plan to provide services to support residents' needs. While applicants proposing a higher level of services may have an advantage in scoring as compared to others with service plans of similar quality, the primary purpose of this scoring category is to evaluate the plans' ability to be implemented and consistency with industry best practices.

0-5 points
- f. Projects which have a new Project Based Voucher rental assistance subsidy from a source other than the Authority for at least 66% of the units for at least five years.

5 points
- g. Duration of Affordability period: A Land Use Restriction Agreement (LURA) will be placed on properties to ensure compliance with occupancy, rent limitation, physical standards and other requirements for a minimum 30-year term. Applications will be awarded points for committing to a 40-year affordability period instead of the required 30-year affordability period.

5 points
- h. Matching Non-Federal Resources: Applications will be awarded points qualifying non-federal matching resources that are committed or likely to be committed to the project. One point will be awarded for match equal to each full 5% amount of Housing Trust Funds requested. All matching resources claimed by the Applicant shall be approved by the Authority before points are awarded. Support and justification are to be provided by the Applicant. Maximum of 10 points.

0-10 points
- i. Matching Federal Resources: Applications will be awarded points for qualifying federal matching resources committed or likely to be committed to the project. One point will be awarded for match equal to each full 5% amount of Housing Trust Funds requested. All matching resources claimed by the Applicant shall be approved by the Authority before points are awarded. Support and justification are to be provided by the Applicant. Maximum of 10 points.

0-10 points

Allocation Process:

- a. All applications are reviewed for completeness. Incomplete applications will be rejected; though minor variances may be deemed acceptable. The Authority may reject any documentation deemed to be insufficient, unsupported, or inadequate for the particular scoring criteria. The Authority is not required to notify the applicant of inconsistencies or missing information.
- b. Applications are scored and ranked in accordance with the Scoring Criteria in this RFP. Projects are recommended for a reservation of HTF funding and project based rental assistance (if applicable) based on the competitive scoring results. Reservations will be made by Authority Staff no later than May 31, 2019.

- c. When, after funding the highest scoring project or projects, insufficient funds are available for the next highest scoring project, the Authority retains the right to bypass that project and either fund a lower scoring project which can effectively use the remaining HTF available or retain the HTF in a future year.
- d. If, after every project that meets threshold criteria has been funded, additional funds are available, the Authority reserves the right to award additional funding to any of the applicants (in excess of \$1,250,000 per project, if necessary) in order to address changed circumstances or ensure project feasibility.

e. Geographical distribution

- a. Requirements for geographical distribution will be triggered if more than two projects are funded through this RFP.

Number of Projects funded in this RFP	Number of Counties which must be represented
2	1
3	2
4	3
5	4

- b. Projects may be selected over higher scoring applicants to meet this requirement. However, the Authority will not consider applications which fail to meet threshold requirements regardless of whether funding those projects would allow this requirement to be met.
- f. Waiver Authority: The Authority reserves the right to waive any of the provisions of this RFP, within the constraints of the applicable federal regulations. Applicants must submit a written request for a waiver. A hearing will be scheduled within 30 days of the request by Authority staff. Upon a finding of good cause, a waiver may be granted on a case-by-case basis by the Executive Director. A waiver of the provisions of this RFP can also be initiated by the Executive Director, in which case no hearing is necessary.
- g. Appeal Process: Applicants may appeal the Authority’s decision, solely with regard to their application. The Authority will send letters to the Applicant via email informing them that a reservation is not being made by May 31, 2019. Applicants who want to appeal this decision must submit a formal request within five business days. The appeal request is first considered by the Authority’s Executive Director. If the Executive Director upholds the original decision, the applicant will have five business days from the written email notice of this decision to submit a formal notice of appeal to the Authority’s Board of Directors.
- h. Project Representations: Representations made about the project relating to ownership or management, or factors that are used in the selection and scoring criteria may not be changed without the express written permission of the Authority. Funding reservations may be rescinded if the project changes in a way that reduces the competitive score.
- i. References: Applicants are required to provide authorization so that references and credit can be checked.

- j. Warrant and Liability: The Authority intends to allocate no more HTF funding to any given project than is required to make the project economically feasible. This decision is made solely at the discretion of the Authority but does not represent or warrant to any applicant, developer, partner, investor, lender, or others that the project is feasible or risk free. No Board member, officer or employee of the Authority shall be personally liable concerning any matters arising out of or in relation to the allocation of funding or compliance monitoring. The Authority's obligation to monitor for compliance does not make the Authority liable for an owner's noncompliance.

- k. New Hampshire Right to Know Law: The Authority is subject to RSA Chapter 91-A, which is known as the "Right-to-Know Law." Applicants should be aware that any information submitted as part of the application to the Authority may be considered public information.

APPENDIX A

REQUIRED APPLICATION SUBMISSIONS

Item #	Description
1	Cover letter with narrative description of proposed project
2	Completed Application for Reservation (Microsoft Excel workbook, NHHFA format)
3	Site Location Map and Site Plan
4	Evidence of Site Control (Deed, executed P&S, executed option to purchase)
5	Evidence of planning board approval/building permit or “will-issue” letter OR evidence that no permit is required OR permit status letter
6	Documentation of Matching Resources (acceptable forms include letters of commitment, letters of interest, and approved applications for other funding sources).
7	Construction Scope of Work with Cost Estimates and Identification of Estimator (if construction documents are provided, written scope of work is not required)
8	List of Developer’s Other Real Estate
9	Resumes of Development Team
10	Management Agent Questionnaire on New Hampshire Housing form
11	Schematic Design plans and specifications
12	Proposed Development Schedule/Timeline (use Appendix C)
13	Tenant Selection Plan
14	Tenant Services Plan
15	Self-Scoring (explanation of which points categories the sponsor believes the project is entitled to, with explanations)

APPENDIX B
PROGRESS PHASE REQUIREMENTS

The documents listed below must be submitted to the Authority within 120 days of emailed notification of a reservation of HTF financing.

Projects must meet the requirements of the progress phase to be eligible for a commitment of HTF funding. Progress requirement extensions may be granted at the sole discretion of the Authority. The HTF funding reservation may be rescinded at the sole discretion of the Authority for not meeting the progress phase requirements or for a failure to meet the general criteria in the RFP.

All requirements are “if applicable.” It is the responsibility of the applicant to confirm with Authority staff which exhibits are not applicable for each project. This can be confirmed after reservation but before the 120-day progress phase deadline.

1. Environmental site assessment, HUD checklists, and related reports (lead, asbestos, historic, archeological, etc.) if required by the Authority;
2. Appraisal (if required by the Authority);
3. Evidence of zoning/local approvals;
4. Permanent financing letter of commitment;
5. Construction financing letter of commitment;
6. Executed grant agreements;
7. Final plans and specifications;
8. Evidence of continued site control;
9. Soils and/or structural engineering report;
10. Copy of the architect contract;
11. Executed tenant services agreement binding on both parties;
12. Cost estimates (or bids if available) by schedule of value. Must comply with limits on contractor overhead and profit per HFA 111;
13. Copy of contract for consultant services

APPENDIX C

PROJECTED DEVELOPMENT SCHEDULE

	<u>Date</u>	<u>Milestone</u>
A	May 2019	HTF Funding reservation
B		Construction/ rehab plans and specifications completed
C		Construction pricing completed; contracts executed
D		Local permits obtained
E		Phase 1 Environmental Site Assessment completed
F		Statutory checklist / Environmental Assessment checklist (if applicable)
G		NHHFA financing commitment
H		All other necessary financing commitments or grants obtained
I		Loan Closing
J		Construction start
K		Construction Completion
L		Project placed into service

I have reviewed this schedule and concur that the representations and assumptions are reasonable and achievable.

_____ Developer's initials

_____ Architect's initials (if applicable)

_____ General Contractor/ Construction Manager initials (if applicable)

This is not a complete list of Authority requirements or project milestones. Sequence of events may not match the order in which milestones are listed.