

REQUEST FOR PROPOSAL FOR MULTI-UNIT RESIDENTIAL SUPPORTIVE HOUSING PROJECTS

New Hampshire Housing Finance Authority (“Authority”) is seeking applications for financing from qualified developers for projects that will provide affordable supportive housing in any area of the state.

Eligible uses for this financing include purchase, rehabilitation, new construction, or conversion of existing housing into supportive housing.

The source of funds for this RFP is Authority Operating Funds and the [Affordable Housing Fund](#).

The Authority is the administrator of the Affordable Housing Fund pursuant to [RSA 204-C:56-62](#) and has established Rules for the administration of the Affordable Housing Fund ([HFA 113](#)) and the Supportive Housing (Special Needs) Program ([HFA 112](#)).

Proposed projects must meet the following qualifications:

Applicants may apply for deferred payment (non-amortizing, non-interest bearing) loans of \$150,000 up to \$1,500,000. At least \$1,250,000 is available through this RFP.

All application materials must be uploaded electronically to Apricot Social Solutions, <https://apricot.socialsolutions.com> by 4:30 PM on December 17, 2019. Contact Kevin Hunter, no later than December 1, 2019, at khunter@nhhfa.org or (603) 310-9224 to set up an Apricot account.

Potential applicants are encouraged to attend an informational meeting at the offices of New Hampshire Housing Finance Authority at 32 Constitution Drive, Bedford, NH 03110 at 2:00 PM on Wednesday, November 6, 2019. Registration for this meeting is required; please contact Jessica McCarthy at jmcarthy@nhhfa.org or (603) 310-9272.

Threshold Requirements and Scoring Criteria

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:

1. 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:204-C](#)
 - ii. [NH RSA:48-A:14](#), minimum (housing standards, and local minimum requirements for use and occupancy of housing.
 - iii. The Authority’s rules for the Special Needs Housing Program ([HFA 112](#)).
 - iv. The Authority’s Rules for the Affordable Housing Trust Fund ([HFA 113](#)).
 - iv. The Authority’s Design and Construction Policy Rules ([HFA 111](#)).

- v. Compliance with the Authority’s [Technical Design and Construction Standards](#) or [Technical Design and Construction Standards for Rehabilitation](#), as applicable.
- vi. The Authority’s [Underwriting Standards and Development Policies for Multi-Family Finance](#).

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

2. Eligible Projects: Per HFA 112.01(c)
3. Eligible Applicants: Per HFA 112.10
4. Existing Projects: Projects that have received a prior reservation of NHHFA financing are not eligible to apply for additional funding through this RFP.
5. 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.
6. Compliance period: Proposed projects must commit to minimum affordability restrictions (rent and income limits) for a period of at least 30 years in accordance with HFA 113.
7. Income Targeting and Rent Limits: Per HFA 112 (projects that comply with income targeting described in HFA 112 will also comply with income targeting provisions of HFA 113, which are less stringent).
8. Beneficiary Targeting: Per HFA 112.01(d)
9. 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.
10. Cost Reasonableness: Project applications will be evaluated for cost reasonableness. Applications which indicate unreasonably high total or specific line item development or operating cost as determined at the discretion of the Authority may be rejected. Projects must comply with the following Maximum Per-unit Development Subsidy Amounts:

# of Bedrooms	Maximum Per-Unit Subsidy
Shared Bedroom	\$80,000 per bed
Single Room Occupancy (SRO)	\$110,000
0 Bedroom	\$141,089
1 Bedroom	\$161,738
2 Bedroom	\$196,673
3 Bedroom	\$254,431
4+ Bedroom	\$279,286

11. 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.

12. Readiness: the project must be able to satisfy the following criteria for readiness at time of application:
 - i. Development and Operating Budgets prepared
 - ii. Schematic design complete
 - iii. Permit status letter submitted (signed by applicant’s attorney or local zoning official; letter must describe status of zoning and permitting but need not be a formal legal opinion).
 - iv. The project must be able to satisfy the criteria of the Progress Phase Requirements (Appendix A) within 120 days of notification of a reservation of funding.

13. Matching Resources: Matching Resources: The Authority requires the generation/investment of matching resources in an amount equal to 10% of funds provided by the Authority. These matching resources may be from federal or non-federal sources in the form of capital contributions. 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.

1. 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

2. 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

3. Introduction of new units of Supportive Affordable Housing: each application must introduce new beds to the state supply of supportive affordable housing. These new beds may be created through either new construction or rehabilitation or conversion of existing units not currently in use as supportive affordable housing.

- a. Eligible uses:
 - i. New housing that is supportive, and affordable (either through new construction or conversion of an existing building to a residential use).
 - ii. Conversion of units from rent and/or income restricted affordable rental housing to supportive affordable housing.
 - iii. Conversion of supportive housing that is not currently affordable (subject to rent and/or income restrictions) to supportive affordable housing.
- b. Not eligible:
 - i. Rehabilitation of existing supportive affordable (rent and income restricted) housing.

0-20 points

1 point for each new unit up to a maximum of 20 points

.5 point per bed for projects with shared bedrooms

4. 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 as evidenced by a permit status letter from the applicant's attorney, project engineer, or local planning official. A site plan approval that requires additional zoning board or planning board approvals will not be given these points. The status letter need not be a formal legal opinion. Projects that do not require planning and zoning approval will qualify for these points.

15 points

- iii. Up to 6 points: Design/Construction readiness. This category awards additional points to developers whose projects have advanced in the design. These points are cumulative; a project with complete construction documents will receive 6 points.
 - 1. Design Development Documents completed **3 points**
 - 2. 100% Construction Documents completed **3 points**
(submit complete set marked FOR CONSTRUCTION)

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.

5. 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.

0-10 points

6. Matching Resources: Applications will be awarded points for permanent non-Authority sources of funding that have been applied for and are likely to be awarded to the project. Eligible financing sources include subsidies, loans, historic tax credit equity and donations of land, land value, or long-term lease value. One point will be awarded for committed or likely match equal to each full 5% of the amount of Supportive Housing financing 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. The criteria for a “likely” award is:
 - i. Application has been submitted *and*
 - ii. The project is an eligible use for the funding applied for *and*
 - iii. The funding can be committed in a timeframe that would allow the project to close within one year of the application due date contained in this RFP *and*.
 - iv. The funding is directly related to the project in the application.

Funding sources administered by the Authority are not eligible for points under this category except for LIHTC equity for 4% tax credits.

Total award not to exceed 10 points for likely matching resources. If a firm commitment has been secured for the matching resources, points will be doubled for a total award up to 20 points.

0-20 points

Allocation Process:

1. 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.
2. Applications are scored and ranked in accordance with the Scoring Criteria in this RFP. Projects are recommended for a reservation of funding based on the competitive scoring results; however, a project must receive a minimum of 55 (fifty-five) points to be eligible for a reservation of financing. Reservations will be made by Authority staff no later than February 29, 2020.
3. 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 funds available, or use the funds for the same purpose in a future year.
4. 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 projects that received funding in order to address changed circumstances or ensure project feasibility.
5. Appeal Process: Applicants may appeal the Authority’s decision, solely regarding their application. The Authority will send letters to the Applicant via email informing them whether a reservation is being made by February 29, 2020. Applicants who want to appeal

this decision must submit a formal request within 5 business days. The appeal request is first considered by the Authority's Multi-Family Working Group. If the Multi-Family Working Group upholds the original decision, the applicant will have 5 business days from the email notice of this decision to submit formal notice of appeal to the Authority's Board of Directors.

6. **Waiver Authority:** The Authority reserves the right to waive any of the provisions of this RFP, within the constraints of the applicable regulations. Applicants must submit a written request for a waiver. 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.
7. **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.
8. **References:** Applicants may be required to provide authorization so that references and credit can be checked.
9. **Warrant and Liability:** The Authority intends to allocate no more 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.
10. **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, NHFFA 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 Supportive Housing financing.

Projects must meet the requirements of the progress phase to be eligible for a commitment of financing. Progress requirement extensions may be granted at the sole discretion of the Authority. The Supportive Housing financing 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 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, if applicable;
7. Evidence of continued site control;
8. Soils and/or structural engineering report;
9. Copy of the architect contract;
10. Executed tenant services agreement binding on both parties;
11. Copy of contract for consultant services (if applicable).

APPENDIX C

PROJECTED DEVELOPMENT SCHEDULE

	<u>Date</u>	<u>Milestone</u>
A	February 2020	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		NHHFA financing commitment
G		All other necessary financing commitments or grants obtained
H		Loan Closing
I		Construction start
J		Construction Completion
K		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.