

OPIOID USE DISORDER SUPPORTIVE HOUSING CAPITAL PROGRAM

Program Guidelines



NEW HAMPSHIRE
HOUSING

MULTIFAMILY HOUSING DIVISION

OPIOID USE DISORDER SUPPORTIVE HOUSING CAPITAL PROGRAM

PROGRAM GUIDELINES

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NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
OPIOID USE DISORDER SUPPORTIVE HOUSING CAPITAL PROGRAM
PROGRAM GUIDELINES

Part 1 – Overview and Purpose

- 1.01 The Opioid Use Disorder Supportive Housing Capital Program (Program) provides financing to support the creation of Supportive Housing units for individuals or households with a member with Opioid Use Disorder (OUD) and other co-occurring substance use disorders or mental health (SUD/MH) issues.
- 1.02 Financing is in the form of deferred payment, 0% interest loans for Project Sponsors to create Supportive Housing Units.
- 1.03 To be eligible for financing through the Program, a proposed project must incorporate supportive services that provide for the needs of individuals with OUD and other co-occurring SUD/MH issues.
- 1.04 Development projects may be either new construction, Adaptive Reuse, or the rehabilitation of existing multi-family housing that includes the addition of new eligible Supportive Housing Unit(s).
- 1.05 The Program is administered pursuant to the Memorandum of Understanding between New Hampshire Housing (NH Housing) and the New Hampshire Department of Health and Human Services (DHHS) effective July 1, 2024 (MOU). Funding from the Program is made available through the State of New Hampshire Opioid Abatement Trust Fund.
- 1.06 The Program is a subset of NH Housing’s Supportive Housing Program, and therefore the provisions of HFA 112 – Supportive Housing Program Rules are applicable to the Program. In the event of conflict between HFA 112 and the Program Guidelines, the Program Guidelines shall govern. These guidelines reference key provisions of HFA 112, as well as additional provisions applicable only to the Opioid Use Disorder Supportive Housing Capital Program.
- 1.07 NH Housing may use additional sources of funds for projects financed through the Program, which may impact the eligibility requirements and the other loan terms, depending on the funding source. Whenever there is a conflict between these guidelines and the rules for a specific funding source, the stricter requirement, as determined by NH Housing staff, shall apply.

Part 2 – Definitions

2.01 In addition to the terms defined in HFA 101 and HFA 112, the following words or terms shall have the following meanings in these guidelines:

“Advisory Committee” means the committee established by NH Housing in collaboration with DHHS to provide subject matter expertise, guidance on the creation and administration of the Program, and ongoing guidance during the Program implementation period, pursuant to the MOU Exhibit A 2.1.2.

“Adaptive Reuse” means the conversion of an existing non-residential building into a residential property.

“Permanent Supportive Housing” means housing that is intended to be long-term or permanent in nature, and where households have a lease and full tenant protections and have access to available services that support their recovery needs and help them maintain their housing. The projects have demonstrated through their operating budget to have a sustainable means of funding supportive services.

“Progress Phase Requirements” means documentation and project information that may not be available or required to be submitted by the Project Sponsor at the time of Application submission but will be required to be provided to NH Housing prior to financing commitment.

“Project Sponsor” means an eligible organization overseeing all aspects of the development of a supportive housing project, including hiring necessary design professionals, local permitting, budget development, construction/rehabilitation, etc., that is funded through the Program. Project Sponsors must demonstrate the capacity to complete the project and adhere to all NH Housing rules and regulations. The Project Sponsor or co-sponsor must be an organization with experience providing services or housing to people with OUD and other co-occurring SUD/MH issues and must demonstrate the capacity to operate the proposed project and to complete the development of the project. Project Sponsors who do not have the internal capacity to complete the development of the project may hire a development consultant to meet this requirement. “Project Sponsor” may be referred to as “Developer” within other applicable NH Housing rules and regulations.

“Recovery Residence” means a family-like, substance-free living environment that supports individuals in recovery from addiction and is centered on peer support and a connection to services that promote long-term recovery.

“Single Room Occupancy” means housing units in which households have a private bedroom space, while kitchen and/or bathroom facilities are shared among residents of the property.

“Shared Bedroom” means housing units with bedroom space that is shared among multiple unrelated residents.

“Supportive Housing Units” means housing units financed through the Program, in combination with Supportive Services, which meet the requirements detailed herein. Shared Bedroom units are each considered one Supportive Housing Unit, regardless of the number of resident beds that will be contained within the unit.

“Supportive Services” means programming, education, counseling, etc., provided to residents for the purpose of identifying and addressing their needs, beginning and maintaining recovery from substance use disorders, maintaining housing stability, building life skills, increasing household income or assets, increasing health and wellbeing, improving educational and employment outcomes, and building support networks, etc. Supportive services are provided by qualified entities with successful experience providing the identified services to the identified population.

Part 3 – Application and Commitment Process

3.01 The Program will follow the provisions of HFA 112 regarding the Notice of Funding Opportunity (NOFO), Application Procedure, Threshold Criteria, Commitments, Final Work Specifications and Plans, and Final Funding Determination. The provisions are summarized below:

- a) Applications for project financing are accepted through a competitive funding process detailed in a Notice of Funding Opportunity (NOFO).
- b) NH Housing will evaluate all Applications according to the threshold criteria outlined in the NOFO. If more Applications meeting threshold criteria are received than can be financed with the available funds, projects will be scored according to scoring criteria

outlined in the NOFO. Conditional financing reservations will be made for the highest scoring projects meeting all threshold criteria.

- c) Projects receiving a conditional financing reservation will be required to meet Progress Phase Requirements, which are documents and information that are not available or required at the time of application but will be required for financing commitment. If all Progress Phase Requirements are not met prior to the deadline provided by NH Housing, the conditional financing reservation will expire. NH Housing may extend the deadline to submit the requirements if the project sponsor can show a good faith effort to meet the requirements.
- d) Progress Phase Requirements will include submission of final construction documents to NH Housing for review for compliance with HFA 111 Design and Construction Rules and the NH Housing's Technical Design and Construction Standards.

Part 4 – Program Requirements

4.01 Eligible Project Sponsors

- a) Corporations and partnerships demonstrating a history of providing housing for individuals with OUD and other co-occurring SUD/MH issues in combination with a service program designed to address the resident's needs are eligible to apply.
 - 1. Entities who do not have experience providing housing for individuals with OUD and other co-occurring SUD/MH issues must have a qualified service provider as a co-sponsor to meet this criterion.
- b) Project sponsors or co-sponsors must be a New Hampshire based entity.
- c) Types of entities eligible to apply for Program financing include:
 - 1. Non-profit corporations with an approved 501(c)(3) tax-exempt status;
 - 2. Public housing authorities;
 - 3. County, city, and town governments;
 - 4. For-profit corporations.
- d) The following are not eligible to receive Program financing:
 - 1. Organizations that do not comply with HFA 601 "Financial Assistance and Religious Nondiscrimination"
 - 2. Organizations that are in non-compliance with NH Housing or any other funding institution.

4.02 Eligible Project Households

- a) Residents of the proposed project must be individuals or households including a member with OUD and other co-occurring SUD/MH issues.
 1. Individuals and households will be considered to meet this eligibility criteria if they meet at least one of the following:
 - i. A history of Opioid Use Disorder as confirmed by certification from a qualified provider (substance use treatment or recovery provider, mental health provider, public health official, etc.), OR,
 - ii. A history of a co-occurring substance use disorder or mental health issue as confirmed by certification from a qualified provider (substance use treatment or recovery provider, mental health provider, public health official, etc.) and self-certification of prior opioid use.
 2. Projects must maintain tenant eligibility certifications in the tenant file while the individual/household resides at the property, and for at least five years after the individual/household vacates the property.
 3. If other permanent financing sources are being used to fund the development project, the project may reserve a portion of the units to serve individuals and households with any substance use disorder and no prior opioid use. The number of units serving individuals without prior opioid use must be proportionate to the amount of other funding sources being used.
 4. Developers of General Occupancy projects planning to apply for NH Housing financing, or who have existing NH Housing financing (including LIHTC equity), may apply for Program financing if a portion of the units in the larger project will be reserved for eligible households as described in section 4.02.a.1.i-ii.
 - i. Funds used in this type of project structure may be used to set up a separate rent and/or operating reserve account for residents of eligible units and/or to pay eligible development costs.
- b) Projects may serve more targeted subpopulations of the eligible population, including:
 1. Individuals with OUD and other co-occurring SUD/MH issues who are exiting incarceration.
 2. Households with OUD and other co-occurring SUD/MH issues who are homeless or at risk of homelessness.

4.03 Eligible Program Models and Housing Types

- a) Types of housing models eligible for financing include the following:
 - 1. Permanent Supportive Rental Housing;
 - 2. Recovery Residences which meet standards for certification based on best practices for recovery residences, and which will be eligible to be certified by the state designated certifying body and registered with the NH Department of Health and Human Services. Level 1 – 4 Recovery Residences are eligible.
- b) Types of housing not eligible for financing include the following:
 - 1. Nursing homes, hospitals, and those of a predominantly medical nature.
 - i. If the proposed project intends to provide services that meet the American Society for Addiction Management (ASAM) level of care 3.7 or 4.0 definitions, the project will be considered as having a “predominately medical nature” and not eligible for financing. Proposed projects that include services that meet the ASAM level of care 3.5 definition, or any level below, are eligible.
- c) Types of housing units eligible for financing include the following:
 - 1. Private rental units with zero, one, or multiple bedrooms;
 - 2. Single Room Occupancy units;
 - 3. Shared Bedroom units.
- d) Types of properties eligible for financing include the following:
 - 1. Multifamily;
 - 2. Congregate;
 - 3. Non-residential building for the purpose of Adaptive Reuse.
- e) Program financing can be used to fund the following development project types:
 - 1. Rehabilitation;
 - 2. Substantial rehabilitation;
 - 3. New construction;
 - 4. Adaptive Reuse from non-residential use.
- f) Per RSA 172 B:2 V-VII, Recovery Residences are required to meet standards for certification based on best practices for recovery residences and be certified by the state designated certifying body and registered with the NH Department of Health and Human Services within six months of the project being placed in service.

- g) Project Sponsors must demonstrate compliance with all applicable state licensing requirements based on the proposed program model and service type.

4.04 Supportive Service Requirements

- a) Proposed projects must provide supportive services that address the needs of individuals with OUD and other co-occurring SUD/MH issues. Applicants for funding must describe the proposed service plan using the NH Housing provided template Supportive Housing Services Plan template for the Opioid Use Disorder Supportive Housing Capital Program, found on NH Housing's website.
- b) Services Plans must include a detailed description of the following information:
 1. The target resident population, including general expectations of their stage in recovery, level of community engagement, etc.
 2. The supportive services that will be provided to residents, the frequency of service provision (daily, weekly, etc.), and the intended resident outcomes. Service plans must indicate how the proposed service model will help residents achieve long-term success and housing stability. The sponsor should include community services that will be utilized by residents as part of the program model, but not provided by the project sponsor.
 3. The sponsor/service provider and their experience providing the proposed services.
 4. Program rules, including how violations are addressed and conditions under which a resident may be discharged from the housing program. Service plans must indicate how the proposed services will help the resident maintain housing and prevent involuntary discharge. Service plans must indicate how program operators will address reoccurrence and the plan for reoccurrence management.
 5. Support provided to residents when leaving the housing program, especially involuntarily, and referrals that will be provided for alternate housing options.
 6. How residents will be connected to other community services and ongoing supports while residing at the residence and at the time of program discharge. Service plans must indicate the specific providers within the project's geographic region that residents may utilize.
 7. Project staffing model and staff qualifications for providing the identified services
 8. Resident referral and screening plan indicating how the sponsor will identify whether the program model and services are appropriate for the applicant based

on their level of need, and what supports will be provided to applicants who are not an appropriate fit for the residence.

- c) The operating requirements listed below must be referenced in the Service Plan and complied with at all times through the length of the affordability period
 - 1. Policies regarding exiting residents who do not abide by program rules/policies must be person-centered, reasonable, and centered around data and best practices in recovery and recurrence. Policies must demonstrate an organizational goal to prevent involuntary program discharges.
 - 2. Any security deposit paid by residents upon entry to the residence must be returned upon exit from the residence, unless there is clear evidence that the security deposit must be retained to offset the cost of damages caused by the resident. Proof of the damage and use of security deposit funds to repair damages must be kept in the resident file for at least five years after the resident's exit.
- d) NH Housing will assess the quality of the sponsor's supportive services plan and program policies, including policies related to involuntary discharges, to ensure the proposed services are adequate and appropriate for the target population, the sponsor is qualified to provide the services, and that service funding is available and sustainable. NH Housing, in its sole discretion, may deny project financing if the service plan appears inadequate and/or not centered around data and best practices in recovery and recurrence

4.05 Operating Budget Requirements

- a) In addition to providing a line-item operating budget, Project Sponsors must provide a detailed narrative of their operating budget describing all anticipated project expenses, including supportive services costs, and corresponding sources of funding. All funding sources must be described in detail, and the terms of any grants or Medicaid reimbursements must be clearly described. NH Housing in its sole discretion may require additional information to confirm the availability and sustainability of project funding.

4.06 Demonstration of Need

- a) Project sponsors must demonstrate the need and demand for proposed projects as part of their application. Information documenting the anticipated number of individuals/households who would be eligible to live in the proposed residence must be provided at the time of application. NH Housing in its sole discretion may require additional information to document the need for the project.
- b) NH Housing will use available data to assess the demand for proposed projects. Demand for the proposed project will be considered in determining a project's feasibility and sustainability. NH Housing reserves the right to deny an application for funding for a project that appears to lack sufficient demand.

4.07 Eligible costs

- a) NH Housing will determine the eligibility of all costs funded through the Program. Please see reference the Affordable Housing Fund (AHF) section of Appendix A to the Underwriting Standards and Development Policies for Supportive Housing for a complete list of eligible costs. Eligible costs include:
 - 1. Construction and rehabilitation costs;
 - 2. Acquisition costs;
 - 3. Appraisals;
 - 4. Developer fees;
 - 5. Environmental assessments;
 - 6. Architect and Engineering fees;
 - 7. Legal fees and closing costs; and
 - 8. Reserves and escrows, including rent reserves.
 - 9. Other closing costs determined eligible in NH Housing's sole discretion.

4.08 Income targeting requirements

- a) All projects must meet one of the following minimum income targeting restrictions for occupying households for the length of the mortgage but in no case less than 30 years. Although, projects may target a higher percentage of the units than the minimum.

1. 20% of the units must be rented to households with incomes at or below 50% of the area median income (AMI) as adjusted for household size and published from time to time by HUD.
 2. 40% of the units must be rented to households with incomes at or below 60% of the area median income as adjusted for household size and published from time to time by HUD.
 3. 50% of the units must be rented to households with incomes at or below 80% of the area median income as adjusted for household size, published from time to time by HUD, and found on the NH Housing's Website.
- b) In no case may more than 50% of the units of a project be occupied by households with incomes above 80% AMI.

4.09 Rent restrictions

Rent plus utility costs charged to the resident households may not exceed 30% of the maximum income level in each income targeting category described in section 4.08 of these guidelines. Rent limits corresponding to these income limits and utility allowances are published by HUD and available on NH Housing's Website.

4.10 Management Requirements and Documents

- a) After the conditional financing reservation, and no later than time of final commitment, the Sponsor shall submit a Tenant Selection Plan, Management Plan, Marketing Plan, Sample Lease and/or Resident/Program Agreement, and Resident Services Plan that meets NH Housing's criteria for approval. Sponsors shall also submit their program rules, resident policies, etc.
- b) Management documents must include the following information:
 1. A description of circumstances that would constitute a resident being discharged from the program involuntarily.
 2. Any security deposit paid by residents upon entry to the residence must be returned upon exit from the residence, unless there is clear evidence that the security deposit must be retained to offset the cost of damages caused by the resident. Proof of the damage and use of security deposit funds to repair damages must be kept in the resident file for at least five years after the resident's exit.

- c) Once operating, Project owners will be required to submit annual reports to NH Housing indicating the number of residents discharged from the program, whether discharge was voluntary or involuntary, average length of stay, etc. NH Housing reserves the right to request additional data be tracked at any point during the affordability period.
- d) A Land Use Restriction Agreement (LURA) will be recorded on program financed projects for a period of at least 30 years to ensure the project remains affordable and the services outlined in the NH Housing approved Service Plan are available to tenants for the identified period. The LURA will also indicate that the units must be restricted to individuals with OUD and other co-occurring SUD/MH issues through the year 2042.
 - 1. If a property is unable to meet the obligations indicated in the LURA for the identified period, the NH Housing mortgage must be repaid in full. Once repaid, funds will be deposited to the Affordable Housing Fund.
- e) Additional Project management requirements and documents may be determined by NH Housing.

4.11 Form of Assistance; Security and Compliance

Program funds will be made available as a deferred payment, 0% interest loan. Payments on the loan will be made from surplus cash, in accordance with NH Housing's Underwriting Standards and Development Policies for Supportive Housing.

4.12 Developer Fee Policy

A developer fee may be included in the project development budget. The amount of the developer fee may be up to 20% of the total development cost.

4.13 Additional HFA 112 Applicable Rules

All Program funded projects must comply with the provisions of HFA 112 Matching Resources, Predevelopment Review, Loan Terms, Enforcement or Use Restrictions and Default, and Multifamily Rental Production Requirements as they relate to compliance with NH Housing's Supportive Housing Underwriting Standards and Development Policies for Multifamily Finance, Technical Design and Construction Standards, and Design and Construction Rules (HFA 111).

4.14 Document Retention

- a) NH Housing must retain program reports, including financial and administrative expense reports, for five years from the date of submission of the final report.
- b) NH Housing must retain project documents and closing files based on NH Housing document retention guidelines.
- c) Project owners must retain tenant eligibility documents in tenant files for five years from the date of the tenant vacating the property.

4.15 Other Applicable Rules, Policies, and Standards


The following New Hampshire Housing Rules, policies, and standards are incorporated herein by reference. In any instance where the Program Guidelines, Rules, Standards, and Policies are in conflict, the stricter of the two should govern the Program:

- a) HFA 111 Design and Construction Policy Rules
- b) HFA 112 Supportive Housing Program Rules
- c) HFA 113 Affordable Housing Fund
- d) Technical Design and Construction Standards or Technical Design and Construction Standards for Rehabilitation, as applicable
- e) Underwriting Standards and Development Policies for Supportive Housing



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