NEW HAMPSHIRE HOUSING FINANCE AUTHORITY NOTICE OF FUNDING OPPORTUNITY OPIOID USE DISORDER SUPPORTIVE HOUSING CAPITAL PROGRAM

SUBJECT

This Notice of Funding Opportunity (NOFO) is an announcement of funding for the Opioid Use Disorder Supportive Housing Capital Program (Program) applications (Project Applications) from qualified organizations to develop affordable housing for individuals and households with Opioid Use Disorder (OUD) and other co-occurring substance use disorder or mental health (SUD/MH) issues that incorporates supportive services that provide for the needs of the residents.

Developers are limited to only one Project Application through this NOFO.

The proposed supportive housing can be in any area of the state. Applicants can, if eligible, apply for funding resources described in this NOFO.

NOFO RELEASE DATE: January 6, 2025

APPLICATION DEADLINE

Project Applications will be accepted as detailed in the Application Process section of this NOFO.

FUNDING RESOURCES

New Hampshire Housing has \$5,700,000 in Funding Resources available under this FY 2025 NOFO. NH Housing may, at its discretion, issue forward reservations of FY 2026 program funds. The perproject minimum funding amount available is \$150,000, and the maximum funding amount is \$2,000,000.

Funding Resources available under this NOFO per the FY 2025 Program Plan are listed below:

 New Hampshire Opioid Abatement Trust Fund, administered through the State Affordable Housing Fund (AHF) (RSA 204-C:57)

Projects that receive Funding Resources must comply with the applicable state and federal laws and regulations for such resources, including income and rent targeting. Projects must also adhere to all applicable New Hampshire Housing rules and policies, including the following. Please read all rules and policies.

- Opioid Abatement Trust Fund Statute (RSA 126-A:86)
- Supportive Housing Capital Program Opioid Use Disorder Program Guidelines
- Affordable Housing Fund Rules (HFA 113)
- Underwriting Standards and Development Policies for Supportive Housing
- <u>Technical Design and Construction Standards</u> or <u>Technical Design and Construction Standards</u> for <u>Rehabilitation</u>, as applicable
- Design and Construction Policy Rules (HFA 111)

To help ensure long-term success of projects, NH Housing will assess performance risk of the proposed project by reviewing various indicators of the likelihood of successful long-term performance, including:

- The amount and source of requested NH Housing funds;
- Security position of NH Housing loan(s);
- The demand for the proposed housing; and
- The long-term stability of revenue sources for providing services, including, but not limited to, fee-for services, or funding from the government, private sector, or fundraising.

Further, NH Housing may consider the project's adaptability to other housing uses should the finances and/or demand for the housing change. NH Housing reserves the right to reduce or deny funding to a project when it concludes that 1.) There is a high risk of nonperformance; 2.) NH Housing's funding is determined to be at a significant risk; and/or; 3.) Alternative uses are unfeasible.

New Hampshire Housing may require an intercreditor agreement to be executed when the NH Housing loan(s) is not in first security position. The terms of the intercreditor agreement will be determined on a case-by-case basis.

EVALUATION PROCESS

Program Applications will go through a two-step process (detailed below).

Step 1: Projects must first meet the threshold criteria. Projects that do not meet the threshold criteria are ineligible under this NOFO.

Step 2: Projects that meet the threshold criteria will then be evaluated under the scoring criteria.

THRESHOLD CRITERIA

Each Program Application will be evaluated to determine whether it meets the following Threshold Criteria.

- Project Feasibility and Appropriateness Applicant must fully describe the project by completing
 and submitting NOFO Exhibit B: <u>Supportive Housing Financing Application</u>. The proposed project's
 characteristics and location must be considered feasible from a financial and regulatory standpoint and
 must meet the NH Housing's Supportive Housing Underwriting Standards and Development Policies for
 Supportive Housing Development.
- 2. Project Sustainability In addition to the line-item operating budget included in the Supportive Housing Financing Application, the applicant must provide a detailed narrative of their operating budget describing anticipated project expenses, including supportive services costs, and corresponding sources of ongoing funding. All funding sources must be described in detail, including whether funds are committed, conditions required for ongoing funding, how long funds are available/end date of funding contract, etc. If applicable, the applicant must describe a feasible plan to secure reimbursement through Medicaid, contracts with NH Department of Health and Human Services, commitments from partner organizations, or other established and credible sources of ongoing financial support. Applicant must submit contact information for the funding organization(s). NH Housing, in its sole discretion, may require additional information to confirm the availability and sustainability of project funding.

- 3. **Beneficiary Targeting** –All units must serve individuals or households with a member with Opioid Use Disorder (OUD) and other co-occurring substance use disorder or mental health (SUD/MH) issues as described in NOFO Exhibit E: <u>Program Guidelines</u>.
- 4. Sponsor Qualifications Project sponsors or co-sponsors must demonstrate a successful 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. Project sponsors must be an eligible entity according to the NOFO Exhibit E: Program Guidelines. Either the Sponsor or co-sponsor must show proof of being a New Hampshire based entity.
- 5. **Site Control** Applicant must have secured site control (in the form of a deed, an executed option to purchase, or a long-term lease with a duration at least as long as the 30-year affordability period) or, at minimum, have a property identified if site control is not secured. Applicants who do not have site control at the time of application will be required to obtain site control within **90 days** of receiving a financing reservation from New Hampshire Housing.
- 6. Income Targeting and Rent Limits
 - a. Projects must meet the income and rent limits detailed in NOFO Exhibit E: Program Guidelines.
 - b. Shared Bedroom Units may charge no more than 50% of the 0-Bedroom rent limit amount.
 - c. Single Room Occupancy (SRO) units may charge no more than 75% of the 0-Bedroom rent limit amount. For the purposes of this NOFO, SRO housing is comprised of individual (single occupancy) units and shared kitchen and/or sanitary spaces.

Applicable income and rent limits are available on New Hampshire Housing's website.

7. **Maximum Per-Unit Subsidy Limit** – Projects will be limited to the lesser of a maximum project subsidy from New Hampshire Housing of \$2,000,000 or the Maximum per-unit Subsidy Limit from New Hampshire Housing detailed in the table below. The maximum per-unit subsidy limit is based on the total number of beds or units being created new or improved as part of a substantial rehabilitation. Please use the information in this chart to complete NOFO Exhibit B: Supportive Housing Financing Application.

# of Bedrooms	Maximum Per-Unit Subsidy	
Shared Bedroom Project	\$100,000 per bed	
SRO	\$175,000	
0-Bedroom	\$233,000	
1-Bedroom	\$233,000	
2-Bedroom	\$283,000	
3-Bedroom	\$367,000	
4-Bedroom	\$403,000	

- 8. **Developer Capacity** Applicant must demonstrate organizational capacity to complete the development project. Applicant must fully complete the Development Team tab of NOFO Attachment B: Supportive Housing Financing Application, detailing the organization's experience in supportive housing development as well as all members of the development team, including staff roles and responsibilities, development consultants, legal team, and design team.
 - a. List of projects in development (in any state, including New Hampshire)
 - b. List of completed projects, including the location, brief description of the project, total development cost, and funding sources

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- c. List of staff who will be working on the project, and staff resumes to document appropriate staffing and professional capacity
- d. If an Applicant does not meet the developer capacity threshold requirement, the applicant may (subject to New Hampshire Housing review) meet this requirement by hiring a development consultant to assist with the proposed project from application or reservation through construction completion. In that case, a copy of the development consultant contract must be submitted.
- 9. **Management Capacity** Applicant must demonstrate organizational capacity to manage and operate the property. Applicant must submit the <u>Management Entity Questionnaire and Experience</u>

 <u>Requirements</u> as part of the application submission.
 - a. Applicants may partner with an established management company to meet this threshold requirement. In that case, the management company shall complete the management entity questionnaire.
- 10. Matching Resources New Hampshire Housing requires the generation/investment of matching resources equal to 5% of all Funding Resources provided by the OUD Supportive Housing Capital Program toward the development budget. Matching resources may be from federal or non-federal sources. Grants, applicant cash contributions, donations in the form of cash, or value of real estate (as determined by documentation, such as an appraisal) are eligible sources of match. So-called "sweat equity" is not an eligible matching resource.
- 11. **New Unit Production** The project must include the creation of new units of eligible supportive housing. Applications for the substantial rehabilitation of existing housing may be eligible if the proposed project also includes financing to create new eligible supportive housing units. An exception may be granted for existing properties with significant code and safety issues when such issues mean the housing might be lost in the next two to four years due to condemnation or government action (documentation to evidence this must be provided with the application).
- 12. **Supportive Housing Service Plan** Applicant must submit the completed <u>Supportive Services Plan</u> <u>Template</u> with their Project Application describing the type of services to be provided, the sponsor's qualifications to provide the services, and the sources of funding for services, how residents will be provided access to ongoing recovery services, etc. If applicable, Project Applications must also include a copy of the Program Rules for residents of the organization's existing housing programs, if any.
- 13. Market Information Applicant must document the demand for the proposed housing project. Project Applications must include a narrative to support the need for the proposed housing model for the identified target population in the identified area, referencing available population data and data on the current availability of housing programs for people in recovery, information documenting the anticipated number of individuals/households who would be eligible to live in the proposed residence, etc. NH Housing in its sole discretion may require additional information and reference available data to assess the need for the project. NH Housing reserves the right to fund only one Project in a specific municipality if multiple eligible Project Applications for the same municipality are submitted.
- **14. Local Approvals** Applicant must describe and reference what local approvals the project will need for the proposed project and include a description of the status of obtaining these approvals. Applicant must include the contact information for the local planning/zoning official(s). NH Housing may contact the official(s) for more information on the approval status.

15. **State Level Certification** – Applicants of Recovery Residence projects must describe a feasible plan to be certified by the designated state certifying body and registered with the NH Department of Health and Human Services within six months of the project being placed in service. Applicants must provide evidence supporting the proposed project's eligibility for certification, reference their organization's existing properties that are certified, if any, and identify the proposed project's anticipated level of certification.

SCORING CRITERIA

Applications that meet the Threshold Criteria will be evaluated based on the Scoring Criteria. Scores from the Scoring Criteria will be used to allocate Funding Resources.

- 1. **Geographic Distribution** Points will be awarded to projects which are located in a municipality where there is no existing housing for people with substance use disorder **5 points**
- 2. **Access to Community Services -** Points will be awarded to projects who are located in close proximity (within 0.5 miles of suitable walking distance) to the following community services:
 - a. Public transportation 5 points
 - b. Community services centers, including DHHS offices, local welfare offices, mental health centers, health care centers, food pantries, etc. 1 point will be given for each service center. – up to 5 points
- 3. **Advanced Project Readiness** Projects will receive the following points for demonstrating Advanced Project Readiness.
 - a. All necessary planning and zoning permits are in place, or none are required. To be awarded these points, sponsors must show that all necessary local planning and zoning permits are in hand, including site plan approval (can include conditions), or that no local approvals or variances are necessary as a condition of building permit issuance, as evidenced by a permit status letter from the sponsor's attorney or town planning/zoning official. 10 points
 - b. Construction cost estimates obtained from qualified contractor 5 points
 - c. Design/Construction Readiness
 - i. Design development documents (floor plans, elevations, etc.) completed **3 points OR**
 - ii. Final plans and specifications completed **5 points**
- 4. **Environmental Due Diligence** Phase I Environmental Site Assessment completed in the past five years **3 points**
- 5. **Target Population** Projects serving the following specified persons and households will receive the following points:

- a. At least half of the of the units in the project will serve households experiencing homelessness¹ or at risk of homelessness² **6 points**
- 6. Matching Resources Project Applications will be awarded points for long-term, non-New Hampshire Housing sources of funding that have been applied for and are likely to be awarded to the project or have already been awarded to the project. Matching sources include grants, loans, historic tax credit equity, developer equity/cash contribution and donations of land, or long-term lease value. One point will be awarded for a match equal to each full 5% of the amount of OUD Supportive Housing Capital Program funding requested. Up to 10 points

The criteria for a "likely" award of matching funds are:

- a. Application has been submitted;
- b. The project is an eligible use for the funding applied for;
- c. The funding can be committed in a timeframe that would allow the project to close within one year of the date the application to this NOFO is submitted; and
- d. The funding is directly related to the project in the application.

APPLICATION PROCESS

Applications for this NOFO will be accepted on the following reservation cycle schedule:

Application Due Date	New Hampshire Housing Response Date		
March 11, 2025	June 9, 2025		

The Project Application and exhibits/attachments must be submitted to New Hampshire Housing via the <u>HDS NextGen Application Portal</u> by 4:30 PM on the due date. The application portal, along with instructions, will be available approximately 30 days prior to the application due date.

 Applications will not be accepted after 4:30 PM on March 11, 2025, unless Funding Resources remain available or become available, and a notice has been issued.

New Hampshire Housing staff will review all Project Applications for Threshold Criteria. If the project does not meet all Threshold Criteria, the application will be rejected. If the project meets all Threshold Criteria, the project will be scored according to the NOFO Scoring Criteria. Funds will be awarded to the highest scoring applications through the issuance of a conditional financing reservation. The number of projects receiving an award will be limited to the amount of funding available. Within 90 days of the application due date, staff will reply in writing to the applicant and will either issue a conditional financing reservation, reject the application, or ask for additional documentation/information.

¹ For the purposes of this NOFO, a person or family experiencing homelessness means one of the following:

[•] The individual or family lives in a shelter and lacks a fixed, regular, and adequate residence and has a primary nighttime residence that is a supervised publicly/privately operated shelter designed to provide temporary living accommodation;

An individual who lives in a hospital or institution that provides a temporary residence for individuals intended to be institutionalized; or

[•] The individual or family live(s) in a public/private place not designed for, or ordinarily used for sleeping by human beings.

² For the purposes of this NOFO, a person or family at-risk of experiencing homelessness means one of the following:

The individual or family pays more than 50% of their gross income toward rent;

[•] The individual or family lives with friends or relatives due to an emergency or homeless situation and it is a temporary living arrangement. If the individual or family were not staying with friends or relatives, they would be homeless;

The individual or family is living in a substandard living situation, such as a campground or other temporary placement;

[•] The individual or family is fleeing from a domestic violence situation; or

[•] The individual is living with aging parents or other relatives that provide him/her with shelter, and if the individual were not living with relatives, he/she would be homeless.

If an applicant meets the Threshold Criteria but all funding through this NOFO has been reserved, the applicant may be placed on a waiting list. Applicants on the waiting list may be eligible for funding if a project that received a financing reservation fails to move forward, or New Hampshire Housing allocates additional funding for the Supportive Housing Program.

Projects that receive a reservation will have 120 days from the date of the reservation letter to satisfy project-specific progress phase requirements that will be outlined in the reservation letter. A project that meets the progress phase requirements will have one year from the date of the NH Housing reservation letter to close on the NH Housing loans.

 Failure to meet these specific requirements will result in the expiration of the reservation of resources.

STANDARD PROVISIONS

Standard provisions are Attachment A to this NOFO.

ADDITIONAL RESOURCES - DEVELOPMENT CONSULTANTS

New Hampshire Housing does <u>not</u> endorse or recommend specific development consultants to applicants. However, we do recognize the significant need for development consulting services for many organizations that want to develop supportive housing but do not have the professional and/or staff capacity to do so. With that in mind, we share the following information.

Development Consultant List

We have compiled a list of potential development consultants. Again, we do not endorse any particular consultant. Please click here for the list. The applicant is responsible for all aspects of engaging with a development consultant for their project.

Predevelopment Loan Program

New Hampshire Housing administers a Predevelopment Loan Program that provides funds to certain types of non-profit organizations to assist in paying for pre-development costs, such as architectural and engineering fees. Additionally, up to 33% of the predevelopment loan funds can be used to pay for a development consultant. See the Predevelopment Loan Program Rules on our website for more details, including how to apply for these funds.

CONTACT INFORMATION

Questions about this NOFO or the Supportive Housing Program can be directed to Emily Boisvert, Senior Program Manager, at eboisvert@nhhfa.org and (603) 310-9364.

STANDARD PROVISIONS

- 1. Subject to New Hampshire Housing's right to terminate earlier, this NOFO will remain open until all available funds have been reserved or June 30, 2025, whichever occurs first. This NOFO may be reopened after closing at the sole discretion of New Hampshire Housing staff.
- Applicants are responsible for ensuring submissions are complete, accurate, and comply with this NOFO. Proposals that do not comply with this NOFO may be rejected and may not be further evaluated or considered.
- 3. Applicants are not entitled to an opportunity to correct mistakes or deficiencies in the proposals after the deadline. Proposals that are missing required information may not be evaluated unless New Hampshire Housing staff requests the information during the review process and determines that the application will be evaluated.
- 4. New Hampshire Housing may discuss proposals with applicants and seek clarification or modifications.
- 5. This NOFO is subject to all applicable state and federal laws, regulations, and policies.
- 6. New Hampshire Housing assumes no obligation, responsibility, or liability for any costs incurred by the applicant in preparing a response to this NOFO.
- 7. New Hampshire Housing is subject to the Right To Know law, RSA Chapter 91-A (RTK Law). This could mean that the RTK Law may require submissions to be made available to the public upon request. Therefore, applicants are advised not to include information that they deem proprietary or confidential.
- 8. NH Housing's Executive Director is authorized to modify the NOFO to clarify provisions and to make corrections and other warranted revisions. NH Housing shall republish the NOFO whenever revisions are made.

EXHIBIT B: SUPPORTIVE HOUSING APPLICATION

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SUBMISSION REQUIREMENTS

For an application to be considered complete, all items listed below must be submitted. Additional materials may be provided to support the application. The documents marked "if applicable" are required if they pertain to your project. Project Applications may be rejected if all submission requirements are not provided by the application deadline.

General Requirements

- Completed NOFO Exhibit B: Supportive Housing Financing Application
- A Cover Letter summarizing the project and indicating the amount of Funding Resources requested.
- A description of the scope of work for the development project. If this is a rehabilitation project, indicate what work will be done on the property, including major system replacements, etc.
- The Sponsor's Self- Score as indicated by a letter outlining the scoring categories the sponsor feels the project is eligible for and a description of the back-up documentation included with the Project Application to support eligibility for the points. NH Housing, in its sole discretion, will determine whether a project is eligible to receive points for each scoring category.

Threshold Criteria Submission Requirements

1.	Project Feasibility and Appropriateness	Completed Supportive Housing Financing Application (see NOFO Exhibit B)	
2.	Project Sustainability	 A letter with a detailed narrative of the operating budget as indicated in the NOFO Direct contact information for all funding sources. Any current funding contracts (if applicable) 	
3.	Beneficiary Targeting	A description of the target population in the Cover Letter confirming that all units will serve the target population.	
4.	Sponsor Qualifications	A letter with a detailed narrative of the sponsor's qualifications as indicated in the NOFO.	
5.	Site Control	Evidence of site control (ex., Option to Purchase Agreement, Deed, etc.) or written plan to obtain site control within the time period described in the NOFO.	
6.	Income Targeting and Rent Limits	Completed Supportive Housing Financing Application (see NOFO Exhibit B) with the appropriate income targeting and rent limits included.	
7.	Maximum Per-Unit Subsidy Limit	 Cover letter indicating the amount of Funding Resources requested within the subsidy limits described in the NOFO. Completed Supportive Housing Financing Application (see NOFO Exhibit B), including the amount of Funding Resources requested. 	
8.	Developer Capacity	 A letter detailing the sponsor's capacity to complete the development project, including the following information; A list of the sponsor's projects in development (in any state, including New Hampshire) A list of completed development projects, including the location, brief description of the project, total development cost, and funding sources 	

	 A list of staff who will be working on the project. Resumes of the development team (sponsor/developer, architect, management agent, service provider, and any others on the team – include resume for development consultant, if applicable) A copy of the development consultant contract or LOI (if applicable)
9. Management Capacity	 Completed Management Entity Questionnaire and Experience Requirements template. LOI from a third-party management agency (if applicable).
10. Matching Resources	Confirmation of matching resources in the form of a commitment letter, executed grant agreement, etc.
11. New Unit Production	For projects rehabbing an existing multifamily residence, indicate in the Cover Letter the number of current housing units and the number of new units that will be created as part of the rehabilitation.
12. Supportive Housing Service Plan	 Completed <u>Supportive Services Plan Template</u> A copy of the Program Rules (if applicable) LOI from a third-party service provider (if applicable)
13. Market Information	A written narrative describing the demand for the proposed housing project as indicated in the NOFO.
14. Local Approvals	 A written narrative of the status of local approvals and what additional approvals are needed, including the anticipated timeline of receiving final approval and contact information for the local planning/zoning official(s). Local permit status letters, if any (can be conditional).
15. State-Level Certification	For Recovery Residence projects, a written narrative describing the project's eligibility for certification by the designated state certifying body as indicated in the NOFO.

Scoring Criteria Submission Requirements

1.	Geographic Distribution	Evidence of no existing housing for people with substance use disorder in the	
	•	proposed municipality (ex., state registry lists, etc.).	
2.	Access to Community	Google Maps screenshot(s) showing the distance between the proposed	
	Services	project site and the identified community services.	
3.	Advanced Project		
	Readiness		
	a.	Site Plan approval letter (if applicable) and permit status letter from the	
		sponsor's attorney or town planning/zoning official	
	b.	Construction cost estimates obtained from qualified contractor	
	C.	Design development documents OR final plans and specifications	
4.	Environmental Due	A copy of the Phase I Environmental Site Assessment completed in the past	
	Diligence	five years	
5.	Target Population	Indication in the Cover Letter and Supportive Housing Financing Application	
		that at least half of the units in the project will serve households experiencing	
		homelessness or at risk of homelessness. Income Targeting and Rent Limits	
		must support this unit restriction.	

PROGRESS PHASE REQUIREMENTS

The progress phase requirements included below are examples of the project milestones/benchmarks that projects will be required to meet over a specified timeline to maintain their conditional financing reservation. Each project will have a unique set of progress phase requirements, which will include all or some of the sample project phase requirements included here.

Progress phase requirement extensions may be granted at the sole discretion of New Hampshire Housing. The conditional financing reservation may be rescinded at the sole discretion of New Hampshire Housing for not meeting the progress phase requirements.

Examples of progress phase requirements include:

- Evidence of continued site control. Option to purchase agreement or purchase and sales agreement if the applicant does not own the property and did not have it under contract to purchase at the time of application.
- Submission of Supportive Housing Multifamily Financing Application (with requested updates, if applicable)
- Copy of contract for development consultant services (if applicable)
- Market information supporting demand for a proposed housing project
- Environmental site assessment, HUD checklist, and related reports (lead, asbestos, historic, archeological, etc.) if required by New Hampshire Housing.
- Submission and approval of tenant selection plan, management plan, sample lease, and marketing plan/affirmative fair housing marketing plan, if applicable.
- Submission and approval of tenant supportive services plan.
- Appraisal or broker's Opinion of Value.
- Evidence of zoning/local approvals.
- Long-term financing letter of commitment.
- Construction financing letter of commitment.
- · Executed grant agreements.
- Final plans and specifications.
- Soils and/or structural engineering report.
- Copy of the architect contract.
- Executed tenant services agreement binding on both parties.
- Executed Management Agreement binding on both parties.
- Cost estimates (or bids if available) by schedule of value. Must comply with limits on contractor overhead and profit per NH Housing's Design and Construction Policy.

Link to <u>OUDSHCP Program Guidelines</u> .				

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