

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 housing in any area of the state to individuals with special needs.

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 August 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 \$1,350,000. Up to \$2,700,000 may be available through this RFP. This program is for rental housing only.

All application materials must be uploaded electronically to the Online Data Manager, www.ctkodm.com/nhhfa by 4:30 PM on January 12, 2018. Contact Laurel Treamer (ltreamer@nhhfa.org or 603-310-9293) to set up an ODM account. If you do not yet have an ODM account, you must contact Laurel Treamer no later than December 12, 2017 to set up an account.

Potential applicants are encouraged to attend an informational meeting at the offices of New Hampshire Housing at 32 Constitution Drive, Bedford, NH 03110 at 1:00 PM on Thursday, October 12, 2017. 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:

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:
 - a. NH RSA Chapter 204-C
 - b. The Authority's 2017 Housing Trust Fund Allocation Plan
 - c. The Authority's Underwriting and Development Policies for Multi-Family Finance
 - d. Exhibit B of this RFP: Minimum Insurance coverage.
 - e. HFA:111, the Authority's Design and Construction Standards Authority Rules and policies are available at:
<http://www.nhhfa.org/rental-housing-developers-policies-standards.cfm>
2. **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.
3. **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.
4. **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.
5. **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	\$141,107
1 Bedroom	\$160,615
2 Bedroom	\$195,304
3 Bedroom	\$252,622
4+ Bedroom	\$277,344

- 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.
6. Development and Management Capacity: the members of the development and management organizations must:
 - a. Demonstrate the experience or ability to successfully complete and manage the project;
 - b. Be compliant or otherwise not in default with this or any other Authority program as determined by the Authority;
 - c. Not have a history of noncompliance in Authority programs;
 - d. Not have any significant negative history with other local, state or federal agencies.
 7. Readiness: the project must be able to satisfy the following criteria for readiness at time of application:
 - a. Development and Operating Budgets prepared;
 - b. Schematic design complete;
 - c. 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);
 - d. 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.
 8. Matching Resources: The Authority requires the generation/investment of matching resources in an amount equal to 10% 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.

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 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
4. Advanced Readiness: Points will be awarded for projects that have achieved certain milestones in the development process:
- a. **5 points:** Phase 1 Environmental Assessment completed in the last five years;
 - b. **15 points:** All necessary local planning and zoning permits are in hand, including site plan approval as evidenced by a permit status letter from the sponsor’s attorney, project engineer, or local planning official. A site plan approval 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;
 - c. **Up to 10 points:** Design/Construction readiness. This category awards additional points to developers 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 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).**

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.
0-5 points
6. Projects which have a new rental assistance subsidy from a source other than the Authority for at least 66% of the units for at least five years.
5 points
7. 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

8. Chronically Homeless: Applications will be awarded points for committing to serve the Chronically Homeless population as defined by HUD in 24 CFR 578.3.
10 points
9. 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
10. 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:

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 HTF funding based on the competitive scoring results. Reservations will be made by New Hampshire Housing's Multi-Family Working Group at its March 2018 meeting.
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 HTF available, or retain the HTF 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 applicants (in excess of \$1,350,000 per project, if necessary) in order to address changed circumstances or ensure project feasibility.
5. 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.
6. **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.
 7. **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 March 31, 2018. 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 Multi-Family Working Group. If the Multi-Family Working Group 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 New Hampshire Housing’s Board of Directors.
 8. **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.
 9. **References:** Applicants are required to provide authorization so that references and credit can be checked.
 10. **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.
 11. **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.

REQUIRED APPLICATION SUBMISSIONS

Item #	Description
1	Cover letter with narrative description of proposed project
2	Completed Application for Reservation (Microsoft Excel 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, if available.
6	Documentation of Matching Resources
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
13	Service Plan

APPENDIX A

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

PROGRESS PHASE REQUIREMENTS

The documents listed below must be submitted to the Authority via the ODM website 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 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. 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 (if applicable).

APPENDIX B

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

INSURANCE REQUIREMENTS

Insurance coverage in the following kinds and amounts is required on the Premises:

1. Scope and Amount of Coverage Required:

The scope of coverage shall be in an amount satisfactory to the Authority.

The policy shall be written on a SPECIAL FORM of coverages for all locations on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage stipulated in the policy, but not less than 100 percent of replacement cost. The amount of coverage shall be sufficient, except for deductibles as permitted above, so that in the event of any damage or loss to the Premises, which damage or loss is of a type covered by the insurance, the insurance proceeds shall provide at least the lesser of: a) compensation equal to the full amount of damage or loss; or b) compensation to the Authority equal to the full amount of the unpaid balance of the Note. All buildings valued at \$1,000 and over must be insured.

When the Borrower becomes aware that the Mortgaged Property is exposed to any appreciable hazard against which the "Special Form" does not afford protection, the Borrower shall advise the Authority of the nature of such hazard and the added coverage, if any, should be obtained. In such event, or in the event the Authority becomes aware that the Mortgaged Property is exposed to any appreciable hazard against which the "Special Form" does not afford protection, the Authority may require the Borrower to obtain such added coverage in accordance with the terms of the Mortgage, as the Authority shall determine necessary or, if the Borrower fails to obtain such coverage, the Authority may obtain the same and charge the premium therefor to the Borrower.

2. Scope and Amount of General Liability Coverage Required:

The Comprehensive General Liability Insurance shall be provided and maintained with a combined single limit of at least \$1,000,000 per occurrence for bodily injury and property damage, personal and advertising injury \$1,000,000 each occurrence, fire damage liability \$50,000, medical expense limit \$5,000, and general aggregate \$2,000,000. Any proposed recommendations or exclusions beyond those found in the Comprehensive General Liability form must be acceptable and approved by the Authority.

The General Liability policy shall be amended to include the following wording:

"Failure of the insured or any other party to disclose all hazards existing as of the inception date of the policy shall not prejudice the insurance with respect to the coverage afforded by this policy provided such failure or omissions was not intentional."

3. Other Insurance Required:

Loss of rents coverage in the amount equal to one (1) year's rental income is required. Boiler insurance is required if there is a steam boiler or other pressurized vessel in operation in connection with the Mortgaged Property. The boiler insurance policy should be on a comprehensive form and should provide a minimum of \$250,000 limit per accident per location.

4. Minimum Financial Rating of Carrier; No Assessments; Other Requirements:

Each insurance policy must be written by an insurance carrier acceptable to the Authority. Each carrier must be specifically licensed or authorized by law to transact business in the State of New Hampshire. Hazard insurance policies are unacceptable where: (a) under the terms of the carrier's charter, by-laws or policy, contributions or assessments may be made against the Authority or its designee; or (b) contributions or assessments may be made against the Borrower; or (c) by the terms of carrier's charter, by laws or policy, loss payments are contingent upon action by the carrier's Board of Directors policyholders, or members; or (d) the policy includes any limiting clauses (other than insurance conditions) which could prevent the Authority or the Borrower from collecting insurance proceeds.

5. Mortgage Clause: Endorsement:

All policies of insurance must contain or have attached the standard Mortgagee Clause customarily used by the private institution mortgage investors in the State of New Hampshire making loss payable to the Authority. The Mortgagee Clause must provide that the insurance carrier shall notify the Authority at least sixty (60) days in advance of the effective date of reduction in, or material change of, cancellation of, or non-renewal of the policy and at least ten (10) days in advance of the cancellation of such policy for a failure to pay the premiums therefor as governed by RSA 417-C:2. For any other policy changes, the insurance carrier shall notify the Authority at least thirty (30) days prior to the policy change. The Mortgagee Clause of each insurance policy must be properly endorsed and any necessary notices of transfer must be given to fully protect, under the terms of the policy and applicable law, the Authority's interest as mortgagee. The Mortgagee's protection under the policy should not be affected by any breach of warranty or noncompliance with the policy provisions by the Insured and this endorsement must so state. The Borrower must cause all insurance drafts, notices, policies, invoices, etc. to be delivered directly to the Authority, regardless of the manner in which the Mortgagee Clause is endorsed.

6. Flood Insurance:

Flood insurance in the amount specified below must be provided if the premises are located in a community for which flood insurance has been made available under the provisions of the Flood Disaster Protection Act of 1973 and which is located in a designed special flood hazard area. Such flood insurance shall be in a form of the standard policy issued by members of the National Flood Insurers Association or in the form of a policy which meets the criteria set forth in the guidelines published by the Flood Insurance Administration in the Federal Register on July 17, 1974.

The minimum amount of flood insurance required is the lowest of the following: (1) the outstanding principal balance of the Loan; (2) the full insurable value of the improvements secured by the Mortgage;

or (3) the maximum amount of flood insurance available on the date the Mortgage was filed of record. The deductible shall be the least amount allowed by law.

7. Other Requirements:

Applicant/Borrower Named Insured - The party responsible for the repayment of the Loan must be the named insured in the policy. The policy must cover the party's interest in the property and this is accomplished by making that party the named insured in the insurance policy.

Location Insured - The Borrower's insurer must verify that the location covered under the policy is identical to the property securing the Loan as the insurance provides protection only at the described location, for actual replacement value of the property.

Title Insurance - Generally accepted standards will be adhered to in qualifying ALTA title policy insurers. Mortgagee's ALTA title policies must be in an amount equal to the amount of the Loan, and must contain appropriate endorsements for easements, hazardous waste, etc.

8. Insurance Coverage Varying from Above Requirements:

Insurance coverage which does not meet the foregoing requirements will be considered on a case basis by the Authority upon request by the Borrower. The Authority requires such additional coverage as it may deem necessary in connection with the Loan given the particular circumstances.

9. Insurance During Construction:

For funds committed for project construction, the borrower shall purchase and maintain Builder's Risk Insurance in an amount at least equal to the total construction cost of the project. Said insurance is to be maintained during the entire construction period, and all policies shall designate Lender as Mortgagee/Loss Payee/Endorser and shall provide a minimum of ten (10) days' written notice to Lender prior to cancellation. Proof of insurance is to be provided to Lender on or before the closing.

The Borrower will be required to provide reasonable evidence of compliance with these Insurance Requirements.

DISCLAIMER

- **NOTE:** These insurance requirements are the minimum requirements required by the Authority to protect the Authority's interest in the property. The Authority makes no representations that the above insurance requirements will meet the requirements of the mortgagor and the mortgagor is urged to consult with its own agent or insurance advisor with respect to what insurance coverage is needed to protect the owner's interest. The Authority assumes no liability in any form for failure to have insurance in the amount or kind necessary to protect the mortgagor.