



Request for Proposals

Supportive Housing
Predevelopment Loan Fund

Due to: HennepinPre-Development@csh.org

Due date: September 23, 2022

Hennepin County’s (“County”) Housing and Redevelopment Authority, in partnership with the Human Services and Public Health Department and the Corporation for Supportive Housing (CSH), is excited to announce the creation of a Hennepin County Supportive Housing Predevelopment Loan Fund focused on increasing development of supportive housing by providing early stage pre-development financing and targeted training and technical assistance.

The Hennepin County Supportive Housing Loan Fund will provide up to \$100,000 in early stage predevelopment financing to develop supportive housing focused on the target populations of:

- 1) People with Complex Medical Conditions Experiencing Homelessness; and
- 2) People with Intellectual/Developmental Disabilities struggling to find housing within the housing models available.

Additionally, the loan fund will provide targeted training and technical assistance from CSH and NorthStar Policy Consulting to each selected development.

The goal of the Predevelopment Loan Fund is to create a competitive pipeline of projects for the County’s 2024 Supportive Housing Capital RFP. Funding for services and building operations may also be available separately from the County.

Please note that this RFP is separate from the fall round of the Hennepin County Supportive Housing RFP for capital funds that will be released September 1, 2022. The fall round of the Hennepin County Supportive Housing RFP focuses on a different target population and provides access to capital funding for projects, rather than access to technical assistance and predevelopment funding as is the case with this RFP.

The Hennepin County Supportive Housing Loan Fund is made possible by the Hennepin County Housing and Redevelopment Authority and the Corporation for Supportive Housing

ABOUT CSH

CSH has been the national leader in supportive housing for over 25 years. CSH has worked in 47 states to help create stable, permanent homes for individuals and families. This housing has transformed the lives of over 200,000 people who once lived in abject poverty, on our streets or in institutions. A nonprofit Community Development Financial Institution (CDFI), CSH has earned a reputation as a highly effective, financially stable organization with strong partnerships across government, community organizations, foundations, and financial institutions. Our loans and grants totaling over \$600 million has been instrumental in developing supportive housing in every corner of the country. Through its resources and knowledge, CSH is advancing innovative solutions that use housing as a platform for services to improve lives, maximize public resources, build healthy communities and break the cycle of intergenerational poverty. Visit us at csh.org to learn more.

ABOUT HENNEPIN COUNTY HRA’S SUPPORTIVE HOUSING STRATEGY

In 2018, the Hennepin County Housing and Redevelopment Authority (HRA) established the Supportive Housing Strategy to finance the development of supportive housing projects for the county’s priority population of residents. Creating this strategy was the first step in intentionally expanding our

supportive housing system for residents with the greatest needs. It will increase housing choices for those residents, reduce strains on other systems, allow the county to recruit and partner with supportive housing developers and providers, and expedite projects that meet county goals through early-in funding.

SUPPORTIVE HOUSING PREDEVELOPMENT LOAN FUND OVERVIEW

Hennepin County HRA and CSH created a \$500,000 Hennepin County Project Initiative Loan (PIL) Pool with the goal of increasing supportive housing development by providing capital to developers to pay predevelopment costs, which are often barriers to development.

Awardees will qualify for up to \$100,000 in unsecured PIL financing to assist in the preliminary / feasibility stage of supportive housing development. The terms of the unsecured PIL financing will be 0% for the first 24 months and 3% thereafter. There is flexibility to repay the unsecured financing at the time of acquisition of a site, with a larger predevelopment loan or to keep PIL outstanding at existing interest rate until closing into construction financing. There is also the possibility of loan forgiveness for up to \$100,000 at CSH and the County's sole discretion.

Additional Unsecured and Secured Project Financing The awardees will have the opportunity to apply for additional unsecured predevelopment financing and secured acquisition / predevelopment financing through CSH which will be subject to their underwriting standards and credit approvals.

Targeted Training and Technical Assistance: Teams will receive training which will include individualized technical assistance and resources to assist in completing their project. Industry experts, including but not limited to staff from the County and CSH, will develop and deliver customized technical assistance and PIL financing to the awardees. The County and CSH will work with each awardee to develop an individualized technical assistance plan and determine if there are any common areas that could be delivered through trainings or peer-to-peer opportunities.

The technical assistance may include but is not limited to:

- Training on the real estate development process;
- Training in affordable housing capital finance sources (public and private);
- Assistance with developing a real estate development capital budget;
- Assistance in assembling a development team;
- Assistance with predevelopment activities, such as site selection and evaluation, project concept development;
- Training in sources of federal, state, and local support service funding;
- Assistance in developing a support services budget and service delivery plan;
- Training and assistance in the development of management, tenant selection, and affirmative marketing plans;
- Assistance in creating a Memorandum of Understanding among partners outlining roles and responsibilities;
- Training in national best practices for supportive housing development and management; and
- Assistance with conducting outreach to community members and stakeholders.

Integration with Permanent Financing

In early 2024, the Hennepin County HRA will release a Request for Proposals for Supportive Housing Capital. That RFP will also focus on the target populations of:

- 1) People with Intellectual/Developmental Disabilities; and
- 2) People experiencing homelessness with complex co-morbidities exacerbating public health risks

Predevelopment Loan Fund Awardees are not guaranteed permanent capital financing from the County's Supportive Housing Capital Fund. However, the goal of the Predevelopment Loan is to make projects more competitive in that process.

ELIGIBILITY & SELECTION

Supportive housing is affordable housing linked with social services tailored to the needs of the population being housed. The goal of supportive housing is to provide affordable housing with access to an array of services designed to foster housing stability and improve health and quality of life for the population to be served.

Eligible applicants include service providers with experience providing effective services to the target population(s), housing developers interested in creating new housing for the target populations, and/or teams of service providers and developers. Should either service providers or developers apply without a complete team, CSH will assist and provide technical assistance to help service providers find developers, and vice versa, to create viable project teams.

ELIGIBLE SUPPORTIVE HOUSING PROJECTS

Eligible Types: CSH seeks a combination of housing types that could include Single Site or Scattered Site, Rehab or New Construction and 100% or Integrated Supportive Housing projects (minimum of 25% of units SH).

Supportive Housing Strategies under this Request for Proposals (RFP) can support projects varying from conversion of existing buildings to new construction, from specialized single-site settings to units intentionally integrated within a larger mixed-population project. Projects will vary to meet the variety of unique and often specialized needs of the priority populations. For example, a possible model for the medically complex population could include individual units with individual bathrooms that include options for cooking with a communal cafeteria that provides regular meals.

Referral Process: All vacancies will be filled by the County or its designee, following an agreed-upon referral process. A Declaration of Covenants and Restrictions filed against the property will reflect the agreement.

Income limits: Supportive housing units must be affordable to households with incomes below 30% of the area median income (AMI). As determined in April 2022 by the U.S. Department of Housing and Urban Development (HUD), 30% AMI in Hennepin County is \$35,200 for a four-person household.

Quality: Proposed projects must meet [CSH's Dimensions of Quality](#), including Housing First, Progressive Engagement, Person Centered Thinking and Long-Term Engagement Strategies to best serve these populations.

ADDITIONAL REQUIREMENTS

- Projects must have at least 20 units, which can be spread over a portfolio of smaller buildings.
- Housing is affordable and does not have time limits;
- Tenants hold one-year leases and acceptance of services is not a condition of occupancy.
- Housing is based on the Housing First model which includes eviction prevention and harm reduction strategies;
- Housing is compliant with Home and Community Based Services where relevant;
- Comprehensive case management services are accessible by tenants where they live and, in a manner, designed to maximize tenant stability and self-sufficiency;
- The supportive housing development must design low-barrier tenant screening. Examples of this are not screening out for having too little or no income, little rental history or negative rental history, active or a history of substance use, a criminal record (including active warrants and with exceptions for funding mandated restrictions), or a history of victimization (e.g. domestic violence, sexual assault or abuse), etc.

Proposals to develop emergency shelters, time-limited housing, Adult Foster Care or Community Residential Settings, will NOT be considered.

TARGET POPULATIONS

This RFP is focused on two populations **struggling to find housing within the housing models available:**

- 1. People with Intellectual/Developmental Disabilities who:**
 - a. May have co-occurring conditions such as mental illness; or
 - b. May have a live-in caretaker, intermittent caretaker, and/or mobility impairments; or
 - c. Are exiting institutional care; or
 - d. Are living with aging parents; and
 - e. Are frequently transitioning between residences because of housing instability; or
 - f. Are homeless or at risk of becoming homeless.
- 2. People experiencing homelessness with complex co-morbidities exacerbating public health risks.** Defining characteristics may include:
 - a. Actively using stimulants or opioids or in other stages of treatment and recovery
 - b. Have a history of intravenous drug use and overdose
 - c. HIV and/or other intravenous or sexually transmitted infections
 - d. Living in places not meant for human habitation or experiencing unsheltered homelessness
 - e. Complex co-morbidities (severe physical, mental health, and/or substance use disorders)
 - f. Need high intensity medical and wrap-around support services such as harm reduction and opioid reversal services on site

Selection

This RFP is an invitation for supportive housing development teams to submit a proposal to CSH. From the proposals submitted, CSH will select up to 7 potential projects for Hennepin County to review by December 31, 2022. The County will then select up to 5 proposals for pre-development funding of up to \$100,000 and an invitation to apply for additional County funding in the February 2024 supportive housing funding round. Selected teams will also be provided with individualized training and technical assistance to further their development project.

Consideration will be given to the following factors:

- Meets requirements outlined in the Eligibility section of this RFP;
- Commitment to developing Quality Supportive Housing;
- Capacity and experience of the team members, including financial stability;
- Project creates supportive housing units that address an identified housing gap for the RFP's priority populations;
- Extent to which the project will increase opportunities for the RFP's priority populations of residents to access and benefit from services;
- Integration with the broader community, geographic distribution, and least restrictive settings;
- Tenant selection criteria without disparate impact on people of color or people with extremely low incomes;
- Low-barrier tenancy requirements (using Housing First and Harm Reduction approaches);
- Culturally responsive practices for underserved cultural groups; and
- Quality of the response to the Application questions

Preference will be given to Proposers which:

- Includes people with lived expertise/experience of the target population to be served, and
- Includes a team partner or partners who bring expertise and experience in addressing the service and housing needs of communities of color.

CSH will also consider the Proposers specific needs for targeted training, technical assistance and project initiation loan financing in order to advance the proposed development.

Selection is a competitive process. Applicants must take care in responding to all requirements of the RFP. Please provide detailed information in the RFP response and do not assume that reviewers will be familiar with your organizational capacity or project concept.

Application Instructions

Application Deadline: Friday September 23rd, 2022 at 5pm

RFP Submission: Responses must be submitted in PDF format to HennepinPre-Development@csh.org

An email confirmation will be provided as proof of receipt. If you do not receive a confirmation within two days of submission, please contact HennepinPre-Development@csh.org. It is the applicant's responsibility to confirm receipt of the application.

The RFP Review Team will evaluate all proposals submitted and notify respondents of the selection decision by December 2022.

CSH will offer a webinar on the Supportive Housing Loan Fund RFP on August 22nd, 2022 at 3:30pm CT.

Questions: All questions must be submitted to: HennepinPre-Development@csh.org

RFP Application

Please submit responses to narrative questions as a separate document in PDF format, not to exceed 10 pages. Applicants should carefully consider questions to ensure all relevant details are provided and responses are complete.

Your responses to sections A (Project Overview) through D (Budget Narrative) will make up your proposal narrative. Please use the section headings listed below to add structure to your proposal narrative.

Additional supporting documents are requested . A complete proposal will include a proposal narrative and the additional supporting documents. Additional supporting documents and / or information will be requested during the review process of your application.

Proposal Narrative

Project Overview

- Provide an overview of the housing you envision to serve your proposed target population including location, rehab or acquisition, and number of units.
 - Secondly, please share your development and operating budgets if they are available, and the number of units set aside for the target population.
- Please provide *estimates* of the following, including the anticipated number of permanent supportive housing (PSH) units.

<u>Population Served</u>				
<u>Potential Site(s) for Development</u>				
<u>Total # of Units</u>				
<u>Total # of Buildings</u>				
<u>Single Site (100% PSH) or Integrated (specify % PSH)</u>				
<u>Unit Type:</u>	<u>PSH</u>	<u>0- 30% AMI (Not PSH)</u>	<u>30- 60% AMI</u>	<u>60- 80% AMI</u>
<u># of Studio Units</u>				
<u># of 1 BR Units</u>				
<u># of 2 BR Units</u>				
<u># of 3+ BR Units</u>				
<u>If unknown, please explain why:</u>				

*Integrated refers to partial PSH. Please specify percent PSH within the project.

- Briefly describe your project development team – the developer, service provider, and property manager’s - missions and values, types of service that they provide and housing they develop and manage, geographic area served, and community partnerships or collaborations. Please note, quality supportive housing requires a developer, service provider, and property manager. Know that CSH is available to help you think through potential partners if you do not have a full project development team at application.
- If a project team partner organization is new to supportive housing, please describe experience in serving individuals experiencing homelessness and/or experience in affordable housing.
- Briefly describe how your organizations will include people with lived expertise/experience for the target population into your project.
- Please describe your experience working with the proposed populations (People with Intellectual/Developmental Disabilities or People experiencing homelessness with complex co-morbidities exacerbating public health risks)
- Describe your organizations’ policies and/or strategies to respond to and address the racial disparities in who experiences homelessness and / or housing instability, with the targeted population(s), or what policies and/or strategies you will develop for this project.
- Describe your organizations’ experience with regard to pursuing and obtaining capital, operating and services funding for supportive, affordable , and/or market rate housing projects (For example, Low Income Housing Tax Credits, Housing Infrastructure Bonds, public and private/philanthropic gap funding sources, etc.)
 - Does your organization need support or technical assistance to “expand” this experience? If yes, please describe what support or technical assistance your organization needs.
- Describe your organizations’ experience in developing, owning, and/or operating supportive, affordable and/or market rate housing. Please be sure to describe your experience serving people with a history of homelessness and/or extremely low incomes.
 - Does your organization need support or technical assistance to “expand” this experience? If yes, please describe what support or technical assistance your organization needs.
- Please describe how the housing you are proposing will support the population identified (People with Intellectual/Developmental Disabilities or People experiencing homelessness with complex co-morbidities exacerbating public health risks)? Are their amenities you are planning that will support your selected population?
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B. Service and Property Management Plans

- Do you have formalized agreements between the project partners? If not, CSH can assist you with MOU development.
- Does your organization need support or technical assistance in review of this plan or to develop it in order to address the points below? If yes, please describe what support or technical assistance your organization needs.
- Describe your supportive service plan for the tenants you are planning to serve in your housing project. How will you assess tenant needs and tailor your services to meet the varying needs of the tenants you are serving?
- Describe how your service model is informed by and addresses the racial disparities that exist in the target population.
- Please confirm your commitment to fill your housing with referrals from the County or their designee.

C. Outcomes and Data Collection

- How will you use data to improve your services?
- What support does your organization need to develop a way to collect data and how to use it to show impact of your program?
- Please confirm your commitment to collecting data to show the impact of your program.

D. Budget Narrative

- Describe the financing plan envisioned to implement the housing development.
 - What is the estimated total development cost?
 - What primary and gap financing sources do you envision being good sources to finance the project?
- What sources of rent subsidy do you anticipate utilizing to support project feasibility, and what is the availability of those sources?
- What support does your organization need to develop a financing plan?
- What are likely sources of funding for services and front desk staffing?
 - What potential sources of services funding will you use to attain these services?
- Does your organization need support or technical assistance with developing your financing plan and identifying funding sources? If yes, please describe what support or technical assistance your organization needs.

Additional documentation

- The two most recent audited financials and year-to-date current financials for those fulfilling a primary role as developer, owner and supportive service provider.