Permanent Supportive Housing (PSH) Development Program Round XI RFA Informational Webinar

IHDA Strategic Planning and Reporting Department and Multifamily Financing Department Staff

8/15/2024

Agenda

1. PSH Development Round Overview

2. Timeline and PPA Process

3. PSH Round XI Application Details and Process

4. Q&A

REQUEST FOR APPLICATIONS

Permanent Supportive Housing (PSH) Development Program Round XI

Deadline:
5:00 P.M. on February 13, 2025

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www.ihda.org

Permanent Supportive Housing Development Round XI

PSH DEVELOPMENT PROGRAM OVERVIEW

Recent PSH Development Rounds 2017-present

- IHDA has held an annual PSH Development Program Funding Round since FY 2017

- Since 2017, IHDA has utilized over $349 million in financing to create and preserve over 1,200 units in 57 developments through the PSH Development Program.

Program Overview

- Opportunity to apply for funding for projects specifically targeted at creating housing for those in need of PSH and who face significant barriers to housing.

- New/expanded coordination opportunities. Encourage projects that:
  – Coordinate with local homeless Continuum of Care
  – Establish partnerships with anchor institutions, including healthcare partners and insurers
  – Are interested in pursuing HOME-ARP funding – see Section 4 of the RFA

Developer Engagement

Engagement Activity	Date/Timeframe
The Supportive Housing Institute *Facilitated by the Corporation for Supportive Housing ("CSH")*	March – July 2024
PSH RFA Developer Listening Session *Hosted by the Supportive Housing Providers Association ("SHPA")*	April 2024

Major Changes from Prior Year

RFA Design, Process, and Requirements

- Increased incentives for Projects that serve homeless or at risk-of-homeless populations
  - Inclusion of HOME-ARP funds for Projects that serve Qualifying Populations
  - Scoring incentives added for CoC coordination

- Transition from concept meetings to official PPA process
  - Universal/Combined PPA for LIHTC and PSH
  - PPA determinations may be maintained for two funding rounds

- Funding limit of the lesser of $7.5 million or 90% of TDC

- Developer fee cap reduced to $1 million

Major Changes from Prior Year

Mandatory Application Criteria

- Phase I Environmental Site Assessment requirement

- Universal Design point incentives converted to mandatory requirements

- Statewide Referral Network participation point incentives Removed – participation is optional

Major Changes from Prior Year

Application Scoring Criteria

- Increased alignment with the 2024-2025 QAP's PSH Track Scoring
  - Sustainability and Energy Efficiency
  - Development Team Characteristics

- Expanded referral method options
  - New point incentive for CoC coordination
  - Expanded coordination option with IDOC or other correctional facilities

- Increased points available and options for service coordination
  - Points available for Projects that provide tenant supports
  - Intent to align with PSH best practices and possibilities for improved service funding under 1115 Waiver

Application Scoring Criteria

- Option to demonstrate Neighborhood Assets utilizing the Quality of Life Index

- Addition of Anchor Institution and Insurer scoring category
    - H3C removed as a funding source and Project type, but healthcare and Insurer partnerships incentivized through this category

Definition of PSH and Service Component

IHDA defines Permanent Supportive Housing as

- Housing in the project is permanent; not time-limited
- For persons who need supportive services to access and maintain housing including those:
  - Experiencing homelessness or at risk of homelessness,
  - Living with a Disability
  - Experiencing or at risk of institutionalization, including those exiting the criminal justice system, jail, or prison
- Independent tenant holds lease with tenant rights and responsibilities
- Affordable Rent
  - Targeted to extremely low-income households at $\leq$30% AMI
  - Typically rent-stabilized
- Access to Supportive Services
  - Services are flexible, voluntary, and sustainable. Participation in services is not a condition of tenancy

Definition of Supportive Housing Populations

- Supportive Housing Populations defined as:
  - Households headed by persons with chronic disabilities and/or

  - Households that are homeless, at-risk of homelessness or unnecessary institutionalization

  - Other special needs populations who need access to supportive services in order to maintain housing stability, including
    - justice involved persons
    - victims of domestic violence

HOME-ARP Target Populations

HOME-ARP funds must be used to benefit individuals or families from the following qualifying populations:

1. **Homeless**

2. **At-risk of homelessness**

3. **Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking**

4. **Other populations where providing supportive services or assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability**

Note that there are no overarching income limitations – but expect residents to be at 30% AMI or below.

HOME-ARP Referral Methods

- Projects pursuing HOME-ARP must indicate which of the allowable Referral Methods the project intends to utilize, which include:

  – Referral Method 1: Use of HOME-ARP Expanded Coordinated Entry

  – Referral Method 2: Use of Standard Coordinated Entry with Other Referral Methods

  – Referral Method 3: Use of a Project/Activity Waiting List

Eligible Activities and Project Types

- Eligible Activities may include:
  - Acquisition
  - New Construction
  - Rehabilitation of Existing Occupied Units
  - Rehabilitation of Vacant Units, and/or
  - Adaptive reuse of Non-residential Properties

- IHDA welcomes proposals including single-site, scattered-site, and integrated PSH models.

- Funding can be used to create space specifically used for tenant services or building management.

- Commercial space should be financed from a non-IHDA source.

- CILAs in which each individual has their own room are eligible.

- Transitional Housing and supportive living facilities are ineligible under this RFA.

Eligible Applicants, Project Size, Target Populations

- Eligible Applicants include Non-profit, For Profit, and Joint Venture developers

- 40 Units or fewer; though IHDA may consider proposals over 40 units (see RFA)

- Target Populations - Disability neutral unless subsidy source requires specific targeting

- At least 50% of units must be for Supportive Housing Populations

Income Restrictions

- 50% of the units in the project must be dedicated for Supportive Housing Populations
  - Expected that these will be affordable to those at or below 30% AMI.
  - IHDA will consider proposals that include a portion of PSH units affordable to those between 30%-50% AMI.

- Other IHDA-funded units may serve households up to 60% AMI.

- May propose other affordable or market-rate units if funded from another source.

- Projects pursuing HOME-ARP must adhere to requirements in HUD Notice CPD 21-10

- Typically restricted for 30 years; Projects funded must comply with the most restrictive funding source

Funding Request Limit and Additional Sources

- May request the lesser of $7.5 million or 90% of the total Project costs
  - IHDA solely reserves right to waive this limitation
  - Maximum request limit does not include IAHTC, or 4% equity/bonds, or IHDA rental assistance requests

- IHDA may add/remove costs as it deems necessary to support the development and operation of the project

- Ability to request additional IHDA sources at time of Application, including Section 811 PBRA and LTOS

Non-IHDA Resources

- Encourage projects to pursue other funding available for their project. Important coordination opportunities include:

Non-IHDA Rental Assistance Sources:
  – Public Housing Authority Project-Based Vouchers
  – Continuum of Care rental assistance
  – Williams and Colbert bridge subsidy
  – Chicago Low-Income Housing Trust Fund

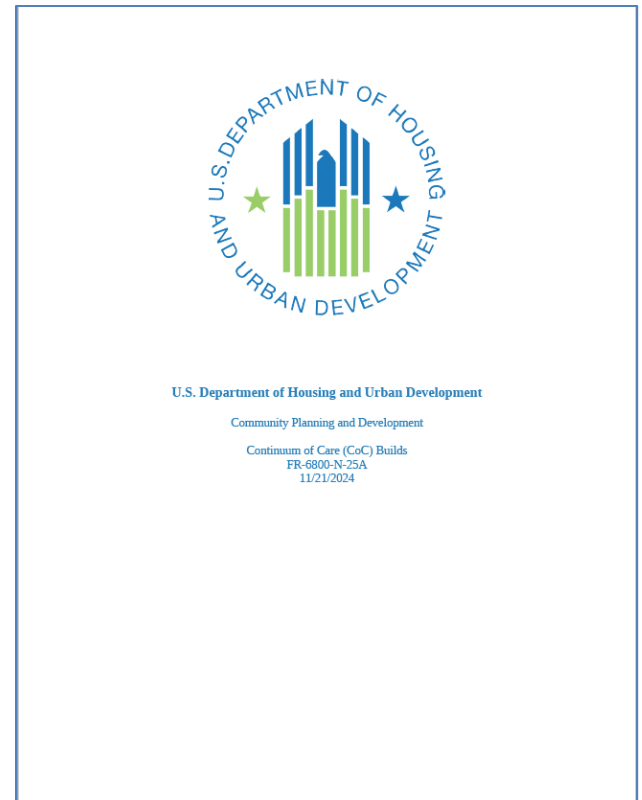### Other Non-IHDA current funding opportunities:
  – IHDA encourages CoC coordination, including around recently announced CoCBuilds NOFO
  – Federal Home Loan Bank Affordable Housing Program
  – Local municipal/county funding, as available

Funds must be committed at time of application to include in underwriting.

Non-IHDA Resources Highlight: CoCBuilds

- HUD released a NOFO for capital funding for new PSH development in July 2024.

- Applications are due back to HUD November 21, 2024.

- CoC applies on behalf of project. Contact local CoC for local process regarding application.

- $175 million is available for the program nationally, with individual applications able to request **between $5 and $10 million** per CoC (depending on a "Final Pro Rata Need" calculation). Priority for small states (<2.5 million population) and tribal areas.

- No more than 20% of the request can be for "non-capital costs eligible CoC activities associated with the PSH project".

- The Authority strongly encourages eligible applicants to concurrently pursue an award under the CoCBuilds NOFO alongside this RFA.

- Awards must be committed at time of application to IHDA to be considered in underwriting.

U.S. Department of Housing and Urban Development

Community Planning and Development

Continuum of Care (CoC) Builds
FR-6800-N-25A
11/21/2024

Permanent Supportive Housing Development Round XI

PSH DEVELOPMENT PROGRAM TIMELINE AND PRE-APPLICATION PROCESS

Permanent Supportive Housing Development Program Round XI Timeline

Date	Action	Project Sponsor Action Required
August 5, 2024	RFA published on the Website	**YES**
	Previous round applicants notified of RFA release	
August 15, 2024	RFA informational webinar Recording will be made available for later review	**YES**
August 16, 2024	**Preliminary Project Assessment Workbook** available on the Website	**YES**
	First day to submit Preliminary Project Assessment	
October 7, 2024	**Preliminary Project Assessment deadline**	**YES**
December 13, 2024	The Authority sends PPA notifications	
	Optional technical assistance meeting period begins	**OPTIONAL**
January 15, 2025	Last day to request optional technical assistance meeting	**OPTIONAL**
	Last day to indicate Application program intent See **Section 6.B.ii.a** and **Section 6.G.i**	**YES**
January 20, 2025	**First day to submit Application***	
February 13, 2025	**Application deadline***	**YES**
March 21, 2025	The Authority publishes public notice	
March-April 2025	Clarification period	
May 16, 2025 *(expected)*	Expected Board meeting with PSH Project approvals	**YES**

Permanent Supportive Housing Development Program Round XI Documents

Other resources and reference documents will be available on IHDA's [Supportive Housing Page](#) and on [IHDA's Developer Resource Center](#) including:

Design, Construction & Regulatory Compliance Requirements

Underwriting Standards Guide

2024 Income/Rent Limits

*****PPA Workbook will be posted August 16th, additional Application documents will be posted 60 days before Applications are due*****

Permanent Supportive Housing Development Program Round XI PPA Process

Preliminary Project Assessment Process:

https://www.ihda.org/developers/supportive-housing/

- Review the RFA, PPA Workbook and consult your project team.

- All projects must submit a PPA, and receive written approval from IHDA before submitting a full Application to IHDA.

- PPAs can be submitted between August 16th and October 7th, 2024.

- Submission is entirely online through IHDAConnect.

- Projects may be considered for multiple funding programs under one PPA –this must be clearly indicated on the PPA.
    - For example, request for consideration under both the PSH RFA and 9% LIHTC.
    - Must indicate which program (PSH or 9% LIHTC) prior to full application

- No fee if only applying under PSH RFA (refer to Multifamily Fee Payment Form for other programs)

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Preliminary Project Assessment Evaluation

- IHDA will review PPAs using 5 categories:
  - Project Concept, Site, Market, Financial Feasibility, Development Team

- Projects will receive an overall PPA evaluation Determination:

Possible PPA Evaluation Outcomes and Implications		
PPA Evaluation Outcome	**PPA Category**	**Overall PPA Outcome**
Approval	The PPA category is approved, criteria are satisfied	The PPA is approved, and a full Application will be accepted by the Authority
Conditional Approval	The PPA category is conditionally approved, criteria(on) are not fully satisfied and are subject to conditions*	The PPA is approved subject to conditions being met within any of the four categories
Denial	The PPA category is denied, criteria are not satisfied	The PPA is denied, and an Application will not be accepted by the Authority

*Should a PPA receive a "Conditional Approval" in any of the five categories, its overall PPA outcome will be "Conditional Approval" or "Denial" pending evaluations received in the remaining categories. Applications are accepted under the assumption that conditions will be met.

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Project Concept Criteria

- Project size and type
  - Number of units, clarify percentage/number of PSH units
- Target populations
  - Describe the intended population(s) to be served by the project.
  - If seeking a HOME-ARP allocation, a listing of the Qualifying Population(s) to be served by the Project.
- Housing referral coordination
  - Describe approach to housing referral coordination
  - For example: will the project use Coordinated Entry to house persons experiencing homelessness?
  - Is coordination planned with state agencies to house certain priority populations identified in the RFA?
  - If seeking a HOME-ARP allocation, indication of which eligible referral method will be used to serve the Project's Qualifying Population(s)?
- Preliminary service plan details
  - Outline overall approach to services, including detail on the services that will be made available to tenants. At a minimum must address case management, tenancy support services and access to behavioral health (substance use and mental health services).
  - Describe any planned partnerships with service providers, and how social services will be funded.
  - Describe any on-site service space, and how coordination between social service staff and property management will occur
  - Clarify how the project intends to align with Housing First principles (service will not be a condition of tenancy, plans to reduce barriers in housing application process, etc.)

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Site Criteria

- Determine a Primary Market Area (PMA)
  – Identify census tracts and natural boundaries (highways, roads, waterways, etc.)
  – See notes regarding projects with multiple sites
  – IHDA will review and provide feedback regarding PMA, as applicable.

- Enterprise Green Communities
  – Certify at PPA intent to comply with EGC criteria.
  – IHDA will review for compliance with EGC at full Application.

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Market Criteria

- Economic and Market Indicators
  - IHDA will review publicly available market information, (See PPA Data and Metrics Chart)
  - Data available on IHDA's website, including:
    - Affordable Rental Unit Survey
    - IHDA Market Analysis Application
    - Authority portfolio/ren-restricted concentrations; and/or
    - SRN demand lists.

- Food Access
  - Projects should demonstrate food access by providing map of qualifying Food Access Businesses.
  - IHDA has online food access locator available. Must meet NAICS definition.
  - If project does not meet requirement, IHDA may conditionally approve and require documentation of how appropriate food access will be provided.

Food Access Requirements		
Set-Aside	Qualifying Food Access Business(es)	Minimum Proximity Radius (miles)
Chicago Metro	• Full-service grocery store (NAICS 445110) • Fruit & vegetable market/produce market (NAICS 445230)	1 mile
City of Chicago		
Other Metro		
Non-Metro	• Supermarket/Grocery (NAICS 445110) • Fruit & vegetable market/produce market (NAICS 445230)	5 miles

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Financial Feasibility Criteria

- Review Underwriting Standards Guide when preparing PPA
  - Make sure Sources and Uses match
  - Debt Service Coverage Ratio of 1.15 through year 15
  - Review other standards including:
    - Vacancy Rate (residential assumed at 10%)
    - Contingency (construction and soft cost)
    - Fees and fee limits
    - Developer Fee
    - Operating Expense ranges
    - Reserves (replacement, operating, debt service, real estate tax, insurance, etc.)
- Construction Overage Analysis
  - If project exceeds hard cost construction limits
  - PSH Limits, for reference:

PSH New Construction/Adaptive Reuse ($/SF)

Set Aside	Base	Green Building Certification - Advanced Level	Green Building Certification - Net Zero Level
City of Chicago	$405	$430	$455
Chicago Metro	$335	$360	$385
Other Metro	$320	$345	$370
Non-Metro	$315	$340	$365

PSH Rehabilitation ($/SF)

Set Aside	Base	Green Building Certification - Advanced Level	Green Building Certification - Net Zero Level
City of Chicago	$260	$300	$340
Chicago Metro	$250	$290	$330
Other Metro	$215	$255	$295
Non-Metro	$160	$200	$240

Permanent Supportive Housing Development Program Round XI PPA Evaluation

Development Team Criteria

- IHDA will review development team criteria
  - At PPA stage, all projects must provide Development Team Experience Certifications for:
    - The Sponsor or Sponsors (all parties listed on the organizational chart in the PPA Workbook)
    - General contractor
    - Property manager
    - Architect of record
    - Service provider (as applicable)

- Note that development team members must demonstrate a history of similar work and type as required for the proposed Project.
  - Reach out to IHDA to discuss potential exceptions

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Permanent Supportive Housing Development Program Round XI PPA Notification

Preliminary Project Assessment Notification

- IHDA will notify Sponsor directly of the outcome of the PPA by December 13th.
- PPA outcomes may be used for **two funding rounds**
- Address all conditions at time of full application
- If changes between PPA and full application, notify the Authority.
- Projects will receive an overall PPA evaluation Determination:

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Permanent Supportive Housing Development Program Round XI PPA Notification

- Optional Technical Assistance Meeting
  - IHDA available for Technical Assistance Meeting
  - Sponsor may request meeting after PPA Notification and before January 15, 2025.
  - Email PSHRFA@ihda.org

- Application Program Intent
  - If indicated potential application for multiple programs (PSH and 9% LIHTC), Sponsor **must** indicate program intent prior to January 15, 2025
  - Email IHDAConnectHelp@ihda.org
  - Sponsors may not pursue an Application in more than one program for the same Project.

Permanent Supportive Housing Development Round XI

PSH DEVELOPMENT PROGRAM ROUND XI APPLICATION DETAILS AND PROCESS

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Application Submission and Logistics

- Applications Due: **February 13th, 2024**

- Application accepted online. Instructions will be provided at **after PPA Notification**.

- Application Materials will be available at www.ihda.org on the **Permanent Supportive Housing** Page.

- All applications documents posted by mid-December.

- Application submission will be through IHDAConnect

- Application Questions: PSHRFA@ihda.org
  For HOME-ARP: HOMEARP@ihda.org

Application Evaluation

- Completeness of Application
  - Application forms and supporting documentation
  - Signatures on all necessary documents
  - Payment of non–refundable application fee

- Mandatory Criteria
  - Completed application will be reviewed to determine if project meets mandatory criteria

- Scoring Criteria
  - If mandatory criteria is met, the application will be scored and ranked

Section 7 Mandatory Application Criteria

- Review Mandatory Criteria details in Section 7:
  - A. Application Certification
  - B. Multifamily Fee Payment Form
  - C. Common Application
  - D. Project Narrative and Supportive Service Plan Narrative
  - E. Neighborhood Assets Map and table
  - F. Site Control
  - G. Zoning
  - H. Environmental Assessment
  - I. Site Physical Information
  - J. Design, Construction & Regulatory Compliance Requirements
  - K. Historic Preservation Checklist
  - L. Construction Cost Breakdown
  - M. Site and M
  - N. Development Team Capacity
  - O. Financial Feasibility
  - P. Statewide Referral Network Requirements
  - Q. LTOS and Section 811 PRA Requests

Section 7 Mandatory Application Criteria

- Unless specific deviation in RFA, projects should follow general IHDA guidance contained in the Underwriting Standards and current Design, Construction, and Regulatory Compliance Requirements

- Third Party Studies:
  - Phase 1 Environmental Review *required* at time of application

- Guidance on requesting IHDA rental assistance in Section 7.Q.

Section 8 Scoring Criteria

Primary and Sub-Categories	Maximum Points	Category Weight
Leveraging	**15**	**15%**
Firm Commitment of Operating or Rental Assistance	**20**	**20%**
Sustainability and Energy Efficiency	**7**	**7%**
Access to Transportation	**5**	**5%**
Coordination of Referrals	**10**	**10%**
Coordination with local Continuum of Care	5	5%
Coordination with DCFS, IDOC, and/or IDHS DDD	5	5%
Coordination of Services	**10**	**10%**
Coordination with Community-Based Provider	5	5%
Additional Service and Support Coordination	5	5%
Neighborhood Assets	**10**	**10%**
Development Team Characteristics	**11**	**11%**
FOR-PROFIT TEAM ONLY CHARACTERISTICS	**11**	**11%**
BIPOC Development Control Women/Disadvantaged/Minority Enterprises	11	11%
NON-PROFIT TEAM ONLY CHARACTERISTICS	**11**	**11%**
BIPOC Development Control Women/Disadvantaged/Minority Enterprises	7	7%
Non-Profit Organization Participation	4	4%
Supportive Housing Experience, Training and Endorsements	**4**	**4%**
Anchor Institution and Insurer Partnerships	**8**	**8%**
Totals	**100**	**100%**

Section 8 Application Scoring Criteria

- Resources must be committed in order to be included in underwriting and scoring.

- Reach out early to CoC, state agencies regarding referral coordination

- Scoring for prior experience with PSH, or for SHI participation and/or CSH Pre-development Certification

- New Anchor Institution and Insurer Partnership Section includes scoring for:
  - Financial or site/facility contribution
  - Institutional Partner services

QUESTIONS?

Reminder: PPAs due by October 7th, 2024.

Additional questions can be sent to: PSHRFA@ihda.org

THANK YOU