State of Connecticut

Department of Housing

Housing Innovations: Supportive Housing for Homeless Youth and other Populations

November 2016

1. Q: Has DOH released a similar NOFA in the past?

A: DOH has previously released numerous NOFAs to provide capital funding for supportive and affordable housing but this is the first DOH NOFA that combines funding for construction/rehabilitation, operating expenses, and support services as well as prioritizes homeless youth.

1. Q: What is the source of funds?

A: DOH expects to use Affordable Housing Program funds for the $12 million in capital funding; the Homeless Prevention and Response Fund for the $3 million in operating subsidies; and expects to use $150,000 (annually for 10 years) in Housing/Homeless Services general funds for support services with an additional $25,000 (annually for 10 years) from the Department of Mental Health and Addiction Services (DMHAS). As always, this NOFA and any award of funding pursuant to it, remain subject to the availability of funding.

1. Q: Can this funding be used to create supportive housing for populations other than homeless youth?

A: Yes, while homeless youth is the priority population, DOH is accepting applications *for capital funding only* to create supportive housing opportunities for other vulnerable populations as well.

1. Q: Under this NOFA, does the homeless youth priority population include parenting youth?

A: The operating and support service funding under this NOFA is only for developments that serve *individuals* age 18-24 (at time of entry) experiencing homelessness, not for parenting youth. However, providers wishing to serve young families can apply for capital funding under this NOFA.

1. Q: Will this program be accepting applications until available funds run out?  When is this expected based upon similar open deadlines with similar funding?

A: Yes, DOH anticipates accepting applications on a rolling basis until all available funding is awarded. As mentioned above, this is a new type of NOFA for DOH so we do not have an accurate basis for comparison but we anticipate receiving numerous applications when applications can be submitted (January 25, 2017). Potential applicants are strongly encouraged to submit their applications at the earliest opportunity.

1. Q: How long is the affordability restriction on these units?

A: The required length of affordability is 20 years.

1. Q: What is the affordability requirement?

A: Supportive housing units must be affordable to households with less than 25% Area Median Income (AMI). Any affordable housing units mixed with the supportive units (not for homeless youth projects) can go up to 80% AMI.

1. Q: For how long must an applicant have “site control”?

A: Site control should be maintained for a reasonable period of time at least encompassing the application review period with an option to renew for at least 9 months thereafter.

1. Q: Can funds which are in the process of being applied for, or which may be applied for in the near future, be used as a source of leveraged funds?

A: All capital, operating and support services funding sources must have, at a minimum, a soft support letter from the funding provider. Failure to have a soft support letter for any funding source is grounds for immediate rejection of the application. For example, funding that remains subject to a competitive process cannot be included in the funding sources.

1. Q: Does the NOFA offer sufficient funding for support services?

A: Applicants are encouraged to leverage the service subsidy with other sources. The budget should delineate which costs are covered by the DOH/DMHAS funding and should include a letter of commitment from other funding sources.

1. Q: What percent of the architectural drawings are expected to be complete to be competitive for this funding?

A: The NOFA requires 40% drawings.

1. Q: Will the up to $1 million be enough to keep the program in operation for 10 years if rent cannot be dependable as a source of revenue?

A: Applicants are encouraged to leverage the operating subsidy with other sources. One potential source is through a partnership with the local housing authority to provide rental subsidies to a portion of the units. The budget must delineate which costs are covered by DOH funding and must include a letter of commitment from other funding sources.

1. Q: Please explain what type of 24-hour supervision you require in this NOFA for homeless youth projects.

A: The intention behind the 24-hour supervision is to ensure the safety and well-being of the residents. During the site’s scheduled case management hours, it is sufficient to rely on the case manager even if that case manager is out with a resident on appointments in the community as long as that case manager or another staff member could be on-site within a reasonable amount of time to handle any issues that arise. Feedback from staff at existing youth supportive housing developments emphasize the need for supervision during the weekends and late night hours when guests visit and youth are not at a job, school, or involved in another structured activity. Outside of regularly scheduled case management hours, staff such as a security guard or a resident advisor staying in one of the units should be on-site to de-escalate situations.

1. Q: The NOFA is explicit that the apartments be efficiencies; however, would DOH consider an existing vacant building with one or two bedroom apartments?

A: No, efficiency apartments, complete with bathroom and compact kitchen, are a threshold requirement.

1. Q: The maximum an agency can get to support their project is $190,000 annually for 10 years.  At $7,500 per client maximum, at 12 clients the total supportive services would be $90,000. Applicants may only receive $1 million to pay for operating expenses over a 10 year period, so $100,000 per year maximum. Is that accurate?

A: Yes.

1. Q: How dated can a PHASE I Environmental Site Assessment (ESA) be?

A: The report must be no older the six months prior to the application submission. An updated letter by the same firm is acceptable for reports older than six months. Remediation costs need to be reflected on the development budget.

1. Q: Is the PHASE II ESA required at the time of application?

A: As stated in the NOFA, if the Phase I ESA Report recommends that a Phase II ESA be completed and/or identifies Areas of Concern (AOC), then the application must include a Phase II ESA completed in compliance with CTDEEP Site Characterization Guidance Document.

1. Q: Can you please explain how the referrals to the homeless youth supportive housing will be determined and specifically how the Coordinated Access Network (CAN) will determine eligibility.

A: As explained in section E of the NOFA, tenancy applications must only be accepted through the CAN referral process. Those deemed appropriate for this type of housing intervention, primarily the most vulnerable, will be referred based on the CAN’s matching process through the common assessment tool (currently the Next Step Tool (NST)) and input from CAN providers.

These youth will have high assessment scores or will have failed in less structured settings such as a rapid re-housing program or demonstrated other evidence to CAN providers, such as chronicity, indicating a need for this higher level of care.

1. Q: While applications are to be accepted on a rolling basis, will awards also be on a rolling basis or is there a process by which all accepted proposals will be reviewed at one time?

A: Applications will be reviewed on a rolling basis within 90 days of submission based on the criteria and requirements outlined in the NOFA.

1. Q: Will DOH accept applications prior to January 25th?

A: No, applications will be accepted and reviewed beginning January 25th.

1. Q: My organization is a community-based non-profit service provider but our contract with DOH expired in 2016. Do we still meet definition of a “Qualified Service Provider” for homeless youth projects?

A: Yes, organizations that would otherwise meet the definition of “Qualified Service Provider” for homeless youth projects, but whose contract expired in the past two years are still eligible.

1. Q: On the ConApp Development Budget, should the funding columns reflect construction or permanent sources?

A: The Development Budget must reflect permanent funding sources.

1. Q: What are the DOH Housing Innovations loan terms?

A: DOH has the ability to provide grants or loans based on the needs of the development and internal underwriting. Typical loans include amortizing and non-amortizing loans and carry a range of interest rates and repayment terms. In certain instances funding can only be underwritten as a zero percent interest loan with deferred payments during the term or as a grant. The terms of DOH funding will be determined on a case by case basis after final underwriting to ensure the DOH subsidy is minimized and the project is financially feasible.

1. Q: Is the 1.15 DSCR for underwriting standards through the first 15 years?

A: A 1.15 DSCR must be demonstrated for a minimum of 10 years for homeless youth projects and for a minimum of 15 years for other supportive housing projects. Thereafter, a DSCR of at least 1.10 should be maintained for the remainder of the term of the DOH funding.

1. Q: Can homeless youth projects charge residents on an evolving payment scale to encourage them to move onto independence?

A: Homeless youth projects cannot charge residents more than 30% of their adjusted monthly income for rent. However, programs can include increasing payments toward a savings account for residents, which could then be used for security deposits, transportation or other expenses toward obtaining independence.

1. Q: Can a homeless youth project be built as an addition to an existing permanent supportive housing development for adults if it has a separate entrance?

A: No, the NOFA requires these projects to be built as stand-alone buildings. Applicants should be strategic about selecting a site for their homeless youth project that enables residents to transition to permanent, stable housing.

1. Q: What are the common space requirements for homeless youth projects?

A: As stated in the NOFA, “developments should contain a significant amount of common space.” A significant amount of common space means that projects include a computer lab with at least three computers, common lounge space, and a laundry area if there is not a laundromat within ½ mile of a laundromat. Given the size of these developments, applicants may incorporate the computer lab into a lounge area or other multipurpose room. Applicants are also encouraged to consider outdoor space, a laundry area and other shared common areas as is financially and physically feasible. Common areas provide important community-building opportunities, enabling youth to engage in prosocial activities. Applicants are strongly encouraged to obtain youth input in the creation of common areas.

1. Q: Under this NOFA, are only current youth program operators eligible for homeless youth project funding?

A: No, eligibility is *not* limited to those who currently operate youth programs. Most adult service providers have experience serving adults aged 18-24 years old as well. Providers must demonstrate experience serving this population and an understanding of the needs of this population and the best strategies to address them in their service plans. For providers that do not currently focus on this population, it is important for them to describe the training their staff has undergone or will undergo to effectively serve homeless youth.

1. Q: Are state rental assistance program (RAP) certificates available under this NOFA?

A: No, but applicants are encouraged to partner with local housing authorities or any other subsidy provider.

1. Q: Is there a maximum percentage of supportive housing units for projects that serve populations other than homeless youth under this NOFA?

A: There is not a maximum under this NOFA but current national best practice sets a 25% cap on the number of supportive housing units in one development.

1. Q: Is a minimum amount of non-state capital funding required under this NOFA for either homeless youth projects or other supportive housing projects?

A: There is no minimum amount of non-state capital funding required for either homeless youth projects or other supportive housing projects. However, since other supportive housing projects will include a majority of units that are affordable to low and moderate income households it is expected that applicants will include private debt, tax credit equity, charitable contributions, and/or other financial leverage among their funding sources.

1. Q: Can homeless youth project applicants request additional service funding from DMHAS?

A: DMHAS does not currently have additional funding to put toward projects applying under this NOFA.