

Homeless Housing and Assistance Program
Request for Proposals
Questions and Answers (Q and A)

This document will be updated periodically with the most current update at listed first, consisting of questions received since the previous update, and answers thereto.

General Questions and Answers

Updated August 2015

Question: We are planning to hand deliver our HHAP application. How early will someone be in the Office to receive it?

Response: OTDA staff is available to accept applications as early as 8:00 a.m. on the first day that applications will be accepted per the RFP.

Concept Papers

Question: We're planning on submitting a concept paper. Is submission of a concept paper required prior to a full application? Is there a deadline for the concept paper?

Response: Agencies interested in pursuing HHAP funding are highly encouraged, but not required, to submit a concept paper before submitting an application. A key to the success of any project is in the initial planning. Concept papers can be an extremely important part of the planning process because they enable HHAC to review potential projects and explore ideas without imposing heavy burdens on prospective applicants. Concept papers help HHAC assess whether or not the proposed project is eligible for funding and enable HHAC to provide guidance and feedback prior to the submission of a full proposal. Concept paper submission guidelines can be found on OTDA's website. Concept papers may be submitted at any time.

Application Preparation/Forms

Question: How can I make adjustments to the protected excel sheets in the application?

Response: The password to unprotect the Excel worksheets is “cdu”. Please keep in mind that it is the applicant’s responsibility to ensure that all calculations are accurate; inaccurate calculations may negatively impact the overall competitiveness of a proposal.

Funding Parameters

Question: Is there a per-unit maximum?

Response: HHAC has no predetermined limit on the amount of funding that will be awarded on a per unit basis, but has established that no single award may exceed \$10 million and no single sponsoring organization shall receive more than 25% of the funds available in any given State fiscal year for one or more projects unless HHAC determines that it is in the best interest of the State to do so. (Please see section VI. Terms and Conditions of the RFP).

While per unit limits have not been established, applicants should be aware that HHAC employs guidelines to evaluate project cost. These guidelines are based on many factors, including recent historical data, the type of construction, the nature of the housing program and regional considerations. HHAC does not publish its cost guidelines out of concern that applicants will either underestimate or overestimate the true project cost in an effort to "back into" the guidelines. This does not give applicants a competitive edge. If the request is based on an informed, honest, cost-effective estimate of cost of construction is likely to approximate the HHAC guidelines.

To arrive at a realistic construction cost estimate, applicants are advised to engage an architect familiar with the local building market and who has experience designing the type of building proposed. A qualified architect should be aware of local market conditions and what constitutes a reasonable cost for the type of project being proposed.

It is HHAP’s goal with regard to project cost considerations is to fund quality projects that present a cost-effective budget combined with an efficient design.

Sponsor Qualifications

Question: Are fairly new organizations encouraged to create collaborative partnerships with long-standing organizations that will perhaps strengthen the potential application?

Response: HHAC is always interested in establishing relationships with new organizations. However, because we make a substantial financial investment in project sponsors and because of the long-term commitment required (minimally 25 years), we very closely examine every applicant’s experience in the areas of development, housing management, and the provision of support services. In addition, we closely scrutinize the financial information provided and evaluate whether applicants possess the organizational infrastructure necessary to both

develop the HHAP project and successfully maintain it for the contractually-mandated period of time.

As such, it may make sense for a newer organization to partner with a more established entity that has the requisite experience and fiscal stability. Please see Section III.A and Appendix A of the HHAP RFP for additional information and guidance.

Minority and Women-Owned Business (M/WBE) Participation

Question: We noticed that there is an M/WBE form listed on your website, along with all the other M/WBE forms: M/WBE Goal Requirements; Certification of Good Faith Efforts. This Good Faith Efforts form is not, however, listed in the RFP as a required form but is listed as a form to be filled out pre-award. Should we complete this Good Faith Efforts form, in addition to the other M/WBE forms listed in the RFP?

Response: The question correctly points out that the RFP does not require the submission of the M/WBE Certification of Good Faith Efforts form, while this form is listed and provided on the M/WBE Forms section of the OTDA website under the heading indicating that the form must be submitted "prior to the award of a state contract". The HHAP RFP and Application contain the correct information and only the M/WBE forms listed therein are required at the proposal stage. If a proposal is awarded under the RFP, HHAC does require the submission of a signed M/WBE Certification of Good Faith Efforts, at the appropriate point in time, prior to the execution of a contract. Note that this section of the OTDA website also lists the MWBE Subcontractor Request for Waiver Form. This form is also NOT required to be submitted with an HHAP application.

Question: In the section governing M/WBE utilization, does HHAP require the identification and sign-up of potential M/WBE sub's at the time of our submission? We can ID a list of sub's prior but will not have anyone under contract because our construction firm does not have a signed contract yet. Must we sign up M/WBE's when we have not closed on our financing?

Response: The HHAP RFP does require the submission of an initial M/WBE Utilization Plan (Form OTDA-4937) with the proposal. The form should identify any retained or potential M/WBEs that the applicant plans to utilize or solicit in the development of the project. It is not required that the applicant make any commitments to enter into any agreement or contractors or subcontractors at the application stage. It is recognized that a General Contractor (GC), or Construction Manager (CM) and/or subcontractors may not have been selected at the time of the application. The RFP specifically states that "TBD" (to be determined) may be entered on the M/WBE Utilization Plan in cases where an applicant has not identified certified M/WBEs to achieve the desired goals. However, in most instances, it is unnecessary to resort to indicating "TBD" even at the application stage. HHAC strongly encourages applicants to consider all potential sources of participation in order to develop an initial utilization plan that projects the achievement of the participation goals. If pre-selecting a GC or CM, HHAC strongly encourages applicants to consult the M/WBE Registry to develop a list of potential candidates to screen and

interview. Budget line items such as title insurance, legal fees, surveyor, insurance, furniture, consultant, architect, suppliers, environmental testing, and trade subcontractors all represent opportunities for M/WBE participation. Identifying diverse sources of M/WBE participation early in the planning of the project lessens the reliance on the GC or CM to achieve the overall goals. Early planning and demonstration of progress toward achieving the M/WBE participation goals is an indicator of project readiness. The 15% WBE and 15% MBE participation goals are vigorously imposed. Therefore, developing an acceptable utilization plan early in the process avoids a potential impediment to closing on the project. It is recognized and expected that the initial utilization plan will likely need to be revised and finalized prior to the approval and execution of a contract with HHAC.

Additional Questions Received Since the 2015 RFP was Released

Question: We have 3 exciting projects that we are considering applying for under the current HHAP round of funding. I recall from the last round that we are limited to 2 applications per grant cycle.

However, this raised a question that we would like to ask you. Several years ago, we formed another 501c3 not-for-profit organization that was a designated "Housing Development Fund Company, or HDFC". Our attorneys suggested that we create this type of entity to develop certain homeownership projects but since then we have expanded it to include the management of affordable rental units as well.

This non-profit entity is completely separate from [our agency]. We were wondering if we could apply for a project under this entity in addition to 2 under [our agency]? Please let us know if this would be allowable.

Answer: The RFP does not limit the number of separate applications from any particular applicant per year (the limit you may be referring to is an application for the same project may only be submitted twice in one fiscal year). We would be concerned about and consider the capacity of a grantee to develop multiple projects effectively simultaneously, and consider the timing and project readiness of the proposed projects, but there is no bar against submitting multiple applications. Therefore, there is no benefit to having an affiliate organization submit an application as a sponsor, unless there is something particular about the project that makes it advantageous to utilize an affiliate such as an HDFC (a confidential site, or property tax advantage, for example). We would point out, however, if there were such a limit established in the RFP, it is not looked at favorably to attempt to circumvent any limitations set out in the RFP through technical loopholes.

Question: [our agency] is applying for funding for renovation of existing operating HHAP projects in [omitted] County. For Exhibit E-8: Would HHAC accept a letter from the applicant certifying that the sites are not located in a Special Flood Hazard Area pursuant to a review of

the Flood Insurance Rate Maps published by FEMA with a copy of the appropriate portion of the map panel?

Answer: Since we are interested in evidence from an official source that the flood hazard designation reflects the most current flood maps applicable, we would not accept an applicant's determination of whether a project site is located in a SFHA. If a local office with jurisdiction (such as a county planning department) is not helpful in providing a flood determination, there are maps and other tools online through FEMA and the National Flood Insurance Program (NFIP) (www.FloodSmart.Gov). One particular tool on the NFIP website (https://www.floodsmart.gov/floodsmart/pages/flooding_flood_risks/understanding_flood_map.jsp) includes a dialog box to enter the address of the site to determine flood insurance rates. The site provides a response indicating the level of risk, what flood map designation the site is located in and what the estimated flood insurance rate would be. A printout of that result be acceptable in lieu of a more formal determination.

Question: Exhibit E-10 asks for a full set of architectural plans reduced to letter size (8 ½ x 11), at this size the plans are unreadable, and it's a very large document as well to include in the binder. We are sending a full set with the original however. Are we reading this right?

Answer: We would accept 11 x 17 site plans and floor plans in the hard copy applications, and a reference that the architectural drawings are available in .pdf on the electronic copies of the application.

Question: I am assisting again the [applicant agencies] to prepare and submit a 2015 HHAP application for the [project name]. As you probably recall, we submitted our 2014 HHAP application in late December. We obtained 15 letters of support and 6 linkage agreements that were fully executed in October or November of 2014. We will officially submit our 2015 application during the second week of June. As such, the letters of support and the linkage agreements will be dated just over 6 months of the submission date of the application.

I recognize that the RFP provides guidelines in Exhibit A-8 for letters of support. My question is this, "To meet the threshold requirements of the HHAP application, are we required to obtain updated letters of support and linkage agreements?"

[HHAP staff] indicated that we do not need to obtain updated documents for our 2015 application, even if they are "older" than 6 months when we submit in the summer of 2015.

Answer: First, neither linkage agreements or letters of support are a threshold items, so dated support letters or linkage agreements would not be a problem there. The HHAP staff person was correct regarding linkage agreements: the RFP and application (and scoring instrument) do not speak to having a sunset on linkage agreements. Letters of support, however should be dated within six months.

The definitions section of the Application states: "Letter of Support A letter of support indicates that the author is in favor of the proposed project. Be sure that each letter accurately

describes the project. All letters of support must be dated within six (6) months of the submission date of this application. Letters of support do not substitute for commitment letters or linkage agreements.”

It is understandable that this may be burdensome, given that the prior application was submitted less than six months ago. Without contradicting the Application, I would point out that letters of support (other than evidence of Local Department of Social Services support) do not impact the score in any way. Hopefully, that informs the decision of whether or not to obtain updated support letters.

Question: Would we need to pay a Mortgage Recording Tax at closing? According to the section K. below, it appears there will be a lien on the property, which our lawyer believes would necessitate paying the Mortgage Recording Tax, which could be substantial.

Do you know if this is something we would be exempt from? We are working on the budget and this would affect the closing costs.

Answer: By statute, as a subsidiary of the Housing Finance Agency (HFA), the Homeless Housing and Assistance Corporation (HHAC) is exempt from certain taxes, including taxes for the recording of mortgages and other instruments securing HHAP awards.

Question: 1. Do proposals receive preference for being scattered site as opposed to single site?
2. Do proposals receive preference for having a greater number of units (cost per unit being held constant)?

Answer: The RFP does not include any preferences for scattered or single-site projects, or those which have a greater number of units.

Question: Exhibit E1 references the Phase I and Phase II, do we need to include the entire report or just the summary? The documents that we have are hundreds of pages long."

Answer: We would prefer to have access to the entire report, and would suggest including the summary in the hard copies of the application, with a reference that the full report is available electronically in the electronic copies of the application.

Question: Exhibit E7 specifically the SOHP, do we need to include the entire application or just the evidence of filing?"

Answer: Please include the materials requested in E-7: the Project Review Form; Historic Resource Inventory Form, Transmittal Letter, and EAF. The backup materials to these forms, if submitted to SHPO, are not necessary to include with the application, as HHAC does not make determinations of historical significance.

Question: [Regarding] the bound financials, the instructions ask for them to be bound, and to make a note in Exhibit D-3 that they are included in the cover of the binder, but Exhibit D-1 also asks for the financials, but I don't see a reference in Exhibit D-3 to the financials. Could you clarify what is required here.

Answer: the "bound" reference is perhaps a dated reference to how audited financials are typically are packaged (a multi-ringed plastic binding). We would accept a copy of the financials that is not "bound" if necessary. We are looking for audited financial statements for the most recent two fiscal years.

Question: We have a question regarding exhibit attachments. Specifically, Exhibit B-3 asks for financing commitments and Exhibit E-4 asks about NYSEDA programs. The question is, do we need to attach the commitment in both sections, or can we reference that the commitment has been included in the previous Exhibit.

Answer: Section E-4 of the Application is intended to demonstrate how the project will incorporate suitable energy efficiency measures, as opposed to commitments of non-HHAP development funding. Section E-4 indicates, in part, that acceptable documentation that project will meet energy efficiency requirements (if participating in a NYSEDA program) include: a "Letter of Interest/Partner Letter from NYSEDA"; "A copy of a signed contract" with one of the types of professionals listed; or a "HERS-based plan review".

If the documentation available meets both the criteria of Section B-3 and E-4, potentially such as a letter of interest from NYSEDA, it is not necessary to attach the document twice. For example, a reference in Exhibit E-4 that the documentation is attached in Exhibit B-3 is appropriate in lieu of attaching it to each Exhibit.

Question: I have two quick questions for you regarding the upcoming award cycle for HHAP. Is there a limit on the number of applications that can be submitted by each group?

Also, is priority given to projects that are shovel-ready? What if we anticipate our project to proceed towards construction within 12-months?

Answer: The RFP does not specify a maximum number applications from a single applicant. HHAC would certainly consider project readiness; the project timeline and how realistic it is; organizational capacity to develop multiple projects simultaneously; and the development experience of the applicant. Historically, HHAC has not made more than two awards to a single organization within a funding round. The RFP does specify a limit that no more than 25% of the available funds may be awarded to a single applicant.

The RFP describes the various scoring considerations and points associated with each. Project readiness is among those considerations, which is reflecting in the scoring areas of the project timeline, status of local approvals, site control, and commitment of operating and development funding. The RFP also indicates that awardees are to enter into a Pre-construction contract with

HHAC within 6 months and/or a Final Award Agreement (closing) within 12 months of the award or HHAC may rescind the award.

Question: Our proposed project is a rehabilitation project for one of the agency's housing programs. Since it is a rehabilitation project (and not a new construction request), does Exhibit A-8 - Local Department of Social Services (LDSS) Approval still apply?

In Exhibit A-1: Project Summary Information, would "HHAP Units" refer to an agency's existing HHAP units or future units resulting from the proposed project?

Answer: The RFP does not distinguish between rehab and new construction, or preserved and new units in terms of the LDSS support requirements/ criteria. HHAP units refers to the number of eligible units for which funding is being requested. The same section also distinguished between preserved (existing, operational) units (whether already under contract with HHAC or not) and new units.

Question: "In an HHAP where there is a non-profit sponsor/developer/property manager/owner and then a separate non-profit service provider for the referral and supportive services we are seeking clarification as to how to reflect this relationship in the operating budget. The services provided by the non-profit service provider are in-kind and part of the mission of the service provider. The service provider is not tied into the ownership and property management of the building. We understand that HHAP wants assurances that the service provider has adequate sources of income to provide services in the long term. Should we (the sponsor/developer) include these sources and the amounts of the service dollars in the operating budget or should it be referred to as in-kind with further break out of the sources and uses elsewhere in the application? We have heard mixed messages from multiple Project Managers as to which approach is best. Please clarify what is the appropriate approach."

Answer: The RFP states that " the availability of and access to various support services . . . are critical components of any project funded under HHAP" and that "The services can be provided on- or off-site (or a combination of both), and either directly by the project sponsor or through partnerships with other community-based agencies (or a combination of both)."

While it is a typical approach and ideal for HHAC to gain a clear understanding of the cost of services and how they are being funded, the RFP does not stipulate that the Operating Budget must include support services payroll.

If the support services for the project will not be provided by the applicant or co-applicant, but through an arrangement with a community-based organization(s), it is acceptable to include or to not include the support services expenses within the operating budget.

If the applicant chooses not to include those expenses and associated revenues in the budget, they may be reflected as "in-kind" or "contracted". This does not absolve the applicant from any other aspect of the application designed to demonstrate that appropriate support services

will be provided. These include, but are not limited to the notes to first year operating budget, staffing plan (support services payroll breakdown), support services plan, etc. The arrangement to ensure that support services appropriate to the population will be provided must be fully explained and documented. This should include a narrative, draft or executed services agreement, and documentation of the commitment of the funding source for the services (e.g. a commitment of NY/NY III subsidies from the granting agency). HHAC must have confidence that the services are appropriate, tailored to and committed to the project being proposed, and sustainable.

Note that certain funding sources for support services (e.g. NYSSHP) may require that the grantee own or manage the units in which the tenants being served reside.

Question: [The applicant] is applying for funding for renovation of existing operating HHAP projects in Suffolk County. For Exhibit E-8: Would HHAC accept a letter from the applicant certifying that the sites are not located in a Special Flood Hazard Area pursuant to a review of the Flood Insurance Rate Maps published by FEMA with a copy of the appropriate portion of the map panel??

Answer: Since we are interested in evidence from an official source that the flood hazard designation reflects the most current flood maps applicable, we would not accept an applicant's determination of whether a project site is located in a SFHA. If a local office with jurisdiction (such as a county planning department) is not helpful in providing a flood determination, there are maps and other tools online through FEMA and the National Flood Insurance Program (NFIP) (www.FloodSmart.Gov). One particular tool on the NFIP website (https://www.floodsmart.gov/floodsmart/pages/flooding_flood_risks/understanding_flood_maps.jsp) includes a dialog box to enter the address of the site to determine flood insurance rates. The site provides a response indicating the level of risk, what flood map designation the site is located in and what the estimated flood insurance rate would be. A printout of that result be acceptable in lieu of a more formal determination.

Question: I am emailing to request information regarding the 2015 HHAC RFP, specifically Appendix J and the architectural services fee.

In the HHAP Architect Fee Schedule percentage chart (page 63), does the architect's fee percentage include the cost of consultant fees?

Answer: Presuming that the consultant fees referred to in the question are consultants to the architect, then yes, the architectural fee schedule is inclusive of such fees. In 2013, the fee schedule was revised to raise the allowable fees to be comparable with other capital funders. Consultant fees may also refer to development consultants. In this case, those fees are not included with the architect's fees, but would be limited to the developer fee/ consultant allowance indicated in Appendix G of the RFP. Note that the fee guidelines only pertain to fees being requested from HHAP funds.

Question: If we were able to have a 25 year lease on our current building which houses our Safe Haven shelter from Nov-April would we be eligible for HHAP funds? This building currently houses our Drop in Center but we anticipate moving that in the next two years. I would like to keep safe haven shelter there but the building is in need of some repairs. Last season we served 300 people.....

Answer: It's difficult to make a determination on eligibility with only the information provided in the question. Submission of a concept paper would allow for a more thorough description of the project and a dialogue with HHAC staff to determine whether the project is eligible. Regarding a lease arrangement, HHAC does allow for situations where the grantee obtains a lease commensurate with the duration of the HHAP grant term, provided that the grant can be secured with a leasehold mortgage. With regard to Safe Havens, the HUD definition includes a criterion that it "must allow 24-hour residence for an unspecified duration."

Based on that feature, a Safe Haven may be eligible for HHAP funds. However, the HHAP RFP defines an emergency shelter as one of the types of housing eligible for funding as:

"Emergency Shelter - Eligible projects are those that would provide short-term shelter . . . As with transitional housing, proposals to expand or develop new emergency shelters will be considered only if there is a reasonable and demonstrable expectation that placement in decent, safe and affordable permanent housing will be made available at the end of the shelter stay and that assistance in obtaining such placement is a service of the shelter."

Therefore, if the term Safe Haven is being used to differentiate from an emergency shelter in that the purpose is only to avoid overnight exposure to the elements, it would not be an eligible HHAP project.