

To: Real Estate Department Partners
From: Real Estate Department
Date: October 28, 2024
Re: **FAQ for Substance Use Disorder RFP**

Notice: RED-24-53

On September 23, 2024, IHCD, in conjunction with the Executive Director for Drug Prevention, Treatment and Enforcement and the Indiana Family and Social Services Administration's Division of Mental Health and Addiction (DMHA), released a [Request for Proposals \(RFP\)](#) to create rental housing developments to house persons with substance use disorder using one of the following models: (1) permanent supportive housing utilizing housing first principles, (2) transitional housing with time limits on occupancy, or (3) Level II, Level III, or Level IV recovery housing residences. IHCD has \$10,000,000 in National Opioid Settlement funding available to be used as capital funding for this initiative. Responses are due by 5:00 PM Eastern Time on November 4, 2024.

This notice is being issued to provide clarifications on the following questions raised about the RFP and this initiative.

I: RFP Submission Requirements

1. Is an MOU between the owner and service provider required at the time of RFP response? **No. However, an executed MOU would be required for selected teams prior to submitting a full funding application in 2025.**
2. Should the respondent submit letters of support with their RFP response? **Letters of support are allowable but are not required and will not affect scoring.**
3. Should the initial budgets be submitted as separate documents or as part of the Program Description Narrative? **The respondent may submit either way. However, if submitted separately, the budgets plus the narrative must not exceed the Program Description Narrative maximum page count of 7 pages.**
4. Is an Eviction Prevention Plan required as part of the RFP response? **No. Per the RFP, a final Eviction Prevention Plan must be approved by IHCD prior to project lease-up. The plan is not due at the time of RFP response.**
5. Is a Tenant Selection Plan required as part of the RFP response? **Per the RFP, a final Tenant Selection Plan must be approved by IHCD prior to lease-up. However, the respondent must provide a narrative addressing their proposed tenant selection and referral process as part of Narrative 5.**



6. Should all documents be combined into one PDF or submitted as separate PDFs? **IHCDA prefers that each document be submitted as a separate, clearly labelled PDF. However, this is not a technical requirement of the RFP.**
7. The RFP states to submit a narrative describing the relevant experience of each key team member. The narrative may not exceed one page. If an organization covers multiple roles, does it submit one page per role or one total page. **The organization should only submit one experience narrative, not to exceed one page.**

II: Household Eligibility Questions

8. Please verify that IHCDA is not imposing income limits as part of the eligibility test for households that will live in units built through this initiative. **Correct, income limits do not apply. Eligibility is based on a qualifying SUD referral.**
9. Is IHCDA opposed to teams pursuing other funding sources which would restrict the income levels? As an example, if the team wanted to get AHP funds or City HOME funds? **IHCDA is not opposed. The applicant may pursue other funding sources that would impose stricter income eligibility limitations.**

III: Budget and Underwriting Questions

10. Can the funding be used to be for ongoing supportive services, rental assistance, or other operating costs? **No, the funding available through this RFP are capital funds for the development of the units.**
11. Will IHCDA make other funding available for ongoing supportive services, rental assistance, or other operating costs? **No, IHCDA does not have other funding available for these developments.**
12. Will IHCDA allow a selected respondent to claim developer fee and soft costs from the award? **Yes. Each team will receive a maximum award of \$2,500,000 from IHCDA. Of that award, up to 20% may be used to cover eligible soft costs, including developer fee. Developer fee may not exceed 15% of the award. Total soft costs exceeding 20% of the IHCDA award must be paid from another, non-IHCDA funding source.**
13. Since our project will be a PSH project is IHCDA requiring a Service Reserve? **No, we aren't requiring a service reserve given the available funding sources.**
14. What underwriting guidelines should we follow? **IHCDA will provide an application form and program policy document to the selected respondents. This application form and policy will have more detail on underwriting and budgeting requirements that must be followed.**
15. I have other questions about eligible vs. ineligible costs and cost limitations... **IHCDA will work with the selected respondents on a case-by-case basis to answer these questions and to assist in preparing final development budgets and pro formas. As a reminder, selected respondents will be required to submit complete funding applications, including final budgets, by July 31, 2025.**

IV: Misc Questions

16. What are the IHEDA monitoring requirements for the 15-year affordability period?
IHEDA will provide more information on this in the future. Monitoring requirements may vary based on project type- permanent supportive housing, transitional housing, or recovery residence.
17. Will disbursement of these funds be on a reimbursement basis? **Yes, claims will submitted through IHEDA's online claims system and paid on a reimbursement basis. Applicable receipts/invoices must be provided with claims.**