

2019 Integrated Supportive Housing Program (ISHP)

Conditions of funding

- Only one application from each LME/MCO catchment area will be accepted. However, LME/MCO's are not required to participate. LME/MCOs that choose to participate, in consultation with DHHS, will select the one application to submit. DHHS at its discretion may recommend funding of more than one application per catchment area be considered.
- The ISHP set-aside will include the previously required Targeting units mandated by the QAP.
- 20% of the project's units must be encumbered for use in the ISHP program regardless of loan amount.
- The maximum ISHP award the project will be eligible for is the lesser of:
 1. \$100,000 per net new set-aside unit (20% of the units (rounded up) minus the original number of Targeting units)
 2. \$625,000
 3. NCHFA, at its sole discretion may opt to offer an adjusted amount, based on the demonstrated need of the project, or in order to fund as many eligible applications as possible. The applicant will have the option to either accept the amount offered by the Agency or reject the amount, by withdrawing the application.
- All ISHP units will be soft set-aside (no requirement for a Vacancy Reserve account).
- The Owner and Management Agent must comply with the ISHP Program Guidelines (https://www.nchfa.com/sites/default/files/forms_resources/ISHPProgramGuidelines.pdf) with the following exception:
 - During rent up, the set-aside units must be held available for ISHP eligible applicants referred by the LME/MCO through DHHS for up to 120 days, as follows:
 - 90 days, with no payment of hold fees during this period
 - For an additional 30 days (a total of 120 days), at the option of the LME/MCO, with a hold fee of 80% of the NCHFA approved rent, paid by the LME/MCO for the 30-day extension.
- No MOU between the Owner and the LME/MCO is required by NCHFA, although one could be required by DHHS or the LME/MCO.
- The ISHP loan, at the borrower's discretion, may be made in two separate disbursements as follows, and in accordance with the procedures outlined in the Loan Agreement:
 - A. First Disbursement (optional). The first disbursement will be in an amount equal to 50% of the Loan amount, adjusted to the percentage of leased ISHP set-aside units. For example, if the project has 10 set-aside units and 5 are leased to and occupied by ISHP referrals, then the project is eligible to receive 25% (50% of 50%) of the Loan amount in the first disbursement. If the same project has all 10 set-aside units occupied by ISHP tenants, then the project is eligible to receive 50% of the total loan amount in a disbursement prior to the issuance of 8609's.

The disbursed funds may only be used to pay down the Construction Loan, pay construction loan costs incurred but not paid, as evidenced by invoices due or other documentation, and pay related closing costs. The disbursement will only be made after 1) meeting the requirements of this agreement, 2) the issuance of Certificate(s) of Occupancy, and 3) the outstanding balance on the Construction Loan, construction costs incurred but not paid and closing costs for this loan equals or exceeds 50% of the ISHP Loan amount.

B. Second Disbursement. The second disbursement will be in an amount equal to the remaining ISHP loan balance and will only occur upon meeting the requirements set forth in the loan agreement including, but not limited to, approval of the Project's final cost certification and issuance of 8609's.

- Awards will be prioritized as follows:
 - Preference will be given to a LME/MCO that has not received an ISHP award in their catchment area previously.
 - Preference will be given for applications in municipalities with the greatest need as determined by DHHS.
 - Preference will be given to applications in catchment areas where the LME/MCO has the greatest number of households moving into housing on average during the prior 12 months, as determined by DHHS.
 - Preference will be given to applicants in which the project has the highest percent of 1-bedroom units to ISHP units.