



Office of Mental Health

Community Residence Single Room Occupancy (CR-SRO) for Adults with a Serious Mental Illness Request for Proposals 2023

Questions & Answers

Q1. Would a proposal focusing on individuals discharged from OPWDD facilities - hence, not psychiatric centers and prisons – qualify for this RFP?

A1. No, the target population for this RFP are individuals with a serious mental illness being discharged from the setting noted in section 1.2 Target Population/Eligibility Criteria.

Q2. Would a proposal specific to those with dual diagnosis, such as Intellectual and Developmental Disabilities and Serious and Persistent Mental Illness, be eligible for this RFP?

A2. Individuals dually diagnosed with developmental disabilities and serious mental illness may be served in programs developed through this RFP. However, proposals that restrict access only to that population would not be acceptable.

Q3. Regarding section 5.4.1 Operating Funding: Why doesn't the RFP Include an expectation for MA revenue? What is the monthly Medicaid billable rate for reimbursement of Part 595 restorative services? Would we be able to bill MA for both restorative services and tenancy support services per client per month and/or as needed? Would that need to be included into our budget?

A3. CR-SRO programs are not eligible to bill Medicaid. These programs may participate in tenancy services, which provides an enhancement to funding at the rate of \$1200/\$600 depending on the location of the program. If the applicant intends to participate in tenancy services, they should include that enhanced funding in the budget.

Q4. Good afternoon, we are in process of reviewing the RFP for CR-SRO units and are a current OMH CR provider in Long Island. Question is will there be Medicaid billing available for restorative services for those individuals housed in the CR-SRO units such as with the current CR model. In looking over Fiscal Model there is not indication of Medicaid component which assist greatly with the operation of CR services along with the Operating funding received from OMH.

A4. See Question 3

Q5. Is it required that we have a specific site when we respond to the RFP, or can we respond with site to be determined? Section 4.3.1. Initial Awards and Allocations indicates that we don't need to have a site identified before award, but the application questionnaire sounds like we might lose points if we don't have a site with site control identified at this stage. If we don't have a site identified, can we create a hypothetical budget based on a projected number of units to submit with the proposal?

A5. A site is not required to apply to this opportunity. An estimated budget and projected unit count can be submitted.

Q6. In Section 5.4.2 Capital Funding, agencies are "encouraged to apply to HCR for 4% tax credits for the development of the housing project" and a portion of the proceeds will be used to offset OMH's capital investment. What does this mean?

A6. Low Income Housing Tax Credits can be used as an additional Funding Source. Agencies interested in doing this should seek guidance from a Tax Credit Consultant or Attorney.

Q7. Are there any parameters on the total cost (acquisition and development) associated with a site? In the past OMH has mentioned that they are "capped" at \$400,000 per bed cost.

A7. There are no specific parameters that can be shared, as project costs can vary greatly due to a number of factors. Actual project costs will be reviewed on a case-by-case basis.

Q8. Is leasing allowable?

A8. While technically a project can be financed with a long-term lease, there is no added operating funding to pay for rental costs.

Q9. Please confirm that the conditional award letter will list the number of units awarded to the agency as well as OMH's financial commitment. We need those specifics to negotiate with landlords/property owners when obtaining a site.

A9. The conditional award will not include the number of units requested or OMH's financial commitment. The conditional award will notify the bidder that a passing score was achieved and OMH will work with the bidder to further the development of the project.

Q10. We currently run a Congregate Care Community Residence Program with 3 sites and a total of 35 beds. Medicaid provides funding at approximately \$5,400 per bed per month. We also collect approximately \$230 - \$250 each month per resident. As a result, our annual revenue is approximately \$67,560 per bed $(5,400 + 230) * 12$ as indicated in our GIN reports. The CR-SRO RFP indicates state aid funding (including SSI) of approximately \$30,000 per bed annually. It appears there is a wide gap in funding to run programs that are somewhat similar. Does Medicaid cover funding in this program other than the opt-in of \$1,200 annually?

A10. See Question 3

Q11. The RFP indicates a feasibility study is required when applying for the capital component. Is this a financial feasibility study? If so, does it require an outside audit/management advisory services firm to provide this study? Or can it be done in-house utilizing our existing staff.

A11. This is referring to an Architectural Feasibility study that identifies a design that meets licensing requirements, analyzes zoning issues and provides a preliminary cost estimate.

Q12. The due date for proposals is January 3, 2024. Please confirm that proposals can still be submitted in Grants Gateway after December 31, 2023, rather than through the New York State Financial System, (SFS) portal.

A12. Yes, the applications for this RFP will be submitted in the Grants Gateway not the New York State Financial System.

Q13. Please confirm that in order to reserve units, as per 4.3.1, once a viable site has been identified that the applicant need not have site control. Or is some evidence of site control like a Term Sheet or Purchase Sale Agreement required to reserve units?

A13. Generally, site control would need to be secured in the form of a purchase agreement.

Q14. Will projects funded under this RFP be eligible for participation in Rehabilitative and Tenancy Support Services (RTS)? If so, may the budget we submit reflect this enhancement in revenue to OMH Net Deficit funding?

A14. Yes, projects are eligible for participation and applicants intending to participate should reflect this enhanced funding in the operating budget.

Q15. Agencies are encouraged to apply to HCR for 4% Low Income Housing Tax Credits. Can CR-SRO only projects with no community units be funded with OMH capital alone?

A15. Yes

Q16. May we identify multiple New York City counties (boroughs) in which to potentially develop a project within a single proposal, including data specific to each county as appropriate? Or are separate proposals for each borough required?

A16. Applicants should submit separate applications for each borough in which they are considering development

Q17. Same question as in 5.4.1, may we add Rehabilitative and Tenancy Support Services (RTS) funding in the operating budget?

A17. See Question 3

Q18. For purposes of the proposal since construction costs are still unknown, how much of the annual operating budget, per unit, if any, should be allocated for contributions to a capital reserve?

A18. Annual capital reserve cannot be determined without knowing property acquisition and construction/rehabilitation costs. However, applicants will not be penalized for reasonable estimates included in their budget.

Q19. Is there a maximum amount of capital funding available per project/per unit? Our project is located in NYC.

A19. See Question 7

Q20. Will OMH cover the costs of a Housing Consultant to assist providers with the capital development? If so, how much of the capital funding can be used for a Housing Consultant? Also, can funding also be used to hire an Owner's Representative in addition to a Housing Consultant?

A20. OMH does not pay for Housing or Tax Credit consultants. Those fees should be paid out of Tax credit equity or developers fees. However, an Owners Rep can be paid from OMH capital.

Q21. Is there a limit on how many appraisals and feasibility studies OMH will fund for conditional awardees with sites?

A21. Within reason, OMH will fund studies until all the units are accounted for.

Q22. Will OMH notify conditional awardees of how many beds remain available for a given region as the beds become committed?

A22. There is no plan for scheduled progress updates. However, OMH intends to work closely with Awardees on developing projects and can give updates as needed.

Q23. Section 4.3.1. of the RFP states that “conditional awardees will be able to reserve units when OMH confirms the following...capital funding for any non-OMH units in the project has been identified with evidence of support from the funder.” What documentation from other capital sources will qualify as evidence of support from the capital funder?

-Is a capital award required?

-A pending capital application?

-TA feedback?

A23. A combination of all of the above may be considered. In addition, OMH will work with their NYS Agency partners to confirm on a case-by-case basis.

Q24. Is there a set aside for the counties designated with the \$11,000/unit enhancement?

A24. No, there is not a set aside.

Q25. Can CR-SRO awards be used to reduce or supplement already awarded capital awards?

A25. There is not enough information in this question to answer accurately. However, generally speaking, CR-SRO awards may not be used to reduce or supplement already awarded capital.

Q26. In section 5.2 Description of SRO Housing Model, it states that living units may be designed as studio or one-bedroom apartments. Can a private bedroom with shared bathroom and kitchen be acceptable as a private unit for this RFP?

A26. No

Q27. 5.4.1 Operating Funding

Does participation in the Rehabilitation and Tenancy Support Services have any additional requirements? How do we include this funding in our budget? Should it be highlighted in some way or listed separately? Is it possible for an organization to be awarded the grant, but have their participation in Rehabilitation and Tenancy Support Services with its attached enhanced funding disallowed?

A27. Information on requirements for participation in Rehabilitation and Tenancy Support Services may be found here: [Supportive Housing Guidelines \(ny.gov\)](#). Funding may be reflected in the budget by adding to the base rate, or as an additional revenue line. Any

applicant who chooses to participate will be eligible for enhanced funding. Funding will only be disallowed if the provider fails to make a good faith effort to comply with the requirements of the initiative.

Q28. 5.5.5 Program Plan and Staffing
Is it required to serve meals to the clients?

A28. No

Q29. At multiple points in the RFP (1.1, 1.4, 4.3.1, 5.4.2), OMH references the Capital Funding that will/may be available for selected projects, noting that this funding and even the site(s) themselves will/can be determine after award. What additional information (level/amount of funding or any caps, type(s) of properties eligible, whether joint ventures are eligible, etc.) can OMH provide on this funding at this time?

A29. See question 7 regarding capital funding. Without more information, OMH cannot answer questions about the appropriateness of properties or joint ventures being considered. OMH will work with applicants after conditional award to identify appropriate sites and ensure the program model (including joint ventures) complies with OMH requirements.

Q30. In 5.4.1 "Annual Fiscal Model," OMH lists SSI revenue projections by region; can you please explain the calculation of those projections and are the SSI projections monthly or annual estimates? Our calculations come up very different, even considering a 90% collection rate.

A30. The SSI projections in the table in section 5.4.1 are annual per unit projections.

Q31. In 5.4.1 "Annual Fiscal Model," does the SSI figure include estimated Medicaid billing revenue?

A31. See Question 3

Q32. Regarding 5.5.5c, during the Bidder's Conference OMH stated that letters of support are not required/expected from Applicants; if Applicants have referral and/or linkage agreements, can we simply enumerate those already in place without providing example or existing agreements as attachments? Would providing proof of existing agreements be factored into evaluation/scoring?

A32. Referral and/or linkage agreements should be detailed in the applicant's response. There is the ability to upload supporting documentation for each question if needed.

Q33. In 5.5.6a and 6b "Financial Assessment" when estimating program revenue, does OMH want Applicants to use the 90% collection rate OMH mentions in 5.4.1 OR can Applicants utilize the real-world collection rate experienced with the Applicant's population, based on current/historical average collections for similar programs?

A33. Applicants are expected to use the 90% collection rate.

Q34. In 5.5.2, OMH outlines a variety of requests related to "site control." OMH also explicitly stated in the Bidder's Conference that, "Once a conditional award is issued, you can start looking for a site. OMH will then come check out the site." Should Applicants prepare responses

to 5.5.2 prompts based on general experience and/or prospective site(s)? Will applicants without full site control (given that capital funding from OMH may be necessary to secure this) be negatively evaluated?

A34. General experience, description of prospective sites and a description of how they plan on conducting their site search will all be considered acceptable responses.

Q35. Regarding 5.5.2, can Applicants change the site for the project post-award, if OMH approves? We have a tentative site in mind, but would prefer to pursue the acquisition and renovation of an alternative site, provided sufficient capital funding (that won't be determined by OMH until post-award).

A35. Yes, OMH will allow a site change at the conditional award stage assuming the site is in the same county/borough as proposed in the application