



Request for Proposals

New York State Consolidated Funding Application - Multi-Family Rental Programs

New York State Homes & Community Renewal

Low-Income Housing Credit Program
State Low-Income Housing Tax Credit Program
Low-Income Housing Trust Fund Program
Homes for Working Families Program

September 2011

I. Introduction

A. General Information:

As part of Governor Cuomo's transformative plan to improve the state's economic development model, a NYS Consolidated Funding Application (CFA) has been created that will streamline and expedite the grant application process. Through the CFA, one application will be used to access multiple State government funding sources. As one of the agencies participating in the CFA process, New York State Homes & Community Renewal (HCR) seeks to engage our development partners in the preservation and creation of high quality affordable housing opportunities for residents across the State by investing certain resources of the agency identified herein. HCR acting through the Division of Housing and Community Renewal (DHCR) and the Housing Trust Fund Corporation (HTFC) invites you to apply for these housing assistance resources through this CFA Multi-Family Rental Programs Request for Proposals (RFP). This RFP describes the programmatic and submission requirements for the Low-Income Housing Credit Program (LIHC), the Low-Income Housing Trust Fund Program (HTF), the State Low-Income Housing Tax Credit Program (SLIHC), and the Homes for Working Families (HWF) Program. Applicants may only apply for funding for the new construction, substantial rehabilitation, preservation, and moderate rehabilitation of site-specific multi-family housing under this RFP.

This RFP explains the process by which HCR will accept and evaluate applications. While much of the application process is identical for all programs, each program has unique evaluation criteria, and the review steps may vary. Prospective applicants may request technical assistance in preparing

an application at any time. At the end of the funding round, unsuccessful applicants may request an exit conference with HCR staff to review their application.

HCR reserves the right to award all, a portion of, or none of the program funds based upon funding availability, feasibility of applications received, the competitiveness of the applications, the applicant's ability to meet HCR criteria for funding, and the applicant's ability to advance the State's housing goals. HCR further reserves the right to review an application requesting project funds as an application for funding under other programs for which the project is eligible, and to change or disallow aspects of the applications received. HCR may make such changes as an express condition of its funding commitment.

B. New for this Funding Round

There are several important changes to HCR's past multi-family rental programs application process under this RFP. Below is a list of the most significant changes.

1. Regional Economic Development Councils and HCR

Shortly after taking office in 2011, Governor Andrew Cuomo announced a new State government approach to stimulating real regional economic growth. This model recognizes that, New York State has diverse regions, each with their own strengths and challenges, and that those who live and work in a region are the best resources for identifying its economic development needs. In the past, State government agencies made funding decisions without input from local residents, and without inter-agency coordination of funds. The new approach establishes ten Regional Economic Development Councils across the State that will serve as single points of contact for economic activity in each region. Although funding decisions will be made by State agencies, the Councils will serve in an advisory role to help the agencies better target and maximize resources, and prioritize and accelerate projects identified by the Councils. (To read more about the Governor's Plan, please go to: <http://nyworks.ny.gov>).

2. The New York State Consolidated Funding Application (CFA)

Applicants under this RFP must complete the CFA Applicant Registration and the CFA in order to apply for the Programs listed in this RFP. See Section II A of this RFP for more information on the application process.

3. Applications Submitted In Response to NOFAs/NOCAs/RFPs Issued in 2010/2011

Applicants who previously submitted applications to HCR for site-specific, multi-family rental projects pursuant to a October 27, 2010 (LIHTC, SLIHC, HTF, HOME) or May 11, 2011 (HWF) Notice of Availability of State and Federal Funds do not need to submit a new application through the CFA NOFA published in the State Register on September 7, 2011. Instead, prior applicants need only indicate that they would like their existing application to remain under consideration by completing a certification form and submitting an updated development timeline exhibit. Applicants will also be given the opportunity at this time to submit updated evidence of site control and local approvals, if necessary. For these applications, HCR will not require updated submissions of certain time sensitive documents, including the Phase I Environmental Assessment, Appraisal and Market Study, provided that an application remains unchanged with regard to scope, purpose and cost. Each applicant who submitted an application under these notices will be contacted via email and be provided detailed instructions. If an applicant does not wish to have their existing application

considered, new applications for site specific, multi-family rental projects must be submitted through the CFA application process.

C. Table of Contents:

This document consists of the following seven sections:

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II. CFA Application, Submission, Deadlines & Additional Submission Information

A. CFA Registration & Application Process

With the exception described in Section I, B3 of this RFP, applicants must complete the New York State Consolidated Funding Application (CFA), as described in Section I, B2. Below is a summary of the steps necessary to begin the CFA:

1. For each project for which you will apply, you will need to complete the NYS CFA Applicant Registration found at: <http://nyworks.ny.gov/>. You will be e-mailed a project token (password) to complete the CFA.
2. To complete the CFA, go to: <http://nyworks.ny.gov/>. Once you have received a confirmation e-mail with your CFA Project ID Number. The appropriate Regional Council and HCR will also be notified.
3. All applicants who initiate a CFA to undertake affordable multi-family rental housing and who receive a CFA Project ID Number will be contacted by HCR through e-mail.

First time applicants to HCR will be e-mailed an Applicant Registration Form, which must be completed and returned in order to be registered in HCR's Statewide Housing Information System (SHARS). Once you have been registered in SHARS, you will be e-mailed a User ID, Password, Instructions and a link with which to access the CFA Multi-Family Rental Programs Online Application (formerly known as the CD-Online).

Applicants who have applied to HCR in the past, but have not yet been registered to use the CFA Multi-Family Rental Programs Online Application (formerly known as CD-Online) will be e-mailed

User IDs, Passwords, Instructions, and a link to the Online Application System.

Applicants who have previously used the former CD-Online application system, can use their existing User IDs and passwords, and will be e-mailed a link to the CFA Multi-Family Rental Programs Online Application.

Additional CFA solicitations will be issued through 2012 to support projects and identify funding opportunities for regions consistent with their 5 year strategy, subject to the availability of funds.

B. Application Deadline

Consolidated Funding Applications must be submitted online by 4:00 PM on October 31, 2011. However, the full CFA Multi-Family Programs Application (formerly known as CD Online) must be submitted electronically to HCR by 4:00 PM on November 4, 2011.

Applicants who previously submitted applications to HCR for site-specific, multi-family rental projects pursuant to a October 27, 2010 (LIHTC, SLIHC, HTF, HOME) or May 11, 2011 (HWF) Notice of Availability of State and Federal Funds and who would like their existing application to remain under consideration for funding pursuant to the September 7, 2011 CFA NOFA must submit all required documents to ProgramManagement@NYSHCR.Org by 4:00 PM on October 31, 2011. Prior to application submission, HCR Regional Office staff will be available to answer questions from prospective applicants. Regional Offices are listed in Section VII of this document. After submission of a full CFA Multi-Family Programs Online Application, unsolicited contact with HCR staff is not permitted until after funding notifications have been made. Unsolicited contact will be referred to the HCR Public Information Office for reiteration of this policy.

C. Additional Submission Information/Materials

Applicants requesting HWF, LIHC and/or SLIHC must submit an application fee of \$3,000 **per program** at the time of submission, with the following exception: LIHC and SLIHC not-for-profit applicants (or their wholly-owned subsidiaries) which will be the sole general partner of the partnership/project owner or the sole managing member of the limited liability company/project owner may request a deferral of payment until the time of credit allocation. (See the CFA Multi-Family Rental Programs Application Instructions, Attachment F2, for fee submission instructions).

This RFP provides only some of the information and materials necessary to application preparation.

Additional materials are available on HCR's website at:

<http://nysdhcr.gov/Funding/ConsolidatedFunding/>

These include:

1. the CFA Multi-Family Rental Programs Online Application printable instructions and screen shots of the Exhibits;
2. the Design Handbook;
3. the Capital Programs Manual (CPM);

4. DHCR’s Low-Income Housing Credit Qualified Allocation Plan (DHCR QAP);
5. the New York State Low-Income Housing Tax Credit (SLIHC) Statute – Article 2-A;
6. DHCR’s SLIHC Regulation – 9 NYCRR Part 2040 Section 2040.14;
7. the Green Building Criteria Reference Manual;
8. Reference Materials;
9. Multi-Family Rental Programs Application Slideshow; and
10. Pre-Qualified Market Analysts list.

III. Program Announcements/Initiatives

A. Low-Income Housing Credit Program (LIHC)

LIHC provides a dollar-for-dollar reduction in federal tax liability to investors in qualified low-income housing that meets the requirements of Section 42 of the Internal Revenue Code (IRC).

LIHC is available to project owners who acquire, construct, and/or rehabilitate rental housing that is reserved for low-income households. The amount of credit allocated to a project is directly related to the costs associated with the acquisition, new construction and/or rehabilitation of rental housing that is reserved for low-income households per Section 42 of IRC.

Applicants requesting LIHC are referred to Section 42 of the IRC and are advised to carefully review the DHCR QAP before submitting an application. The DHCR QAP includes program definitions, threshold eligibility review criteria, project scoring and ranking criteria, clarifications regarding DHCR’s allocation process, and provisions regarding project monitoring requirements. Applicants are advised that a pre-qualified market study firm must be used to prepare the market study required for all LIHC applications. Both the DHCR QAP and a Pre-Qualified Market Analysts list are available at: <http://nysdhcr.gov/Funding/ConsolidatedFunding/>. New York City Projects may include a market analysis utilizing data from the most recent addition of the New York City Rent Guidelines Board report.

Consistent with the DHCR QAP, all buildings must be designed and constructed to comply with HUD’s Energy Improvements Checklist, Tier 1 & Tier 2. This document is available on HUD’s website: <http://hud.gov/offices/pih/programs/ph/phecc/>. Go to “Additional Resources” and select “Energy Improvements Checklist”. All recommended practices applicable to the construction and systems planned for the building must be incorporated; however, the recommended practices shall be secondary where conflicts exist between building codes or HCR standards and requirements, including the Green Building Measures listed in the DHCR QAP.

1. LIHC Availability/Funding Limits

HCR expects that approximately \$26 million will be available for LIHC reservations. The maximum annual LIHC allocation per unit that may be requested is \$22,000. The maximum annual LIHC allocation per project that may be requested is \$1.43 million. However, up to \$1.65 million may be requested for projects in which: a). 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons); or b). 50% or more of the units will serve persons with special needs as listed in the Reference Materials, Section 11, and for which appropriate on- or off-site services will be provided by an experienced service provider.

All LIHC reservations will be made in compliance with the DHCR QAP.

2. LIHC Funding Set-Asides

HCR expects to set-aside a total of \$5.5 million of the available LIHC for the two following program priorities: Preservation Projects (\$3.3 million) and Supportive Housing Projects (\$2.2 million). No more than \$1 million of the Preservation Project set-aside will be available to High Acquisition Cost Projects, as defined in Section 2040.2(j) of the DHCR QAP. DHCR may exceed these set-aside amounts depending upon the number of competitive, feasible Preservation and Supportive Housing applications received.

Preservation and Supportive Housing Projects are described below:

a) Preservation Projects

A Preservation Project is one in which residential property is rehabilitated to extend its useful life to serve as affordable housing, and averts the loss of affordable housing currently serving the housing needs of a population whose housing need would justify the replacement of the housing if it ceased to be available to that population. The scope of the rehabilitation must be sufficient for the project to function in good repair as affordable housing for a period equal to at least 30 years from the date of issuance of the final credit allocation.

Preservation Projects must meet the definition set forth in Section 2020.2(r) of the DHCR QAP.

Applicants proposing a Preservation Project must demonstrate how the project averts the loss of affordable housing and must:

- i. describe any regulatory and economic circumstances which could precipitate the loss of or risk the availability of the project to low-income households; and,
- ii. provide a compelling rationale for preserving the existing project based upon economic conditions including the availability of alternative affordable housing, market rents, vacancy rates, and current and future demand. **Applicants may request a site visit from HCR to observe the building's existing condition and discuss proposed renovations prior to submission of the application.**

Preservation Projects proposing the redevelopment of public housing must meet the criteria and conditions for approvals under the New York State Public Housing Law. Such projects may

include the economic restructuring and rehabilitation of an existing public housing project. Applicants must consult with HCR regarding the review and approval of the redevelopment plan prior to submitting a Preservation Project application.

As mentioned above, no more than \$1 million of the Preservation Project set-aside will be available for High Acquisition Cost Preservation Projects. These are defined in Section 2040.2(j) of the DHCR QAP as Preservation Projects in which the total acquisition cost is 25 percent or more of the project's total development cost. These projects must meet the Preservation Project definition in Section 2020.2(r) of the DHCR QAP to be eligible for funding. The amount of the Developer's fee in a High Cost Acquisition Preservation Project shall be based on an assessment of risk assumed by the project owner, considering factors including, but not limited to: rent subsidies or other project operating support, location, financing sources, occupancy level, project type, and identities of interest.

b. Supportive Housing Projects

A Supportive Housing Project, as defined in Section 2040.2(v) of the DHCR QAP, is a project that gives preference in tenant selection to persons with special needs for at least 30% of the project units. Persons with special needs for the purposes of this set-aside are defined in Section 2040.2(q) of the DHCR QAP. To be considered a Supportive Housing Project under this set-aside, an application must:

- i. document the need for housing for the targeted population within the primary market area;
- ii. provide a comprehensive service plan and an agreement in writing with an experienced service provider that ensures the delivery of appropriate services for which a documented need exists for the targeted population;
- iii. propose a project site in close proximity to public transit service, or include a transportation plan as a component of the comprehensive service plan to ensure access to necessary services.
- iv. demonstrate that funding for appropriate services is in place, or identify a viable plan for securing such funding.
- v. include a provision for an ongoing rental subsidy or other form of subsidy to ensure rents paid by the targeted population remain affordable; and,
- vi. identify a public agency or experienced service provider with which a written agreement has been executed to refer eligible persons and families for the targeted units.

3. Regional Economic Development Councils

Pursuant to the Consolidated Funding Application NOFA published on September 7, 2011, LIHC applications that are endorsed by Regional Economic Development Councils will be considered special priority housing goals of the State of New York.

4. LIHC Program Advisory

The federal Housing and Economic Recovery Act of 2008 (HERA) set a temporary fixed applicable percentage of qualified basis of nine percent for newly-constructed or rehabilitated non-federally subsidized buildings placed in service before December 31, 2013. The purpose of this provision was to allow state agencies which allocate LIHC to maximize the potential allocation of credit to a project in need of these resources.

Unless the federal government passes legislation which extends this provision, LIHC-financed buildings placed in service after 2013 will again be subject to the monthly credit rate, as calculated by the Internal Revenue Service, designed to produce a credit equal to 70 % of the present value of the building's qualified basis for newly constructed or rehabilitated housing that is not federally subsidized. For instance, the unadjusted monthly credit rate for September 2011 is 7.60%, which if applied to a building, would result in reduction in the value of the credit by more than 15%.

Prospective applicants who anticipate that a building in a project might be placed in service after December 31, 2013 need to take this into account in calculating their credit request and the feasibility of the project's financing structure. Applicants who previously submitted applications to HCR for site-specific, multi-family rental projects pursuant to a October 27, 2010 (LIHTC, SLIHC, HTF, HOME) or May 11, 2011 (HWF) Notice of Availability of State and Federal Funds should be particularly mindful of this issue.

B. New York State Low-Income Housing Tax Credit Program (SLIHC)

SLIHC provides a dollar-for-dollar reduction in certain New York State taxes to investors in qualified low-income housing which meets the requirements of Article 2-A of the Public Housing Law and which also has received an allocation under the criteria and procedures established in the SLIHC Regulation, Section 2040.14. The SLIHC Regulation is included with Multi-Family Housing funding materials.

The SLIHC Program is similar to the federal LIHC Program except program eligibility is set to assist households earning up to 90% of the AMI rather than the 60% standard of the federal LIHC program. As such, the SLIHC Program requires that at least 40% of the units must be set aside for households whose income is at or below 90% of the AMI.

Applications requesting SLIHC will be rated pursuant to the scoring criteria set forth in the SLIHC Regulation. While the SLIHC scoring criteria is substantially synchronized with the LIHC scoring criteria, the SLIHC scoring provides an additional preference for projects which will serve households with a range of income levels.

1. SLIHC Availability/Funding Limits

Subject to authorization, approximately \$1.7 million is expected to be available for SLIHC reservations. Applications requesting SLIHC pursuant to this RFP may not request more than \$750,000 per project. The maximum annual SLIHC allocation per unit that may be requested is \$20,000.

All SLIHC reservations will be made in compliance with the DHCR QAP and the SLIHC Regulation.

2. SLIHC Scoring Preference

There is no limitation on the number or percentage of SLIHC-assisted units that may serve households at or below 60% of the AMI. However, preference will be given to projects that would qualify for the maximum number of points under the LIHC or SLIHC scoring criteria for Mixed Income use (i.e., 15% or more of the units targeted to households with incomes above 60% of the AMI).

3. Regional Economic Development Councils

Pursuant to the Consolidated Funding Application NOFA published on September 7, 2011, SLIHC applications that are endorsed by Regional Economic Development Councils will be considered special priority housing goals of the State of New York.

C. Low-Income Housing Trust Fund (HTF) Program

HTF provides funding for new construction or rehabilitation of vacant, underutilized, or occupied residential property; conversion of vacant or underutilized non-residential property to residential use; and, the rehabilitation of distressed residential property for occupancy by low-income tenants, tenant-cooperators or condominium owners. A distressed residential property is a property, the rehabilitation of which would preserve affordable housing currently serving a population whose housing need would justify its replacement if it ceased to be available.

Pursuant to statute, funding under HTF is limited to \$125,000 per unit. Up to 10 percent of the amount of the HTF award may be used for the rehabilitation, construction or conversion of community service facility. A community service facility is any facility designed to primarily serve individuals whose income would make them eligible to occupy an HTF-assisted project, including persons who reside in the HTF project or in the immediate community. Examples of possible community service facilities are: Head Start, child care, job training, primary health care, youth recreation and support services for seniors and persons with special needs. By statute, up to 50% of an HTF award may be utilized for acquisition, although preference for awards will be given to projects which will use 25% or less of the HTF award for acquisition costs.

HCR will expect that applicants seeking HTF funds for cooperatives or condominiums will assume and retain the role of monitor over the management and operations of the cooperative or condominium project to ensure that all HTF requirements are met for the duration of the Regulatory Agreement.

Please note that the New York State Housing Trust Fund Corporation is subject to the State Smart Growth Public Infrastructure Act (Chapter 433 of the Laws of 2010) and must, to the extent applicable, make funding decisions consistent with the provisions of the Act.

1. HTF Availability/Funding Limits

Subject to the availability of appropriations, HCR intends to make \$29 million in HTF Program funds available to fund site-specific project applications under this RFP. The maximum per-unit amount of HTF that may be requested is \$125,000. The maximum HTF funding request per project is \$2 million. However, up to \$2.4 million may be requested for projects:

- a) in which 50% or more of the units have three or more bedrooms to serve large families

(defined as households with five or more persons);

b) in which 50% or more of the units will serve persons with special needs as listed in the Reference Materials, Section 11, and for which appropriate on- or off-site services will be provided by an experienced service provider.

c) demonstrate compliance with the requirements of the Green Building Initiative by receiving a score of seven or more of the ten points available under the initiative; and,

d) demonstrate compliance with the requirements of the Energy Efficiency Initiative (see Section F2).

If HCR determines a proposal can be accomplished at a lower cost to the state than proposed, fewer funds will be awarded.

D. Homes for Working Families Program (HWF)

The Homes for Working Families Program (HWF) provides gap financing, through low-interest loans for capital costs and related acquisition and soft costs associated with the new construction or rehabilitation of affordable housing. The primary financing sources for HWF projects must be tax-exempt bonds which are allocated from the State's Private Activity Bond Volume Cap and 4% Low-Income Housing Tax Credit issued in conjunction with the bonds.

HWF financed projects must meet the statutory provisions of the Low-Income Housing Trust Fund Program (Article XVIII of the Private Housing Finance Law). In addition, projects must meet the following eligibility requirements:

- HWF may only be used to assist the development of residential units affordable to households with incomes at 60% or less of Area Median Income (AMI), as adjusted for family size.
- More than 50% of total project cost must be financed by tax-exempt bonds.

Subject to availability, HWF applications may be submitted in conjunction with a request for HCR tax-exempt bonds, 4% Low-Income Housing Tax Credit, New York State Low-Income Housing Tax-Credit and/or HCR Second Mortgage Loan Subsidy. Such projects must meet the eligibility requirements and programmatic parameters of the financing requested.

1. HWF Availability/Funding Limits

Subject to available appropriations, up to \$6.4 million is available for State Fiscal Year 2011-12. The maximum funding request per project is \$2,500,000. The maximum per unit award is: \$45,000 in New York City, Nassau, Suffolk, Westchester and Rockland Counties, and \$35,000 for all other counties in New York State.

Project based Section 8 Voucher assistance may be available for applications requesting HWF funding. Such applications will be considered within the overall review of project funding requests.

2. HWF Funding Priorities

HCR will provide a funding priority to HWF applications that propose the most efficient use of HCR funds on a per-unit, per-square-foot basis.

As the last financing component necessary for project feasibility, HCR will give priority in its funding decisions to HWF applications that leverage other sources of capital subsidy and promote high quality, high readiness projects, that advance one of the State's housing goals, including the following:

- a) Affordable Housing Preservation
- b) Transit Oriented Development
- c) Supportive Housing
- d) Housing Opportunity Projects
- e) Regional Council Endorsed Projects

3. HWF Investment Strategy

HCR will evaluate all HWF investment opportunities based on the fundamentals, leveraging, and outcomes associated with a proposed project and will direct its resources to those opportunities that produce the best outcomes. Investments that achieve higher outcomes may receive a higher level of investment, including more resources, time, and/or streamlined reviews.

In addition, project selection shall take into consideration the recommendation of the relevant regional economic development council and/or the Commissioner/Chief Executive Officer's determination that the proposed project aligns with the regional strategic priorities of the respective region in which the proposed project is located.

4. HWF Loan Terms

Generally HWF funds will be invested at permanent conversion structured as a 1% fixed rate loan with a 30-year term. Other terms and conditions may be considered which serve to reduce the amount of HCR subsidy needed to assure project feasibility.

For projects financed by HCR tax-exempt bonds, HWF funds may be invested during the construction phase. Other terms and conditions will be structured pursuant to bond requirements and the specific financing needs of the project, as determined by HCR.

5. HWF Program Advisories

Prospective HWF applicants are required to schedule and coordinate a pre-application meeting with development team members, HCR staff and representatives of the proposed tax-exempt bond issuer (if other than HCR) to assess project readiness and identify project-specific issues. HCR reserves the right, in its full discretion, to terminate any HWF application which fails to meet this requirement.

HWF applications which are not consistent with the eligibility and other program parameters set forth above will be terminated upon initial review, with no further action taken on the applications. In making its award decisions, HCR will consider whether the applicant has successfully developed

and operated projects comparable to the proposed project and whether the applicant has the capacity and experience to undertake, complete, and operate the proposed project.

6. Program Contact Information

For more specific information regarding the HWF Program, please contact one of the following:

Gail Bressler, Vice President
(212) 872-0493
gbressler@nyshcr.org

Leonard Gruenfeld, Senior Underwriter
(212) 872-0386
lgruenfeld@nyshcr.org

Arnon Adler, Program Manager
(518) 486-5044
aadler@nyshcr.org

E. Funding Initiatives

Projects which are endorsed by their appropriate Regional Economic Development Councils as strategic priorities will be identified as a special priority housing goal of the State of New York.

The following three initiatives have been established under this RFP:

1. Green Building Initiative

The Green Building Initiative provides HTF funding to encourage sustainable development measures which promote smart growth practices, energy efficiency, a healthy living environment and protection of environmental resources. To qualify, projects must meet certain mandatory criteria. Applications may also be eligible for extra points by including additional green building measures in their project.

All applicants must complete and submit with the application the Green Buildings Criteria Checklist and a Green Development Plan explaining the implementation of the Green Building Criteria. The Green Building Initiative includes mandatory criteria and an additional scoring system, which is based on the following sustainable design practices - integrated design process, location and neighborhood fabric, site planning and environmental impacts, water conservation, energy efficiency, materials beneficial to the environment, healthy living environment and operations and maintenance.

2. Energy Efficiency Initiative

The Energy Efficiency Initiative provides HTF funding to encourage the development of energy efficient residential buildings. To qualify, applications must propose projects that demonstrate participation in one of the options listed in the Energy Efficiency scoring section of this RFP and provide ENERGY STAR or equivalent, heating systems with sealed combustion chambers.

Projects that include air conditioning are to provide ENERGY STAR, or equivalent, equipment. Air conditioning shall be a central system within each dwelling unit, ducted throughout the dwelling unit; or central cooling plants, distributed throughout the building with individual controls and ducted throughout each dwelling unit.

All projects without central air conditioning are to provide provisions for individual air conditioning appliances that will be seasonally installed and removed by the building management, include supporting structures that will safely secure the air conditioning appliance without undue stress on window units and maintain natural ventilation throughout the dwelling unit. No air conditioner sleeves will be allowed in projects participating in this initiative.

3. Project Based Voucher Program (PBV) Initiative

As authorized by program regulations at 24 CFR 983, HCR plans to offer up to 100 units of Project Based Voucher (PBV) assistance for proposed projects financed through the HTF, LIHC, and/or SLIHC programs as well as for proposed projects financed in conjunction with the USDA Rural Development Section 515 Program. A complete description of all applicable program regulations can be found within the Electronic Code of Federal regulations at: <http://ecfr.gpoaccess.gov>

Developers interested in being considered for PBV assistance should fully review program regulations prior to making application in order to ensure that their proposed project is consistent with all terms and provisions of those regulations. Applicants are advised to carefully examine the subsidy layering review guidelines relative to PBV assistance issued by HUD in its notice of July 9, 2010. These guidelines establish certain development and operations standards that must be adhered to by projects receiving PBVs, including limits on builder's fees, developer's fee, and project cash flow. The guidelines can be found at:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_8984.pdf

Applicants are invited to submit proposals for the use of PBVs in connection with the rehabilitation or construction of rental units in **only** those local program areas serviced by HCR's Section 8 Voucher Program and its network of Local Administrators. A complete listing of those local program areas can be found on the HCR website at: <http://nysdhcr.gov/Programs/Section8HCV/sec8admins.htm>

Applications requesting project based assistance only will not be accepted. Requests for PBV assistance must be accompanied by a request for assistance from one of the programs included in this funding round.

a. Basic Requirements:

Only applications submitted in response to this RFP will be considered for this funding. Applications requiring permanent relocation of current tenants will not be eligible.

HCR requires all applicants seeking PBVs to provide information on the degree to which PBVs enable a project to serve a lower income population than the project would otherwise be capable of serving absent the PBVs. A detailed description of the impact PBVs will have on the population served must be provided in an application seeking PBV assistance. The description must be provided in Attachment F9- Proposal Summary as part of the response to the question of what public purpose is served by the project and who the project beneficiaries will be.

Regulations generally limit PBV assistance to no more than 25% of the units in each building

(when the project contains multiple buildings). Projects serving persons who are elderly (62 years or older), persons with disabilities or families receiving supportive services generally equivalent to HUD “Family Self-Sufficiency” programming may be allowed to exceed the 25% per building cap. **Davis-Bacon wage rates apply to any project with nine or more units of project based assistance.**

IV. Additional Guidance

A. Reference Materials for Identifying Need

Applicants are encouraged to consider the housing and community development needs set forth in the Statewide Affordable Housing Needs Study 2009 and related reports produced by HCR when submitting applications this funding round. These documents are available through HCR’s website.

B. General Requirements for Funding Round

1. Replacement Reserve Requirements

Operating budgets for **all** projects requesting funding for LIHC and/or SLIHC, including projects also requesting **HTF**, must provide for a minimum annual contribution to the replacement reserve equal to \$250 per unit; the development budgets for all such projects must provide for an initial replacement reserve capitalization equal to \$1,000 per unit. **HTF standalone** projects (no SLIHC or LIHC requested) must provide for an annual replacement reserve contribution in the operating budget equal to .50 percent of the total construction cost (including builder’s fees), up to a maximum of \$800 per unit for family projects or \$400 per unit annually for elderly projects.

2. Market Study/Market Analysis Requirements

With the exception of prior applicants who have elected to have previously submitted applications considered under the CFA NOFA, all applicants must provide a market analysis or a professional market study. Please see Section 5.06 of the CPM for specific market analysis and market study requirements. Professional market studies must be prepared by a HCR pre-qualified market analyst in accordance with the guidelines detailed in the CPM. A listing of pre-qualified market analysts can be found on the HCR website:

a. Market Study/Analysis Requirements for LIHC/SLIHC Projects

All applications for projects requesting LIHC and/or SLIHC must include a professional market study prepared by a HCR pre-qualified market analyst or, in the case of projects located in the City of New York, a market analysis utilizing data from the most recent edition of the New York City Rent Guidelines Board Report.

b. Market Study/Analysis Requirements for Projects with more than 15 units

Any new construction project of over 15 units will require the submission of a **professional market study** or, in the case of projects located in the City of New York, a market analysis utilizing data from the most recent edition of the New York City Rent Guidelines Board Report.

HTF stand-alone preservation projects located outside of the City of New York involving the rehabilitation of existing, occupied housing, may submit a **market analysis** rather than a professional market study, if the project's average occupancy for the 12 months prior to application submission is 90% or greater. HTF preservation project applications must include documentation of the project's most current monthly rent roll, two year project occupancy history, and income-qualified waitlist in the CFA Multi-Family Rental Programs Application Attachment D - 4, "Preservation Project Information". If the project's average occupancy for the twelve months prior to application is below 90%, a professional market study is required.

c. Market Study/Analysis Requirements for Projects of 15 units or less

Projects of 15 units or less may submit a **market analysis**. For projects involving the preservation of existing, occupied housing, the application **must include** documentation of the project's most current monthly rent roll, two year project occupancy history and income-qualified wait list in the CFA Multi-Family Rental Programs Application Attachment D - 4 "Preservation Project Information." If the project occupancy rate is below 90%, the analysis must address the probable cause(s) of the vacancy problem and how the proposed rehabilitation will improve occupancy levels. New York City Projects may utilize data from the most recent edition of the New York City Rent Guidelines Board Report.

d. Market Study Requirements for Co-operative/Condominium Projects

All projects proposing the construction or rehabilitation of a co-operative or a condominium will require the submission of a professional market study demonstrating that a market exists for the proposed project.

C. New York/New York III Supportive Housing Agreement

HCR strongly encourages the submission of applications that include units to be developed in accordance with the New York/New York III Supportive Housing Agreement (NY/NY III). Joint technical assistance with New York City and State agencies responsible for operating funding will be available for applicants interested in this initiative. Interested applicants are encouraged to contact HCR prior to application submission for additional technical assistance regarding the availability of operating assistance. For more information about NY/NY III, applicants should contact John Serio at JSerio@nyshcr.org or (518) 518-473-6959.

1. Background

The NY/NY III agreement was signed by New York State (State) and the City of New York (City) on November 3, 2005. Under this agreement, the State and City committed to develop 9,000 units of supportive housing within New York City over the next ten years. For purposes of the NY/NY III agreement, "supportive housing" is defined as a pairing of rental assistance and supportive services in either a building constructed or renovated for this purpose (defined as congregate) or in scattered site apartments acquired for the purposes of housing.

The primary purpose of this Agreement is a commitment by the State and City to increase the supportive housing capacity within New York City targeted to homeless persons. The parties agree to fund both the capital and on-going operating expenses of the supportive housing.

2. DHCR's Role

As signatory to the agreement, DHCR is charged as a capital funding agency for housing for the following persons who are chronically homeless, or at serious risk of becoming chronically homeless, (the State and New York City agencies providing funds are identified after each population):

Persons who suffer from serious and persistent mental illness (NYS Office of Mental Health)

Single adults with a substance abuse disorder (NYS Office of Alcoholism and Substance Abuse Services and the NYC Department of Health and Mental Hygiene)

Persons living with HIV/AIDS (NYC Human Resources Administration)

Families in which the head of the household suffers from a substance abuse disorder (NYS Office of Alcoholism and Substance Abuse Services), a disabling medical condition or HIV/AIDS (NYS Office of Temporary and Disability Assistance and NYC Department of Health and Mental Hygiene)

This RFP encourages applications serving one or more of the above populations which utilize NY/NY III funding in support of the populations served. Supportive housing may be a portion of a building also targeting non NY/NY III populations. Operating expenses for NY/NY III populations will be funded by the appropriate State or City agencies. These agencies, and contacts for each, are identified below:

New York State Office of Mental Health
Moirra Tashjian or James Lupoli
518-474-5191
moira.tashjian@omh.ny.gov or James.Lupoli@omh.ny.gov

New York State Department of Health AIDS Institute
Joe Losowski
(518) 474-8162
jml03@health.state.ny.us

NYS Office of Alcoholism and Substance Abuse Services
William Panepinto
(518) 485-0496
billpanepinto@OASAS.state.ny.us

NYS Office of Temporary and Disability Assistance
Scott Edwards
(518) 473-2588
scott.edwards@OTDA.state.ny.us

NYC Human Resources Administration (HRA) HIV/AIDS Services Administration (HASA)
Paula Sangster-Graham
(212) 620-5493
sangstergrahamp@hra.nyc.gov

NYC Department of Health and Mental Hygiene
Meggan Schilkie
(347)396-7248
mschilkie@health.nyc.gov

V. Technical Assistance

A. Technical Assistance

Applicants are strongly encouraged to request technical assistance at any time from the appropriate HCR Regional Office to discuss a project that may result in an application, or one that may require additional assistance.

B. Regional Offices

Any questions regarding this RFP or the application process should be directed to individuals identified in the HCR Regional Office that serves the county in which the proposed project is located. A list of Regional Office contacts and the counties served is provided at the end of this RFP.

VI. Evaluation & Selection Process

A. General Review Criteria

HCR will evaluate the investment of the resources made available through this RFP using the following three criteria: fundamentals, leverage, and outcomes. This framework accommodates all scoring criteria currently utilized by HCR. These decisions will also be made in the context of a competitive process. To the extent feasible, HCR will allocate its resources to meet housing needs and achieve a geographic distribution of funding across the State, while promoting community development policies that emphasize the needs of underserved communities and which advance smart growth principles, Brownfield redevelopment, healthy living environments, and Regional Economic Development Council endorsed projects.

Fundamentals consider the basic components of any real estate investment- feasibility, team experience, capital structure, etc. In this RFP it also considers certain threshold requirements specific to each resource. HCR will evaluate, among other things, whether the investment is feasible but for our investment, whether all the necessary components are identified and committed and whether the applicant has the proven experience and team members to successfully complete the investment.

Leverage considers whether the investment leverages significant outside resources such as third party funds, local funds, and /or local support.

Outcomes consider the policy goals achieved by a particular investment. Applications that propose quality housing that most efficiently provide the greatest number of units for the longest period of time for the lowest-income New Yorkers, and which respond to a strategy to address housing needs, will have the greatest likelihood of being selected. Rating criteria, organized according to this framework, are set forth under D4 of this section.

In general, HCR will consider the extent to which an application supplements or advances a coordinated investment by State agencies, federal government and local partners.

In addition, HCR will consider the proximity of a proposed project to locally undesirable land uses which expose residents to physical, chemical, biological, social and/or cultural factors when making award decisions.

All awards made as a result of this RFP must be in conformance with the State's Consolidated Plan and further one of its Strategic Plan objectives. The Consolidated Plan Strategic objectives are available on the HCR website at www.nysdhcr.gov/Publications/ under the Publications' link.

HCR will give priority in its award decisions to projects that demonstrate a readiness to proceed to construction by September 1st, 2012. For projects located in the City of New York that involve the transfer of City owned land, that was not awarded in a competitive process, HCR will take into account the need for a longer development time table.

B. Equal Employment Opportunity/Minority and Women Owned Business

Under Article 15A of the New York State Executive Law, all award recipients and their contractors are required to comply with the equal employment opportunity provisions of Section 312 of that Article in any instance in which an award of funds includes state-funded construction costs in excess of \$100,000. Preference will be given to applicants that include a New York State certified Minority Women-Owned Business Enterprise as a member of the development team.

Also, all contractors and awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects funded by HTFC pursuant to Section 313 of the Article.

C. Applicant Past Performance

An applicant's past and current performance in State programs and contracts, including their performance under Article 15A of the New York State Executive Law, will be considered in reviewing, rating, and ranking its application. HCR reserves the right to not issue an award to any applicant if it has been determined that the applicant is not in compliance with existing State contracts and has not taken satisfactory steps to remedy such non-compliance.

D. Application Processing Steps

1. Application Receipt

Applications are assigned an identification number and undergo a series of reviews depending upon the type(s) of assistance and the program(s) from which the funds are requested.

2. Completeness Review

HCR will deem all applications complete upon initial submission and will evaluate all applications based solely upon materials provided in the initial submission by the November 4th, 2011, 4:00 PM Multi-Family CFA Deadline.

3. Eligibility Review

Applications are reviewed according to the criteria in the following Eligibility Review Matrix. **Applications that fail to meet the eligibility criteria may not be reviewed further.**

Eligibility Review Matrix

Category	HWF	HTF	LIHC and SLIHC
Project	Residential only; homesteading, rental, or cooperatives. New construction, rehabilitation, conversion. Residential buildings to be rehabilitated must be at least 40% vacant (except for projects with fewer than three units where project creates additional unit); non-residential space to be converted must be 100% vacant prior to application.	Residential only: rental, cooperatives or condominiums provided that up to 10% of an HTF award may be used for costs associated with a community service facility. New construction, rehabilitation, conversion, distressed occupied residential properties the rehabilitation of which would preserve affordable housing serving a population whose housing need would justify its replacement if it ceased to be available; projects with fewer than three units where project creates an additional unit. Residential buildings to be rehabilitated may be vacant, underutilized or distressed; non-residential space to be converted must be underutilized or vacant prior to application.	Residential only or residential with Community Service Facility; new construction, building acquisition with rehabilitation, and rehabilitation.

Category	HWF	HTF	LIHC and SLIHC
Costs	<p>Actual and necessary cost of construction, rehabilitation or conversion, customary hard cost and related soft cost, excluding developer's fees, administrative fees and capitalization of operating reserves. No more than 25% of award for acquisition.</p> <p>Maximum award per project: \$2,500,000. Maximum of \$45,000 per unit for projects in NYC, Suffok, Nassau, Westchester and Rockland Counties; \$35,000 elsewhere in the State.</p>	<p>Actual and necessary cost of construction, rehabilitation, conversion, customary hard cost and related soft cost, excluding administrative fees and capitalization of operating reserves. No more than 50% of award for acquisition. Maximum HTF \$125,000/unit. 10% of HTF award may be used for a Community Service Facility.</p> <p>Applicants may request up to \$2.0 million in HTF funding per project, with additional amounts available for projects that meet criteria outlined in Section III c. Low-Income Housing Trust Fund (HTF) Program of this RFP.</p>	<p>Actual and necessary cost of construction, building acquisition and/or rehabilitation, customary hard cost and related soft costs excluding the expense associated with syndication of the Credits. Requests may not exceed \$22,000 of LIHC per unit or \$20,000 of SLIHC per unit. However, a request for both credit programs can each go to the per unit limit.</p> <p>The maximum amount of annual credit allocation that may be requested per project is \$1,430,000. However, applications for projects in which 50% or more of the units will serve large families (households with 5 or more persons) by including units with three or more bedrooms or serve persons with special needs as listed in the Reference Materials, may request up to \$1,650,000.</p> <p>Applications requesting SLIHC may not request more than \$750,000 per project.</p>
Category	HWF	HTF	LIHC and SLIHC
Occupants	<p>All HWF-assisted units must serve low-income persons up to 60% of area median income.</p>	<p>Low-income persons up to 80% of area median income in New York City, low-income persons up to 90% of area median income in the areas of the State outside New York City. Preference for very low-income persons (50% or less of area median income).</p>	<p>Low-income households earning up to 60% (90% for State Tax Credit) of area median income. For a project to be eligible for LIHC allocation, it must meet one of the following income related occupancy requirements: 1) 20% of the units must be set aside for households earning 50% or less of area median income; 2) 40% of the units must be set aside for households earning 60% (for SLIHC, 90%) or less of area median income; or 3) 25% of the units must be set aside for households earning 60% or less of area median income, where allowable under the IRC (i.e., New York City).</p>

4. Fundamentals, Leveraging & Outcomes Rating Criteria

Applications which pass completeness and eligibility reviews are scored using the rating criteria for each program requested. For the purposes of rating and ranking applications, when an applicant requests funding from two or more programs, HCR will rely primarily on the scoring criteria for the Program which would provide the greatest amount of financial assistance to the proposed project.

a. LIHC Rating System

LIHC applications will be rated based on the criteria contained in the DHCR QAP Section 2040.3(f), which include:

Fundamentals Rating Criteria:

- i. Marketing Plan/Public Assistance (5 points)
- ii. Project Readiness (5 points)
- iii. Sponsor Characteristics (10 points)
- iv. Affordability (5 points)
- v. Energy Efficiency (5 points)
- vi. Long Term Affordability (7 points)
- vii. Project Amenities (2 points)

Leveraging Rating Criteria:

- i. Financial Leveraging (13 points)
- ii. Participation of Local non-Profit Organizations (4 points)
- iii. Community Impact Revitalization - Is the proposed project supported by the locality as evidenced by the implementation of multiple measures including, but not limited to: infrastructure improvements, real property tax relief, financing assistance, land donations, fee waivers and re-zoning? (5 Points*)
- iv. Community Impact Revitalization - Is the project or project-type part of a comprehensive community revitalization plan (which may include multiple planning documents)? (5 Points*)

Outcomes Rating Criteria:

- i. Community Impact/Revitalization - Has there been limited or no subsidized affordable housing production in the past 10 years within the primary market area of the proposed location of the project? (5 Points*)
- ii. Community Impact/Revitalization - Does the project's primary market area have a strong housing market as evidenced by a vacancy rate of less than 5 percent for comparable units in the primary market area. (5 Points*)
- iii. Green Building (8 points)
- iv. Fully Accessible and Adapted, Move-in Ready Units (5 points)
- v. Individuals with Children (5 points)
- vi. Persons with Special needs (5 points)
- vii. Mixed Income (3 points)
- viii. Historic Nature of Project (3 points)

*Community Impact/Revitalization rating criteria measures the extent to which the proposed project provides affordable housing which will have a positive impact on the community and contribute to community revitalization. Although the criteria suggest a possible scoring of 20 points, applications can't receive a combined total of more than 15 points for these criteria. Applications that are endorsed by Regional Economic Development Councils will be considered a special housing priority of the State and will receive the full five points for being part of a comprehensive community revitalization plan.

b. SLIHC Rating System

SLIHC applications will be rated based on the criteria contained in the New York State Low-Income Housing Credit Regulation, Section 2050.14, which include

Fundamentals Rating Criteria

- i. Marketing Plan/Public Assistance (5 points)
- ii. Project Readiness (5 points)
- iii. Sponsor Characteristics (10 points)
- iv. Energy Efficiency (5 points)
- v. Long Term Affordability (7 points)
- vi. Project Amenities (2 points)

Leveraging Rating Criteria:

- i. Financial Leveraging (13 points)
- ii. Participation of Local non-profit organizations (4 points)
- iii. Community Impact Revitalization - Is the proposed project supported by the locality as evidenced by the implementation of multiple measures including, but not limited to, infrastructure improvements, real property tax relief, financing assistance, land donations, fee waivers and re-zoning? (5 Points*)
- iv. Community Impact Revitalization - Is the project or project-type part of a comprehensive community revitalization plan (which may include multiple planning documents)? (5 Points*)

Outcomes Rating Criteria:

- i. Community Impact/Revitalization - Has there been limited or no subsidized affordable housing production in the past 10 years within the primary market area of the proposed location of the project? (5 Points*)
- ii. Community Impact/Revitalization - Does the project's primary market area have a strong housing market as evidenced by a vacancy rate of less than 5 percent for comparable units in the primary market area. (5 Points*)
- iii. Green Building (8 points)
- iv. Fully Accessible and Adapted, Move-in Ready Units (5 points)
- v. Individuals with Children (5 points)
- vi. Persons with Special needs (5 points)
- vii. Income Mixture (8 points)
- viii. Historic Nature of Project (3 points)

*Community Impact/Revitalization rating criteria measures the extent to which the proposed project provides affordable housing which will have a positive impact on the community and contribute to community revitalization. Although the criteria suggest a possible scoring of 20 points, applications can't receive a combined total of more than 15 points for these criteria. Applications that are endorsed by Regional Economic Development Councils will be considered a special housing priority of the State and will receive the full five points for being part of a comprehensive community revitalization plan.

c. HTF Rating System

Fundamentals Rating Criteria:

- i. Project Readiness (5 points)** – This rating criteria measures the extent the project has obtained all financing commitments (construction and permanent funding sources) needed to complete the project.

- ii. Successful Development Performance (5 points)** - Measures the successful performance of the applicant or the applicant and members of their development team in the timely development and completion within approved development budgets of comparable affordable housing (in terms of size number of units), financing, income served and tenure of housing) in the ten years prior to application submission date. The experience of the applicant, applicant/developer, architect and general contractor will be evaluated according to the following criteria:
 - a) For-profit applicants: Compares the total development costs (TDC) of comparable projects successfully completed by the applicant or its parent or supervising entity during the ten years prior to application to the TDC of the proposed project. Those with an aggregate amount of TDC from successfully completed projects equaling 10 times or more of the TDC of the proposed project will receive the most points. The development experience of all members involved as a joint venture applicant will be aggregated to award points. (5 points)

 - (OR)

 - b) Not-for-profit applicants: Measures the successful performance of the not-for-profit developer and/or housing consultant, the architect and the general contractor selected for the proposed project in the timely development and completion within approved budgets of comparable affordable housing (in terms of size, financing, income served and tenure of the housing). Not-for-profit applicants who have successfully completed at least one similar project will receive three points. Not-for-profit applicants without prior development experience who have teamed with a developer or housing consultant who has successful development performance may receive up to three points. One point each for successful performance will be given if the architect and/or the general contractor selected by the not-for-profit applicant have successfully completed one similar project. (5 points)

Leveraging Rating Criteria:

i. Leveraging (5 points)

a) Permanent Financing - Points are awarded based on the ratio of non-governmental funds to be used for permanent financing to total project cost. Projects in which non-governmental sources finance 80% or more of total project costs (not including a deferred developer fee) will receive the most points. (3 points)

(AND)

b) Construction Financing - Measures the extent to which private lenders will be used for construction financing. Projects in which only non-governmental funds will be used for construction financing will receive the most points. (2 points)

ii. Collaboration with Federal, State & Local Governments (5 points) – points will be awarded to applications based on the extent of documented financial commitments, as a percentage of the total development cost of the project, from Federal, State or local government partners. Applications for which documented firm financial commitments from other sources equal to 70% of the project's total development cost will receive the most points. Applications which document a lesser percentage of such commitments will be awarded fewer points.

Outcomes Rating Criteria:

i. Regional Economic Development Council Endorsement (20 points): These points will be awarded to projects which are identified by their appropriate Regional Economic Development Councils as strategic priorities.

ii. Investment Cost (15 points) - Measures the present value of proposed project's per-unit annual investment to the State. Projects which cost the least and are regulated for the longest term will receive the most points. Reviewers will use a Unified Funding Subsidy Index to measure the per-unit cost against the length of time (regulatory term) that the units will remain affordable. The Index is adjusted to account for regional cost variations. It is also adjusted for bedroom size by using the following formula: for senior projects, the number of SRO's is multiplied by .75 and the number of one or more bedroom units is multiplied by 1.0; for non-senior/family projects, the number of SRO's is multiplied by .75, the number of one bedrooms is multiplied by 1.0, the number of two bedrooms is multiplied by 1.25, and the number of three or more bedroom units is multiplied by 1.50.

iii. Income Served (15 points):

a) Affordability Index- Measures the extent to which the proposal targets households with incomes below the statutory maximum for the program. Projects that serve a weighted average income which is a minimum of five percent below the statutory maximum eligible income will receive the minimum points. Projects that serve a weighted average income at 35% of median income will receive the maximum points. (10 points);

b) For HTF site-specific rental projects:

1) Affordable Rents/Ownership Costs - Measures the extent to which the proposed project's gross rents are below the area Fair Market Rents (FMR). Compares project rents with area FMR according to the following point schedule (5 points):

Project Gross Rents Compared to FMR	Points
>5% to 10% below FMR	1
>10% to 15% below FMR	2
>15% to 20% below FMR	3
>20% to 25% below FMR	4
>25% below FMR	5

(OR)

For HTF site-specific cooperative and condominium projects:

2) Affordable Owner Expenses - Measures the extent to which the proposed project owner's gross housing expenses (principal, interest, taxes, and insurance - PITI) compares to an adjusted FMR according to the following schedule (in consideration of additional expenses associated with home ownership, FMR will be adjusted by a factor of 1.3) (5 points):

PITI Compared to Adjusted FMR	Points
>5% to 10% below Adjusted FMR	1
>10% to 15% below Adjusted FMR	2
>15% to 20% below Adjusted FMR	3
>20% to 25% below Adjusted FMR	4
>25% below Adjusted FMR	5

iv. Persons with Special Needs (5 points) - Scores the extent to which preference in tenant selection will be given to persons with special needs (as listed in the Reference Materials), and the extent of commitment to provide supportive services.

a) Preference in tenant selection will be given to individuals and families for 15% or more of the low income units in the project and these individuals and families will be served by supportive services as evidenced by a comprehensive service plan and an agreement or commitment in writing with an experienced service provider. This comprehensive service plan should include:

- an identified ongoing source of supportive service funding; and
- a signed contract or memorandum of understanding between the developer and an experienced service provider to provide ongoing supportive services (5 points)

(OR)

Preference in tenant selection will be given to individuals and families who are eligible populations under the New York/New York III Supportive Housing Agreement (NY/NY III) as evidenced by an agreement or commitment in writing for NY/NY III operating funds. (5 points)

(OR)

Preference in tenant selection for up to 30 units or 30% of the low income units, (whichever is less), will be given to individuals who are eligible populations for the Office of Mental Health's (OMH's) funding for support services and rental assistance. This preference should be evidenced by a commitment in this RFP for a developer and service provider to enter into an agreement to serve OMH's priority populations, and to work with OMH to develop an OMH approved plan to provide supports which will meet the needs of the target population. (5 points)

b) Preference in tenant selection will be given to individuals and families for 15% or more of the low income units in the project and these individuals and families will be served by an agreement or commitment in writing by an experienced service provider but the application material does not meet the comprehensive service plan criteria identified in (1) above. (3 points);

(OR)

Preference in tenant selection will be given to individuals and families who are eligible populations under the New York/New York III Supportive Housing Agreement (NY/NY III) as evidenced by submission of an application for NY/NY III operating funds. (3 points)

v. Green Building Initiative (10 points)

a) Up to seven (7) points will be awarded under HTF to an applicant who documents that their project will meet the mandatory criteria and standard criteria listed below. Points will be awarded according to the following schedule under HTF and according to the DHCR QAP and the SLIHC Regulation for LIHC and SLIHC:

Integrated Design Process - Mandatory

A written Green Development plan outlining the integrated design approach taken by the entire multi-disciplinary development team including a qualified green design expert must be included in the application accompanying the Green Criteria Checklist.

Operations and Maintenance - Mandatory

- Building owner's maintenance manual;
- Occupant's manual or guide; and
- New resident orientation.

Site Planning/Environmental Impacts – 1 point

- Surface water management plan - Mandatory
- Phase I Environmental Site Assessment – 1 point;

Location and Neighborhood Fabric – For this category the project will be scored in the following manner:

Applicant completes a minimum of 4 criteria – 1 point;

Applicant completes a minimum of 5 criteria – 2 points;

Applicant completes a minimum of 6 criteria – 3 points

- Smart site location in close proximity to existing development;
- Smart site location that avoids sensitive environmental resources including wetlands, critical habitats, steep slopes, prime farmland and parkland;
- Smart site location in close proximity to community services and retail facilities;
- Smart site location in close proximity to public transit;
- Smart site location and orientation of the building to make the greatest use of passive solar heating/cooling (except rehabilitation or infill projects);
- Compact development that achieves densities of at least 15 units per acre for apartments, 10 for townhomes and 6 for detached/semi-detached houses (except rehabilitation or infill projects); or
- Sidewalks and suitable pathways to public spaces, open spaces and adjacent development to ensure walkable neighborhoods.

Healthy Living Environment - For this category the project will be scored in the following manner:

Applicant completes a minimum of 7 criteria – 1 point;

Applicant completes a minimum of 9 criteria – 2 points;

Applicant completes a minimum of 11 criteria – 3 points

- Low/no volatile organic compounds (VOC) paints, primers, adhesives and sealants;
- Formaldehyde-free composite wood or any composite wood containing urea-formaldehyde with exposed particleboard must be sealed;
- If providing floor coverings; use the Carpet and Rug Institute's Green Label certified (or equivalent) carpet and pad.
- Energy Star labeled bathroom fans that exhaust to the outdoors with a humidistat sensor or timer or continuous operation;
- Ventilation system for each unit providing 15 cubic feet per minute of fresh air per occupant;
- If included, size cooling equipment in accordance with the Air Conditioning Contractors of America Manual, Parts J and S;
- Tankless hot water heaters, or if using conventional hot water heaters, install in rooms with drains or catch pans piped to the exterior and with non-water sensitive floor coverings;
- Combustion sealed water heaters or heaters direct vented to the outside, if heater is located in a conditioned space;
- Cold water pipe insulation;

- Moisture-resistant materials in wet areas;
- Clothes dryers vented directly to the outside; or
- Integrated pest management.

b) The Green Building Initiative also offers an opportunity to score three (3) points for any application which includes measures or practices which exceed the standard criteria outlined above. To qualify for the three additional points, applications must also propose projects that meet any one of the following criteria:

Location and Neighborhood Fabric

- Development on a brownfield, grayfield, or adaptive reuse site;

Energy Efficiency

- Installation of photovoltaic (PV) panels or other acceptable alternative energy measures to provide at least 10% of the project's estimated electricity demand

Materials Beneficial to the Environment

- Construction waste sent to the landfill is reduced by 25%;
- Use of 25% total recycled content building materials in project construction;
- Use at least 50% (by cost) wood products and materials that are certified in accordance with the Forest Stewardship Council, salvaged wood or engineered framing materials;
- Use water-permeable materials in 40% or more of walkways and 40% or more of paved parking areas (proposed materials must not conflict with accessibility requirements); or
- Use a) ENERGY STAR-compliant and high-emissive roofing for the entire roof or, install a "green" (vegetated) roof covering at least 50% of the roof; and b) light-colored/high-albedo materials and/or an open-grid pavement over at least 30% of the site's hardscaped area.

Specific information on all of the above criteria can be found in the Green Building Criteria Reference Manual. In addition, the Green Building Criteria Checklist, Attachment B9, must be completed and submitted with your application,

vi. Energy Efficiency (10 points) - Applicants meeting the criteria in one of the energy efficiency programs or strategies listed below are eligible to receive a maximum of 10 points under HTF, or 5 points under LIHC and SLIHC. The requirements of these programs shall be secondary where conflicts exist between building codes or HCR standards and requirements.

- Applicant intends to participate in the New York State Energy Research and Development Authority (NYSERDA) Multifamily Building Performance Program (MPP) and has submitted a signed contract with a NYSERDA approved MPP Partner.
- Applicant intends to participate in the New York ENERGY STAR Homes Program (NYESH) and has submitted a signed contract between the applicant and a participating NYESH Builder, or Home Energy Rating System (HERS) Rater; or submits a HERS-

based plan review by a NYESH participating HERS rater, which indicates the project design will meet the high efficiency guidelines required for certification.

- Applicant intends to participate in the New York Assisted Home Performance with ENERGY STAR Program and has submitted a signed contract with a participating Home Performance contractor that commits to complying with the requirements of the program.
- Buildings designed in conformance with the U. S. Environmental Protection Agency (EPA) ENERGY STAR Multifamily High Rise Program, version 1.0, in either the prescriptive path or the performance path to achieve a 15% improvement in energy efficiency beyond that required by ASHRAE 90.1-2007. The application is to include a signed contract with an energy consultant which explains the methodology to be utilized to ensure that the standard is met. If awarded, the project shall provide or address all design and construction requirements and include a report by the energy consultant at the project closeout certifying that all strategies and goals were met.
- Buildings designed in conformance with EPA ENERGY STAR New Homes, version 3.0, in either the prescriptive path or the performance path. The application is to include a signed contract with a RESNET certified HERS Rater which explains the methodology to be utilized to ensure that the standard is met. If awarded, the project shall provide or address all design and construction requirements and include a report at the project closeout certifying that all strategies and goals were met.
- For moderate rehabilitation projects, applicants may bring an existing non-complaint building(s) up to current energy code standards for a new building; or demonstrate that the renovated building(s) will reduce overall energy usage by 20%, as compared to average energy usage for the last two years of operation. The projected reduction in energy usage must be demonstrated by submitting an energy analysis by an architect or engineer licensed in the State of New York, or RESNET certified HERS Rater.

vii. Fully Accessible and Adaptable, Move-in Ready Units (5 points) - Scored on whether:

a) at least five percent (rounded up to the next whole number) of the project units are fully accessible and adapted, move-in ready for person(s) who have a mobility impairment and the unit(s) will be marketed to households with at least one member who has a mobility impairment;

(AND)

b) at least two percent (rounded up to the next whole number) of the project units are fully accessible and adapted, move-in ready for person(s) who have a hearing or vision impairment and the unit(s) will be marketed to households with at least one member who has a hearing or vision impairment (3 points);

(OR)

c) the percentages of units meeting the requirements of (1) and (2) above are equal to or exceed 10 percent and 4 percent (rounded to the next whole number) respectively (a

minimum of two units each) (5 points).

d. HWF Rating System

HWF projects will be rated based upon the following scoring criteria:

- Project Feasibility: 40 Points
- Readiness to Proceed: 40 Points
- Regional Economic Development Council Endorsement: 20 Points

5. Additional Reviews

When an application requests LIHC or HTF funds, additional reviews, including design, and underwriting will be conducted. In addition, applications requesting consideration under funding set-asides will be reviewed for eligibility under those set-asides.

6. Funding Recommendations

Funding recommendations are made for feasible projects from available funds on the basis of ranking resulting from rating, statutory distribution requirements, development team capacity, and a geographical distribution of funds in support of the State’s housing goals. Applicants will be informed of the disposition of their applications in an Application Review Letter.

Pursuant to statutory requirements, the following limitations will also be considered in reviewing HTF applications:

- a. no more than 50% of the total amount originally appropriated shall be awarded to projects located within any single municipality;
- b. no more than 33-1/3% of funds awarded to projects within a city with a population of one million or more shall be allocated to private developers; and
- c. no more than 33-1/3% of funds awarded to projects located in areas outside cities with a population of one million or more shall be allocated to private developers.

Please refer to the CFA Multifamily Programs Online Application Instructions, Section C, 1E, 6 Non-Profit Application Designations, for the criteria to be considered a HTF non-private developer.

Those applicants recommended to receive awards will receive an Application Review Letter indicating they have been selected for funding.

7. HTFC Board Approval

All HTF and HWF awards must be approved by the HTFC Board of Directors prior to receiving a funding commitment.

8. Outcome Letters

After the above steps have been completed, and subject to the availability of funds, HCR will

provide one of the following outcome letter(s):

- a). Application Review Letters are sent to unsuccessful Applicants regardless of which program(s) funds were requested from.
- b). Award Letters are sent to all successful Applicants. This letter notifies the applicant that the project has been selected for funding, and sets forth the number of units and award amount(s). The Award Letter is a preliminary notification, and is issued prior to the binding LIHC/SLIHC Reservation and Funding Commitment Letters, as described below.
- c). In addition to the Award Letter, LIHC/SLIHC Reservation Letters are sent to successful Applicants who requested LIHC and/or SLIHC funding. These letters specify the terms and conditions of the reservation, including the reservation expiration date.

Successful Applicants whose projects include both LIHC and/or SLIHC and HTF and/or HWF will receive both a LIHC/SLIHC Reservation Letter and an Award Letter.

9. Funding Commitment Letters

Funding Commitment Letters (FCLs) are issued approximately 30-60 business days after the preliminary Award Letter is issued for HTF funds. The FCL sets forth the terms and conditions for the project, and is considered a binding agreement when signed and returned by the Applicant within the timeframe provided in the FCL.

10. Project Development Meeting

The Project Development Meeting provides a forum for the applicant's development team and HCR to discuss the project's development timetable; the roles and responsibilities of the development team members and HCR; and the deliverables required under the terms of the executed Funding Commitment. Additional information on Project Development Meetings can be found in Section 3.02.08 of the Capital Programs Manual.

11. Processing Time Frames

HCR expects to process a request for a construction loan closing or permanent takeout within 30 business days of receipt, if all conditions in the commitment letter have been met.

VII. REGIONAL OFFICE SERVICE AREAS

Any questions regarding this RFP or the application process should be directed to the Regional Office which serves the county in which the proposed project is located. Regional office counties and contact persons for questions related to this RFP are listed below.

Capital District Regional Office

Hampton Plaza, 6th Floor
38-40 State Street
Albany, New York, 12207
Robert Shields, Project Manager: (518) 486-5013
James Armstrong, Senior Project Manager: (518) 486-5011
John Serio, Senior Project Manager: (518) 473-6959

Counties Served: Albany, Clinton, Columbia, Delaware, Dutchess, Essex, Fulton, Greene, Hamilton, Montgomery, Orange, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren and Washington.

Buffalo Regional Office

Electric Building, Suite 105
535 Washington Avenue
Buffalo, New York 14203
Leonard Skrill, Upstate Director of Development (716) 847-3926
Kristen Slaiman, Senior Project Manager (716) 847-3085
Dan Peters, Project Manager (716) 847-7132

Counties Served: Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming and Yates.

Syracuse Regional Office

620 Erie Boulevard West, Suite 312
Syracuse, New York 13204
Lois Holden, Senior Project Manager (315) 478-7179 x 219
Kathleen Karpinski, Project Manager (315) 478-7179 x 217

Counties Served: Broome, Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga and Tompkins.

New York City Regional Office

25 Beaver Street, 7th Floor
New York, NY 10004, (212) 480-4543
Earnest Langhorne, Downstate Director of Development (212) 480-7473
Michael Ferguson, Assistant Director of Development (212) 480-7494

Counties Served: Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester.

-END OF REQUEST FOR PROPOSALS-