



CONSOLIDATED FUNDING APPLICATION  
FALL 2011  
MULTI-FAMILY PROGRAMS

# Workshop Agenda

- 1) Welcome
- 2) What's New?
- 3) General Overview:
  - CFA Process
  - Program Funds Available
  - Schedule
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# Workshop Agenda

- 4) Review Process
- 5) Funding Initiatives
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# Workshop Agenda

- 9) Architecture & Engineering
- 10) Common Application Flaws
- 11) Technical Assistance
- 12) Questions & Answers

# What's New?

- Regional Economic Development Councils
- Consolidated Funding Application (CFA)
- Previously Submitted Applications
- Open Window & HOME changes
- Completeness Standard for Applications

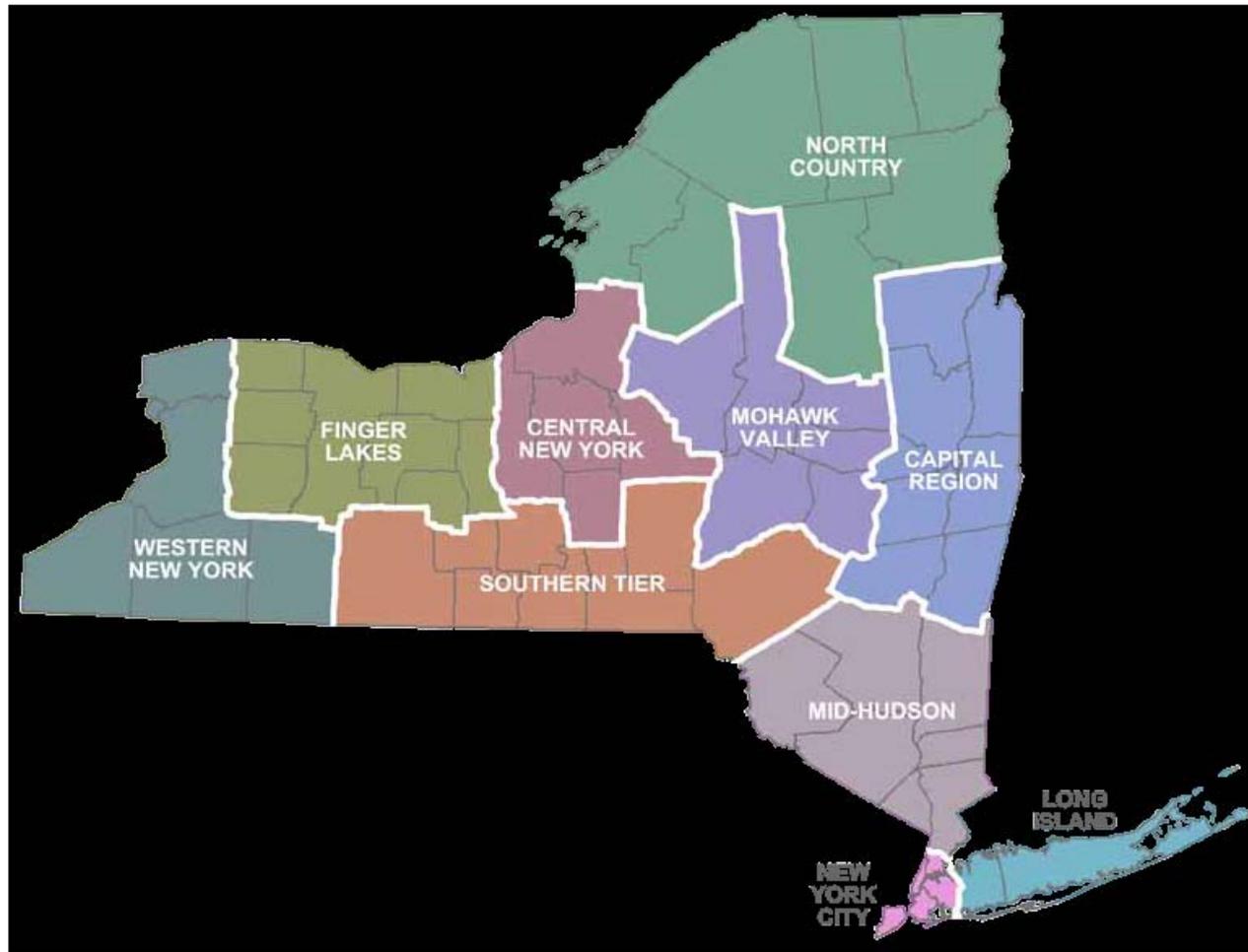
# What's New?

## Regional Economic Development Councils

- Governor Cuomo has created ten Regional Economic Development Councils (REDC) to replace the State's top-down economic development system with a community-based approach emphasizing each region's unique assets and harnessing local expertise.
- REDCs will now have an opportunity to review Multi-Family funding applications and endorse projects identified as a regional priorities.

# What's New?

## 10 Regional Economic Development Councils



# What's New?

## Regional Economic Development Councils

**Below is a list of the counties served by each REDC**

1. **Capital Region:** Albany, Columbia, Greene, Saratoga, Schenectady, Rensselaer, Warren, Washington
2. **Central New York:** Cayuga, Cortland, Madison, Onondaga, Oswego
3. **Finger Lakes:** Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming, Yates
4. **Long Island:** Nassau, Suffolk
5. **Mid-Hudson:** Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester
6. **Mohawk Valley:** Fulton, Herkimer, Montgomery, Oneida, Otsego, Schoharie
7. **New York City:** Bronx, Kings, New York, Richmond, Queens
8. **North Country:** Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence
9. **Southern Tier:** Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga, Tompkins
10. **Western New York:** Allegany, Cattaraugus, Chautauqua, Erie, Niagara

# nyworks.ny.gov



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- ▶ Access point for the Consolidated Funding Application
- ▶ Contact information and membership lists for each Regional Council
- ▶ Regularly updated information on each Regional Councils' activities
- ▶ Regional Council CFA Endorsement Standards

# What's New?

## Consolidated Funding Application (CFA)

- In addition to providing a single point of access to dozens of funding opportunities across multiple State agencies, the CFA serves as the entry point for accessing the following Multi-Family housing funds:
  - ▶ Low Income Housing Trust Fund (HTF);
  - ▶ Federal Low-Income Housing Credit Program (LIHC);
  - ▶ State Low-Income Housing Credit Program (SLIHC); and
  - ▶ Homes for Working Families Program (HWF).

# What's New?

## Open Window & HOME changes

- ▶ Open Window application process for SLIHC and HWF is closed until further notice. All new applications for SLIHC and HWF will now go through the CFA process.
- ▶ HOME funds for site-specific, multifamily rental housing are not available under the new NOFA.

# What's New?

## Completeness Standard for Applications

- Consistent with UF 2011's more rigorous standard for completeness:
- Applications will be deemed complete upon submission and will be fully evaluated based on materials provided by an applicant.
- Applicants are strongly encouraged to double check their applications for completeness prior to submission.

# General Overview

## CFA Process – How do I Apply For Funding

### **Two Pathways to Access Multi-Family Funding**

- New Applications
- Applications Submitted Previously in 2011



# General Overview

## CFA Process – How Do I Apply for Funding

### **New Applications**

- ▶ Applications not submitted previously in 2011 must first register and identify the project using the CFA located at <http://nyworks.ny.gov> .
- ▶ Once applicants have received their CFA ID Number (four digit number) they should contact HCR to receive the link to the Multi-Family Program Application System (formerly known as the CDOL). The applicant must be a currently registered applicant in order to begin their MFP application immediately. Applicants who are not currently registered must fill out an Applicant Registration Form and get it to HCR. Once registered, you will receive an email with the link to the MFP Application along with your user id and password.

# General Overview

## CFA Process – How Do I Apply for Funding

- ▶ **CFA Applications must be completed by 10/31/2011 4:00 pm**
- ▶ **MFP Applications must be completed by 11/4/2011 4:00 pm**
- ▶ If your CFA application is not complete and submitted by the 10/31/2011 deadline, your Application for MFP will not be considered.
- ▶ You can contact the MSR unit either by email at [MSR@nyshcr.org](mailto:MSR@nyshcr.org) or by calling (518) 473-2525 for technical assistance with the CFA and MFP applications.

# General Overview

## CFA Process – How Do I Apply for Funding **Applications Previously Submitted in 2011**

Applications submitted pursuant to a October 27, 2010 or May 11, 2011 Notice of Availability of State and Federal Funds do not need to submit a new application through the CFA process if by October 31, 2011 an applicant:

- ▶ Requests that the existing application be considered under the September 7, 2011 CFA NOFA
- ▶ Certifies that the existing application remains valid
- ▶ Provides an updated development timetable

# General Overview

## CFA Process – How Do I Apply for Funding

### **Applications Previously Submitted in 2011**

- ▶ If an existing application is certified as remaining valid
  - HCR will not require updates of time sensitive documents, such Market Studies, Appraisals, and Phase I Environmental Assessments.
  - Applicants may submit updated evidence of site control for the existing application.
  - Applicants may also submit updated evidence of local approvals.
  - All existing applicants who have not received an award will receive an email with detailed instructions.

# General Overview

## CFA Process – How Do I Apply for Funding

### **Applications Previously Submitted in 2011**

- ▶ If an applicant requests that an existing application be considered under the September 7, 2011 CFA NOFA, an “Exit Conference” for that existing application will not be provided by HCR.
- ▶ If an “Exit Conference” is provided to an applicant for an existing application, an entirely New CFA Application must be submitted.

# General Overview - Program Funds Available

Housing Trust Fund (HTF)	\$29,000,000*
Low-Income Housing Credit (LIHC)	\$26,000,000
NYS Low-Income Housing Tax Credit (SLIHC)	\$1,700,000
Homes for Working Families (HWF)	\$6,400,000

\* Subject to available appropriations/legislative approval

# General Overview

## Schedule

- **September 2, 2011:** CFA window opened
- **September 7, 2011:** Notice of Funding Availability (NOFA)
- **September 2011:** Application Workshops
- **Prior to October 31, 2011 :** Regional Office Application Technical Assistance (T.A.)
- **October 31, 2011:** CFA window closed
- **November 4, 2011:** Deadline for CFA Multi-Family Application (formerly known as CD-Online)
- **December 2011:** Initial CFA Awards anticipated

# General Overview

## Application Materials

1. NYS CFA Request for Proposals (RFP)
2. CFA Application Instructions
3. CFA Multi-Family Application Instructions & Screen Shots
4. Common Application Issues, Q & A
5. Reference Materials
6. Capital Programs Manual (CPM)
7. Low-Income Housing Credit Qualified Allocation Plan (QAP)

# General Overview

## Application Materials

8. NYS Low-Income Housing Tax Credit Program (SLIHC) Regulation
9. Article 2-A Public Housing Law (SLIHC)
10. Design Handbook
11. Green Building Criteria Reference Manual
12. Pre-Qualified Market Study Firms List
13. Regional Council Endorsement Standards

These Documents are available at:

<http://www.dhcr.state.ny.us/Funding/ConsolidatedFunding/>

# Review Process

## Rating & HCR Investment Strategy



**FUNDAMENTALS** - 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 applicants have the proven experience and team members to successfully complete the investment.

**LEVERAGING** - HCR will consider whether the investment leverages significant outside resources such as third party funds, local funds, and/or local support.

**OUTCOMES** - HCR will consider the policy goals achieved by a particular investment.

# Review Process

## Application Review

- ✓ Regional Council Recommendation
- ✓ Eligibility
- ✓ Rating
- ✓ Feasibility Reviews
- ✓ Selection Criteria
- ✓ Awards

# Review Process

## Regional Council Recommendation

- ▶ 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.
- ▶ Regionally Endorsed project requesting HTF or HWF may receive up to 20 points.

# Review Process

## Readiness to Proceed

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

# Funding Initiatives

- Green Building Initiative (HTF)
- Energy Efficiency Initiative (HTF)
- Project Based Voucher Initiative (PBV)

# M/WBE Participation

- Article 15-A of the Executive Law, was enacted July 19, 1988 and amended in 2011 to promote economic opportunities and equality of employment for minority group members and women in State contracting activities.
- HCR fully supports these efforts and the Office of Fair Housing & Equal Opportunity's mission is to coordinate and monitor compliance with Article 15-A. OFHEO's goal is to work with the contracting units and all program awardees to accomplish the Governor's mandate.
- Utilization Plans are due prior to project funding, and quarterly reports are due throughout the duration of the project.

# M/WBE Participation

- Preference in awards given to applications which include NYS-certified M/WBE as part of development team
- Award decisions include consideration of applicant's past and current performance, including M/WBE performance
- Submit all questions on the M/WBE program requirements to [OFHEO@nyshcr.org](mailto:OFHEO@nyshcr.org).

# Program Information

## Housing Trust Fund (HTF)

- HTF available \$29 million
- Project cap - \$2 million; more if project meets one of the RFP-listed criteria
- HTF per unit cap - \$125,000
- Permanent or construction financing available - residential only
- Must benefit households  $\leq$  90% of AMI (in NYC  $\leq$  80% of AMI)
- Preference for projects with a substantial number of units  $\leq$  50% AMI

# Program Information

## Housing Trust Fund (HTF)

- Up to 10% of HTF award for a community service facility
- Up to 50% of HTF award for cost of acquisition
- For more info – see CPM Section 2 on HCR website

# Program Information

## Low-Income Housing Credit Program (LIHC)

- LIHC available: \$26 million
- LIHC max. per project
  - Standard project: \$1.43 million
  - Project w/50% or more units for large families or persons with special needs (w/supportive services): \$1.65 million
- LIHC max. per unit: \$22,000
- Must benefit households  $\leq$  60% AMI
- For acquisition, rehabilitation and new construction of residential units

# Program Information

## Low-Income Housing Credit Program (LIHC)

- Preservation Projects: (QAP Sect. 2040.2(r))  
Up to \$3.3 million
- High Acquisition Cost Projects (QAP Sect. 2040.2(j))  
Preservation Projects with 25% minimum acquisition  
No more than \$1 million of the preservation set-aside
- Supportive Housing Projects: (QAP Sect. 2040.2(v))  
Up to \$2.2 million

# Program Information

## LIHC Application & Allocation Fees

- Credit Application Fee
  - \$3,000 per application
  - \$6,000 if both LIHC & SLIHC are requested
- Allocation Fee
  - 8% of 1<sup>st</sup> year's allocation amount

# Program Information

## LIHC Program Advisory

- The federal Housing and Economic Recovery Act of 2008 (HERA) set fixed applicable percentage of qualified basis of 9%
- For new construction/rehabilitation of non-federally subsidized buildings
- This HERA provision sunsets for projects placed in service after December 31, 2013
- Prospective applicants, if applicable, should use unadjusted monthly credit rate in calculating LIHC application request amount.

# Program Information

## Former Open Window Programs

- NYS Low-Income Housing Credit Program (SLIHC)-  
**Available only through CFA**
- Urban Initiative/Rural Area Revitalization Program  
(UI/RARP) - **Closed**
- Homes for Working Families (HWF) - **Available only  
through CFA**

# Program Information

## NYS Low-Income Housing Tax Credit (SLIHC)

- SLIHC available: \$ 1.7 million
- SLIHC max. per project: \$ 750,000
- SLIHC max. per unit: \$ 20,000
- Program modeled after LIHC except units affordable to households  $\leq 90\%$  AMI

# Program Information

## SLIHC Program Advisory

- Nearly 2 to 1 Demand in 2011 (all combined with LIHC requests)
- Joint LIHC/SLIHC deals should not request the maximum under each program
- HCR preferences:
  - Leveraging
  - Mixed Income projects (at least 15% or more of the project units above 60% of AMI)

# Program Information

## Homes for Working Families (HWF)

- HWF available: \$6.4 million
- Projects which combine tax-exempt bond financing (from bond issuing agency) with 4% LIHC
- More than 50% of project financing (aggregate basis) must be tax-exempt bonds
- Bond Issuers Include: HCR (HFA), NYC HDC, Local PHA & IDA
- Subject to LIHC & HTF statutory requirements
- HWF max. per project : \$ 2.5 million

# Program Information

## Homes for Working Families

- HWF max. per unit by County:  
\$45,000 in New York City, Nassau, Suffolk, Westchester and Rockland  
\$35,000 for all other counties in New York State.
- Must benefit households  $\leq 60\%$  AMI (100% of the units)
- For acquisition, rehabilitation and new construction of residential units
- For more information contact:

Gail Bressler  
Vice President or  
(212) 872-0493  
[gbressler@nyshcr.org](mailto:gbressler@nyshcr.org)

Leonard Gruenfeld  
Senior Underwriter  
(212) 872-0386  
[lgruenfeld@nyshcr.org](mailto:lgruenfeld@nyshcr.org)

# Underwriting Changes

## Replacement Reserve Requirements

- **Annual replacement reserve funding for all new applications requesting LIHC and/or SLIHC, including blended projects also requesting HTF, have been reduced to:**
  - \$250 per unit annually for all projects**
- **Capitalization equal to \$1,000 per unit is also required & must be included in the development budget**
- **Applies to new applications submitted under the current RFP - pipeline projects must use reserve levels in effect at time of application**

# Underwriting Changes

## Replacement Reserve Requirements

### HTF/HOME Stand-alone Projects

No change to current standards for HTF/HOME projects without tax credits

- Remain at .50 % of total construction cost, capped at a maximum of \$800 per unit for family projects; and
- \$400 per unit for senior projects

# Underwriting

## Reminders

### **Applications Requesting Section 8 Project-Based Voucher Assistance**

**Subject to Subsidy Layering Review (SLR) as required by HUD SLR administrative guidelines (FR-5417-N-01)**

- HUD SLR guidelines set limits on builder's fees, developer fee, and project cash flow
- The more restrictive of HUD or HCR limits will be applied in the feasibility underwrite of all applications proposing PBV assistance
- Refer to CPM Section 5.07 for summary of SLR requirements

# Underwriting

## Assistance

- Refer to Section 5 of the **Capital Programs Manual** for specific project underwriting criteria
- **Technical assistance** prior to application submission strongly encouraged
- Contact Regional Office staff to request underwriting review of project pro-formas

# Architecture & Engineering

## Design Related Publications

- Design Handbook - Same as UF 2011
- Green Building Criteria Reference Manual - Same as UF 2011 excluding references to the Early Award Green Plus

# Architecture & Engineering

## LIHC & HTFC Green Building

- Mandatory Green items must be satisfied before project can qualify for scoring points:
  - Initial threshold criteria
    - ✓ (plans & specs)
  - Green development plan
    - ✓ Must be submitted with the application

# Architecture & Engineering

## LIHC & HTFC Green Building

- Mandatory Green items *must be satisfied before* project can qualify for scoring points:
  - Surface water management plan
    - ✓ (plans & specs)
  - Green building operation plan
    - ✓ Not submitted in application;
    - ✓ explain it in the green development plan

# Architecture & Engineering – LIHC & HTF Green Building & Energy Efficiency

- LIHC/SLIHC
  - Scoring points (competitiveness)
  
- HTF
  - Scoring points (competitiveness)
  - Energy Efficiency Initiative, or
  - Green Building Initiative
    - ✓ Allows for an increased award of up to \$2.4 million

# Architecture & Engineering

## LIHC & HTFC Energy Efficiency

- NYSERDA Programs:
  - Multifamily Performance Program
  - NY ENERGY STAR Homes Program
  - NY Assisted Home Performance with ENERGY STAR

# Architecture & Engineering

## LIHC & HTFC Energy Efficiency

### ➤ Other options:

- Conform to EPA ENERGY STAR Multifamily High Rise Program
- Conform to EPA ENERGY STAR New Homes Program
- For moderate rehabilitation/preservation projects:
  - ✓ Reduce overall energy usage by 20%
  - ✓ Meet current energy code for new buildings

# Common Application Flaws

## Site Control as Eligibility Issue

- CPM Sec. 5.03.01 says **applicant** must have site control at application
- Site control also deemed eligible if an entity controlled by the applicant has site control; proper documentation will be required in application which demonstrates formal relationship between applicant and affiliate
- Site control for each site or building proposed must be shown

# Common Application Flaws

## Site Control

- Examples of Ineligible Site Control
  - **Applicant** is not listed as owner in site control documents
  - Affiliate of **applicant** has site control but no information provided showing control relationship between applicant and affiliate
  - Option agreements wherein it is not clear if the option extension payments have been made up to application or up to 6 months beyond application date
  - Per HTF statute Housing Authorities must own the proposed project/building after July 1, 1986
  - Scattered site project wherein site control is not established for all proposed sites
  - Failure to execute all documents where applicable

# Technical Assistance (TA)

- For potential applicants and awardees through:
  - HCR Regional and Technical Unit staff and/or
  - Development Seminars & Materials (Online at the HCR website)
- For assistance with the CFA application or CFA Multi-Family Application
  - Contact the HCR's MSR Unit at (518) 473-2525

# Technical Assistance (TA)

## **Buffalo Regional Office**

Electric Building, Suite 105

535 Washington Avenue

Buffalo, New York 14203

Leonard Skrill, Upstate Development Director (518) 461-6591

Kristen Slaiman, Senior Project Manager (716) 847-3085

Dan Peters, Project Manager (716) 847-7132

## **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

# Technical Assistance (TA)

## **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

## **New York City Regional Office**

25 Beaver Street, 7<sup>th</sup> Floor

New York, NY 10004

Earnest Langhorne, Downstate Development Director

(212) 480-7473

Michael Ferguson, Assistant Downstate Development Director

(212) 480-7494

# Questions & Answers

[www.nyshcr.org](http://www.nyshcr.org)