



ANDREW M. CUOMO  
Governor

# Homes and Community Renewal

JAMES S. RUBIN  
Commissioner/CEO

**Notice of Credit and Funds Availability  
and  
Request for Proposals  
For Projects Financed by Tax-exempt Bonds  
And  
For Projects Applying for 9% LIHC From a Housing Credit  
Agency Other Than HCR**

**New York State Homes & Community Renewal**

**Division of Housing and Community Renewal  
Housing Trust Fund Corporation  
New York State Housing Finance Agency**

**New York State Low-Income Housing Tax Credit  
Homes for Working Families Program  
Middle Income Housing Program**

## **Revision History**

July 30, 2015

Page 14 (IV, MIP Program):

Third paragraph modified to clarify that while MIP Projects must meet the standard tax exempt bond and LIHC low income set aside requirements, a Project is not required to have 20% of the units affordable to households with incomes at 50% or less of AMI or 40% of the units affordable to households with incomes at 60% or less of AMI.



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4/22/2015

**I. Introduction And General Information**

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 the financing resources of the agency identified herein. HCR is making available allocations totaling up to \$4,000,000 under the State Low-Income Housing Tax Credit Program (“SLIHC”), as administered through the Division of Housing and Community Renewal (“DHCR”), up to \$17,500,000 for loan funding under the Homes for Working Families Program (“HWF”), as administered through the Housing Trust Fund Corporation (“HTFC”), and up to \$25,000,000 for loan funding under the Middle Income Housing program (“MIP”), as administered through the New York State Housing Finance Agency, (“HFA”).

This Notice of Credit and Funding Availability and Request for Proposals (“RFP”) describes the programmatic and submission requirements for both programs.

This RFP also explains how HCR may offer a limited amount of Project Based Voucher (“PBV”) assistance, depending upon availability, for proposed projects seeking HWF, SLIHC and/or MIP under this competitive Request for Proposals

Applicants for HWF may only apply under this RFP for awards for new construction, substantial rehabilitation and moderate rehabilitation of site-specific multi-family rental housing (the “Projects”) that will also have first mortgages financed by tax-exempt Private Activity Bonds (“PAB”) issued by HFA, the New York City Housing Development Corporation (“HDC”), or another issuer authorized by New York State to issue PABs to finance the creation or preservation of multi-family rental housing (“Bond Issuer”) and which will be allowed 4% Low Income Housing Tax Credits (“LIHC”). Any awards made under this RFP may be contingent on the project receiving an award of PAB volume cap authority sufficient to close the project’s first mortgage prior to December 31, 2015.

Applicants for MIP may only apply under this RFP for awards for the new construction, or substantial conversion of non-residential property to site-specific multi-family housing (the “Projects”) that (i) will also have first mortgages financed by tax-exempt bonds issued by HFA, HDC or Bond Issuer or (ii) will receive an award of 9% LIHC from a Housing Credit Agency (HCA) that is not a component of HCR. Any awards made under this RFP may be contingent on the project receiving, if required, an award of PAB volume cap authority to fund the Project’s tax exempt bond financed first mortgage or an award of 9% LIHC sufficient to allow the project to close on or before December 31, 2015.

Applicants for SLIHC may only apply under this RFP for awards for new construction, substantial rehabilitation and moderate rehabilitation of site-specific multi-family rental housing (the “Projects”) that (i) will also have first mortgages financed by tax-exempt Private Activity Bonds (“PAB”) issued by HFA, HDC or Bond Issuer or (ii) will receive an award of 9% LIHC from an HCA that is not a component of HCR. Any awards made under this RFP may be contingent on the project receiving an award of PAB volume cap authority to fund the project’s first mortgage or an award of 9% LIHC sufficient to allow the project to close on or before December 31, 2015.

This RFP explains the process by which HCR will accept and evaluate applications requesting HWF and SLIHC resources. After a determination has been made, unsuccessful Applicants may request an exit conference with HCR staff to review their application. Prospective Applicants may request technical assistance in preparing an application at any time.

Section II of this RFP, **HWF, MIP and SLIHC Application Deadline and General Requirements**, provides additional information on application submission methods.

Section III, **HWF Program**, provides a more detailed description of the HWF Program.

Section IV, **MIP Program**, provides a more detailed description of the MIP Program.

Section V, **SLIHC Program**, provides a more detailed description of the SLIHC Program.

Section VI, **Offer of a limited amount of Project Based Voucher (PBV) assistance, depending upon availability, for proposed projects seeking HWF and/or SLIHC under this competitive Request for Proposals, provides a more detailed description of the PVB Program.**

Section VII, **Pre-application Requirements**, describes requirement for pre-application meeting.

Section VIII, **Application Processing Steps**, provides additional guidance on requirements for applications submitted in response to this RFP.

Section IX, **Contacts for Further Information**, provides contact information for relevant HCR staff for Applicants to access technical assistance in preparing applications.

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

HCR will seek to award these limited HWF, MIP and SLIHC resources in a manner that promotes a statewide geographic distribution of this financing. A minimum of \$7,000,000 of HWF and \$1,500,000 of SLIHC will be set aside for awards in the Capital Region, Central New York, Finger Lakes, Mohawk Valley, North County, Southern Tier and Western New York regions. Any resources from this set aside not awarded by September 15, 2015 will be made available for use in any region of the State. HCR does not anticipate making awards totaling in excess of \$7,000,000 of HWF and \$1,750,000 of SLIHC in any one region of the state. MIP funding will be available statewide, with no more than 50% allocated to a single municipality.

Awards for proposed projects may also be denied in areas of the State that have recently received awards of other HCR capital financing, including, but not limited to, HWF or SLIHC. Funding may also be denied for proposed projects with market studies or other analyses indicating a saturation of low-income housing.

## **II. HWF, MIP and SLIHC Application Deadline and General Requirements**

### **A. HWF, MIP and SLIHC Application Deadline**

Applications requesting HWF, MIP and/or SLIHC may be submitted at any time between April 22, 2015 and December 1, 2015, or until all allocations of HWF, MIP and SLIHC resources are committed. HWF, MIP and SLIHC applications will be reviewed as received and funding determinations will be made throughout the year.

Notwithstanding resource availability, applications must be received by HCR by **5:00 pm EST, December 1, 2015**.

Applications seeking consideration for PBV assistance in combination with HWF, MIP and/or SLIHC must submit a complete application **by no later than 5:00 PM EDT, September 30, 2015**. Complete applications seeking consideration for PBV assistance will be evaluated monthly beginning with complete applications received prior to May 1, 2015 which will be evaluated by June 1, 2015.

The application deadlines are firm as to date and hour. Applications received after the specified dates and times will be deemed ineligible and will not be considered for funding.

Applicants are advised to make early submission of their applications to avoid risks of ineligibility resulting from unanticipated delays or other delivery-related problems. Prior to application submission, HCR personnel listed at the end of this RFP are available to answer questions from prospective Applicants.

HCR retains the right to waive any requirement contained in this RFP, subject to the applicable statutes and program regulations. HCR also retains the right to revise this RFP from time to time, extend the submission due date, to not award all of its funds under this RFP, and to issue subsequent RFPs. All Proposals must comply with all federal, state and local laws.

#### B. HWF, MIP and SLIHC Application Submissions

The application and review process for HWF, MIP and SLIHC Projects may vary depending upon the requirements of the Bond Issuer or HCA. All applicants are subject to HCR's Affirmative Fair Marketing requirements and will be required to provide a marketing plan and report on compliance in accordance with the forms on HCR's website at <http://www.nyshcr.org/Forms/FairHousing/>. HWF applicants must also submit HFA Form 15 (State Environmental Quality Review Submission Requirements). SLIHC applicants must also submit the Green & Energy Data Sheet.

For projects applying for either HFA or HDC bond financing, the anticipated roles and responsibilities of HTFC and the tax-exempt bond issuer are outlined below.

##### 1. New York State Housing Finance Agency (HFA)

HFA, in its capacity as HCR's tax-exempt bond issuing agency and allocator of 4% LIHC, will assume the lead role for projects jointly funded with HWF, MIP and/or SLIHC. For most aspects of project application review, construction inspection, and post completion compliance monitoring HFA's review and standards will be utilized in the following areas and supplemented as required to adhere to HWF and SLIHC statutory and regulatory requirements:

- Assessment of compliance with the State's housing goals, project preferences and priorities (as stated in Section IV below)
- Underwriting feasibility;

- Architectural design and constructability review;
- Construction monitoring;
- SEQRA (HFA and HTFC will collaborate on the review);
- Equal Employment Opportunity and Minority and Women Owned Business Participation goals and participation percentages;
- Fair Housing Affirmative Marketing Plan Management Plan;
- HFA Low-Income Housing Credit Program Qualified Allocation Plan (QAP).
- SLIHC financing will be reviewed by HCR subject to DHCR’s QAP and SLIHC Regulations; and,
- Funding commitment.

Projects applying for HFA bond financing must submit a “short form” HWF, MIP and/or SLIHC application to HFA to supplement materials provided in the HFA application as required to evaluate eligibility for HWF, MIP and SLIHC.

Additional information about HFA programmatic requirements standards for the issuance of tax-exempt bond financing, the availability of other HFA capital financing and LIHC funding, is available on line at:

<http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/>,

or by contacting:

Leonard Gruenfeld  
 Assistant Vice President, Multifamily Finance  
 NYS HCR  
 (212) 872-0386  
[leonard.gruenfeld@nyshcr.org](mailto:leonard.gruenfeld@nyshcr.org)

2. New York City Housing Development Corporation/ NYC Department of Housing Preservation and Development

HCR will coordinate review with New York City Department of Housing Preservation and Development (“HPD”) and NYC Housing Development Corporation (“HDC”) for HWF, MIP and SLIHC projects which are jointly funded with HDC tax-exempt bonds and 4% LIHC allocated by HPD or with HPD alone when an applicant for SLIHC and/or MIP is also applying for 9% LIHC from HPD. HPD/HDC’s policies and practices will be followed in the following areas, provided there is general adherence with HWF and/or MIP statutory and regulatory requirements, as well as policy provisions

- Underwriting feasibility;
- SEQRA (coordinated review, as noted below); and,

- HPD Low-Income Housing Credit Program Qualified Allocation Plan (QAP) requirements, as provider of the 4% LIHC allocation for the HWF projects funded with HDC’s tax-exempt bonds or as HCA for a 9% LIHC allocation.

Note: As stated above, projects seeking SLIHC financing from DHCR will also be subject to DHCR’s QAP and SLIHC Regulations, which requires the project to meet additional threshold eligibility requirements, scoring provisions, underwriting concerns, project compliance monitoring and other programmatic standards beyond those customarily required by HPD/HDC. Projects applying for HWF will also have to comply with the relevant Equal Employment Opportunity/Minority and Women Owned Business requirements for projects funded by HTFC.

Projects applying for HPD/HFC bond financing and 4% LIHC must submit a “short form” HWF, MIP and/or SLIHC application and a bond issuer’s status form completed by HDC to HCR along with a full copy of the HDC Bond Financing documentation including:

- A brief project summary;
- Current Phase 1, and if required Phase 2, Environmental Reports;
- Sources and Uses;
- 10 year projected operating pro forma;
- Schedule of all project costs including land, payments made to acquire (e.g. air right purchases), hard costs and soft costs; and,
- Appraisal, market study and physical needs assessment for all acquisition and rehabilitation project.

Applicants for MIP and SLIHC as well as 9% LIHC from HPD must submit the above information along with the HPD 9% LIHC application.

The “short form” application authorizes HCR to rely on the HPD and HDC applications along with their supplementary materials, to evaluate eligibility for HWF and SLIHC. HCR reserves the right to require submission of additional information as part of the application process.

The “short form” application and the completed bond issuer’s/HCA’s status form along with the supporting HPD and HDC applications must be submitted to:

New York State Homes and Community Renewal  
 641 Lexington Avenue  
 New York, NY 10022  
 Attention: Office of Finance and Development

For more information about HDC/HPD programmatic requirements for the issuance of tax-exempt bond financing, the availability of other HDC/HPD financing and LIHC funding contact:

Anthony R. Richardson  
 Senior Vice President for Development  
 NYC Housing Development Corporation  
 (212) 227-9479  
[arichardson@nychdc.com](mailto:arichardson@nychdc.com)

For more information about HPD programmatic requirements for the allocation of 9% LIHC contact:

Christina Duran  
 Director, Low Income Housing Tax Credits  
 NYC Department of Housing Preservation and Development  
 (212) 863-5184  
[wrayc@hpd.nyc.gov](mailto:wrayc@hpd.nyc.gov)

3. Other Bond Issuers

HCR will assume the lead role for all aspects of project review, SEQRA, monitoring during construction and the HWF/MIP/SLIHC regulatory term for HWF, MIP and/or SLIHC projects jointly financed by other Bond Issuers (i.e. a local industrial development agency (IDA) or local public housing authority (PHA)). HTFC’s project financing standards, including architectural design and underwriting requirements (as set forth in the DHCR Design Handbook and DHCR Capital Programs Manual), will be applicable to such projects. Projects applying for HWF will also have to comply with the relevant Equal Employment Opportunity/Minority and Women Owned Business requirements for projects funded by HTFC.

Applicants seeking HWF, MIP and/or SLIHC financing in conjunction with other Bond Issuers’ tax-exempt bonds must apply to HCR for federal tax credit allocations. Projects funded by other Bond Issuers must submit a “short form” HWF, MIP and/or SLIHC application to HCR and a HFA “Standalone” 4% LIHC application in order to be evaluated for HWF, MIP and SLIHC eligibility. HCR reserves the right to require submission of additional information as part of the application process.

The “short form” application along with the supporting HFA “Standalone” 4% LIHC application must be submitted to:

New York State Homes and Community Renewal  
 641 Lexington Avenue  
 New York, NY 10022  
 Attention: Office of Finance and Development

For more information about HFA programmatic requirements and standards for LIHC “Standalone” 4% LIHC Allocations, contact:

Mark Flescher  
 Vice President, Special Projects  
 NYS HCR  
 (212) 872-0493  
 Mark.flescher@nyshcr.org

Applicants must apply separately to the Bond Issuer to secure PAB Volume Cap and tax-exempt bond funding. This constitutes a separate application track. HCR will, however, coordinate many aspects of its application review with the Bond Issuer.

C. Additional Submission Requirements and Fees

Applicants requesting HWF financing must submit an application fee of \$5,000 to HTFC. Applicants requesting MIP financing must submit an application fee of \$5,000 to HFA. Upon receipt of the initial “short form” application for financing, HCR will invoice the Applicant for this fee. No action on the application will be taken until the fee is received.

Applicants requesting HCR tax-exempt bond financing and other financing administered by NYS Housing Finance Agency (HFA) in conjunction with a request for an HWF or MIP capital subsidy are not required to pay the \$5,000 HWF or MIP application fee, but are subject to any HFA application fees set forth in the application instructions.

Additionally, an Applicant requesting SLIHC financing under this RFP must, upon receipt of an invoice, submit a \$3,000 SLIHC application fee. The payment of all application fees is due at the time of initial application submission. Not-for-profit Applicants for SLIHC allocations may request a deferral of payment until the time of construction mortgage closing.

This RFP provides only a portion of the information and materials needed to complete HWF and SLIHC applications. Other materials which may be applicable to an HWF, MIP and/or SLIHC application depending on the specifics of the project include:

1. the HCR/HTFC Design Handbook – September 2013, rev. 1 (9/19/2013);
2. the Office of Finance and Development Capital Programs Manual (CPM);
3. DHCR’s Low-Income Housing Credit Program Qualified Allocation Plan (DHCR QAP);
4. the NYS Low-Income Housing Tax Credit (SLIHC) Statute – Article 2-A; of Public Housing Law
5. New York State Low-Income Housing Tax Credit Program (SLIHC) Regulation – 9 NYCRR Part 2040 Section 2040.14;
6. the HCR/HTFC Green Building Criteria Reference Manual — September 2011;
7. the Unified Funding 2014 Capital Program Reference Materials;

8. the Pre-Qualified Market Analysts list; and,
9. HCR's Affirmative Fair Marketing and Equal Employment Opportunity Requirements.

### III. HWF Program

HWF is a housing development program that provides financing assistance for acquisition, capital costs and related soft costs associated with the new construction or rehabilitation of affordable housing developments. HWF is subject to the statutory requirements of the Low Income Housing Trust Fund Program.

Under HWF, more than 50% of the project costs must be financed by PABs issued by a public authority and allocated from the State's private activity bond volume cap. The bond financing provided by a Bond Issuer qualifies the project for allocation of 4% Low-Income Housing Credits (often termed "as-of-right" tax credits).

HWF financing may only be utilized to finance the development of residential units affordable to households with incomes at 60% or less of area median income (AMI), as adjusted for family size. However, up to a maximum of 30% of the Project's units may be affordable to tenants with incomes above 60% of AMI, provided that those units are financed by other funding sources, including SLIHC (see Section IV for restrictions).

#### A. HWF Program Funding Availability

HCR anticipates an appropriation of approximately \$17.5 million for State Fiscal Year 2015-2016, which will be awarded to applications submitted pursuant to this RFP. The maximum amount of HWF financing that may be requested per project is **\$3,000,000**. Applications requesting HWF financing above these project maximum amount will be deemed ineligible and will not be considered for funding.

These per project funding caps are subject to change in future RFPs, and may be adjusted subject to market conditions.

#### B. HWF Funding Priorities

In order to maximize effectiveness of limited resources HCR expects Applicants to combine HWF funds with funding from other sources. HCR considers HWF funding as "gap-filler" financing, and loans are awarded for projects requiring a final amount of financing for viability. HCR's overall priority is to encourage the submission of HWF applications which leverage a significant number of other sources of capital subsidy and will support and promote high quality, construction ready projects that may advance one of the specific housing goals of the State. The extent to which the project leverages public and private investment is one of the selection criteria used in evaluating Proposals.

HCR will prioritize projects anticipated to close before December 31, 2015 and reserves the right to defer evaluation of projects which, in HCR's sole judgment, are anticipated to close after March 31, 2016 until the next funding cycle.

Additional current HCR housing goals which may be considered include:

1. **Economic Development:** Projects specifically endorsed in the Regional Economic Council Strategic Plans that will support the construction and/or rehabilitation of affordable housing and for which significant financial assistance has been made available as part of such plans.
2. **Mitchell-Lama Portfolio Projects:** Projects that continue the redevelopment or preservation of Mitchell-Lama Housing units transferred from the NYS Empire State Development Corporation to HFA, as part of Governor Cuomo's \$1 billion House NY Program.
3. **Supportive Housing Goals:** Projects that provide permanent supportive housing to a variety of special needs populations, including, but not limited to the homeless, veterans, victims of domestic violence and the disabled, or that satisfy the requirements of NY/NY III or IV and/or the Medicaid Redesign Team (MRT).
4. **Community Renewal and Revitalization:** Mixed use and/or mixed-income projects in neighborhoods as part of a coordinated community redevelopment plan that involve the use or adaptive reuse of existing underutilized buildings; infill new construction; and/or the demolition and replacement of buildings having a blighting impact on a community, and for which rehabilitation is impracticable.
5. **Housing Opportunity Projects:** Projects that propose workforce housing in areas experiencing economic growth that are served by high performing school districts.
6. **Rural Preservation Projects:** Rehabilitation of projects in rural communities, including projects participating in USDA Rural Development programs or RARP.
7. **Workforce Opportunity Goals** Projects that propose workforce housing projects in close proximity to Metropolitan Transit Authority (MTA) rail stations outside the City of New York, or within a quarter-mile walk of an MTA subway station within the City of New York; or, which are in communities that have completed and are implementing Transit Oriented Development plans that clearly link the proposed project to expanded transportation choices for tenants; or, which are in close proximity to multi-modal transportation centers that will contribute to the development of vibrant, mixed-use, high-density neighborhoods.
8. **Disaster Relief Projects:** Projects in communities directly impacted by Federal Emergency Office declared disasters, including, but not limited to, Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, and the Summer 2013 Severe Storms and Flooding.

C. HWF Program Features

HCR has revised some HWF Program requirements since the prior funding round. Previous Applicants for HWF funding should review the following carefully, which includes updated program parameters.

1. Application Submission Timeframe

HWF applications will be accepted continuously through December 1, 2015 or until all funds are committed. Please note that all applications which are not approved and awarded HWF funds by January 31, 2016, may be deemed ineligible for this funding round and may not be considered for funding. If a project is deemed ineligible, the Applicant may submit a new application for subsequent funding rounds once a RFP is issued.

**Projects that submitted applications prior to December 1, 2014 may apply for funding under this NOCFA/RFP without submitting complete, new applications if:**

- **The Applicant advises HCR in writing that it wishes to be considered for SLIHC or HWF under this NOCFA based on its prior application;**
- **The Applicant advises HCR in writing that prior application does not need to be updated or provides updated information reflecting any changes since the application was submitted; and,**
- **The Applicant provides any additional information requested by this NOCFA /RFP that was not included in the prior application.**

Applications which propose using more than twenty-five percent of their HWF request for acquisition costs will be considered for award only if the Applicant demonstrates that there is a significant risk that the project will no longer be affordable to low-income persons without receipt of this funding.

2. HWF Loan Terms and Conditions

a. NYS Housing Finance Agency

For HWF projects receiving bond financing from HFA, prospective Applicants may request HWF financing as either a construction loan or a permanent loan.

b. NYC Housing Development Corporation

For HWF projects receiving bond financing from HDC, the HWF loan will only be provided for permanent phase financing; no construction phase loans will be provided. The HWF loan will mirror HPD and/or HDC's standard second loan terms and conditions and will assume a co-equal lien priority status with HPD and/or HDC's second loan (if applicable).

c. Other Bond Issuers

For HWF projects receiving bond financing from other Bond Issuers, the HWF loan will only be provided for permanent phase financing, and will be in the form of a 30-year term 1% fixed interest rate loan payable from project revenue, along with other mortgage and subordination provisions approved by HCR.

All projects will be subject to a minimum regulatory period of 30 years.

D. HWF Evaluation Criteria

1. General Review Criteria

HCR will evaluate the investment of resources made available through this RFP using the following three criteria: fundamentals, leverage, and outcomes. This framework accommodates programmatic preferences and housing goals (as cited above) currently utilized by HCR.

Fundamentals include the basic components of any real estate investment - feasibility, team experience, capital structure, etc. HCR also considers certain threshold requirements specific to each resource, and evaluation will include whether the project is feasible but for HCR's investment, whether all the necessary funding components are identified and committed, and whether the Applicant has the proven experience and team members to successfully complete the project. 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.

Leverage considers whether the investment leverages significant outside resources such as third party funds, local funds, and /or local support. HCR will consider the extent to which the application supplements or advances a coordinated investment by State agencies, federal government and local partners as well as the applicable Regional Economic Development Council strategic plan.

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. To the extent feasible, HCR will allocate its resources to meet housing needs and achieve geographic distribution of funding across the State, while promoting community development policies that emphasize the needs of underserved communities and advance smart growth principals, brownfield redevelopment and healthy living environments. All awards will be made 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.nyshcr.org/Publications/](http://www.nyshcr.org/Publications/) under the "Publications" link. Applicants that receive an HWF program award from HCR should be aware that the award may be claimed as a matching project for the purposes of the HOME Program which may impose additional requirements on the project.

An Applicant’s past and current performance in State programs and contracts, including performance under Article 15A of the New York State Executive Law, will be considered in reviewing its application. HCR reserves the right to deny an award to any Applicant determined to not be in compliance with existing State contracts.

2. Specific Evaluation Criteria

1	Developer Team Experience and Capability — 15 points (Applicant has the proven experience and team members to successfully complete the Project.)
2	Readiness — 15 points (Whether all the necessary components for the financing and development of the project are identified and/or committed)
3	Financial Feasibility and Efficiency — 15 points (Extent that the project is financially feasible and cost effective)
4	Leverage — 10 points (Significant outside resources such as third party funds, local funds, and /or local support have been dedicated to the project)
5	Regional Economic Development Council Plan — 5 Points (Extent that the application meets priorities in the plan)
6	Priority Outcomes — 20 points (Extent the project advances the priorities outlined in the RFP)
7	Overall Outcomes — 20 points (Extent that the project advances the goal of creating or preserving quality housing that most efficiently provides the greatest number of affordable units for the longest time)

3. Minority and Women Owned Business

HCR is required to comply with Article 15-A of the Executive Law, which promotes the participation of minority and women-owned businesses (MWBEs) in contracting opportunities. Therefore, HCR encourages contracting with certified minority-and/or woman-owned firms on projects. ESDC’s MWBE Directory should be used as a resource to identify certified MWBE firms and can be found at:

<http://www.esd.ny.gov/MWBE/directorySearch.html>.

All projects financed under the HWF program must comply with HCR’s M/WBE participation requirements.

#### IV. MIP Program

MIP is a housing development program that provides financing assistance for acquisition, capital costs and related soft costs associated with the new construction of, or the adaptive reuse of non-residential property to, affordable middle income housing projects to create more income diversity in affordable housing development and reach the underserved middle income residents of New York. MIP provides gap funding to developments that include a component of units that will be occupied by households earning up to 130% of AMI.

MIP applications may only be considered under this RFP if the project will be financed by a first mortgage funded by tax-exempt bonds or has applied to an HCA other than a component of HCR for 9% LIHC.

MIP Projects must meet the standard tax exempt bond and LIHC low income set aside requirements.

##### A. MIP Program Funding Availability

HCR anticipates an appropriation of approximately \$25 million for State Fiscal Year 2015-2016, which will be awarded to applications submitted pursuant to this RFP. The maximum amount of MIP financing that may be requested per project is **\$5,000,000**. Applications requesting MIP financing above these project maximum amount will be deemed ineligible and will not be considered for funding.

These per project funding caps are subject to change in future RFPs, and may be adjusted subject to market conditions.

##### B. MIP Funding Priorities

In order to maximize effectiveness of limited resources HCR expects Applicants to combine MIP funds with funding from other sources. HCR considers MIP funding as “gap-filler” financing, and loans will be awarded for projects requiring a final amount of financing for viability. HCR’s goal is to encourage the submission of MIP applications which leverage a significant amount of other sources of capital subsidy and that will provide high quality, construction ready projects that may advance one of the specific housing goals of the State and the MIP program. The extent to which the project leverages public and private investment is one of the selection criteria used in evaluating Proposals.

HCR will prioritize projects anticipated to close before December 31, 2015 and reserves the right to defer evaluation of projects which, in HCR’s solid judgment, are anticipated to close after March 31, 2016 until the next funding cycle.

In addition to the State housing priorities recited in Section III.B above, the MIP program will have the following additional funding priorities:

1. Housing Opportunity Projects that provide workforce housing in areas experiencing economic growth and/or that provide opportunities for families in

- areas that are served by high performing school districts. Projects should be located in areas that have stable or growing tax bases, and should also be in close proximity to public transportation, child care, and employment opportunities.
2. Mixed Income Revitalization Projects in economically challenged neighborhoods providing rent advantage to moderate and middle income households to encourage diversification of tenant incomes. Projects should be part of a neighborhood specific revitalization plan.
  3. Middle Income Stabilization Projects targeting neighborhoods straddling strategic borders between economically vibrant and economically challenged communities. Applicants would have to demonstrate that, unaided by capital subsidies, the private sector has been unable to construct new rental housing for middle income households .
  4. Preference will be provided to projects with at least 50% of the residential units affordable to households with incomes at 130% or less of AMI, as adjusted for family size.
  5. Preference will be provided to projects where at least 20% of the dwelling units contain two or more bedrooms.
  6. Preference will be provided to projects located on a remediated brownfield site.
  7. Preference will be provided to projects where HFA green residential building standards are met or exceeded;

C. MIP Program Funding Availability

1. Application Submission Timeframe

MIP applications will be accepted continuously through December 1, 2015 or until all funds are committed. Please note that all applications which are not approved and awarded MIP funds by January 31, 2016, may be deemed ineligible for this funding round and may not be considered for funding. If a project is deemed ineligible, the Applicant may submit a new application for subsequent funding rounds once an RFP is issued.

2. Loan Terms and Conditions

HFA

For MIP projects receiving bond financing from HFA, prospective Applicants may request MIP financing as either a construction loan or a permanent loan

HDC/HPD

For MIP projects receiving bond financing from HDC/HPD, the MIP loan will only be provided for permanent phase financing; no construction phase loans will be provided. The MIP loan will mirror HPD and/or HDC’s standard second loan terms and conditions and will assume a co-equal lien priority status with HPD and/or HDC’s second loan (if applicable).

Other Bond Issuers

For MIP projects receiving bond financing from other Bond Issuers, the MIP loan will only be provided for permanent phase financing, and will be in the form of a 30-year term 1% fixed interest rate loan payable from project revenue, along with other mortgages and subordination provisions approved by HCR.

3. General Requirements

All projects will be subject to a minimum regulatory period of 30 years and must be maintained in safe and sanitary conditions for the full 30 years.

Rental properties located within New York City or in municipalities subject to the EPTA shall be required to register such units with the New York State Division of Housing and Community Renewal’s Office of Rent Administration and to comply with, respectively, the rent stabilization laws or ETPA.

HFA expects to complete or require an annual review of performance and contract compliance.

C. MIP Program Funding Availability

1. General Review Criteria

The General Review Criteria will be same as the criteria in Section III.D.1 above.

2. Specific Evaluation Criteria

1	Developer Team Experience and Capability — 10 points (Applicant has the proven experience and team members to successfully complete the project.)
2	Readiness — 15 points (Whether all the necessary components for the financing and development of the project are identified and/or committed)
3	Financial Feasibility and Efficiency — 10 points (Extent that the project is financially feasible and cost effective)
4	Leverage — 10 points (Significant outside resources such as third party funds, local funds, and /or local support have been dedicated to the project)
5	Number of 2 bedroom or larger units —5 points (The larger the number of large units, the greater the points)
6	Percentage of units affordable to residents above 60% of AMI and below 130% of AMI — 10 points (The higher the percentage of units in this affordability range, the greater the points)

7	Priority Outcomes — 20 points (Extent the project advances the priorities outlined in the RFP)
8	Overall Outcomes — 20 points (Extent that the project advances the goal of creating or preserving quality housing that most efficiently provides the greatest number of affordable and middle units for the longest time)

HCR is required to comply with Article 15-A of the Executive Law, which promotes the participation of minority and women-owned businesses (MWBEs) in contracting opportunities. Therefore, HCR encourages contracting with certified minority-and/or woman-owned firms on projects. ESDC’s MWBE Directory should be used as a resource to identify certified MWBE firms and can be found at:

<http://www.esd.ny.gov/MWBE/directorySearch.html>.

All projects financed under the HWF program must comply with HCR’s M/WBE participation requirements.

**V. SLIHC Program**

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 has also received an allocation under the criteria and procedures established in the SLIHC Regulation, Section 2040.14.

The SLIHC Program is similar to the federal LIHC Program except program parameters assist households earning up to 90% of AMI rather than the 60% limit under the federal LIHC program. 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 AMI.

Applications requesting SLIHC will be rated pursuant to the scoring criteria set forth in the New York State Low-Income Housing Credit Regulation, Section 2050.14 (“SLIHC Regulation”) in effect at the time the application is received. 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.

**A. SLIHC Availability/Funding Limits**

It is anticipated that approximately \$4 million in SLIHC will be authorized for allocation to tax-exempt bond financed projects, or to projects applying to an HCA not affiliated with HCR for 9% LIHC, to be awarded to applications submitted pursuant to this RFP. The maximum SLIHC allocation that may be requested per project with a significant number of units targeted to households with incomes above 60% of AMI is \$750,000 during this funding round. The maximum SLIHC allocation that may be requested per project for all other projects is \$500,000. 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.

B. 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 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 AMI).

C. SLIHC Rating System

All SLIHC projects must meet all threshold requirements contained in the Division of Community Renewal, Low-Income Housing Credit Qualification Plan, Section 2040.3(e) in order to be eligible for an award in this funding round.

SLIHC applications will be rated based on the criteria contained in the SLIHC Regulation which include:

1. Fundamentals Rating Criteria:

- a. Marketing Plan/Public Assistance (5 points)
- b. Project Readiness (10 points)
- c. Sponsor Characteristics (10 points)
- d. Cost Effectiveness (5 points)

2. Leveraging Rating Criteria:

- a. Financial Leveraging (13 points)
- b. Participation of Local Non-Profit Organizations (4 points)
- c. Community Impact Revitalization - The project clearly advances specific housing objectives of a regional economic development council strategic plan applicable to the area in which the project will be located. (5 points)
- d. Community Impact Revitalization - Is the project or project-type part of a comprehensive community revitalization plan (which may include multiple planning documents)? (5 points)

3. Outcomes Rating Criteria:

- a. 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)
- b. Green Building (5 points)
- c. Fully Accessible and Adapted, Move-in Ready Units (5 points)
- d. Individuals with Children (5 points)

- e. Persons with Special needs (5 points)
- f. Income Mixture (10 points)
- g. Historic Nature of Project (3 points)
- h. Housing Opportunity Projects (3 points)
- i. Minority and Woman Owned Business Enterprise participation (2 points)

**VI. Offer of a limited amount of Project Based Voucher (PBV) assistance, depending upon availability, for proposed projects seeking HWF, MIP, and SLIHC under this competitive Request for Proposals.**

As authorized by program regulations at 24 CFR 983, HCR may offer a limited amount of Project Based Voucher (PBV) assistance, depending upon availability, for proposed projects seeking HWF, MIP or SLIHC under this competitive Request for Proposals. Applications seeking consideration for PBV assistance in combination with HWF or SLIHC will be reviewed for eligibility, scored and underwritten at the end of each month. All complete applications requesting PBVs received prior to May 1, 2015 will be competitively selected based on the result of the reviews for the projects for HWF, MIP and/or SLIHC performed prior to June 1, 2015.

This competitive review process will be repeated at the end of each calendar month until December 2015.

A complete description of all applicable PBV program regulations can be found within the Electronic Code of Federal regulations at: [www.ecfr.gov](http://www.ecfr.gov) (Title 24, Part 983).

Applicants 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://www.federalregister.gov/articles/2010/07/09/2010-16827/administrative-guidelines-subsidy-layering-reviews-for-proposed-section-8-Project-based-voucher>.

HCR will give priority to those projects requesting PBVs with a proposed developer fee at or below the HUD safe harbor standard of 12% of the total development cost.

Applicants are invited to submit proposals for the use of PBVs in connection with the preservation 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://www.nyshcr.org/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 for HWF, MIP, or SLIHC

Only applications submitted in response to this RFP will be considered for this PBV assistance.

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 a 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 a project. 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.

All applicants for PBVs must comply with the Federal National Environmental Protection Act (NEPA) as implemented through 24 CFR 58, and the New York State Environmental Quality Review Act (SEQRA). Davis-Bacon wage requirements are applicable to construction of all projects receiving nine or more PBVs.

## **VII. HWF, MIP, and/or SLIHC Pre-application Requirement**

Prospective Applicants will be required to schedule and coordinate a pre-application meeting with development team members, HCR staff and representatives of the proposed Bond Issuer. The pre-application meeting will enable HCR and the Bond Issuer to jointly assess project readiness and evaluate if the timing is appropriate for the Applicant to proceed with submission of the HWF and/or SLIHC applications for this funding round. Should an Applicant submit an HWF, MIP and/or SLIHC application to HCR without previously conducting such a meeting, HCR reserves the right, in its full discretion, to terminate the application without further review.

Please note that prospective HWF, MIP and/or SLIHC Applicants considering HFA tax-exempt bond financing will have met the pre-application requirement by conducting such a meeting with HFA staff, in light of their lead role in HWF application review.

## VIII. Application Processing Steps

### A. Application Receipt

HWF, MIP and/or SLIHC applications are assigned an identification number and undergo a series of reviews depending upon the type(s) of assistance and the program(s) applied for

#### Eligibility Review

HWF applications are reviewed according to the eligibility criteria of the Housing Trust Fund Program. In addition, applications will be reviewed for consistency with the HWF programmatic provisions and requirements described in Section III above.

MIP applications are reviewed for consistency with the MIP programmatic provisions and requirements described in Section IV above.

SLIHC applications will also be reviewed to determine if the project is eligible under the threshold eligibility provisions of the DHCR LIHC QAP.

**HWF applications that fail to meet all HWF and HTF eligibility criteria, MIP applications that fail to meet all MIP eligibility criteria and/or SLIHC applications that do not meet all SLIHC eligibility criteria will not be reviewed further,** and an Application Review Letter will be sent to the Applicant, indicating that the application is ineligible and specifying the reason(s) for ineligibility.

### B. HWF and/or Priorities and Preferences

HWF and/or MIP project applications will be subject to an evaluation of the extent to which the proposed project addresses the State housing goals and the other preferences referenced above.

### C. Feasibility Reviews

HWF and/or MIP applications will be subject to HCR feasibility reviews including an assessment of architectural design features, underwriting of the project's development costs and operational feasibility and viability and the provision of units for persons with special needs. HCR will coordinate its review with that of any alternate Bond Issuer and will generally accept HFA or HPD's underwriting and design reviews where appropriate. HCR, at its sole discretion, reserves the right to make its own determination regarding project feasibility.

### D. Funding Recommendations

HWF and/or MIP funding recommendations are made for feasible projects from available funds on the basis of the extent to which the project addresses HCR's housing preferences and funding priorities, the recommendation and funding determination of the Bond Issuer or HCA and a geographical distribution of funds in support of the State's housing goals.

E. HTFC and/or HFA Board Approval

All HWF awards must be approved by the HTFC Board of Directors prior to entering into a funding commitment for HWF-financed projects. For projects jointly financed with HFA, HCR expects to secure HFA Board approval concurrent with HTFC approval.

All MIP award must be approved by the HFA Members. For projects jointly financed by HTFC, HCR expects to secure HTFC Board approval concurrent with HFA approval.

F. SLIHC Reservations

If applicable, HCR will issue an award of tax credits for SLIHC in conjunction with HTFC Board approval of the HWF award or with HFA Board approval of an MIP award.

G. Outcome Letter

Subject to the availability of funds, HCR will issue Outcome Letters upon completion of the review process. There are two types of Outcome Letters:

1. Application Review Letters are sent to unsuccessful HWF, MIP and/or SLIHC Applicants. As noted above, if a project application does not receive such an Outcome Letter by January 31, 2016, the Application is deemed ineligible for funding.
2. Award Letters are sent to successful HWF Applicants, MIP Applicants and/or SLIHC 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 described below. Note that HWF projects jointly financed by HFA will be notified of award by HFA.

H. Funding Commitment Letters

Subsequent to issuance of an Award Letter, HCR will provide HWF or MIP Funding Commitment Letters to successful Applicants outlining the terms and conditions under which an HWF loan will be provided to the project. These Commitment letters will be issued in conjunction with and in a corresponding timeframe to the funding commitments provided by Bond Issuers. If a project is jointly financed with HFA, the Funding Commitment Letter issued by HFA will include the terms and conditions of the HWF and/or MIP loan, as well the SLIHC Reservation, if applicable.

SLIHC Reservation Letters will be sent to successful Applicants who requested such funding. These letters specify the terms and conditions of the reservation, including the reservation expiration date. If jointly financed with HFA, the SLIHC reservation letter may be incorporated in the HFA Funding Commitment Letter, as noted directly above.

**I. 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. This meeting will generally be held in conjunction with tax-exempt Bond Issuer (note that HFA will conduct such meetings for HWF projects financed with HFA tax-exempt bonds).

**IX. Contacts for Further Information**

Any questions regarding this RFP or the HWF and/or SLIHC application process under this Notice should be directed to:

New York State Homes and Community Renewal  
Office of Finance and Development  
641 Lexington Avenue  
New York, NY 10022

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