

NOTICE OF AVAILABILITY OF

STATE AND FEDERAL FUNDS

New York State Homes and Community Renewal (“HCR”)

Division of Housing and Community Renewal

641 Lexington Avenue,

New York, NY 10022

Developers seeking financing for new construction, substantial rehabilitation and moderate rehabilitation of site-specific, affordable, multi-family rental housing (“Project” or “Projects”) that will also have first mortgages financed by tax-exempt Private Activity Bonds or are receiving 9% tax credits from a Housing Credit Agency (“HCA”) that is not affiliated with HCR.

New York State Low-Income Housing Tax Credit (“SLIHC”) Program

Homes for Working Families (“HWF”) Program

Middle Income Program (“MIP”)

Applications will be accepted through December 1, 2015 for allocations totaling up to \$4,000,000 in annual credit allocations under the SLIHC Program, administered through the Division of Housing and Community Renewal (“DHCR”), up to \$17,500,000 for loans under the HWF Program, administered through the Housing Trust Fund Corporation (“HTFC”) and \$25,000,000 for the MIP Program administered through the New York State Housing Finance Agency (“HFA”). Applications requesting HWF, MIP and/or SLIHC may be submitted at any time between April 7, 2015 and December 1, 2015, or until all allocations of HWF, MIP and SLIHC resources are committed. HCR may offer a limited amount of Project Based Voucher (PBV) assistance, depending upon availability, for proposed projects seeking HWF, MIP and/or SLIHC under this competitive Request for Proposals. 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, on 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, September 30, 2015. The application deadline is firm as to date and hour. Applications received after the specified date and time will be deemed ineligible and will not be considered for funding.

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

Applicants may only apply under this Notice for awards for new construction, substantial rehabilitation and moderate rehabilitation of site-specific multi-family rental housing Projects that (i) will also have first mortgages financed by tax-exempt Private Activity Bonds (“Bonds”) issued by the New York State Housing Finance Agency (“HFA”), the New York City Housing Development Corporation (“HDC”), or another issuer authorized by New York State to issue Bonds to finance the creation or preservation of multi-family rental housing (“Bond Issuer”) or (ii) will receive an award of 9% tax credits from an HCA other than a component of HCR. Any awards made under this Notice will be contingent on the Project receiving an award of Bond volume cap authority sufficient to fund the Project’s first mortgage.

This Notice explains the process by which HCR will accept and evaluate applications requesting HWF, MIP 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.

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. HCR also reserves the right to review applications requesting HWF or MIP funds or SLIHC as applications 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 so as to promote a statewide geographic distribution of such financing. Therefore, awards for proposed Projects may be denied in areas of the State that have recently been awarded HCR capital financing, including, but not limited to, financing under HWF or SLIHC. Funding may also be denied to Projects where market studies or other analyses indicate low-income housing saturation.

Applicants requesting HWF or MIP financing must submit an application fee of \$5,000 to HTFC or HFA. Upon receipt of the HWF or MIP application, 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 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 fees required by HFA's application procedures.

Additionally, an Applicant requesting SLIHC financing under this Notice must, upon receipt of an invoice, submit a \$3,000 SLIHC application fee. Payment of all application fees is due at

the time of initial application submission. Not-for-profit Applicants for SLIHC may request a deferral of payment until the time of construction mortgage closing.

### 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 Project costs must be financed by Bonds issued by a public authority and allocated from the State's private activity bond volume cap. Such 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), 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.

HCR anticipates an appropriation of approximately \$17,500,000 for State Fiscal Year 2015-16, which will be awarded pursuant to applications submitted under this Notice. The maximum amount of HWF financing that may be requested per Project is \$3,000,000.

HCR will allocate resources made available through this Notice using the following three criteria: fundamentals, leverage, and outcomes. This framework accommodates programmatic preferences and housing goals currently utilized by HCR. These priorities include:

Economic Development;

Mitchell-Lama Portfolio Projects;

Supportive Housing Projects;  
Community Renewal and Revitalization;  
Housing Opportunity Projects;  
Rural Preservation Projects;  
Workforce Opportunity Goals;  
Disaster Relief Projects.

Applications which propose using more than twenty-five percent of the 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 such funding.

#### HWF Loan Terms and Conditions

Projects funded with HFA bond proceeds may request either HWF construction or permanent loan financing. Only HWF permanent loans are available to Projects obtaining bond financing from other Bond Issuers, including HDC. If the Project receives HDC bond financing, the HWF loan will mirror the terms and conditions of any HPD or HDC subordinate loan financing, and will assume co-equal lien priority status with any HPD and/or HDC subordinate loan. If another Bond Issuer provides bond financing, the HWF loan will be in the form of a 30-year term, 1% fixed interest rate loan payable from Project revenue, along with other approved mortgages.

#### 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 or rehabilitation of 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 financing may only be used to finance the development of 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. Projects must also meet the normal tax exempt bond and LIHC low income set aside requirements on 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.

HCR anticipates an appropriation of approximately \$25,000,000 for State Fiscal Year 2015-16, which will be awarded pursuant to applications submitted under this Notice. The maximum amount of HWF financing that may be requested per Project is \$5,000,000

HCR will allocate resources made available through this Notice using the following three criteria: fundamentals, leverage, and outcomes. This framework accommodates programmatic preferences and housing goals currently utilized by HCR as specified above. Specific priorities for MIP include Housing Opportunity Projects, Mixed Income Revitalization Projects, Middle Income Stabilization Projects, and projects where at least 20% Of the dwelling units contain two or more bedrooms.

#### MIP Loan Terms and Conditions

Projects funded with HFA bond proceeds may request either MIP construction or permanent loan financing. Only MIP permanent loans are available to Projects obtaining bond financing from other Bond Issuers, including HDC. If the Project receives HDC bond financing, the MIP loan will mirror the terms and conditions of any HPD or HDC subordinate loan financing, and will assume co-equal lien priority status with any HPD and/or HDC subordinate loan. If another Bond Issuer provides bond financing, the MIP loan will be in the form of a 30-year term, 1% fixed interest rate loan payable from Project revenue, along with other approved mortgages.

## 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 Regulations, 21 NYCRR Part 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 federal LIHC program. The SLIHC Program requires at least 40% of the units in the Project to be set aside for households with incomes that do not exceed 90% of AMI. Applications requesting SLIHC will be rated pursuant to the scoring criteria set forth in the SLIHC Regulations. While SLIHC scoring criteria are substantially synchronized with LIHC scoring criteria, SLIHC scoring provides an additional preference for Projects which will serve households with a range of income levels.

## MIP, MIP and/or SLIHC Pre-application Requirements

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 determine whether it is appropriate for the Applicant to proceed with submission of any MIP, MIP or SLIHC application. Should an Applicant submit an MIP, 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.

This Notice provides a summary description of the HWF, MIP and SLIHC programs and procedures for applying for assistance thereunder. Additional information about these programs, including a fuller version of this Notice, is available on the HCR website, at:

<http://www.nyshcr.org>

For an application, contact:

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This notice was prepared and submitted by:

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