

Request for Proposals

Multi-Family Programs

New York State Homes & Community Renewal

Division of Housing and Community Renewal
Housing Trust Fund Corporation

Low-Income Housing Credit Program
State Low Income Housing Credit Program
Low Income Housing Trust Fund Program
New York State HOME Program

November 2010

I. Introduction

A. 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 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 Unified Funding (UF) 2011 Capital Programs Request for Proposals (RFP). This RFP describes the programmatic and submission requirements for the three UF Programs: the Low-Income Housing Credit Program (LIHC), the Low-Income Housing Trust Fund Program (HTF), and the New York State HOME Program (HOME). Applicants may only apply for funding for the new construction, substantial rehabilitation, and moderate rehabilitation of site-specific multi-family housing under this RFP.

Applicants may also request funding from the State Low-Income Housing Tax Credit Program (SLIHC) and the Housing Development Fund Program (HDF) in conjunction with any of the three UF Programs listed above. Urban Initiatives Program (UI) and Rural Area Revitalization Project Program (RARP) funds are also available for early round Mixed Income and Mixed Use Revitalization Projects.

Seed money requests are not part of the UF process. Seed money may be requested at any time of the year. Please see Section VI of this document for more information on seed money applications.

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. At the end of the funding round, unsuccessful applicants may request an exit conference with HCR staff to review their application. 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 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 rights 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 an express condition of its commitment to fund the project.

B. New for UF 2011

There are several important changes to the RFP for UF 2011. Below is a list of the most significant changes.

1. Early Award Applications

HCR seeks to encourage high quality, high readiness projects that advance specific housing goals of the State by providing an accelerated application and review process as part of UF 2011. In order to be considered for an early award, applications will need to satisfy additional conditions and requirements not required of UF 2011 applications generally. Applications satisfying the conditions and requirements for early awards will be provided an accelerated review and will be rated and ranked compared only to other early award applications. In the event that an application does not receive an early funding award, the application may be considered by HCR for an award as part of later funding round decisions. See Section III, A & B, for details.

2. NYS Office of Mental Health (OMH) Operating Subsidies for UF 2011 Projects

The New York State Office of Mental Health (OMH) announces the availability of funds for the operation of 200 units of supported housing for persons with serious mental illness in New York City. Funding is available to provide start-up, rental assistance, and support services. Applicants may request this funding in conjunction with a request for funding from one of the UF 2011 funding programs. No more than 30% of units in a proposed project, or 30 units, (whichever is less) will be approved for any one project. See Section IV – F4 for more information on these funds.

3. Project Based Vouchers

The PBV section has been updated to include a reference and email link to new HUD subsidy layering review guidelines for PBV assistance issued in its notice of July 9, 2010. See Section IV, F3 for additional information.

4. Green Building Initiative and Energy Efficiency

Changes to the Green Building Initiative requirements include a reminder that the Green Development Plan must be included in the application as part of the Green Criteria Checklist. The Energy Efficiency section has also been updated to include the US EPA ENERGY STAR New Homes and Multifamily High Rise programs as eligible energy efficiency programs/strategies that may be conformed with to receive scoring points. In addition, moderate rehabilitation projects now have the option to bring a building up to current code for new buildings as an alternative to the existing strategy of reducing

overall energy consumption by 20%. See Section VII, D,4d, HTF/HOME Rating Criteria for a detailed description.

5. Design Handbook Changes

The design handbook is being reissued to address the integration of DHCR, HTFC and NYHomes as well to make updates to design and specification requirements.

C. Table of Contents:

This document consists of the following eight sections:

- I. Introduction
- II. Application Submission Deadlines & Additional Submission Information
- III. Early Award Projects
- IV. Program Announcements/Initiatives
- V. Additional Guidance for the UF 2011 Round
- VI. Seed Money/Technical Assistance
- VII. Evaluation and Selection Process
- VIII. Regional Office Service Areas

II. Application Submission Deadlines & Additional Submission Information

A. Application Submission Deadlines

Applications for capital project funding are submitted using the Community Development Online (CDOL) Application System, located on the HCR website at:

<http://nysdhr.gov/Apps/CDOnline/> . Printable instructions and screen shots of the CDOL Exhibits for the UF 2011 CDOL application will be available on the HCR Website at: <http://nysdhr.gov/Funding/UnifiedFundingMaterials/2011/> .

UF 2011 will have two Capital application deadlines. The first deadline will be for Early Award Projects, which meet criteria set forth in Section III of this document. The second deadline is for all other capital projects. The application for Early Award Projects must be completed and submitted by 5:00 PM on Wednesday, January 12, 2011. All other UF 2011 capital applications must be completed and submitted by 5:00 PM on Wednesday, February 9, 2011. In the event that an application does not receive an Early Award, the application may be considered by HCR for an award as part of later funding round decisions.

Prior to application submission, HCR Regional Office staff will be available to answer questions from prospective applicants. Regional Offices are listed in Section VIII of this document. After submission of a UF 2011 capital application, unsolicited contact with HCR staff is not permitted

until after funding notifications have been made. Unsolicited contact will be referred to the HCR Deputy Commissioner for Intergovernmental Affairs for reiteration of this policy.

B. Additional Submission Information/Materials

Applicants requesting LIHC and/or SLIHC must submit an application fee of \$3,000 **per program** at the time of submission, with the following exception: 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 UF 2011 Capital Application Instructions for 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/UnifiedFundingMaterials/2011/>, except as where noted below. These include:

1. the UF 2011 Capital Application, available online at: <http://nysdhcr.gov/Apps/CDOnline/>
2. Printable instructions for the UF 2011 Capital Application Exhibits and Attachments, including screen shots of the CDOL Exhibits;
3. the Design Handbook;
4. the Capital Programs Manual (CPM);
5. DHCR's Low-Income Housing Credit Qualified Allocation Plan (DHCR QAP);
6. the New York State Low-Income Housing Tax Credit (SLIHC) Statute – Article 2-A;
7. DHCR's SLIHC Regulation – 9 NYCRR Part 2040 Section 2040.14;
8. the Green Building Criteria Reference Manual;
9. UF 2011 Reference Materials;
10. UF 2011 Capital Application Slideshow; and
11. the Pre-Qualified Market Analysts list.

III. Early Award Projects

A. General Information

HCR seeks to encourage high quality, high readiness projects that advance specific housing goals of the State by providing an accelerated application and review process as part of UF 2011. In order to be considered for an early award, applications will need to satisfy additional conditions and requirements not required of UF 2011 applications generally. Applications satisfying the conditions and requirements for early awards will be provided an accelerated review and will be rated and ranked compared only to other early award applications. In the event that an

application does not receive an early funding award, the application may be considered by HCR for an award as part of later funding round decisions.

B. Eligible Early Award Projects

In addition to satisfying the conditions and requirements generally applicable to all UF 2011 applications, applications for early awards must:

- Submit a complete application by 5 pm, January 12, 2011;
- Demonstrate that the project will be able to proceed to construction within 120 days of award;
- Provide clear documentation that the application proposes a project that will advance at least one State housing goal described below.

The following are descriptions of applications which meet State housing goals, and are eligible for consideration for Early Awards under UF 2011:

1. Transit Oriented Development (TOD)

Applications proposing workforce housing projects for families in close proximity to MTA rail stations outside NYC or which are in communities that have completed and are implementing TOD plans.

2. Mitchell-Lama Preservation

Applications that propose the preservation of HCR-supervised Mitchell-Lama housing by extending its useful life and/or by averting its conversion to market rate housing.

3. Housing Opportunity Projects

Applications proposing workforce housing for families in areas experiencing economic and population growth and that are served by high performing schools. Projects must be located in areas that have stable or growing tax bases and must also be in close proximity to public transportation, child and health care, grocery stores and employment opportunities. Additionally, Housing Opportunity Projects must be located in areas that have low rental vacancy rates and a high percentage of renters paying 30% or more of their household income on housing. Please refer to the New York State Education Department's list of High Performing/Gap Closing Schools 2008-09, which can be found at: <http://www.p12.nysed.gov/irs/accountability/highPerform/home.html>

4. Lead Abatement Projects

Applications proposing the rehabilitation and lead abatement of existing rental housing in zip codes identified by the NYS Dept of Health as having significant concentrations of children with elevated blood lead levels. Projects must propose that at least 75% of project units will involve the rehabilitation and lead abatement of existing rental units. See the UF 2011 Reference Materials for a listing of DOH high risk zip codes.

5. Mixed Income/Mixed Use Revitalization Projects

Applications that propose to create or rehabilitate mixed-use buildings with mixed-income housing and that are part of a strategic plan for the economic stabilization and revitalization of infrastructure-rich downtown areas or neighborhoods. Applications must clearly demonstrate that the project is an integral part of a local community /revitalization development plan, and that it is supported by the community. Applications must also demonstrate the commitment of local resources, and explain how federal, State and local investment will be coordinated to achieve the area's revitalization. These projects may be considered in conjunction with requests for funding under HCR's Community Renewal programs, including the New York Main Street Program. The commercial portion of the project must be self-sufficient from both a development and an operating perspective. The commercial portion of the project must have appropriate and adequate financing sources to cover its development costs and it must have sufficient lease income to support the real-estate operating costs of the space. Applicants may request up to \$200,000 in Urban Initiative (UI) or Rural Area Revitalization Projects (RARP) funding to subsidize the non-residential costs of the proposed project. At least 30% of units must serve households with incomes above 60% of area median income.

6. Green Plus

High readiness projects must demonstrate that the project exceeds green building criteria established by HCR to the degree that the project receives all available green building points AND also includes the *Green Building Criteria Reference Manual* measures listed below. The green development plan submitted with the application must thoroughly explain the methods for meeting these criteria and be supplemented with documentation that demonstrates full compliance.

- The project commits to and demonstrates that it will include a minimum of six of the seven criteria in the category Location and Neighborhood Fabric as listed in Section B-2.
- The project submits with the application a full Phase I Environmental Site Assessment which demonstrates that there are no hazardous substances or petroleum products on the property.
- The project commits to and demonstrates that it will include all criteria in the Healthy Living Environment category as listed in Section B-4.
- The project must be within walking distance of a full-service grocery store.
- The project commits to and demonstrates that it will include Construction Waste Management as listed in Section C-3 and a minimum of one additional item in any of the three categories listed in Section C; Location and Neighborhood Fabric, Energy Efficiency or Material Beneficial to the Environment.
- High readiness projects must include certification which demonstrates that the project has been designed to meet one of the Energy Efficiency standards listed in the RFP. Documentation showing proof of readiness, such as a summary of the building modeling or detailed analysis of the prescriptive requirements from the energy consultant for the proposed project, must be submitted with the application.

7. Supportive Housing Projects

Applications that propose Supportive Housing Projects, as defined in Section 2040.2(v) of the DHCR QAP, and which evidence a coordinated State investment. Applications must clearly document a firm commitment of service, operating, and development financing from State funding partners. Projects will be evaluated on the extent to which funding commitments contribute to meeting the financial needs of the proposed project.

IV. 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/UnifiedFundingMaterials/2011/>. 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 \$25 million will be available for UF 2011 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 UF 2011 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 UF 2011 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: a) describe any regulatory and economic circumstances which could precipitate the loss of or risk the availability of the project to low-income households; and, b) 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 must 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. 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 October 2010 is 7.58%, 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.

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 the 2011 UF 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 \$4 million is expected to be available for SLIHC reservations. Applications requesting SLIHC pursuant to this Unified Funding round 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.

In addition, SLIHC 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.

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).

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.

Consistent with statutory requirements, preference in making HTF awards to eligible applicants is given to projects which involve not-for-profit corporations or their wholly-owned subsidiaries. In this regard, limited partnership or limited liability company applicants, the ownership interest of the not -for-profit or its wholly-owned subsidiaries must be "at least 50% of the controlling interest" of the partnership as required by Article XVIII of the Private Housing Finance Law.

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 UF 2011. 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 [which meet one or more of the following criteria](#):

- a.) 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons);
- b.) 50% or more of the units will serve persons with special needs as listed in the UF 2011 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; **or**,

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. For applicants who request both HTF and HOME funds for a project, the above funding limits apply to the combined HTF and HOME request.

HCR reserves the right to fund any application requesting HOME and HTF solely with HTF funds and, in these instances, will require the owner to execute a HOME Match Addendum requiring the project to meet the HOME Program definition of affordable housing.

D. New York State HOME Program

Under this RFP, HOME provides funds for acquisition, rehabilitation or construction for site-specific multi-family rental housing projects. Applicants are reminded that HOME funded projects with 12 or more HOME funded units are subject to Federal Labor Standards regulatory requirements (Davis-Bacon Related Acts).

It is one of the purposes of the HOME Program to give, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, job training, employment, contracting and other economic opportunities to low- and very low-income persons and locally owned enterprises, pursuant to Section 3 of the Housing Act of 1937. Federal law and regulations require that recipients of federal funds in excess of \$200,000 for construction or rehabilitation projects and their contractors agree to comply with the provisions set forth at 24 CFR Part 135.

HOME has a 15% Community Housing Development Organization (CHDO) set-aside. Applicants who intend to submit project applications to compete for the CHDO set-aside need to review Section 2.05.04 F of the Capital Programs Manual and the application instructions for Exhibit 1, Section E.6., to ensure that their project meets all requirements for CHDO control of the project.

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. HOME Availability/Funding Limits

Subject to the availability of appropriations, HCR expects to make \$12 million in HOME funds available to fund site-specific projects under UF 2011.

The maximum HOME funding request per project is \$2 million. However, up to \$2.4 million may be requested for projects **which meet one or more of the following criteria:**

- a.) 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons);
- b.) 50% or more of the units will serve persons with special needs as listed in the UF 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; **or**,
- d.) demonstrate compliance with the requirements of the Energy Efficiency Initiative (see F2 of this Section).

If HCR determines that a proposal may be accomplished at a lower cost to the State than proposed, less will be awarded. For applicants who request HTF and HOME funds for a project, the above funding limits apply to the combined HTF/HOME request.

E. Housing Development Fund Program (HDF)

Subject to the availability of appropriations, HDF Program loan funds may be available to provide construction financing to eligible not-for-profit applicants who propose to use HOME funds as one of the sources of permanent financing for a UF 2011 project.

Eligible applicants for HDF include: Housing Development Fund Companies (HDFCs) incorporated pursuant to Article 11 of the Private Housing Finance Law and not-for-profit and charitable corporations and their wholly-owned subsidiaries which have the improvement of housing for persons of low-income as a primary purpose. Other aspects of HDF program eligibility (areas, projects, costs and occupants) are determined by the eligibility requirements of the program that is the source of permanent financing as outlined in the Eligibility Matrix (see Section VII of this RFP).

Requests for HDF funds will be evaluated in conjunction with the project's application for permanent financing. HDF eligible applicants who request HDF funds for construction financing and receive HCR awards for permanent financing may receive an HDF award, depending upon the quality of the application and the availability of funds.

F. UF 2011 Funding Initiatives

The following four initiatives have been established for UF 2011

1. Green Building Initiative

The Green Building Initiative provides HTF and HOME 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 and HOME 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 plan to offer up to 100 units of Project Based Voucher (PBV) assistance for proposed projects financed through the HTF, LIHC, SLIHC and/or HOME 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 new 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-projectbased-voucher>.

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.

4. New York State Office of Mental Health Funding for Support Services and Rental Assistance for Priority Populations in New York City

The New York State Office of Mental Health (OMH) has funds available to support services and rental assistance for 200 units of housing in New York City, for individuals with serious mental illness, who are ready to move from State operated psychiatric centers, State operated community residences, or Adult Homes. Funds are also available for start-up costs for the 200 units, including rent security deposits, furniture costs, and utility deposits.

The funding for the 200 units is not intended to support NY/NY III Category A units. OMH will issue a separate RFP making available funds to support NY/NY III units being developed with HCR and /or OTDA capital funds.

OMH funding is paid via a contract between OMH or a County, and a not-for-profit service provider. A for-profit applicant must enter into a written agreement with a not-for-profit service provider that is experienced with the development and operation of supportive housing for persons with mental illness.

Total OMH rental assistance and service funding per person served is \$14,654 annually. In addition to the OMH funding, tenants are required to pay 30% of their income for rents and reasonable utilities. A budget for the OMH funding must be submitted as part of this RFP.

The OMH or County contract with the service provider will be for a five year term, with annual budget updates, and renewed for additional five year terms.

Target populations will be determined prior to lease-up, and will be based upon OMH priorities at that time. Service providers must agree to serve OMH priority populations, and must agree to work with OMH to develop an OMH approved plan to provide supports which will meet the needs of the target population.

No more than 30% of units in a proposed project, or 30 units (whichever is less) will be approved for any one project.

For units which are supported by OMH funds and are approved pursuant to the RFP, development costs associated with those units should be included in the basis for calculating the LIHC.

Applicants intending to apply under this initiative need to review the program description and requirements found in the application instructions under Attachment G, Office of Mental Health Supported Housing.

V. Additional Guidance for the UF 2011 Round

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 non-preservation projects requesting HTF and/or HOME must provide an annual contribution to the replacement reserve 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, unless otherwise approved by HCR. LIHC/SLIHC standalone projects must provide for an annual replacement reserve contribution of \$250/per unit for new construction developments for seniors and \$300 per unit for new construction of family developments and all rehabilitation projects.

2. Market Study/Market Analysis Requirements

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:

www.nysdhcr.gov/Funding/UnifiedFundingMaterials/2011/

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 and/or HOME 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/HOME 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 application Attachment D-5, "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 application Attachment D-5 "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. New York City Projects may include a market analysis utilizing data from the most recent edition of the New York City Rent Guidelines Board Report.

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 Lisa Irizarry at Llirizarry@nyshcr.org or (518) 474-9658.

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
Michael R. Newman
(518) 474-5191
corgmrn@omh.state.ny.us

New York State Department of Health

AIDS Institute
Tim Doherty
(518) 474-8162
tbd02@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
Laura Grund
(212) 219-5334
lgrund@health.nyc.gov

VI. Seed Money/Technical Assistance

A. Seed Money

Seed money from the HTF or HOME Programs is only available to not-for-profit organizations that have been in operation for at least one year with a full-time staff. Seed money applications requesting HOME may only be awarded to existing and valid CHDOs. Seed money is limited to \$5,000 per unit and a maximum amount of \$45,000 for the entire project.

Seed money is available to assess the feasibility of a potential project and/or retain professional services to assist in applying for capital project funding. To receive an award, a project must meet program eligibility and rating criteria.

Please see Sections 2.01.03.H, 2.05.03.B, and 3.10 of the CPM for more information on the programmatic and eligibility criteria and submission requirements for seed money projects. Seed money applications will be accepted on a continuous basis throughout the year.

B. 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 a project that may require additional assistance. Applicants are eligible for assistance provided by either HCR regional staff or a consultant hired by HCR.

C. 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.

VII. 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 principals, brownfield redevelopment and healthy living environments.

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 application supplements or advances a coordinated investment by State agencies, federal government and local partners.

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.

Applicants that receive a HTF program award should be aware that the award may be claimed as a matching project for the purposes of the HOME Program and that this may impose additional requirements on the project.

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

a. Completeness Reviews for Early Award Projects

Early Award Project Applicants who submit incomplete applications may be removed from consideration for an Early Award. Missing application exhibits and attachments will not be requested during the initial review but may be requested later if the application receives an award and the missing material is necessary to continue processing the application. If an application is complete, but the content fails to address application questions, is inconsistent, or fails to comply with instructions, its evaluation will be compromised, possibly affecting rating and ranking decisions to the detriment of the applicant.

In the event that an application submitted as an Early Award Project does not receive an Early Award it may be considered for an award as part of later funding round decisions.

b. Non-Early Award Project Completeness Review

This section applies to those applications submitted under the February 9, 2011 funding round deadline.

Applicants who submit incomplete applications are expected to be e-mailed a Notice of Incomplete Application within ten business days of application deadline.

Application exhibits and attachments used primarily for scoring purposes will not be requested in a Notice of Incomplete Application. Applicants will have ten business dates after receipt of the Notice to provide all missing or incomplete documentation. Applicants must ensure that accurate and appropriate e-mail addresses for identified contact persons are provided in the application. Applications deemed incomplete after this time period will not be reviewed further and the applicant will receive an Application Review Letter listing all missing or incomplete items. An incomplete

application is one missing required Exhibits and/or Attachments, or that contains unsigned certifications.

In all instances HCR, in their sole discretion, will discontinue processing of any application determined to be substantially incomplete. Substantially incomplete applications are those in which 30% or more of the required exhibits and attachments are missing from the initial application submission. HTFC will also consider to be substantially incomplete any site-specific application which does not include acceptable evidence of site control or a market study/ market analysis. At the sole discretion of HCR, processing will be discontinued for any application which does not include either of these required documents based on review of the initial application submission. Further information on acceptable forms of site control and market studies/market analyses is included in the Project Application instructions and Section 5 of the CPM.

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	HOME	HTF	LIHC and SLIHC
Project	Residential only; new construction, substantial or moderate rehabilitation; rental. (Applicants requesting home ownership or tenant-based rental assistance must apply as Local Program Administrators under a separate RFP).	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 (LIHC only); new construction, building acquisition with rehabilitation, and rehabilitation.

Category	HOME	HTF	LIHC and SLIHC
Costs	Any customary development hard costs, acquisition, related soft costs or relocation costs. If more than one source of HOME funds, total HOME funds from all participating jurisdictions must be within published HOME subsidy limits. Applications requesting HOME funding for projects may request up to \$2.0 million, with additional amounts available for projects that meet criteria outlined on page 12 of this RFP.	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. Applicants may request up to \$2.0 million in HTF funding per project, with additional amounts available for projects that meet criteria outlined on page 11 of this RFP.	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. 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 Unified Funding Reference Materials 2011, may request up to \$1,650,000. Applications requesting SLIHC may not request more than \$750,000 per project.
Occupants	All HOME funds must benefit households at or below 80% of area median income; HOME assisted rental units must be primarily occupied by households with incomes at or below 60% of area median income.	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).	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).

4. Fundamentals, Leveraging & Outcomes Rating Criteria

a. General

Applications which pass completeness and eligibility reviews are scored using the rating criteria for each program requested.

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 suggests a possible scoring of 20 points, applications can't receive a combined total of more than 15 points for these criteria.

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 suggests a possible scoring of 20 points, applications can't receive a combined total of more than 15 points for these criteria.

b. HTF/HOME 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:

(1) 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)

(2) 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)

(1) 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)

(2) 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. 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*)

iii. Community Impact Revitalization - Is the project or project-type part of a comprehensive community revitalization plan (which may include multiple planning documents)? (5 Points*)

State-Subsidized Rural Rental Assistance Program Projects (5 points) – Bonus points will be awarded to rehabilitation projects currently subsidized through the Rural Rental Assistance Program that can demonstrate actions and/or improvements that will reduce or restrain growth in project operating costs, including, but not limited to, reductions in real property taxes, reductions in insurance, management and other operating costs, and reductions in energy costs by agreeing to participate in one of the options listed in the Energy Efficiency scoring section of this RFP.

Collaboration (10 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. 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. Investment Cost (20 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.

iv. Income Served (20 points)

(1a) 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. (15 points)

For HTF and HOME site-specific rental projects:

(1b) 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 or HOME site-specific cooperative and condominium projects:

(2b) 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

v. 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 Unified Funding 2011 Reference Materials) and the extent of a commitment to provide supportive services.

1) 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)

2) 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)

vi. Green Building Initiative (10 points)

(1) Up to seven (7) points will be awarded under HTF and HOME 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 HOME 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; and 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; and 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.

(2) 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

vii. 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 and HOME, 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.

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

(1) 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)

(2) 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)

(3) 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).

*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 suggests a possible scoring of 20 points, applications can't receive a combined total of more than 15 points for these criteria.

5. Additional Reviews

When an application requests LIHC, HTF or HOME funds, additional reviews, including design, underwriting and persons with special needs reviews will be conducted.

6. Funding Recommendations

Funding recommendations are made for feasible projects from available funds on the basis of ranking resulting from rating, statutory distribution requirements and a geographical distribution of funds in support of the State's housing goals. Applicants are 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.

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

- a. first, all CHDO applications will be placed in rank order and selections made until the 15% CHDO set-aside is met;
- b. next, all non-participating jurisdiction applications will be placed in rank order and selections made until the minimum 80% requirement is met; and
- c. finally, all of the remaining applications will be placed in rank order and selections made until the dollar limit for HOME awards is reached.

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 HOME awards must be approved by the HTFC Board of Directors prior to entering into a funding commitment for HTF projects.

8. Outcome Letters

Subject to the availability of funds, HCR will issue Outcome Letters approximately 120 days after the submission deadline for the funding round. There are three types of letters:

1. Application Review Letters are sent to unsuccessful Applicants regardless of which program(s) funds were requested from.
2. Award Letters are sent to all successful UF 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.
3. 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 HDF, HTF and/or HOME will receive both a LIHC/SLIHC Reservation Letter and an Award Letter.

9. Funding Commitment Letters

Funding Commitment Letters (FCLs) are issued approximately 45-60 business days after the preliminary Award Letter is issued for HTF and/or HOME funds. The FCL sets forth the terms and conditions under which the project, and is considered a binding agreement when signed and returned by the Applicant.

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.

VIII. 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, 2nd Floor
38-40 State Street
Albany, New York, 12207
Robert Shields, Senior Project Manager: (518) 486-5013
James Armstrong, Senior Project Manager: (518) 486-5011

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

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, Senior 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, Senior Project Manager (212-480-7494)

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

-END OF REQUEST FOR PROPOSALS-