



NEW YORK STATE

Homes &
Community
Renewal

UNIFIED FUNDING 2012

Agenda

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What's New?

- Early Award Applications
- Developer Fees for Project Based Vouchers
- Credit & Lexis/Nexis Report Requirements for Development Team Members
- HOME Program Changes
- Utilization of Debarred Contractors prohibited
- Increase LIHC Supportive Housing Set-Aside
- Revised Standards for Accessible & Adapted Units

Early Awards – General Info

- Submit a complete application by 5 pm, October 25, 2012
- Demonstrate that the project will be able to proceed to construction within 120 days of award and ...past performance
- The application will clearly advance one of the following State housing goals
- Pre-Application Meeting Required

Early Awards – Revitalization & Economic Development Goals

Priority Projects Identified in Regional Economic Development Plans –
Project specifically endorsed in Regional Economic Development Council Strategic Plans and awarded funds.

Fort Drum Impact Area Projects –
Family projects that serve the Fort Drum Impact Area. Demonstrate readiness to complete construction and rent-up by the summer (June 21st) of 2014.

Flood Relief Projects –
Demonstrate that there was significant loss of housing within a one mile of project AND contribute to the revitalization of the impacted community. Demonstrate readiness to complete construction and rent-up by the summer (June 21st) of 2014. Letter of support required.

Early Awards – Revitalization & Economic Development Goals

Mixed-Income/Mixed-Use Upstate Revitalization Projects –

Mixed-use and mixed-income housing that will contribute to the revitalization of a downtown area or mixed use neighborhood. Projects must be part of a targeted local community development plan and must have clear local support and resources. UI/RARP priority.

Mixed-Income Cross-Subsidized Projects – Propose affordable units that are part of a larger market-rate development in areas experiencing considerable housing revitalization and reinvestment. Affordable units cannot exceed 30% of overall units and must be subsidized through a significant contribution from the market-rate units. Maximum rents in low-income units must be significantly more affordable than the development's comparable market-rate units.

Early Awards – Revitalization & Economic Development Goals

Lead Abatement Projects – Projects which propose 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. At least 50% of project units must involve the rehab and lead abatement of existing rental units.

Early Awards – Supportive Housing Goals

Supportive Housing Projects for Veterans with Special Needs – Supportive Housing Projects, as defined in Section 2040.2(v) of the DHCR QAP, which evidence a coordinated State investment. Must clearly document a firm commitment of service, operating, and development financing from State funding partners. Services plan must specifically address the unique needs of veterans.

NYS OPWDD Leveraged Supportive Housing Projects – Preference in tenant selection for persons with development disabilities for up to 20 percent of a project's total units. Must have firm commitments from the New York State OPWDD for operating, supports, services, and development financing for special needs units.

Early Awards – Workforce Opportunity Goals

Housing Opportunity Projects – Family projects in areas experiencing economic growth served by high performing school districts. Projects must be located in areas that have stable or growing tax bases and must also be in close proximity to public transportation, child care, and employment opportunities. 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.

Transit Oriented Development (TOD) – Family projects in close proximity to Metropolitan Transit Authority (MTA) rail stations outside NYC, or which are in communities that have completed and are implementing TOD plans that will clearly link the proposed project to expanded transportation choices for tenants.

General Overview – Program Funds Available

HOME	\$11,000,000
Low-Income Housing Credit (LIHC)	\$25,000,000
NYS Low-Income Housing Tax Credit (SLIHC)	\$4,000,000*
Housing Trust Fund (HTF)	\$32,000,000*
Urban Initiative (UI)	\$400,000
Rural Area Revitalization Initiative (RARP)	\$1,100,000
Infrastructure Dev. Demonstration Program (IDDP)	\$250,000
Section 8 Project Based Vouchers (PBV)	100 vouchers

*Subject to available appropriations/legislative approval

General Overview – Schedule

- **August 8, 2012:** Notice of Funding Availability (NOFA)
- **September 5, 2012:** Notice of Credit Availability (NOCA)
- **September 2012:** Application Workshops
9/19–ROC 9/20–ALB 9/21–NYC
- **Prior to October 25, 2012 (Early Award) & November 29, 2012 (Regular Round):** Technical Assistance available
- **October 25, 2012:** Early Application Due
- **November 29, 2012:** Regular Application Due
- **December 2012:** Early Awards Anticipated
- **March 2013:** Regular Awards Anticipated

General Overview – Application Materials

1. UF 2012 Request for Proposals (RFP)
2. UF 2012 Project Application CD Online
3. Capital Project Application On-Line Instructions
4. Design Handbook
5. Capital Programs Manual (CPM)
6. DHCR's Low-Income Housing Credit Qualified Allocation Plan (DHCR QAP)

General Overview – Application Materials

7. NYS Low-Income Housing Tax Credit Article 2-A
Public Housing Law (SLIHC)
8. NYS Low-Income Housing Tax Credit Program (SLIHC)
Regulation – 9 NYCRR Part 2040Section 2040.14
9. Green Building Criteria Reference Manual
10. UF 2012 Reference Materials
11. UF 2012 Capital Application Slideshow; and
12. Pre-Qualified Market Study Firms List

UF Review Process – Application Review

- ✓ ~~Completeness~~
- ✓ Eligibility
- ✓ Rating
- ✓ Feasibility Reviews
- ✓ Selection Criteria
- ✓ Awards

UF 2012 Funding Initiatives

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

M/WBE Participation

- ▶ Article 15A of the Executive Law promotes economic opportunities and equality of employment for minority group members and women in State contracting activities.
- ▶ HCR fully supports these efforts and the Office of Fair Housing & Equal Opportunity's mission is to coordinate and monitor compliance with Article 15A.
- ▶ Preference in awards given to applications which include NYS-certified M/WBE as part of development team
- ▶ Award decisions include consideration of applicant's past and current performance, including M/WBE performance
- ▶ Questions on the M/WBE program requirements can be sent to OFHEO@nyshcr.org.

Program Information – NYS HOME

- UF 2012 HOME available \$11 million
- Project Cap – \$2 million: more if project meets criteria listed in UF 2012 RFP
- Per Unit Subsidy is limited—see UF 2012 Reference Materials
- Permanent financing available – rental residential projects only
- 15% of HOME funds must go to CHDOs
- Applicants applying as a CHDO must have a CURRENT certification

Program Information – NYS HOME

- Must be used to assist households \leq 80% of AMI
- Davis–Bacon compliance required for projects with 12 or more HOME assisted units
- For more info – refer to CPM Section 2 on HCR’s website.

Program Information –

NYS HOME – New Requirements

- Changes are required per the Consolidated and Further Continuing Appropriations Act of 2012
- Act requires that the new requirements be immediately implemented for FFY 2012 HOME-funded activities
- Projects must be completed in 4 years or \$\$ must be repaid to HUD

Program Information –

NYS HOME – New Requirements cont'd

- HUD may grant a one year extension if they determine failure to complete was beyond the PJ's control
- All projects must be underwritten, developer capacity and fiscal soundness assessed
- PJ must certify that these actions have been completed for each project
- See HUD site for more details
<https://www.hometa.info/index.cfm?do=viewWebinarTrainings>

Program Information –

NYS HOME – New CHDO Requirements

- CHDO staff must have experience developing projects similar to the one for which funds are being requested
- HTFC may only provide FY 2012 HOME funds to CHDOs with experienced development staff
- CHDO staff must be paid employees: staff does NOT include volunteers, board members, consultants
- CHDO certifications must now be done annually

Program Information –

NYS HOME – New CHDO Requirements cont'd

- CHDOs recertified or have initial certification < one year before 2012 application deadlines – submit only documentation per the new HUD requirements for staff experience and capacity
- Existing CHDOs with certification more than one year old before deadlines must submit all materials required for new certification including experience and capacity
- CHDO requirement criteria can be found in 2012 Reference Materials on HCRs website www.nyshcr.org
- Further assistance contact Tom Koenig, HOME Program Director at tkoenig@nyshcr.org or (518) 486-7682.

Program Information – 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 or HTF funds as one of the sources of permanent financing for a UF 2012 project.
- Applicants interested in pursuing HDF are strongly encouraged to have a pre-application meeting with our regional office staff.

Program Information – Housing Trust Fund (HTF)

- UF 2012 HTF available \$32 million
- Project cap – \$2 million; more if project meets one of UF 2012 RFP– listed criteria
- HTF per unit cap – \$125,000
- Permanent and/or construction financing available, residential only
- Must benefit households \leq 90% of AMI (in NYC \leq 80% of AMI)
- Preference for projects with a substantial number of units \leq 50% AMI

Program Information – Housing Trust Fund (HTF)

- Up to 10% of HTF award for a community service facility
- Non-profit developer fee greater of 10% of TDC less acquisition or \$2,400/\$3,000 per unit depending on location
- Up to 50% of HTF award for cost of acquisition
- For more info – see CPM Section 2 on HCR website

Program Information – Low-Income Housing Credit Program (LIHC)

- UF 2012 LIHC available: \$25 million
- LIHC max. per project
 - Standard project: \$1.43 million
 - Project w/ 50% or more units for large families or persons with special needs (w/supportive services): \$1.65 million
- LIHC max. per unit: \$22,000
- Must benefit households \leq 60% AMI
- For acquisition, rehabilitation and new construction of residential units

Program Information – Low-Income Housing Credit Program (LIHC)

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

- Supportive Housing Projects:
Up to \$4 million (QAP Sect. 2040.2(v))

Program Information – LIHC Application & Allocation Fees

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

Program Information –

LIHC Program Advisory

- The federal Housing and Economic Recovery Act of 2008 (HERA) set fixed credit applicable percentage of 9% for determination of qualified basis
- For new construction/rehabilitation of non-federally subsidized buildings
- This HERA provision sunsets for projects placed in service after December 30, 2013
- For such projects, applicants should use unadjusted monthly credit rate (October or November) in calculating LIHC application request amount.

Program Information – NYS Low-Income Housing Tax Credit (SLIHC)

- SLIHC available: \$4 million
- SLIHC max. per project: \$750,000
- SLIHC max. per unit: \$ 20,000
- Program modeled after LIHC except units affordable to households $\leq 90\%$ AMI

Program Information – SLIHC Program Advisory

- Joint LIHC/SLIHC deals should not request the maximum under each program
- HCR preferences:
 - Leveraging!!!
 - Mixed Income projects (at least 15% or more of the project units above 60% of AMI)

Underwriting

Reminders

Replacement Reserve Requirements

- **Annual replacement reserve funding** for all applications requesting LIHC and/or SLIHC, including blended projects also requesting HTF:

\$250 per unit annually

- **Capitalization** equal to **\$1,000 per unit** is also required & must be included in the development budget

Underwriting

Reminders

Replacement Reserve Requirements

HTF/HOME Stand-alone Projects

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

Underwriting

Reminders

Applications Requesting Section 8 Project-Based Voucher Assistance

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

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

Underwriting

Reminders

Applications Requesting Section 8 Project-Based Voucher Assistance – Developer Fee Limits

- HUD SLR guidelines set a 12% safe harbor limit for developer fee & maximum of 15%
- Developer Fees over the 12% safe harbor must be justified by special circumstances
- HCR will give selection priority to projects that propose a developer fee at or below the HUD safe harbor standard of 12%

Underwriting

Assistance

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

Architecture & Engineering – Design Related Publications

- Revised Design Handbook
 - Design changes & clarifications to both the building design and unit design
 - Technical updates & clarifications to the specification requirements

Architecture & Engineering – LIHC & HTFC Green Building

- Mandatory Green items *must be satisfied* before project can qualify for scoring points:
 - Initial threshold criteria items A1–A8
 - ✓ Must be clearly addressed in plans & specs
 - ✓ Don't just check the box
 - Green development plan
 - ✓ This ties it all together and helps reviewers understand what's being proposed
 - ✓ Must be submitted with the application

Architecture & Engineering – LIHC & HTFC Green Building

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

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

➤ LIHC/SLIHC

- Scoring points (competitiveness)

➤ HTF/HOME

- Scoring points (competitiveness)
- Energy Efficiency Initiative and
Green Building Initiative
 - ✓ Allows for an increased award of up to
\$2.4 million

Architecture & Engineering – LIHC & HTFC Energy Efficiency

➤ Energy Efficiency Options:

○ NYSERDA Programs:

- ✓ Multifamily Performance Program
- ✓ Low-rise Residential New Construction
 - New York Energy Star Certified Homes
 - New York Energy Smart designation
- ✓ NY Assisted Home Performance with ENERGY STAR

Architecture & Engineering – LIHC & HTFC Energy Efficiency

- **Other options:**

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

Architecture & Engineering – Fully Accessible, Adaptable, Move-in Ready Units

For projects proposing 10%/5% of units accessible for mobility impaired and 4%/2% of units accessible for hearing/vision impaired:

- A written commitment from a service provider to refer tenants and to provide appropriate services must be provided.
- Modifications to the roll-in shower requirements are being considered.
 - ✓ Default standard roll-in shower, unless utilization plan from service provider indicates other applications more appropriate.

Architecture & Engineering – Preservation Projects

- Must request an AE site visit no later than 30 days prior to the application deadline. Set up the site visit through the regional office.
 - Must provide a draft of the Physical Needs Assessment Form for the site visit

- Refer to the Design Handbook Appendix F – HTFC Preservation Standards when determining the Physical Needs Assessment scope of work

- Use the correct application attachment
 - B6 for LIHC and/or SLIHC stand alone projects
 - B13 for HTF projects

Common Application Flaws – Site Control as Eligibility Issue

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

Common Application Flaws – Site Control

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

Technical Assistance (TA)

- For potential applicants and awardees through:
 - HCR Regional and Technical Unit staff
- For assistance with the application system **Community Development Online (CD Online)**
 - Contact the MSR Unit at (518) 473-2525

Technical Assistance (TA)

Buffalo Regional Office

Electric Building, Suite 105

535 Washington Avenue

Buffalo, New York 14203

Leonard Skrill, Upstate Director of Development (716) 847-3926

(518) 461-6591 cell

Kristen Slaiman, Senior Project Manager

(716) 847-3085

Daniel Peters, Project Manager

(716) 847-7132

Syracuse Regional Office

620 Erie Boulevard West, Suite 312

Syracuse, New York 13204

Lois Holden, Senior Project Manager

(315) 478-7179 x 219

Kathleen Karpinski, Senior Project Manager

(315) 478-7179 x 217

Technical Assistance (TA)

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

John Serio, Senior Project Manager

(518) 473–6959

New York City Regional Office

25 Beaver Street, 7th Floor

New York, NY 10004

Earnest Langhorne, Downstate Director of Development (212) 480–7473

Michael Ferguson, Senior Project Manager

(212) 480–7494

Questions & Answers

www.nyshcr.org