

# Unified Funding 2014 Multi-Family Programs RFP

## Record of Revisions

### **September 5, 2014:**

Page 23 - The following phrase was struck from CIF Loan Terms:

“...with special provisions for the payment of principal in connection with non-residential components (see Underwriting Considerations).”

### **September 23, 2014:**

Page 53 – The following sentence has been added to the Cost Considerations section:

“Also, as part of its overall effort to control project costs, HCR will continue to apply HTFC Design Handbook maximum square footage limits to all projects seeking funding as part of UF 2014.”

Page 43 – The following clause has been added to the LIHC Mixed-Income Pilot section:

“OR at least 40% of the units must have two bedrooms”

### **October 22, 2014**

Page 43 – The following clarification in bold was added to the LIHC Mixed-Income Pilot section:

“OR at least 40% of the units must have two bedrooms **or more**”

Page 45 - The following was struck from the LIHC Mixed-Income Pilot section:

“... the minimum rent burden for the middle income units is 30% of annual income. These units may not be rented to households above the targeted AMI.”

Page 45 - The following language was added to the LIHC Mixed-Income Pilot section:

“...if rents are set at an affordability level below the maximum income level at which the units will be regulated, the units may be rented to households above the actual affordability level up to the maximum AMI in the targeted income band. For example, if a project rent is set at 77% AMI affordability and it is to be regulated below 80% AMI, the unit could be rented to households over 77% up to a maximum of 80% AMI.”

### **November 18, 2014:**

Page 41 - The following sentence was struck from “Application Review Letters”:

“If a Project application does not receive such an Outcome Letter by January 31, 2015, the Application is deemed ineligible for funding.”

# **Request for Proposals**

## **Multi-Family Programs**

### **New York State Homes & Community Renewal**

Division of Housing and Community Renewal  
Housing Trust Fund Corporation

#### **Unified Funding Programs**

9% Low-Income Housing Credit Program  
State Low Income Housing Credit Program  
Low Income Housing Trust Fund Program  
New York State HOME Program  
Community Development Block Grant Disaster Recovery Multi-Family Affordable Housing  
Fund (CDBG-DR/AHF)  
Medicaid Redesign Team Housing Capital Program  
Mitchell-Lama Program

#### **Additional Programs**

Urban Initiatives Program  
Rural Area Revitalization Projects Program  
Community Investment Fund  
Housing Development Fund

August 2014

## **I. Introduction**

### **A. General Information:**

New York State Homes & Community Renewal (HCR) seeks proposals for the preservation and creation of high quality affordable housing throughout the State by investing certain resources of the agency identified herein. HCR, acting through the Division of Housing and Community Renewal (DHCR), the New York State Housing Finance Agency (HFA), and the Housing Trust Fund Corporation (HTFC), invites you to apply for these housing resources through this Unified Funding (UF) 2014 Multi-Family Programs Request for Proposals (RFP). This RFP describes the programmatic and submission requirements for the following UF Programs: the Low-Income Housing Credit Program (LIHC), the State Low-Income Housing Tax Credit Program (SLIHC), the Low-Income Housing Trust Fund Program (HTF), the New York State HOME Program (HOME), the Community Development Block Grant Disaster Recovery Multi-Family

Affordable Housing Fund (CDBG-DR/AHF), the Medicaid Redesign Team Housing Capital Program (MRT), and the Mitchell-Lama Program.

Applicants may also apply for Community Investment Fund (CIF), Urban Initiative Program (UI), Rural Area Revitalization Program (RARP), and Housing Development Fund Program (HDF) funds, as well as Project Based Vouchers, subject to the following restrictions:

1. CIF Requests: With the exception of the Early Award project type ‘Rural Preservation Projects’, CIF funds must be requested in conjunction with one of the UF Programs listed at the top of this RFP, excluding Mitchell-Lama. UI and RARP funds may NOT be requested in conjunction with CIF. CIF funds may be requested as a standalone funding source ONLY for the Rural Preservation Project Early Award Initiative.

2. UI and RARP Requests: These funds may only be requested if you are also requesting HTF, HOME, LIHC, SLIHC, CDBG-DR/AHF and/or MRT funds. You may not request UI or RARP funds in conjunction with CIF or Mitchell-Lama funds. Applications may not be submitted under this RFP for standalone UI and/or RARP requests.

3. HDF Requests: These funds may only be requested in conjunction with HTF and/or HOME funding, and may only be used as a construction financing source.

Under this RFP, Applicants may only apply for funding for the new construction, rehabilitation, or adaptive reuse of site-specific projects that provide multi-family housing.

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 distinct 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 with preparing an application prior to the application deadline, and are encouraged to contact HCR as early in the application preparation process as possible due to time constraints. Please note, in some cases, applicants are required to schedule pre-application conferences depending on the source of funds being requested, or population served, or if they are contemplating submission of an Early Award application.

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, the applicant’s ability to advance the State’s housing goals, and HCR’s assessment of cost reasonableness. HCR further reserves the right 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.

HCR will also carefully consider the capacity of development teams to take on more than one project within a single funding round. HCR will consider making more than one award to the

same developer or development team within a single round based on the past performance of the developer or development team. The agency will also take into account the extent to which the project advances State housing goals articulated in this RFP. In reviewing multiple requests within a single funding round from the same developer or development team, HCR will also consider whether that developer or development team is currently engaged in projects relying on 4% LIHC and tax-exempt bonds.

In order to ensure that applicants seek the most competitive financing terms available based on current market conditions, HCR will not accept applications that include tax credit investors, tax credit syndicators, or lenders, or any of their related entities, as general partners of the limited partnership or as managing members of the limited liability corporation of a proposed project if those entities also intend to participate in the financing of the project.

## **B. New for UF 2014**

There are several important changes to the RFP for UF 2014. Below is a list of the most significant changes.

### **1. New York State Low-Income Housing Tax Credit Program (SLIHC)**

This funding round, HCR is modifying the maximum per-project SLIHC allocation which may be requested. Applications proposing projects where ten percent (10%) or more of the total project units will be SLIHC-assisted and affordable and targeted to households with incomes above 60% of Area Median Income (AMI) may request the maximum SLIHC allocation of \$750,000. Applications for all other projects may request a maximum SLIHC allocation of \$500,000.

### **2. New Funding Programs**

Three new funding sources are available under this RFP. They include the Medicaid Redesign Team Housing Capital Program (MRT), the Mitchell-Lama Program, and the CDBG Disaster Recovery Multi-Family Affordable Housing Fund (CDBG-DR/AHF). These Programs are described in detail in Section IV G, H, & I of this RFP.

### **3. New Early Award Housing Goals**

This RFP describes the requirements for two new Early Award State housing goals: Military Base Impact Projects and Medicaid Redesign New York/New York III Projects. The RFP also describes significant changes to several existing housing goals. In addition, New York City Early Award applications will now have 30 additional days to commence construction from the time of award.

### **4. Low-Income Housing Credit Mixed-Income Pilot**

HCR is seeking to encourage applications under this initiative by offering applicants greater flexibility in bedroom configurations and income targeting. See Section IV – Program Announcements/Initiatives for details.

## **5. Integrated Supportive Housing**

Applicants considering projects that would give preference in tenant selection to persons with special needs for 50% or more of a project's bedrooms must schedule a pre-application conference with HCR, and the State, federal or local agency that is providing the funding for appropriate services. The purpose of this conference is to explore whether the contemplated project will provide an integrated housing environment consistent with the US Supreme Court's *Olmstead v. L.C.* decision.

### **C. Table of Contents:**

This document consists of the following seven sections:

I. Introduction

II. Application Submission Deadlines & Additional Submission Information

III. Early Award Projects

IV. Program Announcements/Initiatives

V. Additional Guidance for the UF 2014 Round

VI. Evaluation and Selection Process

VII. 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:

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

Printable instructions and screen shots of the CDOL Exhibits for the UF 2014 CDOL application will be available on the HCR Website at:

[www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/)

UF 2014 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. Applications for Early Award Projects must be completed and submitted by 5:00 PM on Tuesday, October 7, 2014. All other UF 2014 capital applications must be completed and submitted by 5:00 PM on Thursday, December 4, 2014. 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 project management, underwriting and design staff will be available to answer questions from prospective applicants. Regional Offices are listed in Section VII of this document. **After submission of a UF 2014 capital application, unsolicited contact with HCR staff by applicants or any member of the project's development team is not permitted until after funding notifications have been made.**

Prior to the applicable application deadlines, prospective applicants may also submit questions to [UnifiedFunding@nyshcr.org](mailto:UnifiedFunding@nyshcr.org).

## **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 (or co-general partner with another non-profit) of the partnership/project owner or the sole managing member (or co-managing member with another non-profit) of the limited liability company/project owner may request a deferral of payment until the time of credit allocation. Such waiver requests must document applicant financial hardship and inability to remit the application fee at time of application, and be submitted no later than one month in advance of the Application due date. Send waiver requests to:

Mr. Arnon Adler, Tax Credit Program Manager  
6<sup>th</sup> Floor South  
38-40 State St.  
Albany, NY 12207  
[arnon.adler@nyshcr.org](mailto:arnon.adler@nyshcr.org)

Written application fee waivers granted by HCR must be appended to the application. (See the UF 2014 Capital Application Instructions for Attachment F2 for fee submission instructions).

This RFP provides only some of the information and materials necessary for application preparation. Additional materials will be available on HCR's website at: [www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/), except as where noted below.

These include:

1. the UF 2014 Capital Application, available at: [www.nyshcr.org/Apps/CDOnline/](http://www.nyshcr.org/Apps/CDOnline/);

2. printable instructions for the UF 2014 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 LIHC Qualified Application Plan (QAP) ;
6. DHCR's SLIHC Regulation – 9 NYCRR Part 2040.14;
7. UF 2014 Reference Materials;
8. UF 2014 Capital Application Workshop Presentation; and,
9. 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 New York State by providing an accelerated application and review process as part of UF 2014. In addition to meeting the general application requirements described herein, Early Award applications will need to satisfy additional conditions and requirements not required of UF 2014 applications generally, including an earlier application submission deadline and a mandatory pre-application conference with HCR staff.

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 that advance the same policy goal, subject to the other funding considerations described in this RFP. 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.

In addition to satisfying the conditions and requirements generally applicable to all UF 2014 applications, applicants for Early Awards must also:

1. Submit a complete application by 5 PM, October 7, 2014;
2. Demonstrate that the project will be able to proceed to construction within 120 calendar days of award, or within 150 days of award if the proposed project is located in the City of New York. In evaluating a project's readiness to proceed to construction within 120 days of an award, HCR will consider the development team's past performance in the delivery of units on time and on-budget in addition to project-specific indicators such as status of local approvals, relative

complexity of the proposed transaction, including whether a project must comply with National Environmental Policy Act (NEPA) requirements, and status of financing commitments; and,

3. Provide documentation that the application proposes a project that will clearly advance at least one State housing goal described below in Section B. Applications that advance more than one housing goal will be given preference.

## **B. Eligible Early Award Projects**

The following are descriptions of applications which meet State housing goals, and which may be eligible for consideration for Early Awards under UF 2014.

### **1. Revitalization and Economic Development Goals**

The following are eligible Early Award Applications under the Revitalization and Economic Development Goals category:

#### **a. Priority Projects Identified in Regional Economic Development Plans**

These applications will propose the construction and/or rehabilitation of affordable housing that are a component of projects that have been specifically endorsed in Regional Economic Council Strategic Plans, and for which significant financial assistance has been made available as part of such plans.

#### **b. Military Base Impact Projects**

These applications will propose family projects that address the affordable housing infrastructure needs of active military bases throughout the State, including the Fort Drum Impact Area, and which advance the revitalization goals of the community in which the project is proposed. These applications must demonstrate readiness to complete construction and rent-up by the summer of 2016.

#### **c. Disaster Relief Projects**

These applications will propose projects in communities directly impacted by Federal Emergency Office declared disasters, including, but not limited to, Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, and the Summer 2013 Severe Storms and Flooding. Applicants must demonstrate that there was significant loss of housing within a one-mile radius of the proposed project and that the proposed project is consistent with a comprehensive community rebuilding plan. Applicants must provide a letter of support for the specific project from the chief elected official of the municipality in which the project would be located, and a copy of the comprehensive community rebuilding plan. Applications will need to demonstrate readiness to complete construction and rent-up by the summer of 2016. Based on a review of financing needs of the proposed disaster relief projects, including whether the applicant has proposed specific actions to reduce overall project costs, HCR will



consider requests for LIHC basis boosts pursuant to the authority granted in the Housing and Economic Recovery Act of 2008.

**d. Mixed-Income/Mixed-Use Revitalization**

These applications will propose mixed-income projects in mixed-use neighborhoods that involve the use or adaptive reuse of existing underutilized buildings; infill new construction; and/or the demolition and replacement of buildings having a blighting impact on a community, and for which rehabilitation is impracticable. Applications must clearly demonstrate that the project is part of a neighborhood-specific revitalization effort that has been developed with significant community and local government involvement and that clearly demonstrates local community support of the proposed project, as evidenced by commitment of local resources, and local actions that have been taken or will be taken in support of the project. In order to be considered mixed-income, applications must target households at incomes above federal Low-Income Housing Tax Credit limits.

Preference will be given to applications that:

- demonstrate site control of land acquired through Land Banks established pursuant to Article 16 of the New York State Not-for-Profit Corporation Law;
- propose a retail or community service component that will address an unmet community need identified in neighborhood-specific revitalization plan;
- propose the rehabilitation and lead abatement of existing rental housing in zip codes identified by the State Department of Health as having significant concentrations of children identified with elevated blood lead levels. Projects must propose that at least 35% of project units will involve the rehabilitation and abatement of existing rental units; and/or,
- propose a project located in a community that is participating in Governor Cuomo’s Community, Opportunity, Reinvestment (CORE) Initiative, which aligns State support with local needs while supporting successful community-based efforts, so that the State can do a better job allocating resources to make measurable and sustained progress in improving high-need communities.

**2. Supportive Housing Goals**

The following are eligible Early Award Applications under the Supportive Housing Goals category:

**a. Supportive Housing Projects Serving Veterans with Special Needs**

These applications will propose Supportive Housing Projects, as defined in Section 2040.2(u) of the QAP, for Veterans with Special Needs. Applications must demonstrate a coordinated State investment in the project by clearly documenting firm commitments of service, operating, and development financing from State partners. Among other considerations outlined in this RFP, projects will be evaluated on the extent to which funding commitments contribute to meeting the financial needs of the proposed project.

**b. Medicaid Redesign New York/New York III Projects**

To be considered under this Early Award goal, applicants must apply for and satisfy the requirements for Medicaid Redesign Team (MRT) funding outlined in this RFP, and must demonstrate that they have a commitment for NY/NY III subsidy for at least 25% of the project's total units.

**3. Workforce Opportunity Goals**

The following are eligible Early Award Applications under the Workforce Opportunity Goals category:

**a. Housing Opportunity Projects**

These applications will propose workforce housing in areas experiencing economic growth that are 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. Applications that clearly advance this goal will be eligible for a 130% LIHC basis boost authorized by the Housing and Economic Recovery Act of 2008.

**b. Transit Oriented Development (TOD)**

These applications will propose workforce housing projects in close proximity to Metropolitan Transit Authority (MTA) rail stations outside the City of New York, or within a quarter-mile walk of an MTA subway station within the City of New York; or, which are in communities that have completed and are implementing TOD plans that clearly link the proposed project to expanded transportation choices for tenants; or, which are in close proximity to multi-modal transportation centers that will contribute to the development of vibrant, mixed-use, high-density neighborhoods through the adaptive reuse of non-residential buildings or through infill development.

**4. Affordable Housing Preservation Goals**

The following are eligible Early Award Applications under the Affordable Housing Preservation Goals category:

**a. Mitchell-Lama Portfolio Projects**

Applications that propose the redevelopment or preservation of Mitchell-Lama Housing units transferred from the NYS Empire State Development Corporation to NYS Homes and Community Renewal (HCR), as part of Governor Cuomo’s \$1 billion House NY Program. Applications must demonstrate to the satisfaction of HCR that the refinancing and preservation of the units would be infeasible as part of a plan of finance that relies on 4% LIHC and tax-exempt bonds without additional HCR subsidies in excess of amounts typically made available in connection with such financings. Applicants under this goal must demonstrate successful prior experience in the management of affordable housing properties (with preference for Mitchell-Lama properties) and must maximize the use of all non-HCR resources available for the redevelopment and preservation of this housing portfolio.

**b. Rural Preservation Projects**

These are applications that propose the rehabilitation of projects currently receiving Rural Rental Assistance Program (RRAP) funds. Applications must propose a scope of work that extends the expected useful life of the project by no less than 20 years and satisfies heightened energy efficiency standards specified by HCR in this RFP. Successful applications must demonstrate that the rehabilitation will be undertaken as part of a plan of finance that will result in ongoing reductions of RRAP funding, and that at least 90 percent of the proposed total development costs will be directly related to physical improvements that will extend the useful life and improve the habitability and energy efficiency of the project. The only source of funding that may be requested under this goal is the Community Investment Fund (CIF). Requests are limited to \$1 million in CIF funds, and \$30,000 per unit, and must satisfy all CIF program requirements described in this RFP.

**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 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 professional market study required for all LIHC applications submitted for projects located outside of the City of New York. Both the QAP and the Pre-Qualified Market Analysts list are available at: [www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/). Applications proposing projects in the City of New York must include a market analysis utilizing data from the most recent edition of the New York City rent guidelines board report.

### **1. LIHC Availability/Funding Limits**

HCR expects that approximately \$25 million will be available for UF 2014 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 provide integrated supportive housing to persons with special needs as listed in the UF 2014 Reference Materials, Section 11, and for which appropriate on- or off-site services will be provided by an experienced service provider. (Please note that any applicant considering a project that would give preference in tenant selection to persons with special needs for 50% or more of a project's bedrooms are required to schedule a pre-application conference with HCR, and the State, federal or local agency that is providing the funding for appropriate services. The purpose of this conference is to explore whether the contemplated project is consistent with the Olmstead decision).

Except as otherwise noted, all LIHC reservations will be made in compliance with the QAP.

### **2. LIHC Funding Set-Asides**

HCR expects to set-aside a total of \$7.3 million of the available UF 2014 LIHC for the two following program priorities: Preservation Projects (\$3.3 million) and Supportive Housing Projects (\$4 million). DHCR may exceed these set-aside amounts depending upon the number of competitive, feasible Preservation and Supportive Housing applications received, provided that no more than \$1 million of the Preservation set-aside is allocated to High Acquisition Cost Projects, as defined in Section 2040.2(i) of the QAP.

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 currently government regulated affordable rental housing 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 and proposed operating budget 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(q) of the QAP.**

Applicants proposing a Preservation Project must demonstrate how the project averts the loss of affordable housing, including submission of a physical needs assessment, and must describe and document: a) any regulatory, financial and economic circumstances which could precipitate the loss of or risk the availability of the project to low-income households; and, b) 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. Preservation projects that are still subject to regulatory agreements with HCR or any of its agencies must also provide a compelling rationale explaining why it is in the State's interests for HCR to release the current ownership from their existing obligations to the State if a transfer of ownership is proposed in the application. Preference in the award of Preservation projects will be given to applications that minimize transaction costs, including acquisition costs and developer's fees, and that maximize the amount of resources devoted to physical improvements and rehabilitation.

Applicants must request a site visit from HCR to observe the building's existing condition, and to discuss proposed renovations PRIOR to submission of the application. Requests for site visits must be made no later than 30 days prior to the application deadline under which the applicant intends to submit. At a minimum, a draft physical needs assessment must accompany this request. Failure to meet the above requirements will result in exclusion from the Preservation Project funding set-aside. As a condition of any potential award, HCR reserves the right to require modifications of a proposed scope of work based on the results of its site visit and review of the physical needs assessment.

Where project acquisition cost includes the assumption of existing loan(s), HCR will not allow a developer fee to be earned on the portion of acquisition funded by such loans.

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 have a pre-application meeting with HCR Finance and Development and Public Housing staff 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(i) of the 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 parameters referenced above and the definition in Section 2040.2(q) of the 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(u) of the QAP and this RFP, is a project that gives preference in tenant selection to persons with special needs for at least 25% of the project units. Persons with special needs for the purposes of this set-aside are defined in Section 2040.2(p) of the 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;
- vi. demonstrate a firm commitment for capital financing from a governmental agency serving the proposed target population;

- vii. 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; and,
- viii. the project must provide an integrated setting that enables individuals with disabilities to live independently and without restrictive rules that limit their activities or impede their ability to interact with individuals without disabilities.

Please note that any applicant considering a project that would give preference in tenant selection to persons with special needs for 50% or more of a project's bedrooms are required to schedule a pre-application conference with HCR, and the State, federal or local agency that is providing the funding for appropriate services. The purpose of this conference is to explore whether the contemplated project is consistent with the Olmstead decision.

### **3. LIHC Program Advisories:**

#### **a. LIHC Mixed-Income Pilot**

For applications proposing new construction of family projects (no more than 30% of the total units may be studios, and at least 25% of the units must have two or more bedrooms) in New York City, HCR will allow applicants to exceed the maximum annual LIHC allocation of \$22,000 per LIHC-eligible unit, subject to certain conditions. In addition, this RFP also provides greater flexibility in the income targeting of households under this Pilot. Applicants interested in the Mixed-Income Pilot should review the conditions and requirements described in Section IV, J2 of this RFP.

#### **b. LIHC Regulatory Term**

Pursuant to the threshold eligibility provision at Section 2040.3(e)(17) of the QAP, all project applications submitted this funding round must propose a minimum LIHC Regulatory Term of 50 years. Accordingly, this minimum Regulatory Term will be reflected in all LIHC (and SLIHC) Reservations and Regulatory Agreements executed for awarded projects submitted under UF 2014, unless otherwise noted.

### **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 UF 2014 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.

### **1. SLIHC Availability/Funding Limits**

Subject to authorization, approximately \$4 million is expected to be available for SLIHC reservations pursuant to this RFP. Projects proposing that 10% or more of the total project units will be SLIHC-assisted and affordable and targeted to households with incomes above 60% of Area Median Income may request a maximum SLIHC allocation of \$750,000. For all other projects, the maximum SLIHC allocation per project which may be requested is \$500,000. Please note that HCR has also made approximately \$4 million in SLIHC available as part of an open window RFP for applications that propose using private activity tax-exempt bonds and 4% LIHC to finance the new construction or rehabilitation of housing.

All SLIHC reservations will be made in compliance with the QAP, the SLIHC Regulation and this RFP.

### **2. SLIHC 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 SLIHC scoring criteria for Income Mixture.

### **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. Regarding underutilized nonresidential property, if the nonresidential property or portions of the property are occupied at the time an application for funding is submitted, HTF may consider the following factors in determining whether a conversion of the nonresidential property may be eligible for HTF, including but not limited to : 1) revenue from leased space compared to the cost to operate the property; 2) whether the owner provided the occupant with an acceptable plan for the occupant's relocation; 3) the percentage of leased space compared to the total amount of space available for lease; 4) whether the current occupant of the non-residential space provides a critical service to the community which would be left unmet if the current occupant was displaced by the proposed project; and, 5) whether the land, building(s), structure(s) are currently



not used or used at a lower density than the local land use plan permits and that may potentially be developed, recycled, or converted into higher density residential, commercial or mixed-use development as defined in a local land use plan.

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. HCR funds for cooperatives or condominiums are limited to permanent financing only. Applicants seeking HTF for cooperatives and condominiums must demonstrate the capacity to successfully develop and market projects. In evaluating such capacity, HCR will consider, among other factors, the applicant's past performance in delivering projects similar in size, scope, and market to the proposed project.

Preference in making HTF awards to eligible applicants is given to projects which involve not-for-profit corporations or their wholly-owned subsidiaries. To qualify for this preference, limited partnership or limited liability corporation applicants must demonstrate that the ownership interest of the not -for-profit or its wholly-owned subsidiaries is "at least 50% of the controlling interest" of the partnership or corporation 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).

### **1. HTF Availability/Funding Limits**

Subject to the availability of appropriations, HCR intends to make approximately \$40 million in HTF Program funds available to fund site-specific project applications under UF 2014. The maximum per-unit amount of HTF that may be requested is \$125,000. The maximum HTF funding request per project is \$2 million, with the following exceptions:

- a) up to \$2.4 million may be requested for projects which propose that 50% or more of the units have three or more bedrooms to serve very large families (defined as households with five or more persons); and,
- b) up to \$2.2 million may be requested for projects that meet the NYSERDA Multifamily Performance Program, NYSERDA Low-rise Residential New Construction Program, EPA ENERGY STAR Multifamily High Rise Program, EPA ENERGY STAR Certified Homes, or Enterprise Green Communities criteria, as described in this RFP.

If HCR determines a proposed project 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.

Applicants that receive an 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.

#### **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 Davis-Bacon wage requirements are applicable to all construction of projects with 12 or more HOME-assisted units.

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.

New York State is required to set aside a minimum of 15% of HOME funds for locally-based non-profit entities that qualify as Community Housing Development Organizations (CHDOs). In order for a HOME multi-family rental project to qualify for the CHDO set-aside, the project ownership structure must comply with the terms of 24 CFR 92.300 of the 2013 HOME final rule. In acting in any of the capacities specified, the CHDO must have effective project control. A CHDO must state in the Application, and in the project owner's organization documents that the CHDO has effective project control. Please review the information in the HUD HOME 2013

Final Rule, to ensure that the project meets all requirements for CHDO control of the project if you intend to compete for the CHDO set-aside.

If HOME funds are being requested to demolish, rehabilitate, or acquire an occupied property (either residential or non-residential), applicants must comply with the Uniform Relocation Assistance and Real Property Acquisition For Federal and Federally-Assisted Programs (49 CFR Part 24), Section 104 (d) of the Community Development Act, and the HOME Regulations (24 CFR Part 92) regarding rules for relocation of occupants. Applicants should also refer to HCR's Residential Antidisplacement and Relocation Assistance Plan and Appeals Process available at: [www.nyshcr.org/Programs/NYSHome/](http://www.nyshcr.org/Programs/NYSHome/).

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).

### **1. HOME Availability/Funding Limits**

Subject to the availability of appropriations, HCR expects to make approximately \$7 million in HOME funds available to fund site-specific projects under UF 2013.

The maximum HOME funding request per project is \$2 million, with the following exceptions:

- a). up to \$2.4 million may be requested for projects which propose that 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons); and,
- b). up to \$2.2 million may be requested for projects which meet the NYSERDA Multifamily Performance Program, NYSERDA Low-rise Residential New Construction Program, EPA ENERGY STAR Multifamily High Rise Program, EPA ENERGY STAR Certified Homes, or Enterprise Green Communities criteria as described in this RFP.

If HCR determines that a proposed project 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 or HTF Program funds as one of the sources of permanent financing for a UF 2014 project. Use of HDF funds during construction can substantially reduce construction period interest. Please note that HDF Program loans currently require additional approvals from the Office of the State Comptroller and the Division of the Budget, which could increase processing times.

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. Applicants considering the use of HDF are encouraged to discuss their plan of financing with HCR staff prior to application submission.

## **F. Rural and Urban Community Investment Fund (CIF)**

As part of the State's Fiscal Year 2014-2015 enacted budget, Governor Cuomo and the State Legislature have appropriated \$6.7 million for the Rural and Urban Community Investment Fund (CIF). The Community Investment Fund statute, Article XXVII of the Private Housing Finance Law, provides that 60% of CIF awards will be allocated to projects located in "Urban Areas" of the State, with the remaining 40% of awards allocated to projects located in "Rural Areas" of the State. Based on this statutory distribution, \$2,680,000 will be allocated to projects located in Rural Areas and \$4,020,000 will be allocated to Urban Areas.

### **1. Eligible Projects**

Under this RFP, eligible applicants may apply for CIF funds for the following uses only:

- a). in both urban and rural areas, CIF funds may be requested for the non-residential (retail, commercial or community facility) components of eligible mixed-use affordable rental projects;
- b). in rural areas only, CIF funds may also be requested for the preservation of eligible affordable rental projects, including projects meeting the Early Award Rural Preservation Project requirements, as described in Section III, B, 4b of this RFP.

Under this RFP, CIF funds must be requested in combination with one of the Unified Funding Programs listed at the top of this RFP, excluding Mitchell-Lama. The single exception to this rule is for Applications submitted under the Early Award Project Type 'Rural Preservation Projects', in which case, CIF is the only program that may be requested.

*PLEASE NOTE, applicants may also apply for CIF funding as part of an Open Window Request for Proposals.*

Eligible affordable rental projects must include, at a minimum, 70% residential units that are rent-restricted and occupied by households whose incomes are at or below 90% of area median income for the county in which the project is located.

## **2. Eligible Applicants**

This program will provide loans to eligible applicants that include not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or a private for-profit developer. Applicants requesting CIF funding for retail, commercial or community facility components of eligible mixed-use affordable rental projects must demonstrate successful past experiences in developing and managing mixed-use affordable housing projects in comparable markets.

## **3. CIF Funding Priorities**

HCR will give priority to applications that most clearly document that CIF funds will be used:

- a). to finance the rehabilitation of projects that meet the conditions for Rural Preservation Early Award projects, or for rural projects that are currently regulated by HCR and that clearly satisfy the requirements for LIHC Preservation Projects.
- b). to subsidize the development or rehabilitation of retail, commercial or community facility space which will be used to address a critical unmet community need in the development's primary market area (e.g. access to health care, affordable fresh foods, services for low income seniors, educational opportunities, daycare for working families). Applicants must demonstrate that without CIF funding the proposed tenant could not otherwise pay market rent or pay rent sufficient to cover the cost of developing and operating the space.
- c). to finance the development or rehabilitation of retail, commercial or community facility space to ensure the continuation of traditional commercial corridors that would otherwise be disrupted by the development of ground floor residential space. Applicants must demonstrate that without CIF funding, market rents would be insufficient to cover the costs of developing and operating the space.
- d). to finance the development or rehabilitation of retail, commercial or community space as part of a concerted neighborhood revitalization plan. Such plan must clearly support the proposed use of the space and must identify local actions that have been taken or are proposed to be undertaken to attract or promote the proposed use, including but not limited to tax relief measures, changes in zoning, and infrastructure investments directly

benefiting the space. Applicants must demonstrate that without CIF funding, market rents would be insufficient to cover the costs of developing and operating the space.

#### **4. CIF Funding Limits**

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, the applicant's ability to advance the State's housing goals, and HCR's assessment of cost reasonableness. The CIF statute requires that 60% of CIF awards be allocated to projects located in "Urban Areas" with a population of 25,000 or more, and 40% of CIF awards be allocated to "Rural Areas" having a population of less than 25,000. In addition, the following limits apply:

- Up to \$1,000,000 per project/\$30,000 per unit may be requested for projects that satisfy the conditions for Early Award 'Rural Preservation Projects'.
- Applicants may request the lesser of up to \$750,000 per project, or the amount needed to ensure that market rents would be sufficient to cover the cost of financing and operating the commercial, retail or community facility space of the project. CIF requests for this purpose may not be combined with requests for Urban Initiative or Rural Area Revitalization Projects funding.
- Up to \$750,000 per project/\$30,000 per unit may be requested in connection with Preservation Projects in Rural Areas. These amounts can be in addition to funding limits applicable to other programs described in this RFP. To be eligible, the proposed project must satisfy the requirements for the LIHC Preservation Project Set-Aside, as described in this RFP.

#### **5. CIF Match Requirement**

Pursuant to the CIF statute, applicants are required to provide a 1/3 match of the requested funding amount in donated property, materials or labor and other resources. Applicants considering CIF funding are advised to schedule a pre-application technical assistance meeting with HCR staff to discuss potential matching sources. The CIF match requirement may be reduced or eliminated if the project is located within a declared disaster area and the proposed project clearly addresses an impact resulting from the disaster. Applicants seeking a reduction or elimination of the CIF matching requirement must request a waiver detailing the basis for the reduction or elimination at least ten business days prior to the application deadline applicable under which an application will be submitted.

#### **6. CIF Underwriting Considerations**

**a. Non-Residential Underwriting Considerations**

- For retail, commercial or community facility space of mixed-use projects, applicants must demonstrate in the operating budget and market documentation that CIF funds will reduce debt service costs such that market-rate commercial leases will be sufficient to cover all debt service and operating costs associated with the non-residential space. In developing the operating budget, applicants should assume an industry standard vacancy rate of 10% for the non-residential space.
- CIF funds may be used only to cover development costs of the proposed non-residential space. CIF funds may not be used to support the ongoing operating costs of the non-residential space. Income from the residential component of projects may not be used to support the operations of commercial, retail, and/or community facility space.
- Applicants must provide a market analysis clearly demonstrating that there is sufficient demand for the proposed non-residential use at rents assumed in the income and operating budget. The analysis must include Attachment F15 - CIF Project and Market Information, detailing the commercial rents (including per square foot cost) of comparable commercial space in the immediate market area. HCR may, in its sole discretion, consider other information in assessing market demand for non-residential space.
- For retail, commercial or community facility space of mixed-use projects, applicants must provide at least one letter of interest or commitment from a prospective tenant for the non-residential space. Additional letters and/or firm commitments from prospective tenants are encouraged. Such letters and/or commitments must identify the amount per square foot such prospective tenant would be willing to pay for the finished space.
- Successful applicants will be required to enter into a master lease for the non-residential component of the mixed-use project. The master lease must guarantee sufficient income to cover the operating costs and debt service of the non-residential space in the event the space is not sub-leased. CIF funds may not be used for payment of a developer fee on the retail, commercial or community facility portion of the project.

**b. Residential Underwriting Considerations**

- CIF funds may only be used only to cover costs related to the rehabilitation of affordable rural housing projects. CIF funds may not be used to support the ongoing operating costs.

- Rural preservation projects that do not rely on federal low income housing tax credits must satisfy all the underwriting criteria that would apply to stand-alone Low Income Housing Trust Fund applications outlined in the HCR Capital Programs Manual. For projects that are co-funded with USDA Rural Development, HCR will consider utilizing underwriting criteria that appropriately address the requirements of both agencies.

## **7. CIF Design Considerations**

- The commercial, retail, community facility portion of a project will be required to comply with the local building code;
- All metered utilities must be separate systems between the residential and non-residential spaces. Examples include separate HVAC systems with separate boilers/AC units; separate electrical systems; separate domestic hot water systems; etc. Prior to application, HCR will consider reasonable alternatives to achieve an effective separation of utilities;
- Rural preservation projects will be subject to HTFC Design Handbook requirements. However, HCR will consider requests for USDA Rural Development to be designated as lead agency for the purpose of design review and construction monitoring in an effort to avoid duplicative submissions;

## **8. Regulatory Term**

The commercial, retail, community facility or residential space financed with CIF funds will be subject to a regulatory term that is coterminous with any HCR regulatory agreement on the project's affordable residential component, or ten years, whichever is greater. Among other requirements and restrictions that will be addressed in the Regulatory Agreement, provision will be made allowing HCR to disapprove of proposed non-residential uses of CIF-financed space.

## **9. Loan Terms**

CIF awards will, at a minimum, be structured as a 1% deferred loan payable from available cash flow. HCR may consider other loan repayment terms based on the particular financial circumstances and market conditions related to individual applications for assistance.

## **10. Rating Review**



CIF applications will be reviewed and selected based upon the overall strength of the proposed project application. As part of its consideration, HCR will utilize the following rating criteria specific to the project's CIF financing component.

CIF Applications for retail, commercial or community facilities will be rated based on the following criteria:

1. Community Impact/Revitalization (20 points)
2. Leveraging (20 points)
3. Organization Capacity/Experience/Past Performance (20 points)
4. Consistency with Activity Priorities (20 points)
5. Readiness (20 points)

CIF Applications for Preservation Projects in Rural Areas will be rated based on the following criteria:

1. Affordable Housing Need (20 points)
2. Organization Capacity/Experience/Past Performance (20 points)
3. Rehabilitation Investment as Percentage of Total Project Costs (15 points)
4. Leveraging (15 points)
5. Readiness (10 points)
6. Rehabilitation Needs (20 points)

## **G. Medicaid Redesign Team (MRT) Housing Capital Program**

### **1. Introduction and General Information**

The Medicaid Redesign Team ("MRT") was formed by Gov. Andrew Cuomo in 2011 to bring together stakeholders and experts from throughout the state to work cooperatively to reform the system and reduce the State's Medicaid spending. The MRT, recognizing that significant savings could be generated by expanding opportunities for supportive housing, has recommended funding for various initiatives to be administered through multiple State agencies to expand access to supportive housing for high need and high cost Medicaid recipients in the 2014-2015 budget. The money is intended to create new supportive housing opportunities through leveraging other public and private investments to maximize potential Medicaid savings.

As part of the State's commitment to increase the number of supportive housing opportunities for its residents, New York State Homes & Community Renewal ("HCR"), acting through the Housing Trust Fund Corporation ("HTFC"), is making available up to an additional \$25,000,000 of capital to expand supportive housing for high cost Medicaid populations emphasized by the MRT. For purposes of this RFP, supportive housing must meet the definition of "supportive housing" set forth in

Section 2040.2(u) of the DHCR QAP for 9% Low-Income Housing Credits. Eligible applicants may apply for up to \$125,000 in MRT funds per supportive unit serving an eligible population.

HCR is seeking proposals from development teams that include service providers who have service, operating, and capital awards funded through the MRT Supportive Housing Allocation Plan, the NY/NY III Agreement, or from other federal, state and municipal funding streams for high need and high cost Medicaid recipients, to develop multifamily supportive rental housing projects either through new construction, or the gut rehabilitation of vacant buildings.

This RFP seeks to increase the number of integrated supportive housing developments in which a portion of the units are occupied by tenants who are receiving services, and a portion of the units are available to tenants of affordable or market rate units who are not in need of services. Evidence of the service, operating, and capital funding is required as part of the application submission. Successful applicants and their service providers will be required to collect and submit relevant Medicaid patient data to the State Department of Health or another State agency to track Medicaid cost savings resulting from the investment of MRT funds.

Applications requesting MRT funding need not demonstrate a capital funding commitment if the proposed project relies on a NY/NYIII services only commitment from a New York State agency participating agency under the NY/NYIII agreement.

Applicants requesting MRT funds under this RFP may not also request Mitchell-Lama (ML) or CDBG-DR/AHF funds.

Please note that HCR has also made MRT funding available as part of an open window RFP to be used in combination with tax-exempt bond financing and 4% Low-Income Housing Credit.

## **2. Eligible Populations**

Populations that are eligible for funding under the MRT Capital program include:

- a) Those populations that receive funding through the MRT Supportive Housing Allocation Plan,
- b) Populations covered under NY/NY III, and
- c) Populations covered by other federal, State and/or municipal funding streams which provide social service funding for high need and high cost Medicaid recipients.

All applicants seeking MRT Housing Capital funds must provide an integrated housing environment for the proposed residents consistent with the U.S. Supreme Court's *Olmstead v. L.C.* decision.

Applicants must also provide enough information to demonstrate the high cost Medicaid usage of any targeted population. To demonstrate compliance with this application requirement, MRT applicants must provide a letter from the city, State or federal agency that will be providing the service subsidy to the project substantiating that the targeted population has historically had high cost Medicaid usage.

### **3. Funding Priorities/Rating Criteria**

Applications in which MRT funding provides the greatest financial benefit to a project out of all HCR-requested resources will be rated based on the following criteria:

- Expands supportive housing for high-cost Medicaid populations as defined by the MRT (25 points);
- Projects that leverage third-party resources, including the utilization of capital and rental subsidies from other State and municipal funding sources, with highest priority being given to projects that have capital and operating awards for other State agencies (25 points);
- Projects located in areas underserved by supportive housing (15 points);
- Readiness to Proceed (15 points);
- Organizational capacity and strength of the development team/past performance (5 points);
- Service provider is part of the ownership structure (5 points);
- Recipients awarded funding under the OMH NY/NY III Services-Only RFP (5 points); and,
- Coordinated investment by State agencies, federal government and local partners, as well as the applicable Regional Economic Development Council strategic plan (5 Points).

## **H. Mitchell-Lama Program**

### **1. General Information**

In June of 2013, New York State Homes & Community Renewal (“HCR”) acquired a 44-property portfolio of Mitchell-Lama project loans. The objective of the acquisition was

to ensure preservation of affordable housing units through refinancing the projects and generating funds for capital improvements and property upgrades. As part of the State's commitment to increase and preserve the number of affordable housing opportunities for its residents, HCR is making available up to \$32,000,000 of capital for the preservation and improvement of these Mitchell-Lama (ML) properties

Mitchell-Lama funds may be requested alone, or in combination with LIHC and SLIHC. ML funds may not be requested with any of the other programs included in this RFP.

## **2. Eligible Projects**

Applications may only request funding for preservation and improvements related to one of the following Mitchell-Lama properties:

Coney Island Site Nine (Scheuer House)  
3601 Surf Avenue, Brooklyn, NY 11224

Shoreline II  
200 Niagara Street, Buffalo, NY 14201

Broadway East  
3 Garraghan Drive, Kingston, NY 12401

Rockland Manor Houses  
27 Arts Boulevard, Livingston Manor, NY 12758

Main Street  
5254 Main Street, South Fallsburg, NY 12779

Riverview South  
85 Riverdale Avenue, Yonkers, NY 10701

Warburton/Dorado Apartments  
150 Warburton Avenue, Yonkers, NY 10701

Cedars of Chili  
1 Norfolk Drive, Rochester, NY 14624

Fulton Park Site 2 (Smith-Woodard)  
1660 Fulton Street, Brooklyn, NY 11213

Rutland Road Houses, Inc.  
60 East 93rd Street, Brooklyn, NY 11212

106th Street (Lakeview Apartments)  
4 East 107th Street, New York, NY 10029

Coney Island Site 1A (Harborview)  
3415 Neptune Avenue, Brooklyn, NY 11224

Melrose Site D-1 (Michaelangelo)  
225 East 149th Street, Bronx, NY 10451

Parkside Houses  
925 Robin Road, Amherst, NY 14228

Southeast Towers II  
10 Manhattan Square Drive Rochester, NY 14607

Coney Island Site 4A-1 (Sea Rise I)  
3325 Neptune Avenue, Brooklyn, NY 11224

Coney Island Site 4A-2 (Sea Rise II)  
3415 Neptune Avenue, Brooklyn, NY 11224

Parkedge Estates  
544 Deborah Drive, Utica, NY 13502

Madison Manor  
60 Presidential Plaza, Syracuse, NY 13202

Maple Court Homes  
480 Maple City Drive, Hornell, NY 14843

Marcus Garvey Brownstone Houses, Inc.  
353 Chester Street, Brooklyn, NY 11212

Los Flamboyanes  
100 Borinquen Plaza, Rochester, NY 14605

Spa Apartments  
11 East Main Street, Clifton Springs, NY 14432

Skyline Gardens Apartments  
123 Livingston Avenue, Albany, NY 12207

Valley Vista  
122 West Seneca Turnpike, Syracuse, NY 13205

Harlem Canaan House, Inc.  
8 West 118th Street, New York, NY 10026

Indian Trails  
166 Falling Leaf Drive, Malone, NY 12953

Ulster Senior Citizens Houses  
120 Lawrenceville Street, Kingston, NY 12401

**I. CDBG Disaster Recovery Multi-Family Affordable Housing Fund (CDBG-DR/AHF)**

**1. Introduction and General Information**

New York State Homes & Community Renewal (HCR) seeks to engage development partners in the production and preservation of rental housing in areas of the State with unmet need to repair or replace housing damaged by Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee (Covered Storms) by investing the financing resources identified herein. On behalf of the Governor's Office of Storm Recovery (GOSR), HCR expects to make available up to \$50,000,000 under the New York Rising Rental Buildings Recovery Program Multi-family/Affordable Housing Fund (CDBG-DR/AHF). These are federal Community Development Block Grant – Disaster Recovery (CDBG-DR) funds provided to New York State and administered through the Housing Trust Fund Corporation (HTFC).

The national objectives of the CDBG program are to develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income people. CDBG-DR program grantees must ensure that each funded activity meets one of three named National Objectives:

- Benefiting low- and moderate-income persons;
- Preventing or eliminating slums or blight; and
- Meeting urgent needs.

This funding can be applied towards the acquisition, rehabilitation, reconstruction and/or new construction of affordable multifamily rental housing. Allowable costs may also include the clearing, demolition and removal, and site work for development of multifamily properties.

All projects must demonstrate a clear connection to one of the Covered Storms, as described in the priorities for this RFP. This RFP describes the programmatic and submission requirements for this program.

**CDBG - Disaster Recovery Multi-family Affordable Housing Fund (CDBG-DR/AHF):**

Applicants may only apply under this RFP for CDBG-DR/AHF awards for new construction, substantial rehabilitation and moderate rehabilitation of site-specific multi-family rental housing (the Projects). Any CDBG-DR/AHF awards made under this RFP will be contingent on the project receiving an award of other HCR resources applied for under this RFP. Please note, that HCR has also made CDBG-DR/AHF funding available as part of an open window Notice of Funding Availability and Request for Proposals for

Projects Financed by Private Activity Tax-Exempt Bonds and 4% Low Income Housing Credits.

This RFP explains the process by which HCR/GOSR will accept and evaluate applications requesting CDBG-DR/AHF. Prospective Applicants will be required to schedule a technical assistance meeting with HCR/GOSR, as detailed in Section V, prior to submission of an application. After a determination has been made, unsuccessful Applicants may request an exit conference with HCR/GOSR staff to review their application. The RFP is organized as follows:

Section 1, Introduction and General Information

Section 2, CDBG-DR/AHF Application Deadline and General Requirements, provides additional information on application submission methods.

Section 3, CDBG-DR/AHF Program, provides a more detailed description of the CDBG-DR/ AHF Program.

Section 4, CDBG-DR/AHF General Review, Threshold Requirements, Priorities and Competitive Criteria, provides a more detailed description of the CDBG-DR/AHF Selection criteria.

Section 5, CDBG-DR/AHF Pre-application Requirements, describes requirement for pre-application meeting.

Section 6, Application Processing Steps, provides information on processing of applications submitted in response to this RFP.

Section 7, Contacts for Further Information, provides contact information for relevant HCR and GOSR staff for Applicants to access technical assistance in preparing applications.

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

HCR will seek to award these limited CDBG-DR/AHF resources in a manner that promotes a statewide geographic distribution of this financing in areas with housing damaged by one or more of the Covered Storms. A minimum of \$20,000,000 of CDBG-DR/AHF will therefore be set aside for awards in the NY Rising Community Reconstruction Program areas (See [www.stormrecovery.ny.gov/community-reconstruction-program](http://www.stormrecovery.ny.gov/community-reconstruction-program)).

Any resources from this set-aside not awarded will be made available for use in the following counties with housing damaged by one or more of the Covered Storms: Albany, Broome, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Herkimer, Montgomery, Nassau, Oneida, Orange, Otsego, Putnam, Rensselaer, Rockland, Saratoga, Schenectady, Schoharie, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, and Westchester. Please refer to the UF Reference Materials for a map of eligible counties.

HCR does not expect to make any awards in excess of \$7,000,000 to any Project located outside of Nassau, Suffolk, and Westchester counties, or in excess of \$9,000,000 within Nassau, Suffolk, or Westchester Counties. Housing Projects within the five Boroughs of New York City will not be considered for funding as New York City received its own allocation of CDBG-DR.

## **2. CDBG-DR/AHF Application Deadline and General Requirements**

### **a. CDBG-DR/AHF Application Deadline**

The deadlines for submission of applications requesting CDBG-DR/AHF are the same as the deadlines for submission of all Unified Funding applications submitted under this RFP.

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

HCR/GOSR retains the right to waive any requirement contained in this RFP, subject to the applicable statutes and program regulations. HCR/GOSR also retains the right to revise this RFP from time to time, extend the submission due date, to not award all of its funds, and to issue subsequent RFPs. All Proposals must comply with all Federal, State and local laws, including rules and regulations specific to CDBG-DR. CDBG-DR rules and regulations include labor, environmental, green building standards, accessibility, and equal employment opportunity. Davis-Bacon wage rates and compliance requirements will apply to all developments with 8 or more units where CDBG-DR funds are expended on construction. See Federal Requirements, including Federal Labor Standards Provisions:

[www.nyshcr.org/AboutUs/training/06seminar4\\_HUD\\_4010.pdf](http://www.nyshcr.org/AboutUs/training/06seminar4_HUD_4010.pdf)

### **b. Additional Requirements**

This RFP provides only a portion of the information and materials needed for AHF application. Other materials that may be applicable to an AHF application depending on the specifics of the project include:



- DHCR’s Low-Income Housing Credit Program Qualified Allocation Plan: [www.nyshcr.org/Publications/QAP/LIHC-QAP-2013.pdf](http://www.nyshcr.org/Publications/QAP/LIHC-QAP-2013.pdf) ;
- Resiliency Toolkit, which outlines suggested measures for maximizing resiliency to future weather events : [www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/ResiliencyToolkit140722.pdf](http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/ResiliencyToolkit140722.pdf);
- Flood plain development and insurance guidelines. [www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/FloodInsuranceMandatoryGuidelines2007.pdf](http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/FloodInsuranceMandatoryGuidelines2007.pdf); and
- Unified Funding Materials. [www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/)

In addition, Applicants should be aware that federal law and regulations require that GOSR contracts providing CDBG-DR assistance contain certain provisions including, but not limited to those listed below. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

- Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold);
- Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000);
- Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity,” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees);
- Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair);
- Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation);
- Compliance with Sections 103 and 107 of the Contract Work Hours and Safety

Standards Act (40 U.S.C. 327–330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers);

- Compliance with Sections 503 and 504 of The Rehabilitation Act of 1973 (29 U.S.C 794) as supplemented by Department of Labor regulations (41 CFR Part 60-741 and 24 CFR 8). (Contracts awarded by grantees and subgrantees in excess of \$10,000);
- Notice of awarding agency requirements and regulations pertaining to reporting;
- Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract;
- Awarding agency requirements and regulations pertaining to copyrights and rights in data;
- Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions;
- Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed;
- Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000);
- Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (U.S.C. 6201);

### **3. CDBG-DR/AHF Program**

#### **a. Detailed Description of CDBG-DR/AHF Program**

CDBG-DR/AHF is a housing development program that provides financing assistance for acquisition, capital costs and related soft costs associated with the new construction or rehabilitation of affordable housing developments to address unmet housing need in area damaged by one or more Covered Storms.

Under this RFP, CDBG-DR/AHF resources must be requested in combination with federal 9% Low Income Housing Credits. Applicants may also request CIF, RARP, and UI Program funds in combination with CDGB-DR/AHF funds only if the application proposes a mixed-use project with a non-residential component.

CDBG-DR/AHF financing may only be utilized to finance the development of affordable units in residential properties where the majority of units are affordable to households with incomes up to 80% of area median income (AMI), as adjusted for family size. However, for applications under this notice of funding availability, up to 30% of the Project's units may be affordable to tenants with incomes above 60% of AMI, provided that those units are deemed to be necessary for the financial viability of a mixed-income project (see Section IV for restrictions).

Applicants may request CDBG-DR/AHF financing as either a grant or a construction or a permanent loan. All projects will be subject to a minimum regulatory period of 30 years.

HCR is required to comply with Article 15-A of the Executive Law, which promotes the participation of minority and women-owned businesses (MWBEs) in contracting opportunities. Therefore, HCR encourages contracting with certified minority-and/or woman-owned firms on Projects. ESDC's MWBE Directory should be used as a resource to identify certified MWBE firms and can be found at: [www.esd.ny.gov/MWBE.html](http://www.esd.ny.gov/MWBE.html). All projects financed under the CDBG-DR/AHF program must comply with HCR's M/WBE participation requirements.

**All applicants are subject to HCR's Affirmative Fair Marketing requirements and will be required to provide a marketing plan and report on compliance in accordance with the forms on HCR's website at [www.nyshcr.org/Forms/FairHousing/](http://www.nyshcr.org/Forms/FairHousing/). The Affirmative Marketing Plan must be in compliance with applicable Fair Housing laws and demonstrate how the applicant will affirmatively further fair housing.**

CDBG-DR/AHF applicants must also submit HFA Form 15 (State Environmental Quality Review Submission Requirements).

CDBG-DR/AHF applicants must adhere to HFA mandatory green building standards: [www.nyshcr.org/assets/documents/1656.pdf](http://www.nyshcr.org/assets/documents/1656.pdf)

**b. Agency Roles and Responsibilities:**

**HTFC and DHCR**

DHCR, in its capacity as HCR's allocator of 9% LIHC, will assume the lead role for Projects jointly funded with CDBG-DR/AHF. For most aspects of project application review, construction inspection, and post completion compliance monitoring DHCR and HTFC's review and standards will be utilized in the following areas and

supplemented as required to adhere to CDBG-DR/AHF statutory and regulatory requirements:

- Assessment of compliance with the State’s housing goals, project preferences and priorities, including those related to storm recovery efforts using CDBG-DR (as stated in Section IV below);
- Underwriting feasibility;
- Architectural design and constructability review;
- Construction monitoring;
- Subsidy layering review;
- SEQRA (DHCR, HTFC and GOSR will collaborate on the review);
- Minority and Women Owned Business Participation goals and participation percentages;
- Fair Housing Affirmative Marketing Plan Management Plan and Minority and Women-Owned Business Utilization Agreement; Allowance of Federal Low Income Housing Credits; and,
- Funding commitment.

Projects applying for HFA bond financing must submit a “short form” CDBG-DR/AHF application to HFA to supplement materials provided in the HFA application as required to evaluate eligibility for CDBG-DR/AHF.

Additional information about DHCR/HTFC programmatic requirements standards and the availability of other HFA capital financing and LIHC funding is available online at: [www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/), or, by contacting the HCR staff identified at the end of this RFP.

### **GOSR**

GOSR is responsible for ensuring compliance with CDBG-DR statutory, regulatory, and programmatic requirements including, but not limited to, the following:

- Compliance with National Objectives and eligible activities;
- Duplication of Benefits (DOB) review;
- Davis-Bacon compliance and monitoring;
- National Environmental Protection Act (NEPA) compliance;
- HUD Section 3 compliance; and,
- Uniform Relocation Act Compliance.

Additional information on GOSR and CDBG-DR requirements will be available online at: [www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/AHFRFP.htm](http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/AHFRFP.htm).

Or, by contacting:

Jaye Fox  
Program Director, Multifamily Housing  
GOSR  
(212) 480-4661  
[jaye.fox@stormrecovery.ny.gov](mailto:jaye.fox@stormrecovery.ny.gov)

**c. CDBG-DR/AHF Program Funding Availability:**

GOSR anticipates an appropriation of approximately \$50 million for State Fiscal Year 2014-2015, which will be awarded to applications submitted pursuant to this RFP. The maximum amount of CDBG-DR/AHF financing that may be requested per project is \$7,000,000 for projects located in counties other than Nassau, Suffolk, and Westchester, and \$9,000,000 for projects located in Nassau, Suffolk, and Westchester counties. However, CDBG-DR/AHF resources in excess of these amounts may be awarded if such additional funding is deemed necessary to meet exceptional needs related to recovery from one or more of the Covered Storms.

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

**4. CDBG-DR/AHF General Review Criteria, Threshold Requirements, Priorities and Competitive Criteria**

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

HCR will prioritize projects anticipated to close before September 30, 2015 and reserves the right to defer evaluation of projects which, in HCR’s sole judgment, are anticipated to close after September 30, 2015 until the next funding cycle.

GOSR / HCR eligibility requirements and housing goals that will be considered include:

**a. Threshold Requirements:**

**CDBG-DR Eligibility:**

- i. Project must meet one of the CDBG National Objectives: 1) benefits low- and moderate-income persons (defined as persons or households with income under 80% of AMI, adjusted for household size), 2) prevents or eliminates slums or blight, and/or 3) addresses an urgent need;
- ii. Project must be a CDBG-DR eligible activity;
- iii. Project must be tied to a Covered Storm, either by virtue of having been storm damaged, located within one of the Community Reconstruction Program areas, or located within one of the eligible counties listed in Section I or on map located at [www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/CRPMaps.htm](http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/CRPMaps.htm).

**Other State Threshold Requirements:**

- i. Applicant Past Performance: An Applicant’s past and current performance in State programs and contracts, including performance under Article 15A of the New York State Executive Law, will be considered in reviewing its application. HCR reserves the right to deny an award to any Applicant determined to be not in compliance with existing State contracts.
- ii. Design Criteria: All developments must incorporate resiliency measures specified under the NYS building code, and will be encouraged to incorporate resiliency measures specified in the Resiliency toolkit or other resiliency measures that may be appropriate to the specific development. In addition, all projects must comply with applicable flood plain guidance. All developments in the 100-year flood plain must secure and maintain flood insurance for the life of the project.

**b. Funding Priorities**

Project proposals meeting eligibility and threshold requirements will be characterized as meeting one of the funding priorities below. All eligible and feasible projects in the highest Priority group will be funded before projects in a lower Priority group. Within each Priority group, projects will be ranked according to the Competitive Criteria below, and the highest ranking eligible and feasible projects will be funded first.

**Priority 1:** Repair of existing buildings that have documented damage from one of the Covered Storms and capital needs (awards to be reduced by any funds subject to Duplication of Benefits);

**Priority 2:** New Construction of replacement rental housing for units placed out of service by one of the Covered Storms;

**Priority 3:** Sites located in Community Reconstruction Program areas;

- 3a)** New construction in one of the NY Rising Community Reconstruction Program Areas that is specifically named in a NY Rising Community Reconstruction (NYRCR) Plan: [www.stormrecovery.ny.gov/nyrcr/final-plans](http://www.stormrecovery.ny.gov/nyrcr/final-plans);
- 3b)** New construction in one of the NYRCR areas where affordable housing of the type proposed is identified as a need in the community plan;
- 3c)** New construction in one of the NYRCR areas where affordable rental housing in general is identified as a need in the community plan;
- 3d)** New construction in one of the NYRCR areas, where affordable rental housing may not have been mentioned as a priority in the community plan.

**Priority 4:** New construction in communities proximate to NYRCR areas, within the eligible counties;

**Priority 5:** New construction within the eligible counties;

**Priority 6:** Replacement of storm damaged units at offsite locations, as a remedy of substantial damage;

**Priority 7:** Repair or renovation of existing properties at risk of loss to the affordable or market-rate housing stock, by incorporating a range of resiliency measures.

**c. Competitive Criteria:**

Within each Priority group, projects will be ranked according to following competitive criteria. The highest ranking projects within each Priority group will be funded first.

- i. Admissions preference for rental households who were displaced by one of the Covered Storms, with a method for so doing described in the affirmative marketing plan; (20%)
- ii. Resiliency measures that exceed basic standards; (20%)
- iii. Supportive Housing Projects, as defined in Section 2040.2(u) of DHCR's LIHC QAP, and which evidence a coordinated State investment; (10%)
- iv. Mixed income housing that includes a portion of units for households earning more than 60% of the AMI; (10%)
- v. Proximity to other planned or in-process CDBG-DR infrastructure improvements and/or integration with storm recovery-related economic development activity; (10%)
- vi. Integration with storm recovery-related economic development activity may entail; (10%):

- a. Hiring vendors currently receiving assistance from Storm Recovery small business initiatives;
  - b. Renting retail/community facility space to businesses receiving assistance from Storm recovery;
- vii. Commitment to green building standard more stringent than HFA required standard; (10%)
- viii. Other State Housing Priorities; (10%)
- Regional Economic Development Council Projects: Applications proposing projects that advance the State’s housing goals and objectives, including any goals set forth by the Regional Economic Development Council strategic plan applicable to the area in which the projects are located;
  - Housing Opportunity Projects: Applications proposing workforce housing for families in areas experiencing economic and population growth and served by high performing schools (better than 75% of all US school districts per Location Inc., School District Rating). Applications proposing housing located outside of a HUD-designated Qualified Census Tract (confirm QCT status at: [www.huduser.org/QCT2013/qctmap.html](http://www.huduser.org/QCT2013/qctmap.html)). Applications proposing projects located in a community with a low incidence of crime (neighborhood is safer than 75% of neighborhoods in the USA, per the Location, Inc. Total Crime Index data);
  - 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;
  - Transit Oriented Development (TOD): Applications proposing workforce housing for families in close proximity to MTA rail stations outside NYC or which are in communities that have completed and are implementing TOD plans;

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

##### **5. CDBG-DR/AHF Pre-Application Requirements**

Prospective Applicants will be required to schedule and coordinate a pre-application meeting with development team members, HCR staff, and GOSR staff at least two weeks prior to the application deadline which will apply to application. The pre-application meeting will enable HCR to assess project readiness and evaluate if the timing is appropriate for the Applicant to proceed with submission of the CDBG-DR/AHF applications for this funding round. Should an Applicant submit a CDBG-DR/AHF



application to HCR without previously conducting such a meeting, HCR reserves the right, in its full discretion, to terminate the application without further review.

## **6. Application Processing Steps**

### **a. Application Receipt**

CDBG-DR/AHF applications are assigned an identification number upon receipt.

### **b. Reviews**

#### **i. Eligibility Review**

CDBG-DR/AHF applications are reviewed according to the eligibility criteria of the CDBG-DR/AHF. In addition, applications will be reviewed for consistency with the CDBG-DR/AHF programmatic provisions and requirements described in Section III above.

AHF applications that fail to meet all eligibility criteria will not be reviewed further, and an Application Review Letter will be sent to the Applicant, indicating that the application is ineligible and specifying the reason(s) for ineligibility.

CDBG-DR/AHF project applications will be subject to an evaluation of the extent to which the proposed project addresses the State housing goals and the other preferences referenced above.

#### **ii. Feasibility Reviews**

CDBG-DR/AHF applications will be subject to HCR feasibility reviews including an assessment of architectural design features, underwriting of the project's development costs and operational feasibility, viability, and the provision of units for persons with special needs. HCR, at its sole discretion, reserves the right to make its own determination regarding Project feasibility.

#### **iii. Environmental Review**

All CDBG-DR/AHF projects must comply with the Federal National Environmental Protection Act (NEPA) and 24 CFR 58.

All projects which involve new construction, change of use (as in adaptive reuse projects), or increase the floor area of an existing residential structure by 20% or more must successfully complete an Environmental Assessment (EA) prior to entering into a funding commitment for CDBG-DR/AHF-financed projects. For projects which involve substantial rehabilitation of existing residential structures, an abbreviated environmental review may be required. Pre-application technical assistance is available to discuss these matters further. All awards will be considered conditional until the environmental review is complete.

*Note: Applicants **must not** make a choice-limiting action following submission of an application for funding in response to this RFP. Choice-limiting actions include executing a sales or lease agreement on land for the proposed project site (however, an option to purchase or option to lease is an allowable action) or executing a construction contract **prior** to conducting an objective environmental review and obtaining release of CDBG funds for the proposed activity.*

**c. Funding Recommendations**

CDBG-DR/AHF funding recommendations are made for feasible projects from available funds on the basis of the extent to which the project addresses HCR's housing preferences and funding priorities, and a geographical distribution of funds in support of the State's housing goals.

**d. Outcome Letter**

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

**i. Application Review Letters** are sent to unsuccessful AHF Applicants.

**ii. Award Letters** are sent to successful CDBG-DR/AHF 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 Reservation and Funding Commitment Letters described below. Note that CDBG-DR/AHF projects jointly financed by HFA will be notified of award by HTFC/GOSR, and that all awards will be conditional upon successful completion of environmental review as discussed above.

**5. Funding Commitment Letters**

Subsequent to issuance of an Award Letter, HCR will provide CDBG-DR/AHF Funding Commitment Letters to successful Applicants outlining the terms and conditions under which an CDBG-DR/AHF loan will be provided to the project. If a project is jointly financed with HTFC resources, the Funding Commitment Letter issued by HTFC will include the terms and conditions of the CDBG-DR/AHF loan.

**6. Project Development Meeting**

A Project Development Meeting will be held shortly after awards are made. 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. HCR and GOSR staff will both participate in this meeting.

## **7. Contacts for Further Information**

Any questions regarding this RFP or the CDBG-DR/AHF application process under this Notice should be directed to the staff identified at the end of this of this RFP.

## **J. UF 2014 Funding Initiatives**

The following two initiatives have been established for UF 2014.

### **1. Project Based Voucher Program (PBV) Initiative**

As authorized by program regulations at 24 CFR 983, HCR plans to offer approximately 100 units of Project Based Voucher (PBV) assistance for proposed projects financed through the HTF, LIHC, SLIHC and/or HOME programs. A complete description of all applicable program regulations can be found within the Electronic Code of Federal regulations at: [www.ecfr.gov](http://www.ecfr.gov) (Title 24, Part 983).

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.

No demolition or construction can begin until an Agreement to enter into a Housing Assistance Payments (AHAP) contract is signed; therefore, projects that are already in construction cannot receive PBV assistance.

For any project awarded PBVs, an environmental review (NEPA Review) performed in accordance with 24 CFR 58 **MUST** also be completed and approved by HUD prior to any choice-limiting activities, including entering into an AHAP, or commencing construction.

Prior to AHAP, a subsidy layering review for projects with any form of federal, state or local housing assistance, including tax credits will be performed by HCR staff. Applicants are advised to carefully examine the subsidy layering review guidelines relative to PBV assistance issued by HUD in its notice of July 9, 2010. These guidelines establish certain development and operations standards that must be adhered to by projects receiving PBVs, including limits on builder's fees, developer's fee, and project cash flow. The guidelines can be found at: [www.federalregister.gov/articles/2010/07/09/2010-16827/administrative-guidelines-subsidy-layering-reviews-for-proposed-section-8-project-based-voucher](http://www.federalregister.gov/articles/2010/07/09/2010-16827/administrative-guidelines-subsidy-layering-reviews-for-proposed-section-8-project-based-voucher)

Please note that under UF 2014, for applications requesting PBVs, HCR will only allow a developer fee at or below the 12% of the total development cost.

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: [www.nysher.org/Programs/Section8HCV/sec8admins.htm](http://www.nysher.org/Programs/Section8HCV/sec8admins.htm).

**Applications requesting project based assistance only will not be accepted.** Requests for PBV assistance must be accompanied by a request for assistance from the HTF, LIHC, SLIHC and/or HOME Programs.

**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, unless otherwise permitted under the applicable rules and regulations.

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. PBV funds will be used to pay the owner a portion of the monthly rent on behalf of eligible households whose incomes must generally be at or below 30% of the area median income (AMI), and in no case can exceed 50% of AMI. 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.

The maximum request for PBVs is 25% of a project's total units. Exceptions to the 25% limit are permitted for units that will house: 1) the elderly (62 years or older); 2) the disabled; or 3) those where one or more members will participate in a program of supportive services generally equivalent to HUD "Family Self-Sufficiency" programming throughout the term of the PBV Housing Assistance Payments (HAP) contract.

**Davis-Bacon wage requirements are applicable to construction or rehabilitation of all projects receiving nine (9) or more PBVs.**

**2. LIHC Mixed-Income Pilot**

For applications proposing new construction of family projects (no more than 30% of project units may be studios, and at least 25% of the units must have two bedrooms or more OR at least 40% of the units must have two bedrooms or more) in New York City, HCR will allow applicants to exceed the maximum annual LIHC allocation of \$22,000 per LIHC-eligible unit, provided that:

- a). the project’s LIHC-eligible units generate qualified basis in excess of the \$22,000 per unit limit;
- b). any allocation amount above the per-unit annual allocation limit must be used to subsidize HCR-regulated units affordable to moderate- and middle-income households above 60% of Area Median Income (AMI), up to a maximum of 120% AMI;
- c). the total LIHC request does not exceed \$22,000 per unit on a total project basis, inclusive of the units serving households above 60% of AMI; and,
- d). the requested credit amount is within the applicable per-project cap.

All project units will be subject to HCR’s standard cash flow limits as detailed in the Capital Programs Manual Section 5.08.06 (iii) as part of the agency’s LIHC gap analysis.

The development team for the project must have a demonstrated track record in successfully developing, marketing, and managing mixed-income LIHC projects.

The units above 60% must be integrated into the project in terms of distribution of unit type within the building. All units within a proposed project must have reasonably comparable features, finishes and amenities. All units will be subject to a LIHC regulatory agreement, and will have the same regulatory term.

In order to qualify under this Pilot, a project must provide for each unit over 60% of AMI, a matching unit or units, if necessary, of comparable size with affordability level(s) such that the affordability of all the project’s units average to no more than 60% of AMI based upon the proposed rents.

For example, a 60 unit project with 12 units above 60% and 48 units affordable below 60% AMI proposes the following rent affordability levels:

Rent % AMI Affordability	# units	Affordability x # Units
30%	6	180
40%	18	720
50%	12	600
60%	12	720
100%	2	200
110%	8	880
120%	2	240
<b>TOTAL</b>	60	3540
<b>Average Project Rent Affordability</b>	<b>59% AMI (3540 ÷ 60)</b>	

This project would be eligible since the overall affordability of the project rents does not exceed 60% of AMI.

Initial rents on the units over 60% AMI may not exceed 30% of the targeted AMI. All rent levels are calculated as gross rents less a utility allowance. For example, based upon the current 2014 HUD AMI for New York City the following rents would be the maximum that could initially be charged on units above 60% of AMI:

<b>Maximum Initial Rents for Middle Income Units</b>						
<b>Unit Size</b>	<b>70% AMI rent</b>	<b>80% AMI rent</b>	<b>90% AMI rent</b>	<b>100% AMI rent</b>	<b>110% AMI rent</b>	<b>120% AMI rent</b>
0	\$1,029	\$1,176	\$1,323	\$1,470	\$1,617	\$1,764
1	\$1,103	\$1,260	\$1,418	\$1,575	\$1,733	\$1,890
2	\$1,323	\$1,512	\$1,701	\$1,890	\$2,079	\$2,268
3	\$1,528	\$1,746	\$1,964	\$2,183	\$2,401	\$2,619

For projects located outside of HUD designated Qualified Census Tracts (QCTs), if rents are set at an affordability level below the maximum income level at which the units will be regulated, the units may be rented to households above the actual affordability level up to the maximum AMI in the targeted income band. For example, if a project rent is set at 77% AMI affordability and it is to be regulated below 80% AMI, the unit could be rented to households over 77% up to a maximum of 80% AMI.

For projects located within QCTs, HCR will allow a reduced rent burden to encourage middle- and moderate- income households to reside in these economically challenged neighborhoods. The following household income limits apply to middle income units located in QCTs:

- Units with rents at 70% AMI can be rented to households with incomes up to 85% AMI.
- Units with rents at 80% AMI can be rented to households with incomes up to 95% AMI.
- Units with rents at 90% AMI can be rented to households with incomes up to 105% AMI.
- Units with rents at 100% AMI can be rented to households with incomes up to 115% AMI.
- Units with rents at 110% AMI can be rented to households with incomes up to 125% AMI.
- Units with rents at 120% AMI can be rented to households with incomes up to 135% AMI.

## **V. Additional Guidance for the UF 2014 Round**

### **A. General Requirements for Funding Round**

#### **1. Replacement Reserve Requirements**

Operating budgets for all projects requesting LIHC and/or SLIHC, including blended projects also requesting HTF/HOME must provide an annual replacement reserve equal

to \$250 per unit. An initial replacement reserve contribution equal to \$1,000 per unit is also required and it must be included in the development budget.

HTF and/or HOME stand-alone projects without LIHC or SLIHC 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.

## **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.nyshcr.org/Funding/UnifiedFundingMaterials/2014/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/)

### **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.

### **3. Full Disclosure**

All costs and funding sources related to the development, or redevelopment, of the project site, including any related infrastructure work necessary for the project must be included in the project budget. Failure to include all such costs, and/or to disclose such sources will result in the termination of HCR’s review, and the rejection of the application. All costs and financing sources related to the remediation of environmental hazards on the site, or any adjacent sites, necessary for the redevelopment of the parcel on which the proposed project is located must be disclosed in the application, and included in the development budget.

## **B. New York/New York III Supportive Housing Agreement**

As a State housing goal, 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 and service 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 John Serio at [John.Serio@nyshcr.org](mailto:John.Serio@nyshcr.org) or (518) 473-6959.

### **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 supportive housing units within New York City over the next ten years.

## **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 (OMH)).
- 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)
- Chronically homeless families or families at risk of chronic homelessness 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  
Moira Tashjian, MPA, Director of the Bureau of Housing Development and Support  
(518) 402-4233  
[Moira.tashjian@omh.ny.gov](mailto:Moira.tashjian@omh.ny.gov)

New York State Department of Health AIDS Institute  
Cindy Brownell, Director, Housing Program Unit  
(518) 474-8162  
[cindy.brownell@health.ny.gov](mailto:cindy.brownell@health.ny.gov)

NYS Office of Alcoholism and Substance Abuse Services  
Henri Williams, Bureau Director  
(518) 485-0504  
[Henri.Williams@oasas.ny.gov](mailto:Henri.Williams@oasas.ny.gov)

NYS Office of Temporary and Disability Assistance  
Brett Hebner, Assistant Director (518) 476-3433  
[brett.hebner@otda.ny.gov](mailto:brett.hebner@otda.ny.gov)

NYC Human Resources Administration (HRA)  
HIV/AIDS Services Administration (HASA)  
Paula Sangster-Graham, Director of Contracts  
(212) 620-9275  
[sangstergrahamp@hra.nyc.gov](mailto:sangstergrahamp@hra.nyc.gov)

NYC Department of Health and Mental Hygiene, Office of Housing Services  
(DOHMH)  
Gail Wolsk, Director, Office of Housing Services  
(347) 396-6933  
[gwolsk@health.nyc.gov](mailto:gwolsk@health.nyc.gov)

### **3. Agencies with Operating Funding from the NYS OASAS**

NYS Office of Alcoholism and Substance Abuse Services (OASAS) previously awarded funding to cover operating and support services costs for 70 congregate/single-site housing units targeted to serve individuals meeting NY/NY III Population G eligibility criteria. Population G is defined as chronically homeless families or families at serious risk of becoming chronically homeless in which the head-of-household has a substance use disorder. For further information, please contact Henri Williams at OASAS at (518) 485-0504. Applicants interested in providing units to NY/NY III Population G are encouraged to contact the following agencies that have operational funding from OASAS:

**Women In Need**  
115 West 31<sup>st</sup> Street  
New York, NY 10001  
Rondel Boodram, Fiscal Director  
(212) 695-4758 x2208

**Odyssey House**  
50 Pine Street  
New York, NY  
Janice Glenn, Director of Housing Programs  
(917) 492-2580  
[jglenn@odysseyhouseinc.org](mailto:jglenn@odysseyhouseinc.org)

**Fortune Society**  
29-76 Northern Blvd  
Long Island City, NY 11101  
Stanley Richards, V.P  
(212) 691-7554 x202

**Project Hospitality**  
100 Park Ave.  
Staten Island, NY 10304  
William Rueter, Area Director  
(718) 448-1544

**Samaritan Village**  
138-02 Queens Blvd.  
Briarwood NY 11435  
Steve Rockman, V.P Program Development  
(718) 206-2000 x1256

### **C. New York State's Olmstead Implementation Plan**

In its 1999 Olmstead v. L.C. decision, the US Supreme Court ruled that states, in accordance with the American with Disabilities Act (ADA), have an obligation to provide services to individuals with disabilities in the most integrated setting appropriate to their needs.

Governor Andrew M. Cuomo has made serving individuals with disabilities in the most integrated setting a top priority. New York State has developed a comprehensive Olmstead Implementation Plan that addresses integrated housing, employment, transportation, community services, and other important issues. New York State's Olmstead Implementation Plan affirms the State's position as a national leader on disability rights.

Working in collaboration with State, federal, and/or local partners, HCR will review all proposals to assess whether persons with disabilities will be served in the most integrated setting appropriate to their needs.

Any applicant considering submitting an application for a project that would give preference in tenant selection to persons with special needs for 50% or more of a project's bedrooms are required to schedule a pre-application conference with HCR, and the State, federal or local agency that is providing the funding for appropriate services. The purpose of this conference is to explore whether the contemplated project is consistent with the Olmstead decision.

## **VI. Evaluation & Selection Process**

### **A. General Review Criteria**

In general, 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. 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 housing policy goals of the State. Applications will be evaluated within the context of other applications submitted for projects within the same geographic region.

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 infeasible 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 cost-efficiently provide the greatest number of units for the longest period of time for the lowest-income New Yorkers, and which address housing needs and articulated State housing goals will have the greatest likelihood of being selected.

In addition to the competitive score assigned to an application, HCR will also consider other factors, including, but not limited to, the extent to which an application supplements or advances a coordinated investment by State agencies, federal government and local partners, and whether a proposed project clearly advances New York State's housing goals and objectives, including any goals set forth by the Regional Economic Development Council strategic plan applicable to the area in which the project is located.

HCR will consider the proximity of a proposed project to locally undesirable land uses which expose residents to negative physical, chemical, biological, social and/or cultural factors when making award decisions.

HCR will also continue to consider the proposed costs of a project in making its funding decisions.

Within the constraints of statutory and regulatory requirements, HCR will give preference to applications proposing projects in communities that offer greater opportunity for residents, or which are part of a targeted neighborhood revitalization plan.

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 is available here: [www.nyshcr.org/Publications/](http://www.nyshcr.org/Publications/).

HCR will give preference in its award decisions to projects that demonstrate a readiness to proceed to construction by September 30, 2015. For projects located in the City of New York that involve the transfer of City-owned land not awarded pursuant to a competitive process, and for which the Urban Land Use Review Process cannot be initiated until the award of HCR funding, HCR will take into account the need for a longer development timetable.

**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.

Additional information can be found at: [www.nysher.org/forms/FairHousing/](http://www.nysher.org/forms/FairHousing/).

**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.

When evaluating applications, HCR will take into consideration its experiences with a project's development team on previously-awarded projects, including, but not limited to, projects that were delivered with significant delays, cost increases, or change in project scope from what was presented at the time of application.

As a condition of application submission, HCR will require the Project Developer, General Contractor, Architect and Housing Consultant to provide authorization for HCR to conduct credit, background, and Lexis/Nexis reviews.

**D. Entities on Federal or State Debarment Lists**

No entity that is on any Federal or New York State debarment list, or which is otherwise prohibited from bidding on or receiving government contracts, may be contracted for any services related to the project (including construction subcontracts).

### **E. Cost Considerations**

HCR will continue to evaluate project costs in making its funding decisions. All project costs will be compared to those on other proposed projects in comparable cost regions. Two cost regions will be used for these evaluations. The first will include proposed projects located in New York City, and Westchester, Nassau, and Suffolk Counties. The second will include all proposed projects located in the remaining 54 counties of the State. HCR may also take into account any other available cost data.

The QAP provides a Cost Effectiveness scoring criterion that awards points to proposed projects based on a comparison of costs to other projects proposed in the same cost region. The QAP also bars HCR from funding High Cost Projects that significantly exceed the costs of other proposed projects unless a determination has been made by the Commissioner finding the project to be in furtherance of the State's housing goals.

In scoring Cost Effectiveness and identifying High Cost Projects, HCR will use three cost measures:

- Total Residential Project Cost per Gross Square Foot of Residential Space, including common areas (Square Footage used for this calculation is all space within residential units plus all space within residential common areas up to, but not exceeding the HCR design standards limit of 25% of the total, or 35% if a waiver to exceed that 25% limit has been requested and granted prior to application);
- Total Residential Project Cost per Bedroom; and
- Total Residential Project Cost per Residential Unit.

For scoring purposes, HCR will award points to projects with costs at or below the median for all projects submitted during the round within the same cost region.

High Cost Projects will be defined as projects that average above 130 percent of the cost region median for the three cost measures listed above. For example, if the costs for Project A are 155 percent of the cost region median for cost per square foot, 132 percent of the cost region median for cost per bedroom, and 120 percent of the cost region median cost per unit, the average (mean) across the three measures would be 135.6 percent. As a result, Project A would exceed the 130 percent threshold, be identified as a High Cost Project, and could only be funded if a determination was made by the Commissioner finding the project to be in furtherance of the State's housing goals.

The amount of LIHC and SLIHC that will be available for High Cost Projects will be limited to no more than 10 percent of the credit allocated during the funding round.

Also, as part of its overall effort to control project costs, HCR will continue to apply HTFC Design Handbook maximum square footage limits to all projects seeking funding as part of UF 2014.

## **F. 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**

Applications for funding will be reviewed on the basis of the documentation submitted with the application by the application due date. Applicants will not be given the opportunity to submit application documentation after their initial applicant submission

In all instances HCR, at its sole discretion, will immediately discontinue processing of any application determined to be substantially incomplete. HTFC will 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. Since evidence of acceptable site control is a threshold application requirement, applicants are strongly encouraged to review site control documentation with HCR staff prior to application.

### **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. For CIF, CDBG-DR/AHF, Mitchell-Lama, and MRT funding, applicants should carefully review the program descriptions included in this RFP.**

### Eligibility Review Matrix

Category	HOME	HTF	LIHC and SLIHC
<b>Project</b>	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).	Primarily Residential: rental, cooperatives or condominiums; 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
<b>Costs</b>	<p>Any customary development hard costs, acquisition, related soft costs or relocation costs. HCR will not allow HOME funds to be used for the purchase of furniture and equipment. 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 million, with additional amounts available for projects that meet criteria outlined in Section IV of this RFP.</p>	<p>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 million in HTF funding per project, with additional amounts available for projects that meet criteria outlined in Section IV of this RFP.</p>	<p>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. A request for both credit programs can each go to the per unit limit. Applicants applying for LIHC funding under the Mixed Income Tax Credit Pilot may exceed the \$22k per LIHC-regulated unit, but the total request remains subject to the project cap and the LIHC request cannot exceed \$22,000 per unit on a total project basis, inclusive of the units serving households above 60% of AMI.</p> <p>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 provide supportive housing to persons with special needs as listed in the current Unified Funding Reference Materials, may request up to \$1,650,000.</p> <p>Applications requesting SLIHC may request up to \$750,000 per project if 10% or more of the units are targeted to SLIHC-eligible households above 60% of AMI; or up to \$500,000 per project otherwise</p>
<b>Occupants</b>	<p>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.</p>	<p>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).</p>	<p>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 only).</p>

#### **4. Rating Criteria**

##### **a. General**

Applications which pass eligibility reviews are scored using the rating criteria for each program requested. For the purpose of rating and ranking applications, when an applicant requests funds from two or more programs, HCR will utilize the scoring criteria for the program which would provide the greatest amount of financial assistance to the proposed project. Recognizing that different Program scoring criteria can result in scores that are not comparable to one another, HCR's evaluation of applications will only compare projects to other projects scored under the same Program scoring criteria.

##### **LIHC Rating System**

LIHC applications will be rated based on the criteria contained in the QAP, Section 2040.3(f), which include:

1. Community Impact/Revitalization (15 points)
2. Financial Leveraging (13 points)
3. Sponsor Characteristics (10 points)
4. Green Building (5 points)
5. Fully Accessible and Adapted, Move-in Ready Units (5 points)
6. Affordability (5 points)
7. Individuals with Children (5 points)
8. Marketing Plan/Public Assistance (5 points)
9. Project Readiness (10 points)
10. Persons with Special Needs (5 points)
11. Participation of Non-Profit Organizations (4 points)
12. Mixed Income (5 points)
13. Historic Nature of Project (3 points)
14. Cost Effectiveness (5 points)
15. Housing Opportunity Projects (3 points)
16. Minority and Women Owned Business Enterprise Participation ( 2 points)

##### **SLIHC Rating System**

SLIHC applications will be rated based on the criteria contained in the New York State Low-Income Housing Credit Regulation, Section 2040.14, which include:

1. Community Impact/Revitalization (15 points)
2. Financial Leveraging (13 points)
3. Sponsor Characteristics (10 points)
4. Green Building (5 points)
5. Fully Accessible and Adapted, Move-in Ready Units (5 points)
6. Income Mixture (10 points)
7. Individuals with Children (5 points)
8. Marketing Plan/Public Assistance (5 points)
9. Project Readiness (10 points)

10. Persons with Special Needs (5 points)
11. Participation of Non-Profit Organizations (4 points)
12. Historic Nature of Project (3 points)
13. Cost Effectiveness (5 points)
14. Housing Opportunity Projects (3 points)
15. Minority and Women Owned Business Enterprise Participation ( 2 points)

### **HTF/HOME Rating System**

HTF/HOME applications will be rated based on the following criteria:

1. Community Impact/Revitalization (15 points)
2. Financial Leveraging (10 points)
3. Sponsor Characteristics (10 points)
4. Green Building (5 points)
5. Fully Accessible and Adapted, Move-in Ready Units (5 points)
6. Affordability (10 points)
7. Individuals with Children (5 points)
8. Subsidized Housing Waiting Lists (5 points)
9. Project Readiness (10 points)
10. Persons with Special Needs (5 points)
11. Participation of Non-Profit Organizations (4 points)
12. Mixed Income (3 points)
13. Historic Nature of Project (3 points)
14. Cost Effectiveness (5 points)
15. Housing Opportunity Projects (3 points)
16. Minority and Women Owned Business Enterprise Participation ( 2 points)

## **5. Design Requirements and Scoring**

### **a) Mandatory Energy Efficiency Strategies**

All projects awarded funding in the HTF, HOME, LIHC, SLIHC, MRT and CIF Rural Preservation Programs must participate in one of the energy efficiency strategies described below. All recommended practices applicable to the construction 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, unless a waiver is granted from HCR standards or requirements.

Applicants should take note that energy codes are in continuing development, which may affect the energy efficiency strategies listed below.

Applicants are hereby advised that energy code requirements and the corresponding energy efficiency strategy must be considered when planning the project development schedule. The applicant will be responsible, without any additional cost to HCR programs, to comply with the applicable energy efficiency standard and all energy code requirements in effect at the time the building permit is issued.

**New York State Energy Research and Development Authority (NYSERDA)  
Multifamily Performance Program (MPP):**

Projects may qualify in the Multifamily Performance Program by meeting version 5.0 program requirements, at a minimum in either the performance, prescriptive, or modified prescriptive (Energy Smart) path. Compliance with more a current version of this program is encouraged, if available when a project commences construction. Please be advised that any changes in building codes may affect the MPP version that will be applicable to a project.

The application must include a contract with a NYSERDA approved MPP partner to oversee the design and construction as necessary to meet the program requirements. The contract must be signed by both the applicant and the MPP partner. Final closeout of the project shall be contingent upon certification from NYSERDA that the project meets the program requirements.

**NYSERDA Low-Rise Residential New Construction Program (LRNCP):**

Projects may qualify in either the New York ENERGY STAR Certified Homes or the New York Energy Smart designation, by meeting the applicable ENERGY STAR certified Homes, version 3.0 program requirements at a minimum. Compliance with more current versions of this program is encouraged, if available when a project commences construction. Please be advised that the version utilized may substantially affect the incentives that can be received from NYSERDA and that any changes in building codes may affect the ENERGY STAR version that will be applicable to a project.

The application must include a signed contract between the applicant and either a qualified Builder or Home Energy Rating System (HERS) Rater, who participate in NYSERDA's programs. The contract must be signed by both the applicant and the Builder or HERS Rater. In lieu of a signed contract, HCR will accept a HERS-based plan review completed by a participating HERS rater to affirm the project design will meet the high efficiency guidelines required to meet NYSERDA's program requirements. Final closeout of the project shall be contingent upon certification from NYSERDA that the project meets the program requirements.

**U. S. Environmental Protection Agency (EPA) ENERGY STAR Multifamily High Rise Program:**

Projects may qualify in either the prescriptive path or the performance path to achieve a performance target of 15% over ASHRAE 90.1-2007, at a minimum. Please be advised that projects may be required to achieve a performance target of 15% over ASHRAE 90.1-2010, as determined by EPA, based on the current building code in effect at the commencement of the construction of a project.

The application must include a contract with an energy consultant to oversee the design and construction as necessary to meet the program requirements. The contract must explain the methodology to be utilized to ensure that the standard will be met, and must be signed by both the applicant and the energy consultant. Final closeout of the project shall be contingent upon certification from US EPA that the project meets the program requirements. As noted above, certification will be contingent upon complying with the EPA base standards as they relate to the building code in effect at the time of construction.

#### **EPA ENERGY STAR Certified Homes:**

Projects may qualify utilizing ENERGY STAR Certified Homes Version 3.0 at a minimum, in either the prescriptive path or the performance path. Please be advised that projects may be required to comply with ENERGY STAR Certified Homes, Version 3.1, as determined by EPA, based on the current building code in effect at the commencement of the construction of a project.

The application is to include a contract with a RESNET certified HERS rater which explains the methodology to be utilized to ensure that the standard will be met. The contract must be signed by both the applicant and the HERS Rater. In lieu of a signed contract, HCR will accept a HERS-based plan review completed by a qualified HERS rater to affirm the project design will meet the high efficiency guidelines required to meet EPA ENERGY STAR Version 3.1 or more current version requirements in accordance with EPA certification criteria. Final closeout of the project shall be contingent upon certification from US EPA that the project meets the program requirements. As noted above, certification will be contingent upon complying with the EPA base standards as they relate to the building code in effect at the time of construction.

#### **Enterprise Green Communities Criteria:**

Projects may qualify by participating in Enterprise Green Communities Criteria, 2011, or newer if applicable, based on the construction timeframe. Projects in New York City may utilize the HPD - Enterprise Green Communities overlay. Participation allows applicants to utilize Enterprise Green Communities Criteria, which includes meeting defined energy performance criteria as a base standard for compliance with the mandatory energy efficiency strategies of this section and the optional green building program participation of section VI. F. 5. c). The applicant shall submit a letter indicating that they are selecting Enterprise Green Communities Criteria as means of compliance with both the mandatory energy efficiency strategies and the optional green building program participation in addition to the submission requirements indicated in VI. F. 5. c). Final closeout of the project shall be contingent upon certification from Enterprise Green Communities that the standard was met.

### **Historic Rehabilitation & Adaptive Re-use:**

Projects with historic buildings undergoing a substantial rehabilitation or adaptive re-use, that cannot fully implement one of the first four standards described above without negatively affecting the historic building fabric, shall enroll in either the NYSERDA MPP or LRNCP to achieve the New York Energy Smart designation offered by those programs. The applicant's development team shall work with NYSERDA and HCR to implement the applicable provisions of these programs. The application must include a signed contract as noted above for the applicable NYSERDA program. Final closeout of the project shall be contingent upon certification from NYSERDA that the project meets the applicable program requirements.

### **Moderate Rehabilitation:**

Applicants may: 1) Bring existing building(s) that do not meet the current energy code up to the energy code standard for comparable new construction building(s) in effect on the date the building permit is issued; or 2) 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, with the application. Proposals for bringing a building to current energy code standards must include a code analysis that is submitted in the application and is prepared by an architect or engineer licensed in the State of New York. Final closeout of the project shall be contingent upon a final analysis and report, including results of required energy code testing, that certifies that the project meets the chosen goal.

### **b. Mandatory Green Building and Energy Efficiency Practices**

All projects awarded funding in the HTF, HOME, LIHC, or SLIHC program(s) shall include the applicable mandatory green building and energy efficiency practices listed below. Conformance with any of these practices does not replace, or substitute for compliance with other HCR program funding standards or requirements.

#### **Lead-safe Work Practices:**

Include lead-safe work practices and procedures in the rehabilitation of buildings constructed prior to 1978.

Applicable projects shall comply with the most current editions of the HUD Guidelines for the Evaluation and the Control of Lead-Based Paint in Housing, and the EPA Renovation, Repair and Painting Rule.

**Radon Mitigation:**

Utilize radon mitigation measures in projects located in EPA Radon Zones 1 and 2.

For new construction and substantial rehabilitation projects, install passive radon-resistant features below the slab and vented up through the roof by utilizing vent piping running through the interior of the building. Radon testing shall be conducted prior to occupancy. If the results of this testing exceed the recommended EPA action level, the passive radon system shall be activated.

For moderate rehabilitation projects, install active radon-reduction measures should tests confirm the presence of radon gas in the building exceeding the recommended EPA action level. Testing shall occur at the end of the rehabilitation work, prior to occupancy.

**ENERGY STAR Appliances:**

All refrigerators, dishwashers, and clothes washers included in the project, or supplied by vendors, shall be ENERGY STAR rated. Commercial washing machines may be non-ENERGY STAR rated provided they meet or exceed the energy efficiency, quality, and reduced operational costs associated with ENERGY STAR rated appliances.

**ENERGY STAR Equipment:**

All heating and air conditioning equipment shall be ENERGY STAR rated, or provide the equivalent in energy savings, quality and operational cost. Equipment shall be considered to meet this requirement where the equipment is deemed to comply with the NYSERDA Multifamily Performance Program, NYSERDA Low-rise Residential Construction Program, EPA ENERGY STAR Multifamily High Rise Program, or EPA ENERGY STAR Certified Homes, as described in this

**RFP.ENERGY STAR Lighting:**

All lighting shall be ENERGY STAR rated, or provide the equivalent in energy savings and quality. Interior lighting and exterior building lighting shall incorporate ENERGY STAR fixtures, or high efficacy lamps. Exterior site lighting shall utilize high efficiency lighting. All exterior building and site lighting shall include either daylight sensors or timers to minimize electrical usage.

**Low-VOC paint, Adhesives and Sealants:**

All paints, applied finishes, adhesives, and sealants shall, at a minimum, meet Green Seal, or an equivalent, low-VOC standard.

**Integrated Pest Management:**

All projects are to incorporate integrated pest management during construction that includes sealing all openings, cracks and joints to prevent the infestation of insect and

animal pests from entering the building, or migrating from one apartment or common area to another. After occupancy, the building management shall incorporate environmentally friendly pest management strategies and extermination practices that are safe for the health of the residents and the environment.

**c. Optional Green Building Program Participation (5 points)**

Up to five (5) points will be awarded under the HTF, HOME, LIHC, or SLIHC program(s) to an applicant who documents that their project will meet one of the standards listed below. Due to anticipated developments in Enterprise Green Communities and LEED, the applicant must monitor changes in the chosen standard and make modifications as necessary for final certification. The applicant will be required to comply with the chosen standard, including modifications resulting from changes to the standard, without any additional cost to HCR programs.

**Enterprise Green Communities:**

Certification under Enterprise Green Communities Criteria, 2011, or newer if applicable, based on the construction timeframe. The applicant shall submit a Letter of Acknowledgement from Enterprise that the project was accepted into the program, or submit a letter of agreement between the applicant and a green building consultant, engineer, or architect that includes oversight of the design and construction as necessary for final Green Communities certification. The letter of agreement must be fully executed by the applicant and the green building consultant, engineer, or architect. Final closeout of the project shall be contingent upon certification from Enterprise Green Communities that the standard was met. Projects in New York City may utilize the HPD - Enterprise Green Communities overlay.

**LEED:**

US Green Building Council (USGBC) LEED Rating System. At a minimum, projects shall comply as required for certification with LEED for Homes 2008 requirements that include the 2014 updates, LEED version 4 BD+C Homes, or newer criteria; or LEED version 4 BD+C Multifamily Midrise requirements. If the housing type proposed is not recognized under LEED for Homes v2008, LEED version 4 BD+C Homes, or LEED version 4 BD+C Multifamily Midrise, an equivalent LEED rating system may be substituted upon agreement by HCR. The applicant shall submit a letter of agreement with a LEED Green Rater to oversee the design and construction as necessary for final certification at the Certified, or higher, level. The letter of agreement must be fully executed by the applicant and the LEED Green Rater. Final closeout of the project shall be contingent upon certification from USGBC.

**National Green Building Standard:**

2012 ICC 700 National Green Building Standard. The applicant shall submit a letter of agreement with a Verifier accredited by Home Innovation Research Labs to



oversee the design and construction as necessary for final certification to the Bronze level. The letter of agreement must be fully executed by the applicant and the Verifier. Final closeout of the project shall be contingent upon certification from Home Innovation Research Labs that the project achieved a Bronze, or higher, certification.

**d. Fully Accessible and Adapted, Move-in Ready Units (5 points)**

Projects providing fully Accessible and Adapted, move-in ready, dwelling units will be awarded points based on compliance with either of the two options listed below. Applicants must submit attachment B-10 and supporting documentation in accordance with the instructions written on attachment B-10 and as noted below:

- (1) Option one (2 points):
  - a. at least five percent (rounded up to the next whole number) of the project units are fully Accessible and Adapted, move-in ready for persons with a mobility impairment, meeting the following provisions:
    - i. either:
      1. includes a fully-Accessible and Adapted move-in-ready roll-in shower with an attached seat, or;
      2. includes a fully-Accessible and Adapted, move-in-ready bathtub, and is designed to accommodate a roll-in shower with an attached seat which will be installed at the owner's expense upon request.
    - ii. the unit(s) will be marketed to households with at least one member who has a mobility impairment.
  - b. 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, meeting the following provisions:
    - i. the unit(s) will be marketed to households with at least one member who has a hearing or vision impairment; and,
    - ii. the units are independent of the mobility-impaired units.
  - c. Accessible units shall be equitably distributed among the various dwelling types in the project based on evidence of market demand, or other regulatory provisions applicable to the project.
- (2) Option two (5 points):
  - a. Comply with option one above with the percentages of units meeting the requirements increased to be equal to or exceed 10 percent and 4 percent (rounded to the next whole number) respectively (a minimum of two units each.)

**6. Additional Reviews**

Depending on the Program funding requested, additional reviews, including, but not limited to, design, underwriting and persons with special needs reviews will be conducted.

## **7. Funding Recommendations**

Funding recommendations are made for feasible projects from available funds on the basis of ranking resulting from rating, statutory distribution requirements, a geographical distribution of funds, support of the State's housing goals and other review criteria outlined in this section of the RFP. Applicants will be 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, HCR will also consider in reviewing HOME applications the CHDO status of an applicant, as well as whether a project is located in a participating jurisdiction.

## **8. Board Approval**

All HTF, HOME, CIF, UI and RARP and MRT awards must be approved by the HTFC Board of Directors. Mitchell-Lama awards must be approved by the New York State Housing Finance Agency Board of Directors. CDBG – Disaster Recovery awards must be approved by the Governor's Office of Storm Recovery.

## **9. Outcome Letters**

Subject to the availability of funds, HCR expects to 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, and certain provisions which will be incorporated in the project's LIHC/SLIHC Regulatory Agreement.

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.

**10. Funding Commitment Letters**

Funding Commitment Letters (FCLs) are expected to be issued depending upon the readiness of an awardee to proceed and satisfy any conditions of an award. The FCL sets forth the terms and conditions under which HTFC will provide financing to the project and some of HTFC's requirements for the project's ongoing operation during the regulatory period, and is considered a binding agreement when signed and returned by the Applicant.

**11. Project Development Meeting**

The project development team for all awarded projects will be required to participate in a pre-development meeting with HCR staff. 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 the CPM. Project development meetings will be scheduled to occur within approximately 15 business days of the issuance of an award letter.

**12. Processing Time Frames**

Successful applicants will be required to agree to a development timetable outlining the timing of critical development milestones and establishing a schedule for the delivery of key documents for HCR staff review.

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.

**VII. 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 Project Management contact persons for questions related to this RFP are listed below.

**Capital District Regional Office**

Hampton Plaza, 6<sup>th</sup> 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

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  
Kristen 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  
Leonard Skrill, Upstate Director of Development (716) 847-3926  
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, 7<sup>th</sup> 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.

Additional information about GOSR and CDBG-DR requirements will be available online at: [www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/AHFRFP.htm](http://www.nyshcr.org/Topics/Developers/MultifamilyDevelopment/CDBG-DR/AHFRFP.htm).

Updated: November 18, 2014

-END OF REQUEST FOR PROPOSALS-