



NEW YORK STATE

Homes &  
Community  
Renewal

**UNIFIED FUNDING 2014**

# Agenda

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  - Application Materials

# Agenda

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# Agenda

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# What's New?

- New Funding Programs
  - MRT
  - Mitchell-Lama
  - CDBG- DR
  - Citigroup Affordable Housing Subordinate Loan Program
- LIHC Mixed Income Pilot (NYC Only)
- New SLIHC Per Project Limit
- New and Modified Early Award Goals
- New TA Requirements

# What's New?

## Citigroup Affordable Housing Subordinate Loan Program



- ▶ Designed to address funding gaps associated with the construction or acquisition and rehabilitation of affordable multifamily housing rental projects
- ▶ Affordable multifamily projects are projects that would qualify for either 4% or 9% LIHTC.
- ▶ Loans to be structured like any other subordinate loan, e.g. loans would bear below market interest rates and be payable only from available cash flow.
- ▶ For more information visit:
  - <http://www.citibank.com/icg/sa/citicommunitycapital/>

# General Overview – Maximizing Resources

- ▶ HCR reorganization has created efficiencies and allowed for better coordination of the State's housing resources
- ▶ HCR may review a Unified Fund application under any program for which the proposed project is eligible
- ▶ HCR may change or disallow aspects of an application as a condition of award

# General Overview – Program Funds Available

HOME	Approximately \$7,000,000
Low-Income Housing Credit (LIHC)	Approximately \$25,000,000
NYS Low-Income Housing Tax Credit (SLIHC)	Approximately \$4,000,000
Housing Trust Fund (HTF)	Approximately \$40,000,000
Urban Initiative (UI)	\$50,000
Rural Area Revitalization Initiative (RARP)	\$500,000
Rural and Urban Community Investment Fund (CIF)	Up to \$6,700,000

\*Subject to available appropriations/legislative approval

# General Overview – Program Funds Available – continued

Medicaid Redesign Team Capital	Up to \$25,000,000
Mitchell–Lama Program	Up to \$32,000,000
CDBG – DR	Up to \$50,000,000
Section 8 Project–Based Vouchers	100

\*Subject to available appropriations/legislative approval

# General Overview – Schedule

- **August 6, 2014:** Notice of Funding Availability (NOFA)  
Notice of Credit Availability (NOCA)
- **September 2014:** Application Workshops  
9/5–NYC 9/9– Albany 9/10– Rochester
- **Prior to October 7, 2014 (Early Award) & December 4, 2014 (Standard Round):** Technical Assistance available
- **October 7, 2014:** Early Application Deadline
- **December 4, 2014:** Standard Application Deadline
- **December 2014:** Early Awards Anticipated
- **Early Spring 2015:** Standard Awards Anticipated

# General Overview –

## Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/>

1. UF 2014 Request for Proposals (RFP)
2. UF 2014 Project Application CD Online
3. Capital Project Application On-Line Instructions
4. HTFC Design Handbook
5. Capital Programs Manual (CPM)
6. DHCR's Low-Income Housing Credit Qualified Allocation Plan (DHCR QAP)

# General Overview –

## Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/>

7. NYS Low-Income Housing Tax Credit Article 2–A Public Housing Law (SLIHC)
8. NYS Low-Income Housing Tax Credit Program (SLIHC) Regulation – 9 NYCRR Part 2040Section 2040.14
9. UF 2014 Reference Materials
10. UF 2014 Capital Application Powerpoint
11. Pre-Qualified Market Study Firms List

# General Overview – Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/>

13. SHPO “Walk Through” Guide and Contact List
14. CDBG–DR–AHF Special Instructions
15. Unified Funding Q&A

# UF Review Process – Application Review

- ✓ Pre-Application Technical Assistance
- ✓ Eligibility
- ✓ Rating
- ✓ Underwriting
- ✓ Design
- ✓ Selection Criteria
- ✓ Awards

# UF Review Process – Application Review

## Required Pre-Application Technical Assistance

- All CDBG – DR Applications
- All Early Award Applications
- All applications proposing special needs preference for 50% or more of project bedrooms
- All applications proposing the use of historic tax credits (Must have SHPO Participation...see SHPO contact list)
- All Community Investment Fund applications

# Early Awards – General Info

- Submit a complete application by 5 pm, October 7, 2014
- Pre-Application Meeting Required
- Demonstrate readiness to proceed to construction within 120 days of award (150 days for NYC)...Past performance critical consideration
- The application must clearly advance one of the following State housing goals:

# Early Awards – Revitalization & Economic Development Goals

Priority Projects Identified in Regional Economic Development Plans – Project **specifically endorsed** in Regional Economic Development Council Strategic Plan and for which **significant financial assistance** has been made available as part of the plan.

Military Base Impact Projects – Family projects that serve active military bases throughout NYS. Demonstrate readiness to complete construction and rent-up by the summer of 2016.

# Early Awards – Revitalization & Economic Development Goals

## Disaster Relief Projects –

Projects in communities directly impacted by FEMA declared disasters, including Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, and Summer 2013 Severe Storms and Flooding.

Demonstrate significant housing loss within a 1 mi radius of the proposed project **AND** be consistent with comprehensive community rebuilding plan.

CDBG-DR funds not required to be eligible under this goal. If CDBG-DR funds are requested, application must address Funding Priorities 1, 2, or 3 described in RFP.

Demonstrate readiness for rent-up by the summer of 2016

**Must** provide a letter of support from municipality.

# Early Awards – Revitalization & Economic Development Goals

## Mixed–Income/Mixed–Use Revitalization Projects –

- Must serve a mixed use neighborhood and be a part of a neighborhood specific revitalization effort.
- Must target households with incomes above 60% of Area Median Income and have clear local support and commitment of local resources.
- Must involve the reuse of existing buildings OR infill new construction OR demolition and replacement of buildings having a blighting impact on the community.

# Early Awards – Revitalization & Economic Development Goals

## Mixed-Income/Mixed-Use Revitalization Projects – continued

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 Corp. Law;
- propose a non-residential 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; and
- Propose a project located in a community that is participating in Governor Cuomo’s Community, Opportunity, Reinvestment (CORe) Initiative.

# Early Awards – Supportive Housing Goals

Supportive Housing Projects Serving Veterans with Special Needs –  
Must have a preference for Veterans with Special Needs, as defined in Section 2040.2(u) of the DHCR QAP, and demonstrate a coordinated State investment by clearly documenting firm commitments of service, operating, and development financing from State partners.

Medicaid Redesign NY/NYIII Projects –  
Applicants must apply for and satisfy requirements for MRT funding outlined in RFP and have NY/NYIII commitment for at least 25% of total project units.

# Early Awards – Workforce Opportunity Goals

Housing Opportunity Projects – Family projects in areas experiencing economic growth and served by high performing school districts. Projects must be located in areas that have stable or growing tax bases, public transit, child care, and employment opportunities. LIHC basis boost may be requested

Transit Oriented Development (TOD) – Workforce housing:

- Close proximity to MTA rail stations outside NYC
- ¼ mile walking distance to MTA subway stations in NYC
- Serving communities that are implementing TOD plans
- Close proximity to multi-modal transportation centers that contribute to the development of mixed-use, high-density neighborhoods through adaptive reuse of non-residential buildings or infill development.

# Early Awards – Affordable Housing Preservation Goals

## Mitchell-Lama Portfolio Projects –

Redevelopment or preservation of Mitchell Lama Housing units that have been 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 that the refinancing and preservation 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 must demonstrate successful prior experience in the management of similar properties (preference for Mitchell-Lama properties) and must maximize all non-HCR resources available for the redevelopment and preservation of this housing portfolio.

# Early Awards – Affordable Housing Preservation Goals

## Rural Preservation Projects –

Must propose the rehabilitation of projects currently receiving Rural Rental Assistance Program (RRAP) funds

Must extend the useful life of the project by no less than 20 years and satisfy heightened energy efficiency standards specified in the RFP and must result in ongoing reductions of RRAP funding

At least 90 percent of TDC must 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.

# Program Information – New Programs

## CDBG–DR Multi–Family Affordable Housing Fund

- \$50 million available for projects outside of NYC, in counties named in the State CDBG–DR Action Plan (declared–disaster counties under Irene, Lee, or Sandy with FEMA Individual Assistance awards – see RFP p.30)
- Maximum award size:
  - Projects in Nassau, Suffolk, or Westchester: \$9m
  - Projects in Hudson Valley and Upstate: \$7m

# Program Information – New Programs

## CDBG–DR Multi–Family Affordable Housing Fund

- Projects must meet one of the CDBG national objectives (see RFP p. 29)
  - UFA projects should qualify under the LMI National Objective (>50% units for income below 80% of AMI)
- Must demonstrate nexus to one of the named storms
  - Priority given to storm–damaged properties, replacement housing, and projects supporting Community Reconstruction Plans (see RFP pages 37–39)
  - Scoring incentives for housing displaced residents and incorporating resiliency measures (see Resiliency Toolkit, RFP page 32), among others

# Program Information – New Programs

## CDBG–DR Multi–Family Affordable Housing Fund

- Federal requirements – Davis–Bacon, URA, environmental reviews, Section 3, Section 504, ADA, M/WBE, Fair Housing
  - Davis–Bacon wage rates apply where CDBG–DR funds are used, in whole or in part, to finance construction in a project of 8 or more units.
  - Activities other than construction work -- real property acquisition, purchase of equipment, architectural and engineering fees, other services (legal, accounting, construction management), other non–construction items do not trigger Davis–Bacon.
  - Applicants are advised to consult HUD guidance on Davis Bacon in CDBG–DR projects (e.g. “Making Davis–Bacon Work”, Sept. 2011).
  - Refer to RFP (pages 31–33) for more detail on requirements under this initiative.

# Program Information – New Programs

## CDBG–DR Multi–Family Affordable Housing Fund

- All projects reviewed by HCR for feasibility and scoring unrelated to CDBG–DR, with additional review by GOSR (alignment with CDBG–DR program goals, compliance with federal requirements.)
- GOSR completes a Duplication of Benefits review to ensure funds will not be used for any costs for which other storm–related assistance was previously provided or available, and an Anti–Fraud, Waste and Abuse review
- National Environmental Protection Act (NEPA) review required for all projects, Environmental Assessment required for new construction
- No choice–limiting actions may be undertaken between application and GOSRs issuance of environmental clearance letter
- Pre–application meeting is required

# Program Information – New Programs

## MRT Housing Capital Program

### ➤ MRT Program Overview

- The Medicaid Redesign Team (“MRT”) was formed by Gov. Andrew Cuomo in 2011 to reform the State’s Medicaid system to reduce spending and improve health outcomes.
- The MRT recognizes that Medicaid savings can be achieved by expanding access to supportive housing for high need, high cost Medicaid users.
- Successful applicants 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 MRT investments.

# Program Information – New Programs

## MRT Housing Capital Program

- Up to \$125,000 in MRT funds per supportive unit serving an eligible population
- MRT funding may also be requested through Open Window RFP in combination with HFA Tax-Exempt bonds.
- MRT cannot be requested in combination with Mitchell-Lama or CDBG-DR
- Evidence of the service, operating, and capital funding from non-HCR sources is required as part of the application submission (no capital required if NY/NYIII)

# Program Information – New Programs

## MRT Housing Capital Program

- MRT applicants must provide letter from the city, State, or federal agency supplying the service subsidy substantiating that the proposed population has historically had high cost Medicaid usage.
- Projects must meet the QAP Supportive Housing definition
- 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

# Program Information – New Programs

## Mitchell Lama Program

### ➤ Program Background

- In June of 2013, HCR acquired a portfolio of 44 Mitchell–Lama project loans.
- Program objective is to ensure preservation of affordable housing units through refinancing and generating funds for capital improvements and property upgrades.

# Program Information – New Programs

## Mitchell Lama Program

- As part of Governor Cuomo’s \$1 Billion HOUSE NY investment, \$32 million is available for the preservation of these 44 projects (listed in RFP)
- Mitchell–Lama funding may also be requested through Open Window RFP in combination with HFA Tax–Exempt bonds.
- 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.

# Program Information – NYS HOME – Multi Family Projects

- UF 2014 HOME available \$7 million
- Project Cap – \$2 million or up to \$2.4 million if project meets criteria listed in UF 2014 RFP
- Per Unit Subsidy is limited per HUD HOME Requirement
- Permanent or construction financing available – residential rental projects only
- HOME funds to assist households  $\leq$  80% of AMI
- Davis–Bacon compliance required for projects with 12 or more HOME assisted units

# Program Information – NYS HOME – Multi-Family Projects

- Must comply with Uniform Relocation Act (49 CFR part 24); Community Development Act Section 104(d); and, HOME (24 CFR Part 92) regarding rules for relocation or displacement of occupants, and acquisition requirements
- Sec. 3 Housing Act of 1937 compliance requires that recipients and their contractors, to the greatest extent possible, provide job training, employment, and contract opportunities for low-income residents/businesses in the area of the project. For more info contact Margaret Aldrich, Senior Compliance Specialist at: [margaret.aldrich@nyshcr.org](mailto:margaret.aldrich@nyshcr.org)

# Program Information – NYS HOME – CHDO Considerations

- 15% of HOME funds must go to Community Housing Development Organizations (CHDO)
- If applying as a CHDO, applicant must comply with the amended CHDO requirements of the 2013 HOME final rule
- CHDO must have staff experienced with projects similar to the one for which HOME funds are being requested. CHDO staff must be paid employees NOT volunteers, board members, or paid consultants
- Roles of CHDO as owner, developer, or sponsor are more specifically defined at 24 CFR 92.300

# Program Information – NYS HOME – Timing Considerations

- Projects must be completed in 4 years or HOME funds recaptured by HUD
- CHDO projects must be expended within 5 years or recaptured
- Rental units must be occupied within 18 months of project completion or project will lose funds for those units

# Program Information – Housing Trust Fund (HTF)

- Approximately \$40 million available
- Project cap – \$2 million or up to \$2.4 million if project meets criteria listed in UF 2014 RFP
- HTF per residential unit cap – \$125,000
- Permanent and/or construction financing available
- Must benefit households  $\leq$  90% of AMI: (in NYC  $\leq$  80% of AMI)

# Program Information – Housing Trust Fund (HTF)

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

# Program Information – Rural and Urban Community Investment Fund

- As part of the 2014–2015 enacted budget, Governor Cuomo and the State Legislature have appropriated \$6.7 million for the Rural and Urban Community Investment Fund (CIF).
- Under UF 2014, CIF funds may be used to:
  - support retail, commercial or community facility components of mixed–use affordable housing developments in urban and rural areas, or;
  - in rural areas, the preservation and rehabilitation of existing affordable housing.

# Program Information – Rural and Urban Community Investment Fund

- Project caps:
  - \$1 million project/\$30,000 per unit for Early Award Rural Preservation Projects
  - Up to \$750,000 project for retail, commercial or community facility space
  - \$750,000 project/ \$30,000 per unit for Standard Round Preservation Projects in Rural Areas

# Program Information – Rural and Urban Community Investment Fund

- 60% of the funds will be allocated to “Urban Areas” with a population of 25,000 or more and 40% of the funds will be allocated to “Rural Areas” with a population of less than 25,000
- Applicants are required to provide a 1 / 3 match of the requested funding amount
- The project must be part of an affordable housing development where at least 70% of the units benefit households at or below 90% of AMI
- Applicants considering applying for CIF are required to schedule pre-application technical assistance conferences with HCR staff.

# Program Information – Rural and Urban Community Investment Fund

## CIF Funding Priorities

- Rural Preservation Early Award Projects or rural rehabilitation projects currently regulated by HCR and that clearly satisfy the requirements for LIHC Preservation Projects.
  
- Commercial or community facility space that will be used to:
  - address a critical unmet community need in the development's primary market area
  
  - ensure the continuation of traditional commercial corridors that would otherwise be disrupted by the development of ground floor residential space.
  
  - advance concerted neighborhood revitalization plans.

# Program Information – Rural and Urban Community Investment Fund

## CIF Non-Residential Underwriting Considerations

- CIF funds may only cover development costs of the proposed retail, commercial or community facility space (i.e. cannot be used as an operating subsidy).
- Income from the residential space may not be used to support the operations of the non-residential space.
- 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 space.

# Program Information – Rural and Urban Community Investment Fund

## CIF Non-Residential Underwriting Considerations

- Applicants must provide a market analysis demonstrating sufficient demand for the proposed non-residential use at rents assumed in the income and operating budget and detail the commercial rents of comparable commercial space in the immediate market area.
- Applicants must provide at least one letter of interest from a prospective tenant for the non-residential space and 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 or create a separate condominium for the non-residential component of the project.

# Program Information – Rural and Urban Community Investment Fund

## CIF Residential Underwriting Considerations

- CIF funds may only be used only to cover costs related to the rehabilitation of the 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.

# Program Information – Housing Development Fund Program (HDF)

- Subject to appropriation, HDF Program loan funds may be requested as low-interest construction financing to eligible not-for-profit applicants proposing HOME/HTF as permanent financing.
- Applicants considering HDF to bridge an HTF/HOME permanent loan should discuss with regional office prior to application submission.
- HDF loans may involve additional processing time due to additional state agency approvals.

# M/WBE Participation

- ▶ Article 15A of the Executive Law promotes economic opportunities and equality of employment for minority group members and women in State contracting activities.
- ▶ HCR fully supports these efforts and the Office of Fair Housing & Equal Opportunity's mission is to coordinate and monitor compliance with Article 15A.
- ▶ Preference in awards given to applications which include NYS-certified M/WBE as part of development team – including LIHC scoring feature
- ▶ All projects financed under the HTF, CIF, RARP, UI, HOME, MRT, HDF and CDBG-DR/AHF programs must comply with HCR's M/WBE participation requirements.
- ▶ Award decisions include consideration of applicant's past and current performance, including M/WBE performance
- ▶ Questions on the M/WBE program requirements can be sent to [OFHEO@nyshcr.org](mailto:OFHEO@nyshcr.org).

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

- SLIHC available: \$4 million  
(Additional \$4m available through HWF/tax-exempt bond/4% LIHC RFP issued by HCR/HFA)
- SLIHC max. per project: \$500,000
- SLIHC max. per project: \$750,000  
(If 10% or more of project units are affordable and targeted to households with incomes above 60% of AMI)
- SLIHC max. per unit: \$ 20,000
- Program modeled after LIHC except units affordable to households  $\leq$  90% AMI

# Program Information – SLIHC Program

- ▶ Scoring in SLIHC Regulation generally corresponds to LIHC QAP
- ▶ SLIHC threshold, programmatic standards in QAP
- ▶ Joint LIHC/SLIHC deals should not request the maximum under each program
- ▶ HCR preferences:
  - Leveraging!!!
  - Mixed Income projects (units >60% of AMI)

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

- UF 2014 LIHC available: Approximately \$25 million
- LIHC max. per project
  - Standard project: \$1.43 million
  - Project w/ 50% or more units for large families or persons with special needs (w/supportive services): \$1.65 million
- LIHC max. per unit: \$22,000
- LIHC-assisted units must benefit households  $\leq$  60% AMI
- For acquisition, rehabilitation and new construction of residential units

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

- Preservation Projects:  
Up to \$3.3 million (QAP Sect. 2040.2(q))
  
- High Acquisition Cost Projects (Preservation Projects with 25% minimum acquisition – (QAP Sect. 2040.2(i)): No more than \$1 million of the Preservation set-aside
  
- Supportive Housing Projects (QAP Sect.2040.2(u)/RFP)
  - Up to \$4 million (QAP Sect. 2040.2(u))
  - 25% of project units must serve persons with special needs
  - Pre-application conference to review proposal and Olmstead consistency required

# Program Information – LIHC Application & Allocation Fees

- Credit Application Fee
  - \$3,000 per application
  - \$6,000 if both LIHC & SLIHC are requested
  
- Non-Profit Deferral of Application Fee
  - Non-profit(s)–Sole GP (LP) or Managing Member (LLC)
  - Need to submit pre-application deferral request/obtain written approval to submit with application
  - Identify any HCR projects funded in last 3 years; if so, explain financial hardship necessitating deferral
  
- Binding Agreement Fee – \$1,000
  
- Allocation Fee
  - 8% of 1<sup>st</sup> year's allocation amount

# Program Information –

## 9% LIHC Qualified Allocation Plan (QAP)

- All UF 2014 Early Award and Standard Award Round Applications must address eligibility requirements, underwriting parameters and scoring criteria of current LIHC QAP/SLIHC Regulation (effective Nov. 2013)
- Significant QAP/RFP application review considerations:
  - REDC financing/strategic plan consistency
  - Project site suitability and project location considerations (includes Google Maps and other internet research used for project and tenant accessibility to local, private and public sector amenities, services and economic opportunities)
  - Olmstead consistency for supportive housing/special needs units (most integrated setting and physical distribution of such units throughout project)
  - LIHC/SLIHC 50 year minimum regulatory term
  - Credit/financial background reviews of applicant and/or development team principals via Lexis/Nexis
  - No contractors/sub-contractors on federal or state debarment lists
  - Cost effectiveness (threshold and scoring standards)
  - Notification requirements for non-compliance, identity of interest, changes in project scope and budget
  - Green building/energy efficiency measures for threshold eligibility and scoring indicated in RFP
  - Ongoing importance of leveraging non-HCR funds

# Program Information –

## 9% LIHC Qualified Allocation Plan (QAP)

- Scoring Criteria Modifications:
  - Community Impact/Revitalization –
    - REDC – for max. points (5), proposed project must be identified as a regionally significant priority in applicable REDC strategic plan or update and recommended or approved for REDC award of \$500,000 or more.
  
  - Financial Leveraging –
    - Evaluate the overall amount of requested HCR financing per unit, adjusted for unit size, rather than solely the LIHC funding per unit
    - One point added for requested HCR financing per unit
    - Eliminate one point for projects w/ 50% of credit equity proceeds available as construction financing

# Program Information –

## 9% LIHC Qualified Allocation Plan (QAP)

### ➤ Scoring Criteria Modifications:

- Marketing Plan/Public Assistance –
  - Eliminated (3 pt) preference in tenant selection that 100% of low-income units be given to households on PHA, local Section 8 or other governmental/subsidized housing waiting lists
  - Max. of 2 pts for preference in tenant selection for 50% or more of low income units
  - Enforceable agreement with source of referral; now 3 points
  - Subsequently must be incorporated in Affirmative Marketing Plan
- Persons with Special Needs
  - Attachment E must include a narrative description of:
    - Need/market for the units targeted to persons with special needs
    - Information about the proposed, experienced supportive services provider
    - Explanation of how and where services will be provided
  - Attachment E must also include the Housing Services Agreement and letter from the supportive service provider regarding tenant referral
- Project Readiness
  - Local measures in support of a project may include local provision of a rental or operating subsidy for the project.

# Program Information –

## 9% LIHC Qualified Allocation Plan (QAP)

### ➤ Scoring Criteria Modifications:

- Housing Opportunity Projects (Up to 3 points based on locational criteria):
  - Proximity to public transportation (1 / 2 mile or less safe walking distance) – use Google Maps
  - Outside of HUD Qualified Census Tract (use <http://www.huduser.org> website)
  - In a community with a low incidence of crime (safer than 75% of neighborhoods in USA) – (use Location, Inc. Neighborhood Scout Report)
  - In a community served by high performing schools (better than 75% of all school districts in Location Inc. Neighborhood Scout Report school district rating)
  
- Minority and Women–Owned Business Enterprise Part. (Up to 2 pts):
  - Max Points if M/WBE’s fill two of following roles: Project Attorney, Management Agent, Architect, CPA Auditor, Housing Consultant.
  - M/WBE as project owner/developer/sponsor with controlling interest (51%) in ownership entity
  - M/WBE as project’s general contractor/builder per CPM standard (new)
  - Project meets M/WBE standard of 50% above max. possible HTF/HOME loan of \$2.4 million (i.e., capital loan of \$3.6 million) – whether HTFC financed or credit standalone

# Program Information –

## LIHC Mixed-Income Pilot

- Limited to new construction of family projects in NYC
- Project's LIHC-eligible units must generate qualified basis in excess of \$22,000 per unit
- Maximum annual allocation of \$22k per LIHC-eligible unit **can** be exceeded if extra allocation is used to subsidize HCR-regulated units affordable to households above 60% of AMI up to max of 120% AMI

# Program Information –

## LIHC Mixed-Income Pilot continued

- LIHC request cannot exceed \$22,000 per unit on a **TOTAL** project basis including units over 60% AMI– still subject to per–project cap
- Development team must have experience in successfully developing, marketing, and managing mixed–income LIHC projects
- **All Units** subject to a LIHC regulatory agreement & have the same regulatory term

# Program Information-

## LIHC Mixed-Income Pilot continued

- **Affordability Averaging** – proposed rents for all project units must average to no more than 60% of AMI
- For each unit over 60% AMI, project must provide a matching unit/units of comparable size with affordability below 60% so average overall affordability is  $\leq$  60% AMI
- **Rent Levels of Units over 60% AMI:** Maximum of 30% of monthly hh income for the targeted AMI for the unit size

# Program Information –

## LIHC Mixed-Income Pilot continued

### ➤ **Rent burden of Middle-Income Units:**

- **Outside QCT:** minimum of 30% of annual income to rent
- **QCT:** will allow a rent burden below 30% to encourage middle-income hh to reside in economically challenged neighborhoods:
  - Rents at 70% AMI– units can be rented to hh up to 85% AMI
  - Rents at 80% AMI– units can be rented to hh up to 95% AMI
  - Rents at 90% AMI – unit can be rented to hh up to 105% AMI
  - Rents at 100% AMI – unit can be rented to hh up to 115% AMI
  - Rents at 110% AMI – unit can be rented to hh up to 125% AMI
  - Rents at 120% AMI – unit can be rented to hh up to 125% AMI

# Program Information– LIHC Mixed–Income Pilot continued

- Refer to RFP (pages 43–45) for more detail on requirements under this initiative
- Pre–application meeting for projects requesting funding under this new initiative **strongly** recommended

# Program Information –

## Project Based Voucher Program Initiative (PBV)

- Up to 100 units of PBV assistance for projects financed through the HTF, LIHC, SLIHC and/or HOME programs.
  - Applicants should fully review program regulations in order to ensure the project is consistent with HUD’s regulations.
  - Applicants may only request PBVs for projects in local program areas serviced by HCR’s Section 8 Voucher Program and its network of Local Administrators.
  - NEPA Review must be completed
  - Fee capped at HUD Safe Harbor Limits

# UF 2014 Underwriting Changes

## Appraisals

- Must provide the sales and ownership history for the last three sales regardless of when sales occurred
- Must disclose:
  - any current liens on the property
  - whether the seller is subject to a bankruptcy proceeding
  - whether property is subject to a foreclosure proceeding

# UF 2014 Underwriting Changes

## Appraisals for HOME Funded Projects

- Appraisals now required for **ALL** HOME funded projects that include acquisition – regardless of the amount of acquisition cost
- non-HOME projects: appraisal threshold remains at \$100,000 per individual site

# UF 2014 Underwriting Changes

## Developer Fee in Section 8 PBV Projects

Will be capped at a maximum of 12% of soft costs + hard costs + 10% of acquisition – **no exceptions or waivers allowed**

## Developer Fee in Preservation Projects

If the acquisition includes the assumption of existing debt, **no developer fee** may be earned on those loans – they must be excluded from the 10% of acquisition calculation

# UF 2014 Underwriting Reminders

## Builder's Fees Limits

General Requirements: 6%

Builder's Over head: 2%

Builder's Profit: 6%

**total: 14%**

## Project Contingency Maximums:

- 5% for all new construction & **occupied rehab preservation projects**
- 10% for rehab of **vacant** buildings and for any small non-tax credit projects funded only with HTF and/or HOME

# UF 2014 Underwriting Reminders

## Housing Consultant Fees

- will only be allowed for projects that **do not include LIHC /SLIHC equity** as a funding source
- Refers to fees charged for development activities performed on behalf of the developer, e.g. packaging of funding applications, obtaining real property tax abatement, procuring financing, advising on historic tax credits etc.
- Consultant fees in total for a non-credit project will be limited to the **lesser** of 5% of HCR requested funding or **\$100,000** (counts against the NPDA fee maximum)

# Underwriting –

## LIHC Monthly Credit Rate

**Floating monthly rates should be used in calculating the total qualified basis & will be used in HCR's underwriting:**

- Early Award apps: use September 2014 rates
  - 30% present value rate: 3.24%
  - 70% present value rate: 7.56%
- Standard Round apps: use November 2014 rates

# Underwriting – Assistance

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

# Architecture & Engineering – Submission Requirements

- See Application Instructions for Attachment B3 Requirements (Preliminary Plans)
- New:
  - **Neighborhood Plan**
    - Sites and land uses in the neighborhood
    - Major buildings
    - Show relationships to proposed project
    - All buildings in multi-site project

# Architecture & Engineering – Submission Requirements

- Attachment B3 (Preliminary Plans)
  - 10 MB limit to file size
  - Group multiple drawing sheets into single files
  - Save files at a resolution that is readable on standard computer monitors

# Architecture & Engineering – Submission Requirements

## ➤ Attachment B3 (Preliminary Plans)

Group multiple  
drawing sheets into  
single files

This is what we see:  
Avoid this.....

- [20136017 - Attachment - Attach B3 Preliminary Plans 1 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 10 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 11 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 12 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 13 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 14 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 15 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 16 - 20131.pdf](#)
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- [20136017 - Attachment - Attach B3 Preliminary Plans 19 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 2 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 20 - 20131.pdf](#)
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- [20136017 - Attachment - Attach B3 Preliminary Plans 22 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 23 - 20131.jpg](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 24 - 20131.jpg](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 25 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 3 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 4 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 5 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 6 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 7 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 8 - 20131.pdf](#)
- [20136017 - Attachment - Attach B3 Preliminary Plans 9 - 20131.pdf](#)

# Architecture & Engineering – Design Related Publications

- **Revised Design Handbook**
  - Clarifications and updates (Blue Text)
  - Neighborhood Plan
  - Area Calculations – Appendix E
- ~~Green Building Criteria Reference Manual~~
  - **No Longer Used**
  - Use national green standards listed in the RFP
  - Note Green & Energy requirements on the Plans and Outline Specifications



# Architecture & Engineering – Energy Efficiency Strategies

Energy Efficiency Strategies are mandatory for:

- HTF
- HOME
- LIHC
- SLIHC
- MRT
- CIF (Rural Preservation)

# Architecture & Engineering – Energy Efficiency Strategies

- Projects must comply with one of the Energy Efficiency strategies described in the RFP.
- Five strategies qualify for an HTF or HOME award up to \$2.2 million.
  - **NYSERDA MPP (mid to high rise)**
  - **NYSERDA LRNCP (low rise)**
  - **EPA ENERGY STAR Multifamily High Rise Program**
  - **EPA ENERGY STAR Certified Homes**
  - **Enterprise Green Communities**

# Architecture & Engineering – Energy Efficiency Strategies

- All projects must comply with one of the energy efficiency strategies described in the RFP.
- Other strategies:
  - **Historic rehab & adaptive re-use**
    - Fully implement one of first four standards, or
    - NYSERDA Energy Smart
      - Consult with HCR & NYSERDA
  - **Moderate rehab:**
    - Option one: Meet current energy code for new buildings
    - Option two: Reduce overall energy usage by 20%

# Architecture & Engineering – Energy Efficiency Strategies

## Energy Code

**Applicable energy code determines  
the version for ENERGY STAR based energy  
efficiency strategies**

# Architecture & Engineering – Energy Efficiency and Green Building Practices

- **Mandatory requirements (as applicable)**
  - **Lead-safe work practices** (pre 1978)
  - **Radon mitigation** (EPA radon zones 1 & 2)
  - **ENERGY STAR appliances** (all projects)
  - **ENERGY STAR equipment** (all projects)
  - **ENERGY STAR/high efficiency lighting** (all projects)
  - **Low VOC paint, adhesives & sealants** (all projects)
  - **Integrated pest management** (all projects)

# Architecture & Engineering – Green Building Programs

- Optional program participation (5pts)
  - **Enterprise Green Communities Criteria**
    - 2011 or newer criteria based on most up to date standard
    - HPD overlay for projects in NYC
  - **LEED**
    - LEED for Homes (2008 with 2014 updates)
    - Version 4 BD+C (Homes or Multifamily Midrise)
  - **National Green Building Standard**
    - 2012 ICC 700 National Green Building Standard

# Architecture & Engineering – Preservation Projects

- Must request an AE site visit no later than 30 days prior to the application deadline
  - Set up the site visit through the regional office
  - Provide a draft of the Physical Needs Assessment Form
- HTFC
  - Refer to the Design Handbook Appendix F–HTFC Preservation Standards when determining the Physical Needs Assessment scope of work
- Use the correct application attachment
  - B6 for LIHC and/or SLIHC stand alone projects
  - B13 for HTFC projects

# Common Application Flaws – Site Control as Eligibility Issue

- **Applicants** must have site control at application in one of the formats noted in application instructions
- Site control also deemed eligible if an entity controlled by the applicant has site control; proper documentation will be required in application which demonstrates a legal/organizational relationship linkage between applicant and affiliate
- Don't assume HCR has anecdotal information about linkage
- Site control for each site or building proposed must be evidenced for the project to be eligible

# Common Application Flaws – Site Control

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

# Technical Assistance (TA)

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

# Technical Assistance (TA)

## **Buffalo Regional Office**

Electric Building, Suite 105

535 Washington Avenue

Buffalo, New York 14203

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

(518) 461-6591 cell

Daniel Peters, Project Manager

(716) 847-7132

Kristen Slaiman, Senior Project Manager

(716) 847-3085

Patricia Dieck, Project Manager

(716) 847-7048

## **Syracuse Regional Office**

620 Erie Boulevard West, Suite 312

Syracuse, New York 13204

Lois Holden, Senior Project Manager

(315) 478-7179 x 219

Kathleen Karpinski, Senior Project Manager

(315) 478-7179 x 217

# Technical Assistance (TA)

## **Capital District Regional Office**

Hampton Plaza, 2nd Floor

38–40 State Street

Albany, New York, 12207

Robert Shields, Senior Project Manager

(518) 486–5013

James Armstrong, Senior Project Manager

(518) 486–5011

John Serio, Senior Project Manager

(518) 473–6959

## **New York City Regional Office**

25 Beaver Street, 7<sup>th</sup> Floor

New York, NY 10004

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

Michael Ferguson, Assistant Director of Development (212) 480–7494

# Technical Assistance (TA)

- ▶ 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)

# Questions & Answers

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