

## **Unified Funding 2015 Multi-Family Programs RFP**

### **Record of Revisions**

#### **August 21, 2015:**

Page 8 - in the Disaster Relief Projects section, the year construction and rent-up is to be completed by was corrected to 2017 (from 2016).

Page 35 - in part b) of the 9% LIHC Mixed-Income Initiative section, the maximum AMI was corrected to 130% (from 120%).

#### **September 8, 2015:**

Page 31 - in “J. Middle Income Housing Program (MIHP)” the minimum income was corrected to 60% AMI.

Page 32 - in “J 1. MIHP Program Funding Availability,” the income target for a project to be eligible for MIHP funding over \$3.0 million was changed to 90%.

## **Request for Proposals**

### **Multi-Family Programs**

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

Division of Housing and Community Renewal  
Housing Trust Fund Corporation  
New York State Housing Finance Agency

#### **Unified Funding Programs**

Low-Income Housing Credit Program  
New York State Low-Income Housing Tax Credit Program  
Low-Income Housing Trust Fund Program  
New York State HOME Program  
Medicaid Redesign Team Housing Capital Program  
Mitchell-Lama Program  
Middle Income Housing Program  
Urban Initiatives Program  
Rural Area Revitalization Projects Program  
Community Investment Fund  
Housing Development Fund

August 2015

### **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) 2015 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 (9% LIHC), the New York State Low-Income Housing Tax Credit

Program (SLIHC), the Low-Income Housing Trust Fund Program (HTF), the New York State HOME Program (HOME), the Medicaid Redesign Team Housing Capital Program (MRT), the Mitchell-Lama Program (ML), and the Middle Income Housing Program (MIHP).

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 ML funds. 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, 9% LIHC, SLIHC, and/or MRT funds. You may not request UI or RARP funds in conjunction with CIF or ML 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, site suitability, the competitiveness of the applications, the applicant’s ability to meet HCR criteria for funding described in this RFP, 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.

In addition, be advised that all project applications approved for financing under a Housing Trust Fund Corporation-administered program are subject to the State Smart Growth Public Infrastructure Act (Chapter 433 of the Laws of 2010):

<https://legiscan.com/NY/text/A08011/id/45591>

Section 2040.3(e) of the DHCR 9% LIHC QAP establishes threshold eligibility requirements for the 9% LIHC and SLIHC programs, including a requirement that development teams can not include anyone who has participated in a publicly assisted program or project that has unresolved compliance issues. Consistent with this threshold eligibility requirement, HCR may find applications ineligible for funding under this RFP if the proposed development team includes developers, owners and/or managers of a project with overdue HTFC debt service payments that have not been corrected or otherwise resolved as determined by HCR's Asset Management Unit.

## **B. New for UF 2015**

There are several important changes to the RFP for UF 2015. Below is a list of the most significant changes.

### **1. New Funding Program**

Up to \$25 million is now available under the new Middle Income Housing Program for gap financing of projects that will serve households above 60% of AMI up to 130% of AMI. This new program is described in detail in Section IV (J) of this RFP.

### **2. New Early Award Housing Goal**

This RFP describes the requirements for a new Early Award State housing goal: Public Housing Redevelopment Projects. The RFP also describes significant changes to several

existing housing goals, including the NY/NY and Mixed Income Mixed Use Revitalization State housing goals.

### **3. Low-Income Housing Credit Mixed-Income Initiative**

After the successful introduction of this pilot in last year's Unified Funding round, applicants proposing LIHC projects in Nassau, Suffolk, and Westchester Counties may now take advantage of this funding opportunity. See Section IV – Program Announcements/Initiatives for details.

### **4. Higher CIF Funding Caps**

As a result of a significant increase in CIF funding proposed by Governor Cuomo and included in the State FY 2015-16 enacted budget, HCR is able to offer higher per unit and per project funding limits under this program. See Section IV – Program Announcements/Initiatives for details.

### **5. NYS Brownfield Cleanup Program**

The State FY 2015-16 enacted budget includes sensible reforms to the Brownfield Cleanup Program that seek to catalyze redevelopment while providing the means to clean up contaminated sites. Under the new law, sites will have until March 31, 2026 to receive a certificate of completion. In order to take advantage of the new law, HCR has established as a State Housing Goal the cleanup and redevelopment of BCP-eligible brownfield sites into affordable housing as part of mixed income, mixed-use neighborhood specific revitalization efforts. See Section V (D) for further guidance on the use of the BCP.

### **6. Neighborhood Revitalization Cross Subsidy Pilot**

As part of HCR's ongoing effort to diversify the income levels of households served by affordable housing and affirmatively further fair housing through mixed income developments, HCR will allow, for the first time on a pilot basis, LIHC and/or SLIHC equity to cross subsidize middle and moderate income units that contribute to a neighborhood-specific revitalization plan in economically distressed communities. See Section IV (K), (3) for details.

### **7. Green Building Scoring Option**

HCR has expanded the options available to applicants seeking competitive points for Green Building by including projects that qualify in either the Passive House Institute US (PHIUS), or the International Passive House Institute (iPHI) programs. See Section VI, (F), (5), (c) for details. Also, recognizing that Green Building has become a widely accepted industry practice, in order to be awarded points for Green Building, applicants must now also qualify for points under the Cost Effectiveness scoring category.

## **8. Planning for Solar or other Alternative Energy Sources**

Recognizing that the use of alternative energy sources in a project requires considerable forethought and detailed planning in order to maximize the benefit of those sources, HCR now requires that all applicants who pursue solar energy, or any other alternative energy sources, to incorporate the design, operating cost, and development cost assumptions associated with those measures into the project at the time of application.

## **9. Construction Interest**

Consistent with HCR's ongoing effort to implement sensible cost containment measures that in no way impact the quality of affordable housing produced through its programs, HCR will no longer recognize unlimited amounts of construction period interest in development budgets. Escalations in construction period interest due to delays caused by mismanagement of the project's construction or mismanagement of the project's conversion to permanent financing will be paid out of developer fee.

## **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 2015 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 2015 CDOL application will be available on the HCR Website at:

[www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/)

UF 2015 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 6, 2015. All other UF 2015 capital applications must be completed and submitted by 5:00 PM on Thursday, December 3, 2015. 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 2015 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 submit questions to [UnifiedFunding@nyshcr.org](mailto:UnifiedFunding@nyshcr.org). Answers to questions submitted by email will be posted on the UF 2015 webpage.

## **B. Additional Submission Information/Materials**

Applicants requesting 9% 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 have not received HCR capital funding since 2012 and 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 deferral requests must document applicant financial hardship, no HCR funded projects since 2012 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 deferral requests to:

Mr. Arnon Adler, Tax Credit Program Manager  
NYS Homes and Community Renewal  
Hampton Plaza, 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 deferral approvals granted by HCR must be appended to the application. (See the UF 2015 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/2015/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/), except as where noted below.

These include:

1. the UF 2015 Capital Application, available at: [www.nyshcr.org/Apps/CDOnline/](http://www.nyshcr.org/Apps/CDOnline/);
2. printable instructions for the UF 2015 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 9% LIHC Qualified Allocation Plan (QAP);
6. DHCR's SLIHC Regulation – 9 NYCRR Part 2040.14;
7. UF 2015 Reference Materials;
8. UF 2015 Capital Application Workshop Presentation; and,
9. the Pre-Qualified Market Analysts List.

### **III. Early Award Applications**

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

HCR seeks to encourage high quality, high readiness projects that advance specific New York State housing goals by providing an accelerated application and review process as part of UF 2015. In addition to meeting the general application requirements described in the RFP, Early Award applications will need to satisfy additional conditions and requirements not required of UF 2015 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 the UF 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 2015 applications, applicants for Early Awards must also:

1. Submit a complete application by 5 PM, October 6, 2015;
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, 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 demonstrating 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. Early Award State Housing Goals**

In order to be eligible for an Early Award, applications must advance at least one of the following State housing goals:

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

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

These applications will propose affordable housing projects that have been specifically endorsed in Regional Economic Development Council Strategic Plans and for which significant financial assistance has been made available as part of such plans.

#### **b. Disaster Relief Projects**

These applications will propose projects in communities directly impacted by Federal Emergency Management Agency 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 2017. 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.

### **c. 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 that are 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. Applications must clearly demonstrate 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 LIHC limits.

Preference under this State housing goal 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 in neighborhoods that have experienced a high incidence of abandoned, “zombie” properties;
- propose a retail or community service component that will address an unmet community need identified in a neighborhood-specific revitalization plan;
- propose a project resulting in the cleanup and redevelopment of property that has been determined to be eligible to participate in the New York State Brownfield Cleanup Program (BCP). In order to be eligible for this preference, applications must propose a plan of finance that fully utilizes all BCP tax credits generated from the cleanup and redevelopment of the property;
- propose a project that is part of a neighborhood specific revitalization plan that also includes the development of new affordable homeownership units and/or the rehabilitation of existing owner-occupied housing; 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**

### **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 DHCR 9% LIHC QAP, for Veterans with Special Needs. Applications must demonstrate a coordinated government investment in the project by clearly documenting firm commitments of service, operating, and development financing from State, local, and/or federal government partners. Among other considerations outlined in the UF2015 RFP, projects will be evaluated on the extent to which funding commitments contribute to meeting the financial needs of the proposed project.

### **b. New York/New York Projects**

To be considered under this Early Award goal, applicants must demonstrate that they have secured a commitment of NY/NY III or NY/NY IV service and operating subsidy for at least 25% of the project's total units. Preference under this goal will be for applications that have secured commitments for a significant percentage of the project's development financing from non-HCR sources.

## **3. Workforce Opportunity Goals**

### **a. Housing Opportunity Projects**

These applications will propose workforce family 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. Proposed projects must include a significant percentage of two and three or more bedroom units. 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**

##### **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 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 the UF 2015RFP. 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 \$2 million in CIF funds, and \$40,000 per unit, and must satisfy all CIF program requirements described in the Unified Funding RFP.

##### **c. Public Housing Redevelopment Projects**

These applications must propose the gut rehabilitation and/or demolition and replacement of substandard public housing outside the City of New York. Eligible applications must include funding commitments for a significant percentage of the project's development financing from non-HCR resources.

#### **IV. Program Announcements/Initiatives**

##### **A. Low-Income Housing Credit Program (9% LIHC)**

The Low-Income Housing Credit Program (9% 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).

9% 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 the IRC.

Applicants requesting 9% LIHC are referred to Section 42 of the IRC and are advised to carefully review the DHCR 9% LIHC Qualified Allocation Plan (QAP) before submitting an application. The DHCR 9% LIHC QAP includes program definitions, threshold eligibility review criteria, project scoring and ranking criteria, clarifications regarding DHCR's allocation process, certain project underwriting criteria 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 9% LIHC applications submitted for projects located outside of the City of New York. Both the DHCR 9% LIHC QAP and the Pre-Qualified Market Analysts list are available at:

[www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/)

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. 9% LIHC Availability/Funding Limits**

HCR expects that approximately \$25 million will be available for UF 2015 9% LIHC reservations. The maximum annual 9% LIHC allocation per unit that may be requested is \$22,000. The maximum annual 9% 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 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons).

Except as otherwise noted, all 9% LIHC reservations will be made in compliance with the DHCR 9% LIHC QAP.

### **2. 9% LIHC Funding Set-Asides**

HCR expects to set-aside a total of \$7.3 million of the available UF 2015 9% 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 DHCR 9% LIHC 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 DHCR 9% LIHC 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 impact the project's operating viability and 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 form utilizing application Attachment B6 must accompany this request. Projects which are also requesting HTF or HOME funds from HCR, shall use the HTFC physical needs assessment form, application Attachment B13, instead. Preservation projects that propose a substantial, gut-rehabilitation, that will be replacing all existing systems with new, are not required to submit a physical needs assessment form for this visit, or with the application. Such proposals shall provide a preliminary set of design documents with the site visit 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 loans, HCR will not allow a developer fee to be earned on the portion of acquisition attributable to 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 DHCR 9% LIHC 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 DHCR 9% LIHC 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 DHCR 9% LIHC 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 DHCR 9% LIHC 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 and/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. 9% LIHC Program Advisories**

#### **a. 9%LIHC Mixed-Income Initiative**

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 or Nassau, Suffolk, or Westchester Counties, HCR will allow applicants to exceed the maximum annual 9% LIHC allocation of \$22,000 per 9% LIHC-eligible unit, subject to certain conditions. In addition, this RFP also provides greater flexibility in the income targeting of households under this Initiative. Applicants interested in the Mixed-Income Initiative should review the conditions and requirements described in Section IV, (K), (2) of this RFP.

## **b. 9% LIHC Regulatory Term**

Pursuant to the threshold eligibility provision at Section 2040.3(e)(17) of the DHCR 9% LIHC QAP, all project applications submitted this funding round must propose a minimum 9% LIHC Regulatory Term of 50 years. Accordingly, this minimum Regulatory Term will be reflected in all 9% LIHC (and SLIHC) Reservations and Regulatory Agreements executed for awarded projects submitted under UF 2015, 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 2015 Materials.

The SLIHC Program is similar to the federal 9% 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 9% 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 administered by NYS Housing Finance Agency for applications that propose using private activity tax-exempt bonds and 4% LIHC to finance the new construction or rehabilitation of housing. Applicants seeking SLIHC in conjunction with private activity tax-exempt bonds and 4% LIHC, regardless of the issuer of those bonds must apply under the open window RFP.

All SLIHC reservations will be made in compliance with the DHCR 9% LIHC 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% 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.

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

Subject to the availability of appropriations, HCR intends to make approximately \$47.7 million in HTF Program funds available to fund site-specific project applications under UF 2015. 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. Each Applicant is required to submit with its Application a Section 3 Participation Plan which includes a HUD Section 3 Resident Employment Plan explaining the Applicant's intentions and commitments concerning the hiring of HUD Section 3 residents to perform the work contemplated by this RFP, and information pertaining to the Contractor's affirmative efforts concerning HUD Section 3 Business participation and its efforts in aspiring to meet the numerical goals specified in 24 CFR 135.30. If the Contractor is a Section 3 Business, it must also submit with its Proposal, a Section 3 Business Certification form.

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/). Applicants must also provide HCR with the information necessary to complete a National Environmental Policy Act (NEPA) review in accordance with 24 CFR Part 58. Note that the NEPA review can add three or more months to the environmental review time.

## **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 2015.

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.

## **2. Westchester County HOME Set-Aside**

Up to \$850,000 in HOME funds are set-aside under this RFP to assist HOME-eligible projects proposed in certain Westchester County communities. A list of eligible communities within Westchester County is available at:

[www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunitiesByCounty.htm#a60](http://www.nyshcr.org/Programs/NYS-CDBG/EligibleCommunitiesByCounty.htm#a60)

## **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 2015 project. Use of HDF funds during construction can substantially reduce construction period interest. Please note that HDF Program loans 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. Urban Initiatives (UI) and Rural Area Revitalization Projects (RARP) Programs**

The purpose of the programs are to provide assistance to New York communities for the restoration and improvement of housing, commercial areas and public facilities in urban and rural communities. These two programs will provide grants to not-for-profit community based organizations and charitable organizations that have a direct interest in improving the health, safety and economic viability of a distressed urban neighborhood, a rural area or other aspects of the area environment or in related community preservation or renewal activities.

It is expected that \$50,000 will be available for the Urban Initiatives Program and \$400,000 for the Rural Area Revitalization Projects Program in UF 2015. Applications requesting UI/RARP in combination with another source of funds under this RFP (HTF, HOME, 9% LIHC) will be awarded on a competitive basis. HTFC reserves the right to fund all or a portion of the requested amount, based on the feasibility of the applications received and the total request for funds. The maximum award amount will be \$200,000. Contract terms will be limited to two years.

The Urban Initiatives and Rural Area Revitalization Projects programs provide applicants flexibility in determining the exact nature of their revitalization efforts and program priorities. However, applicants who propose acquisition of real property or acquisition and clearance of real property without immediate prospects for development of the acquired building or parcel will not be considered for an award.

### **1. Urban Initiatives – Eligible Areas**

- An area within a municipality identified by recognized or established boundaries consistent with a determination of neighborhood eligibility under Article Sixteen of the Private Housing Finance Law (i.e. definition, size, population, etc.); in general, neighborhoods in communities with a populations of more than 25,000.

### **2. Urban Initiatives – Eligible Activities**

- Creation, preservation or improvement of residential housing units in a neighborhood.
- Preservation or improvement of local commercial facilities and public facilities or other

aspects of the area environment which include as part of its project the creation, preservation or improvement of residential housing units in a neighborhood.

### **3. Rural Area Revitalization Projects – Eligible Areas**

- Rural Area of the State shall mean cities, towns and villages having a population of less than 25,000.

### **4. Rural Area Revitalization Projects – Eligible Activities**

- Eligible activities include projects that are designed to: construct, maintain, preserve, repair, renovate, upgrade, improve, modernize, rehabilitate, or otherwise prolong the useful life of housing accommodations; to restore abandoned and vacant as well as occupied housing accommodations to habitable and viable condition; to demolish structurally unsound or unsafe or otherwise unsightly or unhealthy residential structures which no longer serve or can economically be made to serve a useful purpose consistent with stabilizing or improving a Region; to acquire and renovate buildings which contain housing accommodations; and to conduct similar activities with respect to retail, commercial, cultural, civic and community establishments within a Region when carried out in connection with or incidental to a program of housing activities.

Applicants for the UI and RARP Programs proposing the rehabilitation of existing housing are encouraged to place an emphasis on energy conservation, handicapped accessibility and remedying unsafe conditions.

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

As part of the State’s Fiscal Year 2015-2016 enacted budget, \$17 million has been made available 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, \$6,800,000 will be allocated to projects located in Rural Areas and \$10,200,000 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 Early Award Rural Preservation projects, or for rural projects that are currently regulated by HCR and that clearly satisfy the requirements for 9% 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 \$2,000,000 per project/\$40,000 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 \$1,500,000 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 9% 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; and,
- Rural preservation projects will be subject to HTFC Design Handbook requirements. However, in consideration of the longstanding cooperative relationship between the two agencies, 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, provided that HTFC Design Handbook requirements, or alternative provisions acceptable to HCR, are adhered to.

**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)

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

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 State FY 2015-16 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, HCR, acting through the HTFC, is making available up to an additional \$34 million 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 9% LIHC QAP. Eligible applicants may apply for up to \$100,000 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, NY/NY, 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/NY services only commitment from a New York State agency participating agency under the NY/NY agreement.

Applicants requesting MRT funds under this RFP may not also request Mitchell-Lama (ML) 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.

## **1. Eligible Populations**

Populations that are potentially 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; 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.

Prospective MRT applicants must schedule a technical assistance meeting with HCR and the Department of Health prior to applications in order to discuss their proposal, including whether the proposed population is eligible for funding under MRT.

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.

## **2. 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 from 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).

## **I. Mitchell-Lama Program**

In 2013, HCR acquired a 44-property portfolio of Mitchell-Lama (ML) 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 \$42 million of capital financing for the preservation and improvement of these ML properties.

ML funds may be requested on a standalone basis, or in combination with 9% LIHC and/or SLIHC. ML funds may not be requested with any of the other programs included in this RFP.

### **1. Eligible Projects**

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

Shoreline II  
200 Niagara Street, Buffalo, NY 14201

Broadway East  
3 Garraghan Drive, Kingston, NY 12401

Main Street  
5254 Main Street, South Fallsburg, NY 12779

Riverview South  
85 Riverdale Avenue, Yonkers, NY 10701

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

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

Los Flamboyanes  
100 Borinquen Plaza, Rochester, NY 14605

Skyline Gardens Apartments  
123 Livingston Avenue, Albany, NY 12207

Valley Vista  
122 West Seneca Turnpike, Syracuse, NY 13205

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

Golden Park Apartments  
56 Golden Park Lane, Liberty, NY 12754

## **J. Middle Income Housing Program (MIHP)**

MIHP is a housing development program that provides financing assistance for acquisition, capital costs and related soft costs associated with the new construction of, or the adaptive reuse of non-residential property to, affordable middle income housing units as part of HCR's ongoing efforts to create greater income diversity in affordable housing while also providing affordable housing options for middle income New Yorkers in certain high cost rental markets, or as part of a concerted neighborhood-specific revitalization effort.

MIHP offers gap financing to developments which include units that will be occupied by households earning above 60% of AMI, up to 130% of AMI. MIHP must be requested in combination with 9% LIHC and must meet the standard LIHC set aside requirements; that is, 20% of the units affordable to households with incomes at 50% or less of AMI or 40% of the units affordable to households with incomes at 60% or less of AMI.

## **1. MIHP Program Funding Availability**

The enacted State FY 2015-16 budget includes a \$25 million appropriation for the new MIHP. The maximum amount of MIHP financing that may be requested under this RFP is \$3,000,000 per project, provided that projects proposing that 10% or more of the total project units will be affordable and targeted to households with incomes above 90% of Area Median Income may request up to \$4,500,000 per project.

## **2. MIHP Funding Priorities and Preferences**

Under this RFP, HCR is seeking MIHP applications that leverage significant amounts of capital support from non-HCR sources and that will provide high quality, construction ready projects that advance one or more of the specific housing goals of the State and the MIHP program. The extent to which a project leverages public and private investment is also one of the criteria used in evaluating applications for MIHP funding.

The MIHP program will also have the following funding priorities and preferences:

- a). Housing Opportunity Projects (see Early Award State Housing Goal);
- b). Mixed Income Mixed Use Revitalization Projects (see Early Award State Housing Goal);
- c). Middle Income Stabilization Projects targeting transitional neighborhood straddling strategic borders between economically vibrant and economically challenged neighborhoods. To qualify under this priority, applicants must demonstrate that, unaided by capital subsidies, the private sector has been unable to construct new rental housing for middle income households in these neighborhoods;
- d). Preference will be provided to projects with at least 25% of the residential units affordable to households with incomes above 90% of AMI up to 130% of AMI, as adjusted for family size;
- e). Preference will be provided to projects where at least 50% of the dwelling units contain two or more bedrooms; and,
- f). Preference will be provided to projects that propose a project resulting in the cleanup and redevelopment of property that has been determined to be eligible to participate in the New York State Brownfield Cleanup Program (BCP). In order to be eligible for this preference, applications must propose a plan of finance that fully utilizes all BCP tax credits generated from the cleanup and redevelopment of the property.

### 3. MIHP Loan Terms and Conditions

MIHP funds may be requested as a source of permanent financing with a 30-year term and 1% fixed interest rate, non-amortizing loan, payable from project revenue.

### 4. General Requirements

All projects will be subject to a minimum regulatory period of 30 years and must be maintained in safe and sanitary condition for the full 30 year term of the loan. Rental properties located within New York City or in municipalities subject to the Emergency Tenant Protection Act of 1974 (ETPA) shall be required to register such units with the HCR's Office of Rent Administration and to comply with, respectively, the rent stabilization laws or ETPA. MIHP awarded projects will be subject to ongoing performance and contract compliance requirements.

Requests for MIHP will be subject to a subsidy layering review and cash flow limits consistent with those applicable to applications requesting other program sources made available under this RFP.

### 5. MIHP Evaluation Criteria

a. Developer Team Experience and Capability	20 points – Scored to the extent that the development team demonstrates the experience needed to successfully complete the project.
b. Readiness	30 points – Scored on the extent the application demonstrates the likelihood of a construction closing in the shortest possible timeframe based upon an assessment of the status of financing commitments and whether the project is supported by the implementation of significant measures including but not limited to infrastructure improvements, real property tax relief and rezoning.
c. Efficiency	20 points – Scored to the extent that the project is financially feasible and cost effective.
d. Leverage	20 points – Scored to the extent that significant non-HCR resources have been committed to the project
e. Families Served	10 points – Scored based on the percentage of 2 or more bedroom units in the proposed project.

### K. UF 2015 Funding Initiatives and Pilots

The following Initiatives and Pilots have been established for UF 2015.

## 1. Housing Choice Project Based Voucher Program (PBV) Initiative

As authorized by program regulations at 24 CFR 983, HCR plans to offer approximately 200 units of Project Based Voucher (PBV) assistance for proposed projects financed through the HTF, 9% 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 an 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. Applicants must account for the timeframe for NEPA Review in preparing their application's development timetable.

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 latest subsidy layering review guidelines relative to PBV assistance issued by HUD in its notice of September 26, 2014. 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: <https://federalregister.gov/a/2014-22971>

Please note that under UF 2015, 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.nyshcr.org/Programs/Section8HCV/sec8admins.htm](http://www.nyshcr.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, 9% 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. 9% LIHC Mixed-Income Initiative**

For applications proposing new construction of family projects (at least 40% of the units must have two bedrooms or more) in New York City and Nassau, Suffolk and Westchester Counties, HCR will allow applicants to exceed the maximum annual 9% LIHC allocation of \$22,000 per 9% LIHC-eligible unit, provided that:

- a). the project's 9% 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 130% AMI;
- c). the total 9% 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 9% LIHC gap analysis.

The development team for the project must have a demonstrated track record in successfully developing, marketing, and managing mixed-income 9% 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 9% LIHC regulatory agreement, and will have the same regulatory term.

In order to qualify under this Initiative, 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:

<b>Rent % AMI Affordability</b>	<b># units</b>	<b>Affordability x # Units</b>
30%	6	180
40%	18	720
50%	12	600
60%	12	720
100%	2	200
110%	8	880
120%	2	240
<b>TOTAL</b>	<b>60</b>	<b>3540</b>
<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 2015 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 - NYC</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>	<b>130% AMI rent</b>
0	\$1,058	\$1,210	\$1,361	\$1,512	\$1,663	\$1,8152	\$1,966
1	\$1,134	\$1,296	\$1,458	\$1,620	\$1,782	\$1,944	\$2,106
2	\$1,359	\$1,554	\$1,748	\$1,942	\$2,136	\$2,331	\$2,525
	\$1,571	\$1,796	\$2,020	\$2,245	\$2,469	\$2,694	\$2,918

Likewise, based upon the current 2015 HUD AMI for Nassau-Suffolk County 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 – Nassau-Suffolk</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>	<b>130% AMI rent</b>
0	\$1,335	\$1,526	\$1,716	\$1,907	\$2,098	\$2,289	\$2,479
1	\$1,430	\$1,635	\$1,839	\$2,043	\$2,248	\$2,452	\$2,656
2	\$1,716	\$1,962	\$2,207	\$2,542	\$2,267	\$2,943	\$3,188
3	\$1,984	\$2,268	\$2,551	\$2,835	\$3,118	\$3,402	\$3,685

Based upon the current 2015 HUD AMI for Westchester County 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 - Westchester</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>	<b>130% AMI rent</b>
0	\$1,295	\$1,480	\$1,665	\$1,850	\$2,035	\$2,220	\$2,405
1	\$1,387	\$1,586	\$1,784	\$1,982	\$2,180	\$2,379	\$2,577
2	\$1,666	\$1,904	\$2,142	\$2,380	\$2,618	\$2,856	\$3,094
3	\$1,924	\$2,199	\$2,473	\$2,748	\$3,023	\$3,298	\$3,573

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 115% AMI can be rented to households with incomes up to 130% AMI.

Applicants interested in participating in this Initiative must schedule a technical assistance meeting with the appropriate HCR staff identified in Section VII of this RFP.

### **3. Neighborhood Revitalization Cross Subsidy Pilot**

As part of HCR's ongoing effort to diversify the income levels of households served by affordable housing and affirmatively further fair housing through mixed income developments, HCR will allow, for the first time on a pilot basis, LIHC and/or SLIHC equity to cross subsidize middle and moderate income units that contribute to a neighborhood-specific revitalization plan in economically distressed communities.

In order to participate in this pilot, applicants must propose projects located in either (a) Qualified Census Tracts that clearly advance the Mixed-Income/Mixed-Use Revitalization State Housing Goal described in Section III, (B), (1), (c); and/or (b) transitional neighborhoods straddling strategic borders between economically vibrant and economically challenged neighborhoods. To qualify under this priority, applicants must demonstrate that, unaided by capital subsidies, the private sector has been unable to construct new rental housing for middle income households in these neighborhoods. Eligible projects must target at least 20% of total units to households at or above 80% of AMI up to 130% of AMI.

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 9% LIHC gap analysis.

In order to participate in this pilot, the development team for the project must have a demonstrated track record in successfully developing, marketing, and managing similar projects.

Units targeted and marketed to households at or above 80% of AMI 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 9% LIHC regulatory agreement and will have the same regulatory term.

HCR will allow a reduced rent burden to encourage middle- and moderate- income households to reside in these economically distressed neighborhoods. The following household income limits apply to middle and moderate income units proposed under this pilot:

- 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 115% AMI can be rented to households with incomes up to 130% AMI.

Applicants interested in participating in this Pilot must schedule a technical assistance meeting with the appropriate HCR staff identified in Section VII of this RFP.

## **V. Additional Guidance for the UF 2015 Round**

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

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

Operating budgets for all projects requesting 9% 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 9% 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/2015/](http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/)

##### **a. Market Study/Analysis Requirements for 9% LIHC/SLIHC Projects**

All applications for projects requesting 9% 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, "Project and Occupant 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 "Project and Occupant 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 Supportive Housing**

As a State housing goal, HCR strongly encourages the submission of applications that include units to be developed with New York/New York service and operating subsidies. Prior to submission of an application, prospective applicants are advised to schedule joint technical assistance meetings with HCR and the State and/or local agencies responsible for the operating and service funding. The following are agency contacts for prospective applicants interested in NY/NY subsidies. 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, applicants should contact the appropriate State or local agency contact person listed below:

New York State Office of Mental Health  
Moirra Tashjian, MPA, Director of the Bureau of Housing Development and Support  
(518) 402-4233  
[Moirra.tashjian@omh.ny.gov](mailto:Moirra.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/Homeless Housing Assistance Corporation  
Brett Hebner, Assistant Director (518) 476-3433  
[brett.hebner@otda.ny.gov](mailto:brett.hebner@otda.ny.gov)

NYS Homes and Community Renewal  
Amanda Beale, Supportive Housing Coordinator  
(518) 474-7392  
[Amanda.Beale@nyshcr.org](mailto:Amanda.Beale@nyshcr.org)

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)

### **NY/NY III Funding from NYS OASAS**

NYS Office of Alcoholism and Substance Abuse Services (OASAS) previously awarded funding to eligible applicants in December 2013 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 for HCR development financing who are interested in providing units to households included in the definition of NY/NY III Population G are encouraged to contact the following organizations that have been awarded service and operating 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) 691-7554x202

**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.

Also, please note that on January 16, 2014, the U.S. Centers for Medicare and Medicaid Services (CMS) published its final rule for Home and Community-Based Services (HCBS) effective March 17, 2014. It is critical that applicants proposing supportive housing for persons with special needs fully understand the requirements of the final rule and all its implications. The full regulation can be found at 42 CFR Part 441.301.

### **D. NYS Brownfield Cleanup Program**

In the ten years since it was established, the Brownfield Cleanup Program (BCP) has cleaned up more than 190 contaminated sites and spurred a wide array of redevelopment projects throughout the State. The State FY 2015-16 budget adopted by the Legislature and signed by Governor Cuomo includes sensible reforms to the program to catalyze redevelopment while providing the means to improve the environment and clean up contaminated sites. The reforms introduce measures to ensure the program is fair to the State's taxpayers by targeting tax incentives in New

York City only to certain sites, including sites that will be redeveloped for affordable housing. The BCP tax credits were scheduled to expire on December 31, 2015. Under the new law, sites will have until March 31, 2026 to receive a certificate of completion.

The cleanup and redevelopment of BCP-eligible brownfield sites into affordable housing as part of a mixed income neighborhood specific revitalization effort has been established as a State Housing Goal.

Because of the complexity and potential risks associated with the redevelopment of contaminated sites, HCR recommends that prospective applicants fully evaluate sites and obtain New York State Department of Environmental Conservation approval to participate in the BCP prior to submitting an application under this RFP.

Under current market conditions, HCR also strongly encourages project sponsors to syndicate BCP tax credits along with the 9% LIHC/SLIHC in order to efficiently introduce this valuable resource into a project's plan of finance.

Please note that all BCP tax credit proceeds are deemed to be "associated financing" for the purpose of conducting the 9% LIHC gap analysis and must be included in the declaration of public subsidies (Exhibit 9E) at application submission, at binding/carryover, and in the 8609 submission.

#### **E. Fair Housing**

Through its programs, HCR seeks to affirmatively further fair housing through various activities, such as developing affordable housing, and removing barriers to the development of such housing, in areas of high opportunity; strategically enhancing access to opportunity, including through: targeted investment in neighborhood revitalization or stabilization; preservation or rehabilitation of existing affordable housing; promoting greater housing choice within or outside of areas of concentrated poverty and greater access to areas of high opportunity.

HCR requires that each multifamily development receiving financing under this RFP financing carry out a marketing strategy to attract prospective renters within the housing market area, regardless of race, color, religion, sex, disability, familial status, national origin, marital status, military status or sexual orientation. In addition to general marketing efforts, each development must engage in an affirmative fair housing marketing program. These affirmative fair housing marketing efforts are meant to target persons identified as least likely to apply and make them aware of available affordable housing opportunities.

All applicants are subject to HCR's Affirmative Fair Housing 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 Fair Housing Marketing Plan must be in compliance with applicable Fair Housing laws and demonstrate how the applicant will affirmatively further fair housing.

The proposed revisions to AFFH section provides further notice to the applicants of the AFFH requirements and tracks the new HUD provisions. It does not add any additional obligations.

#### **F. OPWDD Coordination**

In an effort to promote better coordination between the NYS Office for People with Development Disabilities (OPWDD) and HCR, prospective applicants who are planning to propose a preference in tenant selection for individuals with intellectual and/or developmental disabilities are advised to schedule a meeting with OPWDD's Division of Person-Centered Supports prior to submission of an application under this RFP. Prospective applicants should contact Henry Hamelin, Project Director, OPWDD at (518) 473-9697 to schedule a meeting.

#### **G. Section 3**

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. Each Applicant is required to submit with its Application a Section 3 Participation Plan which includes a HUD Section 3 Resident Employment Plan explaining the Applicant's intentions and commitments concerning the hiring of HUD Section 3 residents to perform the work contemplated by this RFP, and information pertaining to the Contractor's affirmative efforts concerning HUD Section 3 Business participation and its efforts in aspiring to meet the numerical goals specified in 24 CFR 135.30. If the Contractor is a Section 3 Business, it must also submit with its Proposal, a Section 3 Business Certification form.

### **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 concerted neighborhood-specific revitalization effort.

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 outside the New York City region (City of New York and Nassau, Suffolk, and Westchester Counties) that demonstrate a readiness to proceed to construction by September 30, 2016. For projects located in the New York City region, HCR will give preference in its award decisions to projects that demonstrate readiness to process to construction by December 31, 2016. 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 (including the project owner, sponsor, developer and/or housing consultant) on previously-awarded projects, including, but not limited to, projects that were delivered with significant delays, cost increases, changes in project scope from what was presented at the time of application, or other project modifications which would have resulted in a lower competitive scoring for that project.

As a condition of application submission and/or award, HCR will require the project developer, project owner, general contractor, architect, management agent and housing consultant to provide written 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 and disallow costs that are unreasonable and/or excessive.

The DHCR 9% LIHC 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 DHCR 9% LIHC 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 9% 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 2015.

## **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. HCR will consider an application 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**

All applications will be reviewed for program eligibility pursuant to all applicable statutes and regulations, some of which are summarized in the following Eligibility Review Matrix. **Applications that fail to meet the eligibility criteria may not be reviewed further. For CIF, Mitchell-Lama, MIHP, UI, RARP and MRT funding, applicants should carefully review the program descriptions included in this matrix.**

### Eligibility Review Matrix

Category	HOME	HTF	9% 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 (9% LIHC only); new construction, building acquisition with rehabilitation, and rehabilitation.

Category	HOME	HTF	9% 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 \$2million, 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 \$2million 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 9% 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 9% LIHC funding under the Mixed Income Tax Credit Initiative may exceed the \$22k per 9% LIHC-regulated unit, but the total request remains subject to the project cap and the 9% LIHC request cannot exceed \$22,000 per unit on a total project basis, inclusive of the units serving households above 60% of AMI. 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 may request up to \$1,650,000. 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 9% 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.

#### *9% LIHC Rating System*

9% LIHC applications will be rated based on the criteria contained in the DHCR 9% LIHC 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 (3points)
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 under this RFP 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. Non-residential projects shall incorporate comparable energy efficiency strategies as those required for residential projects to achieve similar energy savings.

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. HCR requires that all projects pursuing solar energy, or any other alternative energy sources, to incorporate the design, operating cost and development cost assumptions associated with those measures into the project at the time of application.

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

Projects may qualify through participation in the Multifamily Performance Program, and committing to meet the relevant version of MPP. Projects are encouraged to achieve the highest potential level of energy efficiency and building performance supported through MPP. Please be advised that the level of performance achieved may substantially affect the incentives that can be received from NYSERDA and any changes in building or energy codes may affect the program version 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 MPP requirements.

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

Projects may qualify through participation in the Low-rise Residential New Construction Program (LRNCP), and committing to meet the relevant version of this program. Projects are encouraged to achieve the highest level of energy efficiency and building performance supported through LRNCP. Please be advised that the level of performance achieved may substantially affect the incentives that can be received from NYSERDA and that any changes in building or energy codes may affect the program version 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 LRNCP. 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 LRNCP 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 90.1-2010, at a minimum. Please be advised that projects may be required to achieve a performance target of 15% over ASHRAE 90.1-2013, as determined by EPA, based on the current building code in effect at the commencement of the construction of a project. Compliance with the most current version available when a project commences construction is encouraged.

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 applicable 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 U.S. 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. Compliance with the most current version available when a project commences construction is encouraged.

The application is to include a contract with a RESNET certified HERS rater which explains the methodology to be utilized to ensure that the applicable 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 of the applicable standard. Final closeout of the project shall be contingent upon certification from U.S. 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, 2015, 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 buildings designated as historic by local, state or federal authorities 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, LRNCP or subsequent programs administered by NYSERDA to achieve the New York Energy Smart or equivalent designation offered by participating in one of 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 must 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.

*Limiting Lead Exposure:*

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.

All existing domestic water supply/distribution systems to remain in proposed projects must test negative for lead content in accordance with applicable drinking water regulations and guidelines.

Remove domestic water supply piping and fixtures and replace with lead-free plumbing where tests result in lead content above applicable drinking water regulations and guidelines.

*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, 9% LIHC, or SLIHC program(s) to an applicant who documents that their project will meet one of the four standards listed below. Recognizing that Green Building has become a widely accepted industry practice, in order to be awarded points under this scoring category, applicants must also qualify for points under the Cost Effectiveness scoring category. Applicants who choose one of these options 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, 2015, or newer. Projects in New York City may utilize the HPD - Enterprise Green Communities overlay. The applicant shall submit the Enterprise Green Communities Prebuild Application submission notification, 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.

*LEED:*

US Green Building Council (USGBC) LEED Rating System. At a minimum, projects shall comply with the current, or newer, criteria for: LEED version 4 BD+C Homes, or LEED version 4 BD+C Multifamily Midrise. If the housing type proposed is not recognized under, 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. To qualify for points for LEED participation, 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.

*Passive House Institute Certification:*

Projects may qualify in either the Passive House Institute US (PHIUS), or the International Passive House Institute (iPHI) programs. Certification shall be obtained under PHIUS+ 2015 Passive Building Standard – North America, or newer, based on the construction timeframe, or certified under iPHI protocols. The applicant shall submit a form of a receipt from PHIUS or iPHI that the project was accepted into their program, or submit a letter of agreement between the applicant and a PHIUS or iPHI certified Passive House consultant or designer (CPHC or CPHD) that includes oversight of the design and construction as necessary for pre-certification and final certification. The letter of agreement must be fully executed by the applicant and the CPHC or CPHD, and accompanied with the CPHC's or CPHD's certification from the US or International Passive House Institute. Final closeout of the project shall be contingent upon final certification from PHIUS or iPHI that their standard was met.

Additional information may be found at the following websites:

<http://www.phius.org/homepage>

<http://www.passiv.de/en/index.php>

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 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. Also, please note that consistent with the provisions of the 9% LIHC QAP, HCR may award a project irrespective of its point ranking, if such award is in furtherance of the State's housing goals including the housing objectives of a Regional Economic Development Council applicable to the area in which the project is located and such award is determined by the HCR Commissioner to be in the interests of the citizens of the State of New York.

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, RARP, and MRT awards must be approved by the HTFC Board of Directors. ML and MIHP awards must be approved by the New York State Housing Finance Agency Board of Directors.

## **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 9% LIHC/SLIHC Reservation and Funding Commitment Letters, as described below.
3. 9% LIHC/SLIHC Reservation Letters are sent to successful applicants who requested 9% 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 9% LIHC/SLIHC Regulatory Agreement.

Successful applicants whose projects include both 9% LIHC and/or SLIHC and any of the other resources offered under this RFP will receive both a 9% 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 Timeframes**

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  
Gary VanWormer, Project Manager: (518) 474-5323

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  
Dan Peters, Project Manager: (716) 847-7132  
Patricia Dieck, Project Manager: (716) 855-7048

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, Assistant Downstate Director of Development: (212-480-7494)

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

Updated: September 2015

-END OF REQUEST FOR PROPOSALS-