



Homes and Community Renewal

UNIFIED FUNDING 2015

Agenda

- 1) Welcome
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 - Program Funds Available
 - Schedule
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Agenda

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 - New Subsidy Programs
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 - M/WBE Applicability
 - Credit Programs

Agenda

- 8) Underwriting
- 9) Architecture & Engineering
- 10) Common Application Flaws
- 11) Technical Assistance
- 12) Questions & Answers

What's New?

- New Funding Programs
 - Middle Income Housing Program (MIHP)
- LIHC Mixed Income Initiative – extended this year to Nassau, Suffolk and Westchester Counties
- Neighborhood Revitalization Cross Subsidy Pilot
- Modifications to Early Award Goals
- Higher CIF Funding Cap

What's New?

- Green Building Scoring Option
- Planning for Solar and other Alternative Energy
- New proposed rule for Section 3

General Overview – Maximizing Resources

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

General Overview – Program Funds Available

HOME	Approximately \$7,000,000
Low-Income Housing Credit (LIHC)	Approximately \$25,000,000
NYS Low-Income Housing Tax Credit (SLIHC)	Approximately \$4,000,000
Housing Trust Fund (HTF)	Approximately \$47,700,000
Urban Initiative (UI)	\$50,000
Rural Area Revitalization Initiative (RARP)	\$400,000
Rural and Urban Community Investment Fund (CIF)	Up to \$17,000,000

*Subject to available appropriations/legislative approval

General Overview – Program Funds Available – continued

Medicaid Redesign Team Capital	Up to \$34,000,000
Mitchell–Lama Program	Up to \$42,000,000
Middle Income Housing Program	Up to \$25,000,000
Section 8 Project–Based Vouchers	200

*Subject to available appropriations/legislative approval

General Overview – Schedule

- **August 14, 2015:** Notice of Funding Availability (NOFA)
Notice of Credit Availability (NOCA)
- **September 2015:** Application Workshops
9/9 – Rochester 9/10– Albany 9/11– NYC
- **Prior to October 6, 2015 (Early Award) & December 3, 2015 (Standard Round):** Technical Assistance available
- **October 6, 2015:** Early Application Deadline
- **December 3, 2015:** Standard Application Deadline
- **December 2015:** Early Awards Anticipated
- **Spring 2016:** Standard Awards Anticipated

General Overview –

Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/>

1. UF 2015 Request for Proposals (RFP)
2. UF 2015 Project Application CD Online
3. Capital Project Application On-Line Instructions
4. HTFC Design Handbook
5. Capital Programs Manual (CPM)
6. DHCR's Low-Income Housing Credit Qualified Allocation Plan (DHCR 9% LIHC QAP)

General Overview –

Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/>

7. NYS Low-Income Housing Tax Credit Article 2–A Public Housing Law (SLIHC Statute)
8. NYS Low-Income Housing Tax Credit Program (SLIHC) Regulation – 9 NYCRR Part 2040 Section 2040.14
9. UF 2015 Reference Materials
10. UF 2015 Capital Application Powerpoint
11. Pre-Qualified Market Study Firms List

General Overview –

Application Materials on HCR Website

<http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2015/>

13. SHPO “Walk Through” Guide and Contact List
14. Unified Funding Q&A

UF Review Process – Application Review

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

UF Review Process – Application Review

Required Pre-Application Technical Assistance

- All Early Award Applications
- All applications proposing special needs preference for 50% or more of project units
- All applications proposing the use of historic tax credits (Must have SHPO Participation...see SHPO contact list)
- MRT applications
- LIHC Mixed-Income Initiative
- Neighborhood Revitalization Cross-Subsidy Pilot
- All Community Investment Fund applications

Early Awards – General Info

- Submit a complete application by 5 pm, October 6, 2015
- Mandatory Pre-Application Conference with HCR Development Director and project/technical staff. Must also submit a preliminary Attachment F9, the Proposal Summary, with the financing information completed to the fullest extent possible
- Demonstrate readiness to proceed to construction within 120 days of award (150 days for NYC)...Past performance is a critical consideration
- The application must clearly advance one of the following State housing goals:

Early Awards – Revitalization & Economic Development Goals

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

Early Awards –

Revitalization & Economic Development Goals

Disaster Relief Projects

Projects in communities directly impacted by FEMA declared disasters, including but not limited to Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, and Summer 2013 Severe Storms and Flooding;

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

Demonstrate readiness for rent-up by the summer of 2017; and,

Must provide a letter of support from municipality.

Early Awards – Revitalization & Economic Development Goals

Mixed–Income/Mixed–Use Revitalization Projects –

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

Early Awards – Revitalization & Economic Development Goals

Mixed-Income/Mixed-Use Revitalization Projects – continued

Preference will be given to applications that:

- demonstrate site control of land acquired through Land Banks established pursuant to Article 16 of the New York State Not-for-Profit Corp. Law in neighborhoods that have experienced a high incidence of abandoned, “zombie” properties;
- propose a non-residential component that will address an unmet community need identified in 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). 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;

Early Awards –

Revitalization & Economic Development Goals

Mixed-Income/Mixed-Use Revitalization Projects (continued) –

- ▶ 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.

Early Awards – Supportive Housing Goals

Supportive Housing Projects Serving Veterans with Special Needs –
Must have a preference for Veterans with Special Needs, as defined in Section 2040.2(u) of the DHCR 9% LIHC QAP, and demonstrate a coordinated State investment by clearly documenting firm commitments of service, operating, and development financing from State partners.

NY/NY Projects –
Must 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.

Early Awards – Workforce Opportunity Goals

Housing Opportunity Projects – Family projects in areas experiencing economic growth and served by high performing school districts. Projects must be located in areas that have stable or growing tax bases, public transit, child care, and employment opportunities. Must include a significant percentage of two and three or more bedroom units. LIHC basis boost may be requested.

Transit Oriented Development (TOD) – Workforce housing:

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

Early Awards – Affordable Housing Preservation Goals

Mitchell-Lama Portfolio Projects –

Redevelopment or preservation of Mitchell Lama Housing units that have been transferred from the NYS Empire State Development Corporation to NYS Homes and Community Renewal (HCR) as part of Governor Cuomo's \$1 billion House NY Program.

Applications must demonstrate that the refinancing and preservation would be infeasible as part of a plan of finance that relies on 4% LIHC and tax-exempt bonds without additional HCR subsidies in excess of amounts typically made available in connection with such financings.

Applicants must demonstrate successful prior experience in the management of similar properties (preference for Mitchell-Lama properties) and must maximize all non-HCR resources available for the redevelopment and preservation of this housing portfolio.

Early Awards –

Affordable Housing Preservation Goals

Rural Preservation Projects –

- Must propose the rehabilitation of projects currently receiving Rural Rental Assistance Program (RRAP) funds;
- Must extend the useful life of the project by no less than 20 years and satisfy heightened energy efficiency standards specified in the RFP and must result in ongoing reductions of RRAP funding; and,
- At least 90 percent of TDC must be directly related to physical improvements that will extend the useful life and improve the habitability and energy efficiency of the project.

The only source of funding that may be requested under this goal is the Community Investment Fund (CIF). Requests are limited to \$2 million in CIF funds per project, and \$40,000 per unit, and must satisfy all CIF program requirements described in this RFP.

Early Awards – Affordable Housing Preservation Goals

Public Housing Redevelopment –

- ▶ Must proposed the gut rehabilitation and/or demolition and replacement of substandard public housing outside the City of New York; and,
- ▶ Must include funding commitments for a significant percentage of the project's development financing from non-HCR resources.

Program Information – New Programs

Middle Income Housing Program (MIHP)

➤ MIHP Program Overview

- The MIHP 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.
- Must include units targeted to households between 60% – 130% AMI
- Must be requested in combination with 9% LIHC
- MIHP requests subject to standard 9% LIHC gap analysis and cash flow limits

Program Information – New Programs

Middle Income Housing Program (MIHP)

➤ MIHP Program Overview

- **\$3,000,000** per project maximum
- projects proposing 10% or more of the total units to be affordable and targeted to households with incomes **> 90% AMI** may request up to **\$4,500,000**
- Fund to be provided as 30 year permanent financing with 1% interest only payment –similar to HTF structure
- Rent affordability requirements – refer to RFP guidance on 9% LIHC Mixed-Income Initiative

Program Information – New Programs

MIHP Funding Priorities & Preferences

HCR is seeking MIHP applications leveraging significant amounts of capital support from non-HCR sources and advancing one or more of the specific housing goals of the State and MIHP program

Additional funding priorities and preferences:

- Housing Opportunity Projects & Mixed Income/Mixed Use Revitalization Projects
- Middle Income Stabilization Projects targeting transitional neighborhoods
- Projects with at least 25% of residential units targeted to households above 90% AMI up to 130% AMI
- Projects where at least 50% of the dwelling units contain two or more bedrooms.
- New York State Brownfield Cleanup Program projects

Program Information – NYS HOME – Multi Family Projects

- UF 2015 HOME available \$7 million
- Project Cap – \$2 million or up to \$2.4 million if project meets criteria listed in UF 2015 RFP
- Per Unit Subsidy is limited per HUD HOME Requirement
- Permanent or construction financing available – residential rental projects only
- HOME funds to assist households \leq 80% of AMI
- Davis–Bacon compliance required for projects with 12 or more HOME assisted units
- Must comply with Uniform Relocation Act (49 CFR part 24); Community Development Act Section 104(d); and, HOME (24 CFR Part 92) regarding rules for relocation or displacement of occupants, and acquisition requirements.

Program Information – NYS HOME – CHDO Considerations

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

Program Information – NYS HOME – Timing Considerations

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

Program Information – NYS HOME – Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968 (Section 3) ensures that employment and other economic opportunities generated by certain HUD financial assistance shall, *to the greatest extent feasible*, be directed to low- and very low-income persons.

Section 3 is the LAW, it is not an option.

Program Information –

NYS HOME – Section 3

What is Low Income?

- **Low Income Definition** – A household whose income does not exceed 80 percent of the median income for the area;
- To determine the low income guidelines for your area or project area, please visit the following web site and enter your county within NY State:
- **http://www.huduser.org/portal/datasets/il/il2015/select_Geography.odn**

Program Information – NYS HOME – Section 3

What triggers Section 3?

- The requirements of Section 3 apply to HUD funded programs recipients/grantees that receive an award in excess of \$200k.
- In addition, *all* recipients receiving funds or contracts in an amount greater than \$100k to complete housing construction projects are also required to comply with Section 3 requirements.

Program Information –

NYS HOME – Section 3

What are Section 3 Minimum Goals?

- At least 30% of all **NEW** employees hired should be Section 3 residents;
– AND –
- At least 10% of the total dollar amount of all Section 3 covered contracts for housing rehabilitation, construction, and other public construction should be granted to eligible Section 3 businesses ;
– AND –
- At least 3% of the total dollar amount of non–construction (e.g., professional services) contracts should be granted to eligible Section 3 businesses.

Program Information –

NYS HOME – Section 3

“To the greatest extent feasible”

- Document efforts to recruit, train, employ and extended contract opportunities to Section 3 persons and businesses, including Limited English Proficient populations.
- Target low and very-low income persons in the project work area, including public housing residents and others who receive government assistance.
- Provide subcontracting opportunities to businesses that can certify as Section 3 businesses, including those that employ Section 3 eligible persons.
- Partner with other community-based agencies to assist in identifying Section 3 persons and businesses, including those Limited English Proficient populations.
- Conduct outreach to local business leadership organizations (e.g. Urban league, SBA, NAACP, Chamber of Commerce, etc) to attract eligible businesses and residents.

Program Information – NYS HOME – Section 3

Compliance Requirements

HCR is here to help your organization and agency meet HUD Section 3 goals and objectives.

- ▶ Reporting – Quarterly and Annually
- ▶ Section 3 Participation Plan
 - Complete and submit with proposals and bids
- ▶ Conduct Monitoring
 - To increase Section 3 Compliance and oversight
- ▶ Conduct Technical Assistance & Training
 - Expand awareness and provide strategies to meet the requirement

Program Information –

NYS HOME – Section 3

HCR Section 3 Compliance Workshops

- Attend the mandatory HCR Regional Section 3 trainings
- Check the HCR FEHO Web Page for updates
 - <http://www.nyshcr.org/AboutUs/Offices/FairHousing/>
- Contact: Gwen Pope, HCR Section 3 Coordinator, by email or phone to register for workshops.
 - [Email: gwen.pope@nyshcr.org](mailto:gwen.pope@nyshcr.org)
 - Phone: 518-474-5219

Program Information – Housing Trust Fund (HTF)

- Approximately \$47 million available
- Project cap – \$2 million or up to \$2.4 million if project meets criteria listed in UF 2015 RFP
- HTF per residential unit cap – \$125,000
- Permanent and/or construction financing available
- Must benefit households \leq 90% of AMI (in NYC \leq 80% of AMI)

Program Information – Housing Trust Fund (HTF)

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

Program Information – Rural and Urban Community Investment Fund

- In 2015, Governor Cuomo and the State Legislature appropriated \$17 million for the Rural and Urban Community Investment Fund (CIF).
- Under UF 2015, CIF funds may be used to:
 - support retail, commercial or community facility components of mixed-use affordable housing developments in urban and rural areas, or;
 - in rural areas, the preservation and rehabilitation of existing affordable housing.

Program Information – Rural and Urban Community Investment Fund

- Project caps:
 - \$2 million project/\$40,000 per unit for Early Award Rural Preservation Projects
 - Up to \$1,500,000 project for retail, commercial or community facility space
 - \$750,000 project/\$30,000 per unit for Standard Round Preservation Projects in Rural Areas

Program Information – Rural and Urban Community Investment Fund

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

Program Information – Rural and Urban Community Investment Fund

CIF Funding Priorities

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

Program Information – Rural and Urban Community Investment Fund

CIF Non-Residential Underwriting Considerations

- CIF funds may only cover development costs of the proposed retail, commercial or community facility space (i.e. cannot be used as an operating subsidy).
- Income from the residential space may not be used to support the operations of the non-residential space.
- Applicants must demonstrate in the operating budget and market documentation that CIF funds will reduce debt service costs such that market-rate commercial leases will be sufficient to cover all debt service and operating costs associated with the space.

Program Information –

Rural and Urban Community Investment Fund

CIF Non-Residential Underwriting Considerations

- Applicants must provide a market analysis demonstrating sufficient demand for the proposed non-residential use at rents assumed in the income and operating budget and detail the commercial rents of comparable commercial space in the immediate market area
- Applicants must provide at least one letter of interest from a prospective tenant for the non-residential space and identify the amount per square foot such prospective tenant would be willing to pay for the finished space
- Successful applicants will be required to enter into a master lease or create a separate condominium for the non-residential component of the project
- CIF funds may not be used for payment of a developer fee on the retail, commercial or community facility portion of the project

Program Information – Rural and Urban Community Investment Fund

CIF Residential Underwriting Considerations

- CIF funds may only be used only to cover costs related to the rehabilitation of the affordable rural housing projects. CIF funds may not be used to support the ongoing operating costs.
- Rural preservation projects that do not rely on federal low income housing tax credits must satisfy all the underwriting criteria that would apply to stand-alone Low Income Housing Trust Fund applications outlined in the HCR Capital Programs Manual.

Program Information – Housing Development Fund Program (HDF)

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

M/WBE Participation

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

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

- SLIHC available: \$4 million
(Additional \$4m available through HWF/tax-exempt bond/4% LIHC RFP issued by HCR/HFA)
- SLIHC max. per project: \$500,000
- SLIHC max. per project: \$750,000
(If 10% or more of project units are affordable and targeted to households with incomes above 60% of AMI)
- SLIHC max. per unit: \$20,000
- Program modeled after LIHC except units affordable to households \leq 90% AMI (40% units @ 90% or less of AMI)

Program Information – SLIHC Program

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

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

- UF 2015 LIHC available: Approximately \$25 million
- LIHC max per project
 - Standard project: \$1.43 million
 - Project w/ 50% or more units for large families \$1.65 million
- LIHC max. per unit: \$22,000
- LIHC-assisted units must benefit households \leq 60% AMI
- For acquisition, rehabilitation and new construction of residential units

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

- Preservation Projects:
Up to \$3.3 million (QAP Sect. 2040.2(q))

- High Acquisition Cost Projects (Preservation Projects with 25% of TDC minimum acquisition cost – (QAP Sect. 2040.2(i)): No more than \$1 million of the Preservation set-aside

- Supportive Housing Projects (QAP Sect.2040.2(u)/RFP)
 - Up to \$4 million (QAP Sect. 2040.2(u))
 - 25% of project units must serve persons with special needs, including provision of supportive services
 - Pre-application conference to review proposal and Olmstead consistency required

Program Information – LIHC Application & Allocation Fees

- Credit Application Fee
 - \$3,000 per application
 - \$6,000 if both LIHC & SLIHC are requested

- Non-Profit Deferral of Application Fee
 - Non-profit(s)–Sole GP (LP) or Managing Member (LLC)
 - Need to submit pre-application deferral request/obtain written approval to submit with application
 - Not available to applicants which were awarded any HCR funding in the last 3 years

- Binding Agreement Fee – \$1,000 (if Binding Agmt requested)

- Allocation Fee
 - 8% of 1st year's allocation amount

Program Information –

9% LIHC Qualified Allocation Plan (QAP)

- All UF 2015 Early Award and Standard Award Round Applications must address eligibility requirements, underwriting parameters and scoring criteria of current LIHC QAP/SLIHC Regulation (effective Nov. 2013)
- Significant QAP/RFP application review considerations:
 - REDC financing/strategic plan consistency
 - Project site suitability and project location considerations (includes Google Maps and other internet research used for project and tenant accessibility to local, private and public sector amenities, services and economic opportunities)
 - Olmstead consistency for supportive housing/special needs units (most integrated setting and physical distribution of such units throughout project)
 - LIHC/SLIHC 50 year minimum regulatory term
 - Enhanced credit/financial background reviews of applicant and/or development team principals via Lexis/Nexis (including NEW collection of EIN's for all development team members in UF application)

Program Information – 9% LIHC Qualified Allocation Plan (QAP)

- Significant QAP/RFP application review considerations (continued):
 - New UF application Omnibus Certification Form
 - No contractors/sub-contractors on federal or state debarment lists
 - Cost effectiveness (threshold and scoring standards)
 - Notification requirements for non-compliance, identity of interest, pertinent litigation, changes in project scope, owner/development team and budget
 - Applications may be deemed ineligible for funding if developers, owners and/or managers with overdue HTFC debt service payments have not been corrected or resolved as determined by HCR Asset Management Unit and HTFC Finance Office
 - Green building/energy efficiency measures for threshold eligibility and scoring indicated in RFP
 - Ongoing importance of leveraging non-HCR funds
 - New UF application Omnibus Certification Form (note: new definition of Principal)

Program Information –

9% LIHC Qualified Allocation Plan (QAP)

- Scoring Criteria Modifications:
 - Green Building (5 points):
 - Expanded scoring options for Green Building to include projects qualifying under Passive Housing Institute US (PHIUS) or International Passive Housing Institute (iPHI) programs.
 - In order to obtain Green Building points using any scoring option, applicants must now also qualify for points under Cost Effectiveness scoring criteria.

Program Information –

9% LIHC Mixed-Income Initiative

- Limited to new construction of family projects in NYC, Westchester, Nassau & Suffolk Counties
- Project's LIHC-eligible units must generate qualified basis in excess of \$22,000 per unit
- Maximum annual allocation of \$22k per LIHC-eligible unit **can** be exceeded if extra allocation is used to subsidize HCR-regulated units affordable to households above 60% of AMI up to max of 130% AMI

Program Information–

9% LIHC Mixed–Income Initiative continued

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

Program Information–

9% LIHC Mixed–Income Initiative continued

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

Program Information-

9% LIHC Mixed-Income Initiative continued

Rent burden on Middle-Income Units:

- **Outside QCT:** minimum of 30% of annual income to rent
- **Inside QCT:** will allow a rent burden **below 30%** to encourage middle-income hh to reside in economically challenged neighborhoods
 - May rent to households with incomes up to 15% higher than the affordability level of the proposed rent (e.g. in a QCT a unit with rent affordable at 100% AMI can be rented to a household with income up to 115% AMI)

Program Information– 9% LIHC Mixed–Income Initiative continued

- Refer to RFP (pages 35–38) for more detail on requirements under this initiative
- Pre–application meeting for projects requesting funding under this new initiative **is required.**

Program Information –

Project Based Voucher Program Initiative (PBV)

- Up to 200 units of PBV assistance for projects financed through the HTF, LIHC, SLIHC and/or HOME programs
 - Applicants should fully review program regulations in order to ensure the project is consistent with HUD’s regulations.
 - Applicants may only request PBVs for projects in local program areas serviced by HCR’s Section 8 Voucher Program and its network of Local Administrators.
 - NEPA Review must be completed
 - Developer and Builder Fees capped at HUD Safe Harbor Limits

Program Information – Pilot

Neighborhood Revitalization Cross Subsidy Pilot

- Projects must either be in a QCT advancing the Mixed Income/Mixed Use Revitalization State Housing Goal AND/OR transitional neighborhoods straddling strategic borders between economically vibrant and economically challenged neighborhoods.
- Credit equity generated by the LIHC/SLIHC units can be used to help cross-subsidize middle and moderate income units
- Must target at least 20% of total units to households at or above 80% of AMI up to maximum of 130% AMI

Program Information – Pilot

Neighborhood Revitalization Cross Subsidy Pilot

- Reduced rent burden on middle- and moderate-income units will be allowed: may target units to household with income 15% higher than the affordability level of the proposed rents
- All units will be HCR regulated & project is subject to HCR's standard cash flow policy
- Units above 80% must be distributed throughout the project and have reasonably comparable features, finishes and amenities
- Refer to RFP pages 38–39 for more specific guidance
- Applicants **MUST** schedule a TA session with HCR staff

Underwriting –

LIHC Monthly Credit Rate

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

- **Early Award apps: use September 2015 rates**
 - 30% present value rate: 3.22%
 - 70% present value rate: 7.51%
- **Standard Round apps: use November 2015 rates**

Underwriting – Developer Fee Eligibility Questions

- Middle income units:
 - must be HCR regulated to claim developer fee on these units
 - fee on units over 60% AMI or 90% AMI cannot be included in LIHC/SLIHC eligible basis
- Non-residential space: no developer fee may be claimed on non-residential space with exception of 9% LIHC eligible Community Service Facilities

Underwriting –

Historic Tax Credit Equity in Mixed-Use Projects

- In mixed-use projects, Historic Tax Credit (HTC) equity must be allocated to the residential and commercial spaces according to the HTC basis contributed by the eligible cost of each space
- Applicants **may not** use HTC equity generated from residential cost basis as a financing source for the non-residential space

Underwriting – Assistance

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

Architecture & Engineering – Submission Requirements

- **Use Current Forms** – Download from the HCR Website
- **New Forms:**
 - Attachment B1, Outline Specifications
 - Minor alterations
 - Attachment B2, Construction Cost Estimate
 - Re-configured to match the Development Budget (Exhibit B3)
 - Attachment B6, LIHC/SLIHC Physical Needs Assessment
 - Minor revisions
 - Attachment B8, Energy Eff. & Green Building Const. Cost
 - Format reconfigured & Added Passive House
 - Attachment B-13, HTFC Physical Needs Assessment
 - Minor revisions

Architecture & Engineering – Submission Requirements

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

Architecture & Engineering – Submission Requirements

➤ Attachment B3 (Preliminary Plans)

Group multiple
drawing sheets into
single files

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

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

Architecture & Engineering – Design Related Publications

- **Revised Design Handbook**
 - Clarifications and updates (Blue Text)
 - Highlights of updates:
 - Suggestions for Active Design to promote Healthy Living
 - Option for photographic as-built documentation
 - Higher percentage of shared common space for historic, adaptive re-use buildings
 - Option to delay constructing community facilities at scattered site projects

Architecture & Engineering – Design Related Publications

Revised Design Handbook

- Clarifications and updates (Blue Text)
- Highlights of updates:
 - Clarification that community facilities may exceed 750 sf, but subject to max allowable shared common space
 - PEX—a plumbing systems
 - VRF heating systems
 - Appendix C, Architect’s Certification Statement
 - Downloadable Form

Architecture & Engineering – Energy Efficiency Strategies

All projects must comply with one of the Energy Efficiency strategies described in the RFP

- Five strategies qualify for an HTF or HOME award up to \$2.2 million
 - **NYSERDA MPP (mid to high rise)**
 - **NYSERDA LRNCP (low rise)**
 - **EPA ENERGY STAR Multifamily High Rise Program**
 - **EPA ENERGY STAR Certified Homes**
 - **Enterprise Green Communities**

Architecture & Engineering – Energy Efficiency Strategies

All projects must comply with one of the energy efficiency strategies described in the RFP

- Other strategies:
 - **Historic rehab & adaptive re-use**
 - Fully implement one of first four standards, or
 - NYSERDA Energy Smart (or equivalent)
 - Consult with HCR & NYSERDA
 - **Moderate rehab:**
 - Option one: Meet current energy code for new buildings
 - Option two: Reduce overall energy usage by 20%

Architecture & Engineering – Energy Efficiency Strategies

Energy Code

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

Architecture & Engineering – Energy Efficiency and Green Building Practices

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

Architecture & Engineering – Green Building Programs

- Optional program participation (5pts)
 - **Enterprise Green Communities Criteria**
 - 2015 or newer criteria based on most up to date standard (updated from last year)
 - HPD overlay for projects in NYC
 - **LEED**
 - Version 4 BD+C Homes (updated from last year)
 - Version 4 BD+C Multifamily Midrise
 - **National Green Building Standard**
 - 2012 ICC 700 National Green Building Standard

Architecture & Engineering – Green Building Programs

Optional program participation (5pts)

- **New Program: Passive House**
 - **Passive House Institute –US, or**
 - **International Passive House Institute**

- **Passive House Highlights:**
 - **Reduction of energy usage by 60 to 80%**
 - **Super-insulated and air-tight**
 - **Ventilation for superb air quality**

Architecture & Engineering – Green Building Programs

Optional program participation (5pts)

- **New Program: Passive House**
 - **Must use US or International Passive House certified consultant**
 - Include the certification in the application
 - **Need an experienced architect**
 - (the architect can be the certified consultant)
 - **Need an experienced & cooperative builder**
 - Builder needs to pay close attention to details
 - Sequence of construction may be different

Architecture & Engineering – Preservation Projects

- Must request an AE site visit no later than 30 days prior to the application deadline
 - Set up the site visit through the HCR Regional Office
 - Provide a draft of the Physical Needs Assessment Form, or preliminary plans for substantial, gut-rehabilitation
- HTFC
 - Refer to the Design Handbook Appendix F–HTFC Preservation Standards when determining the Physical Needs Assessment scope of work
- Use the correct application attachment
 - B6 for LIHC and/or SLIHC stand alone projects
 - B13 for HTFC or jointly funded HTFC & LIHC/SLIHC projects
 - PNA not required for substantial, gut-rehabilitation

Common Application Flaws – Site Control as Eligibility Issue

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

Common Application Flaws – Site Control

➤ Examples of Ineligible Site Control

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

Technical Assistance (TA)

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

Technical Assistance (TA)

Buffalo Regional Office

Electric Building, Suite 105

535 Washington Avenue

Buffalo, New York 14203

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

(518) 461-6591 cell

Daniel Peters, Project Manager

(716) 847-7132

Patricia Dieck, Project Manager

(716) 855-7048

Syracuse Regional Office

620 Erie Boulevard West, Suite 312

Syracuse, New York 13204

Lois Holden, Senior Project Manager

(315) 478-7179 x 219

Kathleen Karpinski, Senior Project Manager

(315) 478-7179 x 217

Technical Assistance (TA)

Capital District Regional Office

Hampton Plaza

38–40 State Street

Albany, New York 12207

Robert Shields, Senior Project Manager

(518) 486–5013

Gary Vanwormer, Project Manager

(518) 474–5323

New York City Regional Office

25 Beaver Street, 7th Floor

New York, NY 10004

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

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

Questions & Answers

www.nyshcr.org