

**New York State
Housing Trust Fund
Corporation**



**New York State
Housing Trust Fund
Program**

Office of Community Development

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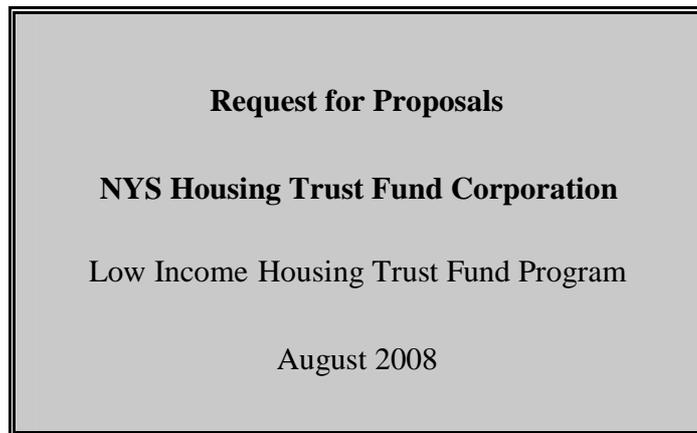
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REQUEST FOR PROPOSALS

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I. INTRODUCTION

As a result of the unprecedented funding increase for affordable housing in this year's enacted budget, the NYS Housing Trust Fund Corporation (HTFC) invites you to apply for housing assistance through this special Summer 2008 Low-Income Housing Trust Fund Request for Proposals (RFP). This RFP describes the programmatic and submission requirements for the Low-Income Housing Trust Fund Program (HTF) and the Housing Choice Voucher Project Based Assistance Program. Under this RFP, applicants may seek funding for new construction, substantial rehabilitation and moderate rehabilitation of rental housing.

This RFP also explains the process used by HTFC to accept and evaluate applications requesting funding. After a funding round, unsuccessful applicants may request an exit conference to review their unfunded application. Throughout the year all potential applicants may request technical assistance. Not-for-profit applicants may also request seed money to assist them in securing funding for these programs.

Federal 9% Low-Income Housing Credit and New York State Low-Income Housing Credit will not be available during this funding round.

Section II of this RFP, "Application Deadline and General Requirements," provides additional information on application submission methods.

Section III, "Program Announcements," provides more detailed descriptions of each of the funding opportunities available under this RFP.

Section IV, "Important Guidance for Summer 2008 HTF Funding Round," provides additional technical guidance on requirements for applications submitted under this RFP.

Section V, "Seed Money/Technical Assistance," provides information on the availability of seed money awards and technical assistance.

Section VI, "Open Window Programs," provides information on funding opportunities available through HTFC's Open Window process that may be combined with requests for HTF funding available under this RFP.

Section VII, "Evaluation and Selection Process," describes the general application review process and explains the evaluation and/or processing of applications.

Section VIII, "Regional Office Service Areas," provides contact information for DHCR Regional Offices so that applicants can access technical assistance in preparing applications.

II. APPLICATION DEADLINE AND GENERAL REQUIREMENTS

A. Application Deadline:

Under this special Summer 2008 funding round applicants may apply for funding in two ways:

1. Using DHCR's Community Development On-Line (CD On-Line) application that can be submitted electronically via the Internet, or
2. Using a Word/Excel application that must be downloaded, completed, printed and submitted by mail or hand delivered.

Both applications are available through DHCR's website: www.nysdhcr.gov/Funding.

Applicants are strongly encouraged to submit applications using CD On-Line in order to expedite the processing of their applications and minimize potential errors.

If you cannot access the Microsoft Word/Excel paper application through the Internet and would like to receive a copy of the project application on disk or need assistance in downloading the application from the website, please call (518) 474-5323.

Applications (paper or electronic) requesting HTF funds alone or in combination with requests for Urban Initiative (UI) or Rural Area Revitalization Project (RARP) Program funds must be received by **5:00 pm EST, on October 2, 2008.**

Paper applications will be accepted only at the following address:

**NYS Division of Housing and Community Renewal
Office of Community Development
Hampton Plaza
38-40 State Street
Albany, New York 12207
Attention: Unified Funding Manager**

Individuals hand delivering paper applications must have picture identification and a transmittal letter, on organization letterhead, stating their name and authorizing that person to deliver the application. Applications delivered by commercial carrier must have a complete and legible return address. Failure to comply with these requirements may result in applications not being accepted.

Any applications for these programs received after the stated deadline will be considered to be late submissions and will be returned to the applicant.

Applicants who are not applying for UI or RARP in combination with HTF funds or who are applying for funding through the Small Project Program, may apply for these programs at the above address at

any time of the year until the date of notice that all available funds are committed. Applicants seeking funding from only these programs may use streamlined applications which are available on DHCR's website: www.nysdhcr.gov/Funding.

For the Summer 2008 funding round, applicants seeking both HTF funds and NYS Housing Finance Agency (HFA) bond financing must complete and submit a joint application to both HTFC and HFA using a modified version of the Homes for Working Families/Housing Finance Agency paper application. This Word/Excel downloadable paper application is available on the DHCR website. Applicants seeking HTF funds during the Summer 2008 funding round will not be able to submit a joint HWF/HFA electronic application using CD On-line. However, applicants seeking funding through the Homes for Working Families open window process can continue to submit the joint HWF/HFA electronic application using CD On-line.

Applicants may apply for seed money at the above address or technical assistance from the appropriate Regional Office at any time during the calendar year. Technical assistance is available through several means including: personal meetings, telephone conferences or written correspondence. Applicants seeking technical assistance should contact the appropriate Regional Director (see list at the end of this document). Any assistance with, or specific questions regarding the funding process (with the exception of DHCR's completeness review), is only available prior to submission of the applications.

After the submission deadline, all contact by outside individuals or groups, including elected officials and lobbyists, must be referred to Deputy Commissioner Lorrie Pizzola (518) 474-9553, who will respond to such inquires and advise that after applications are submitted, no contact with DHCR processors and reviewers (i.e. staff working on the applications) is permitted.

Note: Applicants should refer to the Capital Project Application Exhibits and Attachments Checklists contained in the Application Instructions to determine the specific Exhibits and Attachments required for the applicable program(s) from which the funds are requested.

B. This RFP provides only a portion of the information and materials needed by applicants. Other materials are available at the appropriate Regional Office (see Regional Office Service Areas at the end of this RFP) or from the DHCR website www.nysdhcr.gov/Funding:

1. HTFC Summer 2008 Project Application and Instructions (paper application);
2. DHCR/HTFC Design Handbook;
3. Capital Programs Manual (CPM);
4. Instructions for CD-On-line;
5. Green Building Criteria Reference Manual;
6. Reference Materials;
7. Common Application Flaws; and,
8. List of Pre-Qualified Market Study Firms.

- C. Regional Offices listed at the end of this RFP are available to answer questions from prospective applicants about this RFP. In addition, applicants may review funded applications from the prior funding round which are available on the DHCR website.
- D. HTFC reserves the right to award all, a portion of, or none of the program funds based upon funding availability, feasibility of the applications received, the competitiveness of the applications, the applicant's ability to meet HTFC criteria for funding, and the applicant's ability to advance the State's housing goals including: preservation of affordable housing, community revitalization, green building technologies and practices and collaboration with other government agencies. HTFC further reserve the right to review an application requesting project funds as an application for funding under other programs for which the project is eligible. HTFC also reserve the right to change or disallow aspects of the applications received and may make such changes an express condition of its commitment to provide funding to a project.

III. PROGRAM ANNOUNCEMENTS

A. The Low-Income Housing Trust Fund (HTF) Program

HTFC will make \$25 million of NYS Low-Income Housing Trust Fund (HTF) Program resources available to fund project applications submitted under this Summer 2008 HTF Funding Round. Applicants may request up to \$3.75 million in HTF funding per project.

HTF provides funding for new construction, rehabilitation of vacant or under-utilized 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 homesteaders, 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. Funding under HTF is limited to \$125,000 per unit. In addition, up to 10 percent of the residential portion of an award may be used for the rehabilitation, construction or conversion of a 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.

For applications seeking HTF funds for cooperatives or condominiums, HTFC will expect that the applicant 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.

Consistent with statutory requirements, preference in making HTF awards to eligible applicants is given to projects which involve not-for-profit corporations or their wholly-owned subsidiaries. For limited partnership or limited liability company applicants, the ownership interest of the not -for-profit or its wholly-owned subsidiaries must be "at least 50% of the controlling interest" of the partnership as required by Article XVIII of the Private Housing Finance Law.

Federal 9% Low-Income Housing Credit and New York State Low-Income Housing Credit will not be available during this funding round.

B. Project Based Voucher Program

As authorized by program regulations at 24 CFR 983, DHCR plans to offer up to 75 units of Project Based Voucher (PBV) assistance. A complete description of all applicable program regulations can be found within the Electronic Code of Federal regulations at: <http://ecfr.gpoaccess.gov/>.

Developers interested in being considered for PBV assistance should fully review program regulations prior to making application in order to ensure that their proposed project is consistent with all terms and provisions of those regulations.

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 DHCR's Section 8 Voucher Program and its network of Local Administrators. A complete listing of those local program areas can be found on the DHCR website at: <http://nysdhcr.gov/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 HTF available through the current NOFA and this RFP.

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.

DHCR 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. 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.

Applicants must indicate the number of PBVs required in Attachment F9 as part of their response and the number requested should be consistent with the number of units with rental assistance in Exhibit 4 - Affordability Plan.

Regulations generally limit PBV assistance to no more than 25% of **building's** (when the project contains multiple buildings). Projects serving persons who are elderly (62 years or older), persons with disabilities or families receiving supportive services generally equivalent to HUD "Family Self-Sufficiency" programming may be allowed to exceed the 25% per building cap.

Davis-Bacon wage rates apply to any project with 9 or more units of project based assistance.

Applicants with questions about the applicability of Davis-Bacon wages or other federal labor standards to their project or who wish to request a wage determination from DHCR prior to entering into a construction contract should contact Joseph Meyerson at (518) 473-0124 or at jmeyerson@nysdhcr.gov.

IV. IMPORTANT GUIDANCE FOR SUMMER 2008 HTF FUNDING ROUND

- A. Amendments to the Low-Income Housing Trust Fund Statute – Chapter 199 of the Laws of 2008 made significant changes to the Low-Income Housing Trust Fund Program (HTF). For the first

time, this legislation makes fully occupied residential properties eligible for HTF funding, provided the properties are distressed and their rehabilitation would preserve affordable housing. The legislation also allows up to 10 percent of the residential portion of an HTF award to be used for the rehabilitation, construction or conversion of community service facilities and up to 50 percent of an HTF award may now be used to fund the acquisition costs of a project. In addition, the legislation increased HTF's per unit funding cap from \$100,000 to \$125,000 per unit.

- B. Preservation Projects - Preservation projects are those in which a residential rental property is rehabilitated to extend its useful life to serve as affordable housing and the project averts the loss of affordable housing currently serving the 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 must be sufficient for the project to function in good repair as affordable housing for a minimum of 15 years. Awardees will be subject to an HTFC regulatory agreement for a term of 30 years from the date of the final disbursement of HTFC funds or for a period equal to the term of the project's existing regulatory agreement, whichever is greater.

Applicants proposing preservation projects must address existing deficiencies and meet the base requirements of Appendix G of the Design Handbook, as well as provide a completed HTFC Physical Needs Assessment Form. The HTFC Physical Needs Assessment Form is required to be submitted for all preservation or rehabilitation projects and must be completed by an architect or engineer licensed in the State of New York. The HTFC Physical Needs Assessment Form shall demonstrate that building components will last through a minimum of 15 years from the date of the final disbursement of HTFC funds, or through the normal life expectancy of the component, whichever is greater. Life expectancies will be based on nationally recognized standards.

For this round, preservation project applications will be evaluated as a group and will only be evaluated against other preservation project applications. Preference in awarding HTF funds will be given to preservation project applications demonstrating that: an immediate need exists for the replacement of major building systems or components or the funding would help avert the imminent loss of affordable housing. Preference will also be given to applications that use no more than 25% of the HTF request toward the acquisition costs of the project.

Applicants proposing the rehabilitation of a project currently regulated by HTFC must continue to fund operating and replacement reserves at the levels required by the current HTFC regulatory agreement. HTFC will consider the capitalization of replacement reserves where necessary to ensure that the project has a sufficient reserve balance to address the necessary replacement of project systems and components for a minimum of 15 years.

All applicants for preservation projects located in areas subject to a Systems Benefit Charge (SBC) on utility bills will be, if awarded, required to participate in and meet the energy efficiency standards of the New York State Energy and Research Development Authority's Multifamily Building Performance Program or the New York Energy Star Labeled Homes Program.

Applicants for preservation projects outside areas subject to the SBC will be required to meet alternative energy efficiency requirement.

C. 4% Low-Income Housing Credit/Tax-Exempt Bond Applications

Applicants may request HTF funds as a low-interest subsidy source for 4% LIHC/tax-exempt bond projects in this funding round. Preference in awarding HTF funds will be given to those applications which demonstrate that the project can close on construction financing by the end of 2008.

For applicants proposing to use tax exempt bonds issued by the New York State Housing Finance Agency (HFA), HTFC will accept compliance with HFA's design guidelines in place of its design requirements. In addition, HTFC will accept for review professional market studies that have already been submitted to and accepted by the proposed 4% LIHC allocating agency provided that the studies meet DHCR requirements detailed in Section 5.06 of the Capital Programs Manual.

For the Summer 2008 funding round, applicants seeking both HTF funds and HFA bonds and/or HFA 4% as-of-right LIHC must complete and submit the joint Homes for Working Families/Housing Finance Agency paper application. This Word/Excel downloadable paper application is available on the DHCR website.

Applicants will not be able to submit a joint HWF/HFA electronic application using CD Online during the Summer 2008 funding round.

D. General Requirements for Funding Round

1. Operating budgets for non-preservation projects must provide an annual contribution to the replacement reserve equal to .50 percent of the total construction cost, up to a maximum of \$800 per unit or \$400 per unit annually for elderly projects, unless otherwise approved by HTFC/DHCR. Please refer to the RFP section "Important Guidance Regarding 2008 HTF Funding Round" for preservation project reserve requirements.

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 Capital Programs Manual (CPM) for specific market analysis and market study requirements. Professional market studies must be prepared by a DHCR 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 agency website.

For projects which are the re-submission of a prior DHCR /HTFC application with the same number or fewer units, and with no change in the site, plans, rents, bedroom size mix, and affordability, DHCR will allow applicants to re-use a previously submitted market study provided that it was completed on or after November 1, 2007. Market studies completed before November 1, 2007 will not be accepted.

Projects over 15 units:

Any new construction project of over 15 units will require the submission of a **professional market study.**

Preservation projects involving the rehabilitation of existing, occupied housing that can demonstrate a **twelve month average project occupancy rate of 90% or greater** may submit a market analysis rather than a professional market study. The average occupancy rate must be documented by the submission of a certified rent roll for the twelve months preceding August 1, 2008. In addition to complying with the market analysis requirements detailed in Section 5.06 of the CPM, the analysis **must include** documentation of project rent rolls for the prior two years of operation as well as the number of income-qualified households currently on the project's wait list.

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 analysis **must include** documentation of project rent rolls for the current and prior two years of operation as well as the number of income-qualified households currently on the project's wait list. 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.

Co-operative and Condominium Projects

All projects proposing the construction 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.

3. NYSERDA Energy Efficiency - The HTF rating criteria provide scoring incentives for applicants who propose to participate in and meet the energy efficiency standards of the New York State Energy and Research Development Authority's Multifamily Building Performance Program or the New York Energy Star Labeled Homes Program or equivalent energy efficiency standards.

Prospective applicants should contact NYSERDA for financing and technical assistance for owners improving energy efficiency in newly constructed housing and rehabilitated multifamily buildings. For more information and specific program requirements, call NYSERDA at 1-877-NY-SMART or email NewConstruction@trcsolutions.com.

4. Under the Summer 2008 funding round, HTF awards may be structured as a 0% deferred loan with a 30-year term. For applications that include 4% LIHC, the HTF award will be structured as a 30-year, 1% loan with interest payable if earned.
5. Applications which propose using more than twenty-five percent of the HTF request for acquisition costs will be considered for award only if the applicant demonstrates that there is a significant risk that the project will no longer be affordable to low-income persons.
6. No more than 10% of an HTF request may be used for payment of a developer fee.

E. New York/New York III Supportive Housing Agreement

HTFC strongly encourages the submission of applications that include units to be developed in accordance with the New York/New York III Supportive Housing Agreement (NY/NY III). Joint technical assistance with New York City and State agencies responsible for operating

funding will be available for applicants interested in this initiative. Interested applicants are encouraged to contact HTFC staff prior to application submission for additional technical assistance regarding the availability of operating assistance. For more information about NY/NY III, applicants should contact Lisa Irizarry at L.Irizarry@nysdhcr.gov or (518) 474-9658.

Background:

The NY/NY III agreement was signed by New York State (State) and the City of New York (City) on November 3, 2005. Under this agreement, the State and City committed to develop 9,000 units of supportive housing within New York City over the next ten years. For purposes of the NY/NY III agreement, “supportive housing” is defined as a pairing of rental assistance and supportive services in either a building constructed or renovated for this purpose (defined as congregate) or in scattered site apartments acquired for the purposes of housing.

The primary purpose of this Agreement is a commitment by the State and City to increase the supportive housing capacity within New York City targeted to homeless persons. The parties agree to fund both the capital and on-going operating expenses of the supportive housing.

DHCR’s Role:

As signatory to the agreement, DHCR is charged as a capital funding agency for housing for the following chronically homeless, or at serious risk of becoming chronically homeless, persons (The State and New York City agencies providing funds are identified after each population):

- Persons who suffer from serious and persistent mental illness (NYS Office of Mental Health)
- Single adults with a substance abuse disorder – (NYS Office of Alcoholism and Substance Abuse Services and the NYC Department of Health and Mental Hygiene)
- Persons living with HIV/AIDS (NYC Human Resources Administration)
- Families in which the head of the household suffers from a substance abuse disorder (NYS Office of Alcoholism and Substance Abuse Services), a disabling medical condition or HIV/AIDS (NYS Office of Temporary and Disability Assistance and NYC Department of Health and Mental Hygiene)

This RFP encourages applications serving one or more of the above populations. Supportive housing may be a portion of a building also targeting non NY/NY III populations. Operating expenses for NY/NY III populations will be funded by the appropriate State or City agencies. These agencies, and contacts for each, are identified below:

New York State Office of Mental Health
Michael R. Newman
(518) 474-5191
E-Mail: corgmrn@omh.state.ny.us

New York State Department of Health
AIDS Institute
Elizabeth Foster
(518) 474-8162
E-Mail: ewf01@health.state.ny.us

NYS Office of Alcoholism and Substance Abuse Services
William Panepinto
(518) 457-6206
billpanepinto@OASAS.state.ny.us

NYS Office of Temporary and Disability Assistance
Scott Edwards
(518) 473-2588
scott.edwards@OTDA.state.ny.us

NYC Human Resources Administration (HRA) -
HIV/AIDS Services Administration (HASA)
Matthew Brune
(212) 620-4644
E-Mail: mbrune@hra.nyc.gov

NYC Department of Health and Mental Hygiene
Karen L. Mankin, Contracting Officer
(212) 219-5873
E-Mail: kmankin@health.nyc.gov

V. SEED MONEY/TECHNICAL ASSISTANCE:

A. Seed Money

Seed money for HTF projects is only available to not-for-profit organizations that have been in operation for at least one year with a full-time staff. Seed money is limited to \$5,000 per unit and a maximum amount of \$45,000 for the entire project.

Seed money is available to assess the feasibility of a potential project and/or retain professional services to assist in applying for capital project funding. To receive an award, a project must meet program eligibility and rating criteria.

Please see Sections 2.01.03.H and 3.09 of the Capital Programs Manual for more information on the programmatic and submission requirements for seed money projects.

B. Technical Assistance

Applicants are encouraged to request technical assistance at any time from the appropriate DHCR Regional Office to discuss a project that may result in an application, or a project that may require additional assistance.

Applicants are eligible for assistance provided by either DHCR regional staff or a consultant hired by HTFC.

Requests for technical assistance may be made at any time by contacting the appropriate DHCR Regional Office.

C. Regional Office Service Areas

Any questions regarding this RFP or the application process should be directed to the Regional Office which serves the county (or counties) in which the proposed project is located. A list of Regional Directors and the counties served by their offices is provided at the end of this RFP.

VI. OPEN WINDOW PROGRAMS – URBAN INITIATIVES (UI)/RURAL AREA REVITALIZATION PROJECTS (RARP)

Applications which request funds only from programs available under the Open Window Review Process may be submitted at any time. However, applications that propose the use of UI or RARP with HTF funding must be received by 5:00 P.M. by October 2, 2008. HTFC/DHCR expects to notify applicants for Open Window programs of the outcome of the review process within 60 days of the date of receipt of a complete application.

Applications for the following Open Window programs are available at: www.nysdhcr.gov.

A. Urban Initiatives (UI) and Rural Area Revitalization Projects (RARP) Programs

Applicants who wish to request only UI or RARP funds may do so at any time through a separate Notice of Funding Availability which is available on the DHCR website (www.nysdhcr.gov).

B. Small Projects Program (SPP)

HTFC has made \$5 million in HTF program funds available for residential projects (new construction or rehabilitation) of 15 or fewer units which do not rely on State or federal tax credits as a source of financing and which are sponsored, developed and owned by not-for-profit organizations. One of the primary purposes of these funds will be to develop applicant capacity in real estate development. HTFC has developed a simplified application and review process for applicants requesting only Small Project Program funds.

Small Projects Program applications are accepted year round and HTFC expects to notify applicants of its decision within 60 days of receipt of a complete application.

VII. EVALUATION AND SELECTION CRITERIA

A. General Review Criteria:

All projects will be selected through a competitive process. To the extent feasible, HTFC will allocate resources to meet housing needs and achieve a geographic distribution of funding across the State. When making awards, HTFC will take into consideration the following objectives, including but not limited to: preservation of affordable housing, community revitalization, green

building technologies; and, practices and collaboration with other governmental agencies and the development community.

Applications that propose a quality housing product that most efficiently provides the greatest number of units for the longest period of time for the lowest-income New Yorkers, and which respond to a strategy to address housing needs, will have the greatest likelihood of being selected.

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.

Applicants that receive a 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.

Applications requesting funds for the rehabilitation of partially or fully occupied properties must demonstrate that the proposed work will have the effect of correcting substandard conditions which preclude lawful occupancy of the units in their current condition (i.e. code violations, etc.).

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.

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. HTFC 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.

D. Application Processing Steps

1. Application Receipt

Applications received under this funding round 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

All applicants who have submitted incomplete applications will be notified by fax or by email, within 10 business days from the deadline for applications. Applicants will then have 10 business days from the date of first receipt of the notification to provide all missing or incomplete documentation.

Applications deemed incomplete after this time period will not be reviewed further and the applicant will receive an Application Review Letter listing all missing or incomplete items. An incomplete application is one that is missing required Exhibits and/or Attachments or that contains unsigned certifications.

The Completeness Review is used to compile data for logging applications and tracking their progress through the review process. This step is also used to compile information which will be used to assess a project's feasibility. Application exhibits and attachments used primarily for rating will not be requested in a Notice of Incomplete Application.

If an application is deemed complete, but the content fails to address application questions, is inconsistent, or fails to comply with instructions, its evaluation will be compromised, possibly affecting rating and ranking decisions to the detriment of the applicant.

Note: HTFC in its sole discretion will discontinue processing of those applications determined to be substantially incomplete. Substantially incomplete applications are those in which a minimum of 30% of the required exhibits and attachments are missing from the initial application submission. HTFC will also consider to be substantially incomplete, any site-specific application which does not include acceptable evidence of site control or a market study/ market analysis. 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 CPM.

3. Eligibility Review

Applications are reviewed according to the criteria in the eligibility matrix on the following page. The eligibility of an application for the programmatic initiative is based upon the eligibility of the application under the HTF program and the terms outlined in this RFP.

Applications that fail to meet all of the eligibility criteria will not be reviewed further, and an Application Review Letter will be sent to the applicant, indicating that the application is ineligible and specifying the reason(s).

HTF Eligibility Review Matrix

Category	HTF
Applicant	<p>Eligible Applicants include:</p> <ul style="list-style-type: none"> • Not-for-profit corporations or charitable organizations in existence for at least one year, whose primary purpose is low-income housing; • Wholly-owned subsidiaries of not-for-profits or charitable organizations; • Housing Development Fund Companies; • Partnerships (50% not-for-profit or charitable organization control); • Private developers; • Municipalities; and, • Housing authorities, when assisting properties owned after 7/1/86.
Area	<p>Eligible Areas include:</p> <ul style="list-style-type: none"> • Blighted areas as recognized by a Federal, State or local government; • Sites that have a blighting influence on the surrounding areas; or • Areas indicating an inability or unwillingness of the private sector to invest funds without State assistance.
Project	<p>Eligible Projects include:</p> <ul style="list-style-type: none"> • Residential homesteading, rental, cooperative or condominium projects, provided that up to 10% of the HTF award may be used for costs associated with community service facilities; • New construction, rehabilitation, conversion (non-residential space to be converted must be vacant or underutilized prior to application); and, • Distressed 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.
Costs	<ul style="list-style-type: none"> • Actual and necessary cost of construction, rehabilitation or 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 \$125,000/unit; and, • Maximum \$3,750,000/project.
Occupants	<ul style="list-style-type: none"> • Low-income persons with incomes up to 80% of area median income in New York City. • Low-income persons with incomes up to 90% of area median income in the portion of the State outside New York City. • Preference for very low-income persons (50% or less of area median income).

4. Rating Criteria

Applications which pass completeness and eligibility reviews are scored on the following criteria. The reviews of Small Project Program applications will employ alternative scoring criteria for income served (affordability) and subsidy cost.

i. (20 points) Income Served

(1) (15 points) Affordability - Measures the extent to which the proposal targets households with incomes below the statutory maximum for the program. Projects that serve a weighted average income which is a minimum of five percent below the statutory maximum eligible income will receive the minimum points. Projects that serve a weighted average income at 35% of median income will receive the maximum points.

For Small Project Program applications, the same calculation that is performed for larger HTF projects will be completed. However, small projects that serve a weighted average income of 60% of area median income will receive more than half of the available points under this criterion.

For HTF site-specific rental projects:

(2a) (5 points) Affordable Rents - Measures the extent to which the proposed project's gross rents are below the area Fair Market Rents (FMR). Compares project rents with area FMR according to the following point schedule:

Project Gross Rents Compared to FMR	Points
>5% to 10% below FMR	1
>10% to 15% below FMR	2
>15% to 20% below FMR	3
>20% to 25% below FMR	4
>25% below FMR	5

OR For HTF site-specific cooperative and condominium projects:

(2b) (5 points) Affordable Owner Expenses - Measures the extent to which the proposed project owner's gross housing expenses (principal, interest, taxes, and insurance - PITI) compares to an adjusted FMR according to the following schedule (in consideration of additional expenses associated with home ownership, FMR will be adjusted by a factor of 1.3):

PITI Compared to Adjusted FMR	Points
>5% to 10% below Adjusted FMR	1
>10% to 15% below Adjusted FMR	2
>15% to 20% below Adjusted FMR	3
>20% to 25% below Adjusted FMR	4
>25% below Adjusted FMR	5

ii. (20 points) Subsidy Cost - Measures the present value of a proposed project's per-unit annual subsidy cost to the State. Projects which cost the least and are regulated for the longest term will receive the most points. Reviewers will use a subsidy cost index to measure the per-unit cost against the length of time (regulatory term) that the units will remain affordable. The Index is

adjusted to account for regional cost variations. It is also adjusted for bedroom size by using the following formula: for senior projects, the number of SRO's is multiplied by .75 and the number of one or more bedroom units is multiplied by 1.0; for non-senior/family projects, the number of SRO's is multiplied by .75, the number of one bedrooms is multiplied by 1.0, the number of two bedrooms is multiplied by 1.25, and the number of three or more bedroom units is multiplied by 1.50.

For Small Project Program applications, a calculation identical to that done for large HTF applications will be completed. However, an alternative subsidy cost index will be used which will award similar points for larger per unit HTF requests (compared to projects which are not small projects).

iii. (15 points) Community Impact/Revitalization

(1) (5 points) The project provides affordable housing in an area that has had limited or no subsidized housing production and an unmet demand for affordable housing in the past 10 years within the primary market area of the proposed location of the project.

(2) (5 points) The project provides affordable housing in an area that has a strong housing market as evidenced by a vacancy rate of less than five percent for comparable units in the primary market area.

(3) (5 points) The project is part of a comprehensive community revitalization plan which includes the use or reuse of existing buildings, which may include the historic rehabilitation of existing buildings, and addresses employment, education, cultural and recreational opportunities within the community.

iv. (5 points) Leveraging

(1) (3 points) Permanent Financing - Points are awarded based on the ratio of non-governmental funds to be used for permanent financing to total project cost. Projects in which non-governmental sources finance 80% or more of total project costs (not including a deferred developer fee) will receive the most points.

(2) (2 points) Construction Financing - Measures the extent to which private lenders will be used for construction financing. Projects in which only non-governmental funds will be used for construction financing will receive the most points.

For Small Project Program applications, these points will be awarded based solely on the extent to which non-governmental funds will be used for permanent financing. Projects in which non-governmental funds constitute 50% or more of total project costs will receive the most points.

v. (10 points) Green Building Initiative

(1) Up to seven (7) points will be awarded to an applicant who documents that their project will meet the mandatory criteria and standard criteria listed below. Points will be awarded according to the following schedule:

Integrated Design Process - Mandatory

- Written development plan outlining the integrated design approach taken by the entire multi-disciplinary development team including a qualified green design expert.

Energy Efficiency - Mandatory

- Provide central heating and cooling plants with sealed combustion chamber; or individual HVAC units that include air conditioners, with sealed combustion chambers within each dwelling unit. No air conditioner sleeves will be permitted.

Operations and Maintenance - Mandatory

- Building owner's maintenance manual;
- Occupant's manual or guide; and
- New resident orientation.

Site Planning/Environmental Impacts – 1 point

- Surface water management plan - Mandatory
- Phase I Environmental Site Assessment – 1 point;

Location and Neighborhood Fabric – For this category the project will be scored in the following manner: Applicant completes a minimum of 4 criteria – 1 point; Applicant completes a minimum of 5 criteria – 2 points; and Applicant completes a minimum of 6 criteria – 3 points

- Smart site location in close proximity to existing development;
- Smart site location that avoids sensitive environmental resources including wetlands, critical habitats, steep slopes, prime farmland and parkland;
- Smart site location in close proximity to community services and retail facilities;
- Smart site location in close proximity to public transit;
- Smart site location and orientation of the building to make the greatest use of passive solar heating/cooling (except rehabilitation or infill projects);
- Compact development that achieves densities of at least 15 units per acre for apartments, 10 for townhomes and 6 for detached/semi-detached houses (except rehabilitation or infill projects); or
- Sidewalks and suitable pathways to public spaces, open spaces and adjacent development to ensure walkable neighborhoods.

Healthy Living Environment - For this category the project will be scored in the following manner: Applicant completes a minimum of 7 criteria – 1 point; Applicant completes a minimum of 9 criteria – 2 points; and Applicant completes a minimum of 11 criteria – 3 points

- Low/no volatile organic compounds (VOC) paints, primers, adhesives and sealants;
- Formaldehyde-free composite wood or any composite wood containing urea-formaldehyde with exposed particleboard must be sealed;
- If providing floor coverings; use the Carpet and Rug Institute's Green Label certified (or equivalent) carpet and pad.
- Energy Star labeled bathroom fans that exhaust to the outdoors with a humidistat sensor or timer or continuous operation;
- Ventilation system for each unit providing 15 cubic feet per minute of fresh air per occupant;

- If included, size cooling equipment in accordance with the Air Conditioning Contractors of America Manual, Parts J and S;
- Tankless hot water heaters, or if using conventional hot water heaters, install in rooms with drains or catch pans piped to the exterior and with non-water sensitive floor coverings;
- Combustion sealed water heaters or heaters direct vented to the outside, if heater is located in a conditioned space;
- Cold water pipe insulation;
- Moisture-resistant materials in wet areas;
- Clothes dryers vented directly to the outside; or
- Integrated pest management.

(2) The Green Building Initiative also offers an opportunity to score three (3) points for any application which includes measures or practices which exceed the standard criteria outlined above. To qualify for the three additional points, applications must also propose projects that meet any one of the following criteria:

Location and Neighborhood Fabric

- Development on a brownfield, grayfield or adaptive reuse site;

Energy Efficiency

- Installation of photovoltaic (PV) panels or other acceptable alternative energy measures to provide at least 10% of the project's estimated electricity demand

Materials Beneficial to the Environment

- Construction waste sent to the landfill is reduced by 25%;
- Use of 25% total recycled content building materials in project construction;
- Use at least 50% (by cost) wood products and materials that are certified in accordance with the Forest Stewardship Council, salvaged wood or engineered framing materials;
- Use water-permeable materials in 40% or more of walkways and 40% or more of paved parking areas (proposed materials must not conflict with accessibility requirements); or
- Use a) Energy Star-compliant and high-emissive roofing for the entire roof or, install a "green" (vegetated) roof covering at least 50% of the roof; and b) light-colored/high-albedo materials and/or an open-grid pavement over at least 30% of the site's hardscaped area.

Specific information on all of the above criteria can be found in the DHCR Green Building Criteria Reference Manual. In addition, the Green Building Criteria Checklist, Attachment B9, must be completed and submitted with your application.

vi. (10 points) Energy Efficiency – Applicants participating in one of the New York State Energy Research and Development Authority (NYSERDA) programs or meeting alternative efficiency standards outlined below are eligible to receive a maximum of 10 points according to the following schedule:

Multifamily Building Performance Program:

Applicant has proposed participation in this NYSERDA program and by doing so commits to meeting NYSERDA's energy efficiency standards – 5 points.

Applicant has submitted a signed contract between the applicant and a NYSERDA approved Performance Partner and such applicant will meet energy efficiency standards as established by NYSERDA – 10 points.

Energy Star Labeled Homes Program:

Applicant has proposed participation in this NYSERDA program and by doing so commits to meeting NYSERDA's energy efficiency standards – 5 points.

Applicant has demonstrated that the project is designed to meet high efficiency guidelines required for certification as a New York ENERGY STAR labeled home – 10 points.

Assisted/Home Performance Program:

Applicant has proposed participation in this NYSERDA program and by doing so commits to meeting NYSERDA's energy efficiency standards – 5 points.

Applicant has submitted a signed contract between the applicant and a Building Performance Institute certified contractor and by doing so commits to meeting NYSERDA's energy efficiency standards – 10 points.

In new construction, or substantial rehabilitation projects, applicants not eligible for participation in NYSERDA's programs, such as projects located in non-Systems Benefits Charge (SBC) areas, are also eligible to receive up to ten (10) points by submitting evidence that the energy efficiency of the project is 30% or greater than that required by the NYS Energy Conservation Code, as evidenced by the completion of the NYS version of REScheck (www.energycodes.gov/). Note: NYSERDA technical assistance funding may also be available to applicants in non-SBC municipalities.

In moderate rehabilitation projects, applicants not eligible for participation in NYSERDA's programs such as projects located in non-Systems Benefits Charge (SBC) areas, are also eligible to receive up to ten (10) points by demonstrating that the renovated building(s) will reduce overall energy usage by 20%, or more by submitting an energy analysis by an architect or engineer licensed in the State of New York which indicates the projected reduction in energy usage as compared to average energy usage for the last two years of operation.

vii. (5 points) Persons with Special Needs

Scores the extent to which preference in tenant selection will be given to persons with special needs (as listed in the Unified Funding Reference Materials - August 2008) and the extent of a the applicant's provide supportive services.

1) Preference in tenant selection will be given to individuals and families for 15% or more of the low income units in the project and these individuals and families will be served by supportive services as evidenced by a comprehensive service plan and an agreement or commitment in writing with an experienced service provider. This comprehensive service plan should include:

- an identified ongoing source of supportive service funding; and

- a signed contract or memorandum of understanding between the developer and an experienced service provider to provide ongoing supportive services (5 points)

(OR)

Preference in tenant selection will be given to individuals and families who are eligible populations under the New York/New York III Supportive Housing Agreement (NY/NY III) as evidenced by an agreement or commitment in writing for NY/NY III operating funds. (5 points)

2) Preference in tenant selection will be given to individuals and families for 15% or more of the low income units in the project and these individuals and families will be served by an agreement or commitment in writing by an experienced service provider but the application material does not meet the comprehensive service plan criteria identified in (1) above. (3 points);

(OR)

3) Preference in tenant selection will be given to individuals and families who are eligible populations under the New York/New York III Supportive Housing Agreement (NY/NY III) as evidenced by submission of an application for NY/NY III operating funds. (3 points)

viii. (5 points) Fully Accessible and Adaptable, Move-in Ready Units - Scored on whether:

(1) at least five 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 mobility impairment and the unit(s) will be marketed to households with at least one member who has a mobility impairment; and,

(2) 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 and the unit(s) will be marketed to households with at least one member who has a hearing or vision impairment (3 points); or,

(3) the percentages of units meeting the requirements of (1) and (2) above are equal to or exceed 10 percent and 4 percent (rounded to the next whole number) respectively (a minimum of two units each) (6 points).

ix. (5 points) Project Readiness – Scored on:

- the status of financing commitments 5 points.

x. (5 points) Successful Development Performance - Measures the successful performance of the applicant or the applicant and members of their development team in the timely development and completion within approved development budgets of comparable affordable housing (in terms of size number of units, financing, income served and tenure of housing) in the ten years prior to application submission date. The experience of the applicant, applicant/developer, architect and general contractor will be evaluated according to the following criteria:

(1) (5 points) For-profit applicants: Compares the total development costs (TDC) of comparable projects successfully completed by the applicant or its parent or supervising entity during the ten years prior to application to the TDC of the proposed project. Those with an aggregate amount

of TDC from successfully completed projects equaling 10 times or more of the TDC of the proposed project will receive the most points. The development experience of all members involved as a joint venture applicant will be aggregated to award points.

OR

(2) (5 points) Not-for-profit applicants: Measures the successful performance of the not-for-profit developer and/or housing consultant, the architect and the general contractor selected for the proposed project in the timely development and completion within approved budgets of comparable affordable housing (in terms of size, financing, income served and tenure of the housing). Not-for-profit applicants who have successfully completed at least one similar project will receive three points. Not-for-profit applicants without prior development experience who have teamed with a developer or housing consultant who has successful development performance may receive up to three points. One point each for successful performance will be given if the architect and/or the general contractor selected by the not-for-profit applicant have successfully completed one similar project.

xi. Bonus Points

State-Subsidized Rural Rental Assistance Program Projects (5 points) – Bonus points will be awarded to rehabilitation projects currently subsidized through the Rural Rental Assistance Program that can demonstrate actions and/or improvements that will reduce or restrain growth in project operating costs, including, but not limited to, reductions in real property taxes, reductions in insurance, management and other operating costs, and reductions in energy costs by agreeing to participate in and meet the energy efficiency standards of the New York State Energy and Research Development Authority’s Multifamily Building Performance Program or the New York Energy Star Labeled Homes Program or alternate energy efficiency standards outlined in this RFP.

Collaboration (10 points) – points will be awarded to applications based on the extent of documented financial commitments, as a percentage of the total development cost of the project, from Federal, State or local government partners. Applications for which documented firm financial commitments from other sources equal 70% of the project’s total development cost will receive the most points. Applications which document a lesser percentage of such commitments will be awarded fewer points.

5. Feasibility Reviews

Complete feasibility reviews of all applications, including design, underwriting and persons with special needs reviews, will be conducted pursuant to the DHCR/HTFC Capital Programs Manual and Design Handbook. Projects which do not demonstrate feasibility to the satisfaction of HTFC will not be reviewed further.

6. Funding Recommendations

Funding recommendations are made for feasible projects from available funds on the basis of ranking resulting from rating, statutory distribution requirements and a geographical distribution of funds in support of the State’s housing goals. Applicants are informed of the disposition of their applications in an Application Review Letter.

Pursuant to statutory requirements, the following limitations will 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.

Those applicants recommended to receive awards will receive an Application Review Letter indicating they have been selected for funding.

7. HTFC Board Approval

All awards must be approved by the HTFC Board of Directors prior to entering into a funding commitment for HTF projects.

8. Application Review Letter

Applicants for HTF will be sent an Application Review (AR) Letter approximately **120 calendar days** after the submission deadline.

9. Funding Commitment Letters

Approximately 45-60 business days after the issuance of an AR Letter, HTFC will begin to send Funding Commitments Letters to successful applicants.

10. Project Development Meeting

The Project Development Meeting provides a forum for the applicant's development team and HTFC to discuss the project's development timetable; the roles and responsibilities of the development team members and HTFC; and the deliverables required under the terms of the executed Funding Commitment. Additional information on Project Development Meetings can be found in Section 3.02.08 of the Capital Programs Manual.

11. Processing Time Frames

HTFC 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.

VIII. REGIONAL OFFICE SERVICE AREAS

Any questions regarding this RFP or the application process should be directed to the Regional Office which serves the county(s) in which the proposed project is located. Regional Directors and the counties served by their offices are:

Capital District Regional Office Lynn Kopka, Regional Director
Hampton Plaza, 2nd Floor, 38-40 State Street, Albany, New York, 12207 (518) 486-5012
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 Thomas Van Nortwick, Regional Director
Electric Building, Suite 105, 535 Washington Avenue, Buffalo, New York 14203, (716) 847- 7955
Counties Served: Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming and Yates.

Syracuse Regional Office Daniel Buyer, Regional Director
620 Erie Boulevard West, Suite 312 Syracuse, New York 13204, (315) 478-7179, ext. 200
Counties Served: Broome, Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga and Tompkins.

New York City Regional Office Gregory Watson, Regional Director
25 Beaver Street, 7th Floor, New York, NY 10004, (212) 480-4543
Counties Served: Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester.