

**Office of Finance and Development
Capital Programs Manual**

Section: 1.00 INTRODUCTION

Sub Section: 1.01 About This Manual

This manual is designed to provide program participants with a comprehensive handbook which explains the processes, procedures, and requirements of the Office of Finance & Development's Capital Programs (OF&D). It supersedes Capital Programs Manual (CPM) issued November 2014. Please note that the CPM does not apply to bond financed transactions. The provisions of this document take effect for all OF&D immediately.

The manual is organized under the following headings:

Section 1.00: Introduction

Section 2.00: Program Descriptions

Section 3.00: Unified Funding Process

Section 4.00: Fair Housing and Equal Opportunity Requirements

Section 5.00: Development Requirements

Section 6.00: Administrative Processing Requirements

Section 7.00: Project Operating and Management Requirements

Section 8.00: Glossary

Please also note that the Housing Trust Fund Corporation (HTFC) Design Handbook is published separately. Design requirements must be addressed in the design of projects by most program participants. Applicants are strongly urged to consult the Design Handbook before completing an application. The current version is available online at: www.nyshcr.org/Publications/DesignHandbook/.

This Manual describes the requirements and procedures for the following capital programs:

Division of Housing and Community Renewal-Administered Programs

- Housing Development Fund (HDF)
- Low Income Housing Credit (LIHC)
- New York State Low Income Housing Tax Credit Program (SLIHC)
- Farmworker Housing Program

Housing Trust Fund Corporation-Administered Programs

- Low Income Housing Trust Fund (HTF)
- New York State HOME Program (HOME)
- Urban Initiatives (UI)

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- Rural Area Revitalization Projects Program (RARP)
- Community Investment Fund (CIF)

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Sub Section: 1.02 Office of Finance & Development - Capital Programs

The OF&D an administrative office located within New York State Homes and Community Renewal (HCR) and also serves as staff for the Housing Trust Fund Corporation (HTFC), a public benefit corporation. OF&D is responsible for both DHCR and HTFC administered programs. References to OF&D administrative policy shall refer to all programs covered in this manual while references to HTFC administrative policy pertains exclusively to programs funded through HTFC (see Sub-Section 1.01 for a list of all capital programs).

1.02.01 HCR Units Administering Capital Programs

Within OF&D, the following units are involved in the processes described herein:

The Regional Offices (Capital District, Buffalo, New York City, and Syracuse) are responsible for implementing the policies and programs of OF&D. This includes application review, project planning, project monitoring (from concept to completion of the construction/rehabilitation phase), working with community groups and outreach to needy communities. See Section 1.03 for regional office coverage areas and contact information.

Program Management staff is responsible for oversight of the individual OF&D programs. This includes ensuring that rules, regulations, and program guidelines are consistent with the statutory intent of the Legislature as well as monitoring to ensure that all applicants and program participants are treated consistently according to standardized, clearly communicated program policies including policies on project underwriting.

The Underwriting Unit is responsible for assessing the financial plans of projects requesting funding from HCR. This includes analyzing project applications to ensure sufficient and appropriate financing to complete a project, evaluating market demand, and considering rent structures and long-term operating costs of projects. In addition, underwriting staff work with regional office staff on funded projects from the time of award until project completion, providing any required underwriting analysis of the project.

The Management Systems and Research Unit (MSR) provides research and analytical support to OF&D's staff. The unit has responsibility for maintaining the Statewide Housing Activity Reporting System (SHARS) and other databases, preparing and updating all Legislative reports, and compiling program data into reports, manuals and other information pieces.

In addition to units within OF&D, other units within HCR are involved in the processes described in this Manual. These include:

The Architecture & Engineering Bureau (A&E) reviews and approves all plans and specifications plus provides on-site construction monitoring during the building phase of projects. Since Design reviews are a critical component of the application review process, A&E staff participates in Project Development Meetings with the applicant's development team and provides technical assistance on design issues to both HCR staff and program participants. The A&E has one additional component:

- The Environmental Analysis Unit (EAU) conducts environmental reviews for housing construction and rehabilitation projects funded by the Housing Trust Fund Corporation (HTFC). The environmental review is conducted according to regulations under the State Environmental Quality Review Act (SEQR) at 6 NYCRR Part 617. Additionally, for HOME projects, environmental reviews must be conducted according to the National Environmental Policy Act (NEPA), as interpreted by HUD regulations at 24 CFR Part 58.

The Office of Fair and Equitable Housing (FHEO) oversees compliance with all affirmative action, equal employment opportunity, and fair housing guidelines. FHEO works hand-in-hand with OF&D to ensure that the issues identified in Section 4 ("Fair Housing and Equal Opportunity Requirements") of this Manual are addressed by every participant in the capital programs.

The Office of Legal Affairs (OLA) provides comprehensive legal oversight for all of OF&D's programs. OLA staff review all legal documentation submitted by applicants and project sponsors, supervise all closings, and prepare all contracts and formal documents utilized by OF&D in its administration of these programs.

The Asset Management Unit (AMU) reviews and supervises projects when the project is complete and the property is occupied. AMU also reviews and approves the Project Management Plans and management agent contracts prior to the closing on DHCR/HTFC financing. In addition, compliance with the requirements described in Section 7.0 ("Project Operating and Management Requirements") is overseen by the AMU.

1.02.02 Housing Trust Fund Corporation

The Housing Trust Fund Corporation (HTFC), a public benefit corporation established by Article 18 of the Private Housing Finance Law, was created to facilitate the development of low-income housing by providing funding and technical assistance to eligible projects. Although technically a subsidiary of the New

York State Housing Finance Agency, the staff who administer the programs discussed in this manual are employed by the Division of Housing and Community Renewal. As a public benefit corporation, HTFC is governed by a Board of Directors, chaired by the Commissioner of HCR.

All programs administered by HTFC are implemented by OF&D staff in accordance with the directives of the HTFC Board. This includes project selection (subject to Board approval), construction/rehabilitation monitoring, technical assistance, and daily administration. The fiscal aspects of the HTFC programs are managed by HCR's Office of Professional Services in accordance with the directives of the HTFC Board. This includes disbursement of funds and tracking statutory provisions on allocation of funds by region and type of applicant. The legal aspects of the programs are addressed by HCR's OLA including a document review and project closings. HCR's AMU oversees post-construction project management.

1.02.03 Administration of Federal Programs by OF&D

OF&D administers several housing programs funded by the federal government. Currently, the Low-Income Housing Credit (LIHC) is part of OF&D 's Unified Funding Process (described in Section 3.0 of this Manual), although a separate Notice of Credit Availability and application review are conducted for this program. The precise nature of OF&D's involvement with these programs is defined by federal regulations but to the extent there is discretion, these programs are administered in a manner similar to HCR processes described above (Sub-Section 1.02.01).

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Sub Section: 1.03 Regional Offices

The regional offices are responsible for implementing the policies and programs of OF&D. This includes marketing and outreach to communities, providing technical assistance to project sponsors, conducting application clinics, application review, and other aspects of the State's housing delivery system. The appropriate regional office is the first point of contact for anyone interested in the capital programs of OF&D and should be contacted for information on:

- the application process;
- submission deadlines;
- program eligibility; or,
- availability of funds.

Following are the Regional Offices and the counties they serve:

Capital District Regional Office

Hampton Plaza, 38-40 State Street, Albany, New York 12207 (518) 486-5044

Counties Served: Albany, Clinton, Columbia, Delaware, Dutchess, Essex, Fulton, Greene, Hamilton, Montgomery, Orange, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren, Washington

Buffalo Regional Office

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

New York City Regional Office

25 Beaver St., 6th Floor, New York, NY 10004 (212) 480-7165

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

Syracuse Regional Office

620 Erie Blvd. West, Suite 312, Syracuse, NY 13204 (315) 478-7179

Counties Served: Broome, Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga, Tompkins

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Sub Section: 1.04 Waivers

In certain circumstances, applicants may wish to request a waiver of one or more of the requirements described in Section 3.0 ("Unified Funding Process"), Section 5.0 ("Development Requirements") or Section 6.0 ("Administrative Processing Requirements") of this Manual. This can be done by placing a request in writing to the President of OF&D and/or his or her designee at least 60 days prior to submitting an application. Waiver requests will be considered on an individual basis, based on the rationale provided in the request. Applicants must receive written approval of a requested waiver prior to incorporating the terms of the waiver into an application. Documentation of any approved waiver(s) must be included in the application to which the waiver applies.

Please note: No requirement mandated by statute may be waived under any circumstance.