

Office of Finance and Development

Capital Programs Manual

Section: 3.00 UNIFIED FUNDING PROCESS

Sub Section: 3.01 Introduction

The Unified Funding (UF) Process has been adopted by HCR, acting through HTFC and DHCR, to efficiently administer capital programs supporting affordable housing. The UF process is the method by which applicants may request full or partial funding from HCR to undertake housing projects, and by which applications for funding are evaluated. Through the UF process applicants may apply for funding from a number of HCR administered programs. However, application content, submission timeframes, and specific review steps will vary, depending upon the program(s) from which funds are being requested.

Subject to availability, applications for funds from the following programs will be accepted until the deadline date specified in the most recent HCR-issued Notice of Funding Availability (NOFA) or Notice of Credit Availability (NOCA for LIHC/SLIHC) and Request for Proposals (RFP), at which point they will be competitively reviewed pursuant to the criteria outlined in the most recent RFP:

- (i) Low Income Housing Trust Fund Program (HTF);
- (ii) New York State HOME Program (HOME);
- (iii) Low Income Housing Credit Program (LIHC);
- (iv) State Low Income Housing Credit Program (SLIHC), and,
- (v) other programs identified in the annual NOFA and/or RFP.

Subject to the availability of funds, additional programs may be made available through the UF process.

Technical assistance may be requested at any time by applicants who wish to discuss a project or program that may result in a UF application. Section 3.03 provides specific details on the various types of technical assistance which may be provided by HCR and the process for technical assistance.

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Sub Section: 3.02 Application Review and Funding Process

The application review and funding process consists of the following steps, depending on the outcome of the various reviews conducted by HCR staff:

- (i) eligibility review;
- (ii) rating and ranking;
- (iii) project review;
- (iv) project recommendations based on criteria outlined in the RFP;
- (v) HTFC Board Approval (for HTFC resources only); and,
- (vi) Outcome Letters.

HCR may complete additional application reviews as necessary. All Review steps are subject to quality control and supervisory reviews which occur on an ongoing basis.

3.02.01 Eligibility Review

Applications are reviewed for eligibility to ensure that the proposed project meets all statutory requirements of the program(s) from which funds are being requested. HCR staff must ensure, at a minimum, that the application has demonstrated the eligibility of the:

- (i) applicant/owner;
- (ii) area in which the proposed project is to be located;
- (iii) proposed use;
- (iv) property; and,
- (v) proposed occupants.

3.02.02 Rating and Ranking

All applications are rated according to the statutory, regulatory, and policy considerations of the applicable program(s). For the purpose of rating and ranking applications, when an applicant requests funds from two or more programs, HCR will utilize the scoring criteria for the program which would provide the greatest amount of financial assistance to the proposed project.

While rating and ranking of an application is a critical factor in award decisions, it is only one of the considerations described in the annual RFP.

3.02.03 Project Review

Applications which are in the competitive scoring range will undergo a project review. Staff members from the A&E, EAU, and Underwriting Unit (UW) will conduct technical assessments of the project as proposed. Staff from Program Management and the OLA may also participate, as well as other HCR staff as deemed necessary, to conduct a thorough review of each application.

3.02.04 Project Recommendations

After all reviews have been completed, the HCR Commissioner and/or HTFC Board of Directors will make final awards based upon the following considerations:

- i) the rating/ranking of all applications;
- ii) statutory and regulatory requirements, as discussed below;
- iii) the state's housing goals including but not limited to the preservation of affordable housing, community renewal, and collaboration with other government agencies;
- iv) the availability of program funds;
- v) geographic distribution of funds; and,
- vi) other criteria published in annual RFP.

If an applicant/developer/owner/manager and their principles are not in compliance with existing state contracts, or have participated in a publicly assisted program or project that has been determined to be out of compliance with statutes, rules, regulations, policies or agreements and has not taken satisfactory steps to remedy such non-compliance, HCR reserves the right to not award funding to such applicants.

HCR also reserves the right to award all, a portion of, or none of the program funds based upon funding availability, feasibility of applications received, the competitiveness of the applications, the applicant's ability to meet HCR criteria for funding, the applicant's ability to advance the State's housing goals, and HCR's assessment of cost reasonableness. HCR further reserves the right to review an application requesting project funds as an application for funding

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under other programs, for which the project is eligible, and to change or disallow aspects of the applications received. HCR may make such changes an express condition of its commitment to fund the project.

The HTF Program has statutory requirements governing the distribution of program funds. Per statute, allocations of HTF cannot exceed the following limits based on the total program appropriation in any fiscal year:

- (i) 50 percent allocated to projects located within any single municipality;
- (ii) 33 $\frac{1}{3}$ percent allocated to private developers for projects within a city with a population of one million or more; and,
- (iii) 33 $\frac{1}{3}$ percent allocated to private developers for projects in the area outside cities with a population of one million or more.

3.02.05 Outcome Letters

Once the application review process has been completed and funding decisions have been made, Outcome Letters will be prepared and sent to all applicants informing them of one of the three possible review statuses their application has achieved:

- 1) selected for funding (award letter);
- 2) not selected for funding (application review letters); or,
- 3) placed on a waiting list (It should be noted that a waiting list is not utilized every funding round.)

Applications which are incomplete, ineligible, non-competitive, cannot satisfactorily address HCR's underwriting standards, and/or do not advance State housing goals will not be selected for funding. Applicants whose applications are not selected for funding will be invited to meet with the appropriate Regional Office to review their application through an exit conference.

Applicants with applications which are complete, eligible, competitive, and could satisfactorily address HCR's underwriting standards, but for which there are insufficient funds, may receive an Application Review Letter informing them that the application has been placed on a waiting list. The waiting list may be established so that funded applications which do not go forward for any reason can be replaced by another project. The waiting list will remain in

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effect until the next Request for Proposals is issued, or until the waiting list is discontinued, at which time a new waiting list may be established. It should be noted, however, that a waiting list is not utilized every funding round and its use is subject to HCR's determination of the need to use this mechanism.

Applicants, whose applications are selected for funding, will receive an Award Letter congratulating them on their successful proposals, and notifying them that they will be contacted by an HCR project manager to arrange the Project Development Meeting as described in Section 6.02.01.

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Sub Section: 3.03 Technical Assistance for Capital Projects

Technical Assistance may be requested at any time from the HCR regional office serving the area in which the applicant is considering a project. For the best possible technical assistance for a specific project or site, the current UF application should be completed in its entirety and submitted to the appropriate Regional Office for review. General technical assistance is also available from the appropriate Regional Office and may include, but is not limited to, the following:

- 1) guidance on HCR program requirements and policies, as they pertain to a specific project;
- 2) assistance in determining the most appropriate HCR funding sources for the proposed project;
- 3) guidance in establishing a HDFC for a specific project;
- 4) review of development and/or operating budgets for a specific project;
- 5) assistance with reviewing and selecting a site or sites for a specific project; and,
- 6) referrals to other governmental agencies for funding and/or support services for a specific project.

The Regional Office will review the technical assistance application and will schedule a project assessment meeting with the applicant after reviewing the application. Representatives of agency technical units may attend the meeting, depending on the nature of the request.

In some instances, HCR's ability to provide technical assistance may be limited by the timeliness of the request for assistance or other factors. Priority will be given to not-for-profit applicants. Applications for technical assistance will not be accepted during the application review period immediately following the UF application deadline. Requests for technical assistance occurring immediately prior to the UF round deadline may not be accommodated.