

NEW YORK STATE HOUSING FINANCE AGENCY

APPLICATION REQUIREMENTS FOR NEW CONSTRUCTION AND PRESERVATION/REHABILITATION FINANCING

REQUIREMENTS FOR CHANGES IN DEVELOPERS/OWNERS AT HFA FINANCED PROJECTS

I. Outline of HFA Review and Approval of Developers/Owners

HFA requirements state that Developers/Owners are required to obtain HFA approval of the Developer/Ownership entity, either at initiation of a proposed project or for a change of entity on an existing project. In order for HFA to consider an entity for approval, the Developer/Owner is required to submit the list of items outlined below. The proposed Developer/Owner may be a third-party entity, the owner or a corporate entity controlled by the general partner of the owner. Regardless of the type of ownership structure, the proposed entity must meet the qualifications/requirements/criteria listed below and must demonstrate a commitment to professional and ethical standards. The due diligence outlined below for the initial approval of Developer/Owners will also apply for any proposed replacements of managing agents in the future. For the initial selection of a proposed ownership entity, the information listed below should be forwarded to the HFA Underwriter assigned to the project. For the replacement of the initially approved ownership entity that may occur after mortgage closing, the information listed below should be forwarded to the HFA Asset Manager assigned to the project.

As part of its review process, HFA may visit the proposed Developer/Owner's corporate office and may also review other developments where the proposed Developer/Owner is involved. In addition, prior to financing approval HFA will schedule an interview with the Owner/Borrower (or assigned representative), principal(s) of the proposed managing agent, the regional manager and the site manager responsible for the day-to-day operations of the project (for projects proposing separate leasing agents, the leasing agent would also be required to attend this interview).

The Developer/Owner must advise the Agency of any changes to a Developer/Owner for a replacement of the initially approved Developer/Owner that may occur prior to mortgage closing.

Following a review of the information provided by the proposed Developer/Owner and completion of the due diligence review by HFA staff, a final determination will be made by HFA on the proposed Developer/Owner.

II. Outline of HFA Review and Approval of a proposed Developer/Owner

The following documentation regarding the proposed Developer/Owner is required for approval by HFA:

1. Provide the proposed Developer/Owner's corporate resume/profile. This document is to include a complete, current list of properties owned by the

proposed Developer/Owner, type of property, number of units, location, type of subsidies (Section 8, Section 202, Section 236, LIHTC, Housing Trust Fund, etc.) and any relationships with any government entities. Form "[Schedule A](#)" will be sufficient for this request.

2. A) For proposed projects that are or will be assisted by HUD/FHA and/or local Housing Finance Agencies, please complete the [HUD Previous Participation Certification \(HUD Form 2530\)](#).
- B) For proposed projects that will not be assisted by HUD/FHA and/or local Housing Finance Agencies, please complete the [HFA Previous Participation Certification](#).
3. Evidence of industry designations (e.g., CPM, AMO, RAM, etc.), if any.
4. An organizational chart, clearly identifying the principals of the ownership entity and percentage ownership for each.
5. The most recent audited financial statements for the proposed Developer/Owner entity.
6. A reference list that includes both Client/Owner references and a list of government agency references.

In addition to the above list, HFA may need to independently obtain and review the following prior to approval:

7. Credit report
8. Lexis/Nexis report
9. Background check with other government agencies (HUD, NYCHPD, NYCHDC, NYSDHCR).