



Supportive Housing Opportunity Program Middle Income Housing Program

SUPPORTIVE HOUSING OPPORTUNITY PROGRAM (SHOP): SHOP provides subordinate financing for the new construction of or the adaptive reuse of a non-residential property to affordable supportive housing with on-site social services. Financing is only available for site-specific multi-family rental housing that will have first mortgages financed by tax-exempt or taxable bonds issued by HFA. Service and operating awards are required for access to SHOP funds. Applications for awards are available through the Empire State Supportive Housing Initiative (ESSHI) or other local municipal agencies. Projects with ESSHI awards will have priority.

Projects must have 50% of the units affordable to households earning less than 60% AMI. Projects with units set aside for households earning between 60% AMI and 130% AMI may apply for supplemental funds under the Middle Income Housing Program (MIHP), as described below. All sources are considered gap financing based on demonstrated need for such funding by HCR underwriting standards. Actual award amounts must be recommended by HCR staff, and approved by HCR Credit Committee, the HTFC and/or HFA Board as applicable. Applicants are strongly encouraged to apply for only the funding necessary for the financial feasibility of the project and to leverage funding from non-HCR sources.

Eligible Uses	<p>New construction of, or the adaptive reuse of non-residential property to, integrated affordable supportive housing, including site acquisition, hard, and related soft costs.</p> <p>HCR will give a preference to projects which are comprised of at least 50% supportive housing units. Developments must provide an integrated housing environment for the proposed residents. Applicants are encouraged to maximize the number of supportive housing units in their developments taking the neighborhood context into consideration.</p> <p>Construction and permanent financing available.</p> <p>Financing is only available for site-specific multi-family rental housing that will have first mortgages financed by tax-exempt or taxable bonds issued by HFA.</p>
Area Median Income Restrictions	At least 50% of the units in the project must be affordable to households earning no more than 60% AMI.
Maximum Award	New York City: Up to \$200,000 per unit for all residential units in projects where at least 50% of the units are designated as permanent supportive housing. Projects leveraging funds from the City of New York are eligible for up to \$100,000 per unit. Projects with less than 50% supportive housing and leveraging funds from the City of New York will not be eligible for maximum subsidy amounts and will be evaluated on a case by case basis. Preference is given to projects with at least 50% supportive housing units.

	<p>Westchester, Nassau & Suffolk Counties: Up to \$200,000 per supportive housing unit and up to \$160,000 per additional income restricted unit up to 60% AMI in integrated supportive housing projects.</p> <p>Rest of State: Up to \$150,000 per supportive housing unit and up to \$95,000 per additional income restricted unit up to 60% AMI in integrated supportive housing projects.</p> <p>Funding made available under this program is to be used for both the supportive and non-supportive units within integrated supportive housing projects. However, HCR reserves the right to use NCP to fund the non-supportive units if determined by HCR to be beneficial and based on availability of funds.</p> <p>Projects are strongly encouraged to secure other, non-HCR subsidy resources. The maximum per unit awards are expected for projects unable to secure leveraged resources and/or for projects where prevailing wages are required.</p>
Interest Rate and Loan Terms	0.5% interest-only paid during construction and permanent. 30 year term.
Supportive Services and Operating Funding	<p>A services and operating award acceptable to HCR is required for projects seeking these funds. Applications for awards are available through the Empire State Supportive Housing Initiative (ESSHI) or other local municipal agencies. Projects with ESSHI awards will have priority.</p> <p>HCR anticipates that the operating funding from the services and operating source will at least cover real estate maintenance and operating expenses for the supportive housing units. Applicants should underwrite rents for supportive housing units at an amount affordable to households earning at least 50% AMI.</p>
Priorities	Economic Development Projects, Integrated Supportive Housing Projects, Community Renewal and Revitalization Projects, Housing Opportunity Projects, Workforce Opportunity Projects, Downtown Revitalization Initiative Projects, Disaster Relief Projects, and projects that contain at least 50% supportive housing units.
Awarding Criteria	Funding will be awarded through a competitive selection process based on whether and/or how the project addresses the SHOP priorities listed above, uses less than the maximum allowed subsidy, expands supportive housing for high cost Medicaid populations, and has an ESSHI or other services and operating award with rental subsidies the greater of FMR or 60% AMI as determined by HUD.
Target Populations	The eligible target populations to be served under this program are families, individuals and/or young adults who are both homeless and who are identified as having an unmet housing need as determined by the CoC or local planning

	<p>entity or through other supplemental local, state and federal data, and have one or more disabling conditions or other life challenges, including:</p> <ul style="list-style-type: none"> • Serious mental illness (SMI); • Substance use disorder; • Individuals diagnosed with HIV; • Victims/Survivors of domestic violence; • Military service with disabilities (including veterans with other than honorable discharge); • Chronic homelessness (including families, and individuals experiencing street homelessness or long-term shelter stays); • Youth / young adults who left foster care within the prior five years and who were in foster care at or over age 16; • Homeless young adults between 18 and 25 years old; • Adults, youth or young adults reentering the community from incarceration or juvenile justice placement, particularly those with disabling conditions; • Frail or disabled seniors. <p>Projects of 15 or more ESSHI units, with 30 or more units in total serving applicable populations, will be required to set aside 25 percent of designated ESSHI units for high-cost, high-need Medicaid users. The applicable populations are SMI, substance use disorder, individuals diagnosed with HIV/AIDS, chronic homelessness, homeless frail elderly/seniors, individuals with developmental disabilities. See the ESSHI Glossary located at www.omh.ny.gov for definitions.</p> <p>Definition of Homeless: In order to be considered homeless for the purposes of this program, an individual must meet one of the following criteria:</p> <p>(1) an un-domiciled person (whether alone or as a member of a family) who is unable to secure permanent and stable housing without special assistance. This includes those who are inappropriately housed in an institutional facility and can safely live in the community and those who are at risk of homelessness,</p> <p>(2) a youth or young adult who left foster care within the prior five years and who was in foster care at or over age 16, and who is without permanent and stable housing,</p> <p>(3) an adult or young adult reentering the community from incarceration or juvenile justice placement, who was released or discharged, and who is without permanent and stable housing, or</p> <p>(4) a young adult between the ages of 18 and 25 years of age without a permanent residence.</p>
<p>Eligible Applicants</p>	<p>Not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers.</p> <p>80% of SHOP funding through FY 2020 will be prioritized for developments controlled by not-for-profit organizations. The following arrangements are acceptable demonstrations of not-for-profit control:</p>

	<ul style="list-style-type: none"> • 100% Not-for-profit Development: Projects where the sponsor(s)/developer(s) are not-for-profits. The project will be developed and owned by a not-for-profit or a partnership of not-for-profits during construction and after conversion to permanent financing. • Turnkey Development: Projects where a not-for-profit partners in a fee development structure with a for-profit partner where the ownership of the project is turned over to the not-for-profit provider after construction completion. • Joint Ventures with Majority Not-for-profit Control: Partnerships between not-for-profit and for-profit entities where the majority ownership is by the not-for-profit (at least 51% ownership by the not-for-profit of the controlling entity of the property owner). Such partnerships ensure that not-for-profit has day-to-day and long-term management control over the properties.
Regulatory Agreement Requirements	Minimum 40 year regulatory agreement. The regulatory agreement will require that the number of units designated as supportive housing will remain so for at least 40 years.
Age-Restricted Housing Requirements	<p>Developers seeking funding for a housing development that intends to restrict tenancy based on age (<i>e.g.</i>, “senior housing” projects or supportive units serving “frail elderly”), shall provide HCR with proof it has obtained an exemption from the New York State Division of Human Rights (“DHR”) in accordance with N.Y. Exec. Law § 296-2a(e). Verification that DHR has granted this waiver may be a condition precedent to the construction loan closing.</p> <p>To apply for an exemption pursuant to N.Y. Exec. Law § 296-2a(e), submit a written request to the Commissioner of DHR, located at One Fordham Plaza, 4th floor, Bronx, New York, 10458, describing, among other things, general information about the project (including the address and number of units, income and age restrictions, and any time sensitivities that may warrant expedited review), the anticipated sources of government funding, the market need for housing that is restricted by age, and the applicant’s intent to market the development in accordance with its HCR-approved Affirmative Fair Housing Marketing Plan.</p>
MIDDLE INCOME HOUSING PROGRAM SUPPLEMENT	
Description	The Middle Income Housing Program (MIHP) provides gap funding to developments that include a component of units that will be occupied by households earning up to 130% of AMI. Resources will go to projects in areas that serve three goals: housing opportunity, revitalization and stabilization.

<p>Area Median Income Restrictions</p>	<p>At least 10% but no more than 30% of the units within the project must be for households with incomes over 60% AMI and up to 130% AMI. Projects must meet the standard tax exempt bond and LIHTC low income set aside requirements.</p> <p>HCR will allow a reduced rent burden to encourage middle- and moderate-income households to reside in economically distressed neighborhoods, such as a Qualified Census Tract (QCT) or a downtown revitalization effort. In such cases, HCR will allow up to a 20% rent advantage for middle income tenants. For example, if the rent of a MIHP unit is set at an 80% AMI affordability level, it may be rented to households up to 100% AMI.</p> <p>Outside of a QCT, a project must be able to achieve rents that are affordable to households with incomes of at least 80% AMI in order to access MIHP.</p>
<p>Maximum Award</p>	<p>New York City and Westchester, Nassau & Suffolk Counties: Up to \$140,000 per housing unit with a household income limit above 60% AMI and up to 130% AMI.</p> <p>Rest of State: Up to \$95,000 per housing unit with a household income limit above 60% AMI and up to 130% AMI.</p>
<p>Priorities</p>	<p>Housing Opportunity Projects, Mixed Income Revitalization Projects, Middle Income Stabilization Projects, 20% or more 2 Bedroom or Larger Units.</p>

HCR retains the right to revise this term sheet from time to time and to waive any requirement contained therein, subject to the applicable statutes and program regulations. HCR also retains the right to not award any or all of its funds under this program. All proposals must comply with all federal, state and local laws.