



I. INTRODUCTION

The NYS Division of Housing and Community Renewal (DHCR) and the NYS Housing Trust Fund Corporation (HTFC) invite you to apply for housing assistance through this 2009 Unified Funding (UF) Request for Proposals (RFP). This RFP describes the programmatic and submission requirements for the Low-Income Housing Credit Program (LIHC), Low-Income Housing Trust Fund Program (HTF), New York State HOME Program (HOME) and three program initiatives available this funding round. Under this RFP, applicants may seek funding for new construction, substantial rehabilitation and moderate rehabilitation of rental housing.

Applicants may also request New York State Low-Income Housing Credit (SLIHC), Rural Area Revitalization Projects (RARP) Program or Urban Initiatives (UI) Program assistance in conjunction with a request for funding from one of the three Unified Funding programs.

This RFP also explains the process used by DHCR/HTFC to accept and evaluate applications requesting funding. While much of the application process is identical for all programs, each program has unique evaluation criteria and review steps may vary. 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.

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 2009 Unified 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 and technical assistance.

Section VI, "Open Window Programs," provides information on funding opportunities available through DHCR/HTFC's Open Window process some of which may be combined with requests for LIHC, HTF and HOME funding available under this RFP.

Section VII, "Evaluation and Selection Process," describes the general application review process and explains the evaluation and 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:

For the 2009 Unified Funding round applicants apply for funding using DHCR's Community Development On-Line (CD On-Line) application, submitted electronically via the Internet. The application is available through DHCR's website: www.nysdhcr.gov/Funding.

Applicants may make a special request, based on demonstrated need, to utilize a Word/Excel fillable paper application in lieu of CDOL. Requests must be in writing and received not later than January 12, 2009. Request for approval to use the Word/Excel paper application must be sent to:

**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**

Applications requesting LIHC, HTF and HOME funds alone or in combination with requests for SLIHC, Urban Initiatives (UI) or Rural Area Revitalization Project (RARP) Program funds must be received by **5:00 pm EST, on February 11, 2009.**

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

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. Applicants seeking technical assistance should contact the appropriate Regional Office (see list at the end of this document).

Any assistance with, or specific questions regarding the Unified 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 any DHCR staff is permitted.

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 from the DHCR website www.nysdhcr.gov/Funding :
1. DHCR/HTFC Project Application and Instructions;
 2. DHCR/HTFC Design Handbook;
 3. Capital Programs Manual (CPM);
 4. DHCR Low-Income Housing Tax Credit Qualified Allocation Plan (QAP);
 5. NYS Low-Income Housing Tax Credits (SLIHC) Statute – Article 2-A;
 6. New York State Low-Income Housing Tax Credit (SLIHC) Regulation – 9 NYCRR Part 2040 Section 2040.14;
 7. Instructions for CD-On-line electronic application;
 8. Green Building Criteria Reference Manual;
 9. Reference Materials;
 10. Common Application Issues; and,
 11. List of Pre-Qualified Market Study Firms.
- C. For applicants requesting LIHC and/or SLIHC an application fee of \$2,000 per program is due at the time of application. See the DHCR/HTFC 2009 Project UF Application, Attachment F2, for fee submission instructions. Non-profit applicants (or their wholly-owned subsidiaries) which will be the sole general partner of the partnership/project owner or the sole managing member of the limited liability company/project owner may request a deferral of fee payment until allocation.
- D. Regional Offices listed at the end of this RFP are available to answer questions from prospective applicants. In addition, applicants may review funded applications from the prior funding round which are available on the DHCR website.
- E. DHCR and HTFC reserve 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 DHCR and HTFC criteria for funding, and the applicant's ability to advance the State's housing goals including, but not limited to: preservation of affordable housing, community revitalization, green building technologies and practices and collaboration with other government agencies. DHCR and 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. DHCR and 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. Low-Income Housing Credit Program (LIHC)

LIHC provides a dollar-for-dollar reduction in federal tax liability to investors in qualified low-income housing that meets the requirements of Section 42 of the Internal Revenue Code (IRC) and have also received an allocation of tax credits under the threshold and selection criteria contained in a Housing Credit Agency's Qualified Allocation Plan (QAP).

LIHC is available to project owners who acquire, construct, and/or rehabilitate rental housing that is reserved for low-income households. The amount of credit allocated to a project is directly related to the costs associated with the acquisition, new construction and/or rehabilitation of rental housing that is reserved for low-income households per Section 42 of IRC.

Applicants requesting LIHC are referred to Section 42 of the IRC and are advised to carefully review DHCR's QAP before submitting an application. The QAP includes program definitions, threshold eligibility review criteria and project scoring and ranking criteria, as well as the rules regarding project monitoring requirements.

Applicants are advised that a pre-qualified market study firm must be used to prepare the market study required for all LIHC applications.

In addition, the federal Housing and Economic Recovery Act of 2008 (HERA), enacted July 30, 2008 has made significant changes to the Low-Income Housing Credit Program, which may impact the amount of LIHC financing for which a project may qualify, as well as other project facets. Pertinent HERA changes to LIHC include, but are not limited to, the following items:

- A 10 percent increase in New York State's tax credit allocation authority in 2008 and 2009;
- The 70 percent present value ("9 percent") credit applicable percentage has been set at the greater of current law, which floats on a monthly basis, or 9 percent, for buildings placed in service after the date of enactment through December 31, 2013.
- Note: The lower rate, at 30 percent present value ("4 percent"), which is utilized for acquisition of existing housing and projects financed with tax-exempt bonds, continues to float on a monthly basis.
- Elimination of below-market federal loans, such as the HOME, USDA Section 515 and CDBG Programs, from the definition of federally subsidized properties, thus allowing projects to include such federal program financing in eligible basis and to obtain the 9 percent credit rate for buildings placed in service after date of enactment.

Note: This does not apply to tax-exempt bond financed properties.

- Authorization to award up to a 30 percent basis boost to buildings placed in service after the date of enactment for which DHCR determines need the boost to be financially feasible and which are not already located in a Qualified Census Tract or HUD designated Difficult to Develop Area. (Please note this authorization will be utilized by DHCR as a potential resource for previously approved projects facing financing gaps rather than for new applications);

Elimination of the prohibition on the 30 percent basis boost for HOME-assisted properties located in Qualified Census Tracts or Difficult Development Areas and which are placed in service after date of enactment; and,

- The maximum percentage of eligible cost of a Community Service Facility which may be included in the calculation of the eligible basis has been raised from 10 percent to 25 percent.

1. Low-Income Housing Credit Availability

DHCR expects to have approximately \$25 million available for LIHC reservations. The maximum amount of annual credit allocation that may be requested per project is \$1,430,000. However, applications for projects in which 50% or more of the units will serve large families (households with 5 or more persons) by including units with three or more bedrooms or serve persons with special needs as listed in the Unified Funding Reference Materials 2009, may request up to \$1,650,000. In order for such a project to be eligible for up to \$1.65 million, the applicant must arrange for appropriate on or off-site services for the persons with special needs. The populations are listed in the CPM and UF 2009 Reference Materials.

All LIHC reservations will be made in compliance with DHCR's QAP.

The maximum amount of annual LIHC allocation-per unit which may be requested is \$22,000. This increase is based on the temporary 10% increase in DHCR's credit allocation authority for calendar years 2008 and 2009, as authorized by HERA.

Applications which include units to be assisted by both LIHC and SLIHC may request up to the per unit credit allocation maximum under each program for those specific units.

The new LIHC per project and per unit credit allocation maximums will remain in effect for new allocations through December 31, 2009. These caps are subject to change in future Requests for Proposals, and may be adjusted subject to market conditions.

2. LIHC Funding Set Asides/Special Priorities

Of the \$25 million available for LIHC reservations in the UF 2009 funding round, the following funding set-asides may be made available: \$3.3 million for Preservation Projects and \$2.2 million for Supportive Housing Projects. DHCR may exceed the amounts set-aside for Preservation and Supportive Housing projects depending on the number of competitive, feasible applications submitted.

However, DHCR will make no more than \$1.0 million in LIHC available for High Acquisition Cost Projects, as defined in Section 2040.2(j) of the QAP.

a. Preservation Projects

DHCR may provide a special funding priority for Preservation Projects, with a LIHC set-aside of up to \$3.3 million. For a proposed LIHC-financed project to be considered a Preservation Project, the project must meet the definition in Section 2040.2(q) of the QAP.

A Preservation Project is a project in which residential property is rehabilitated to extend its useful life to serve as affordable housing and averts the loss of affordable housing currently

serving the housing 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 period equal to at least thirty years from the date of issuance of the final credit allocation. [Note: applicants proposing a preservation project must demonstrate how the project averts the loss of affordable housing and must: a) describe any regulatory and economic circumstances which could precipitate the loss of or risk the availability of the project to low-income households, and; b) provide a compelling rationale for preserving the existing project based upon economic conditions including the availability of alternative affordable housing, street rents, vacancy rates and current and future demand].

The applicant must request a site visit from the Division to observe the building's existing condition and discuss proposed renovations PRIOR to the application submission.

Preservation Projects proposing the redevelopment of public housing must meet the criteria and conditions for approvals under the New York State Public Housing Law. Such projects may include the economic restructuring and rehabilitation of an existing public housing project. Applicants are encouraged to consult with DHCR regarding the review and approval of the redevelopment plan prior to submitting an application to DHCR

b. High Acquisition Cost Projects

DHCR will cap the amount of LIHC available for High Acquisition Cost projects at no more than \$1.0 million. As defined in Section 2040.2(j) of the QAP, a High Acquisition Cost Project is a Preservation Project in which the acquisition cost of the building(s) is twenty-five percent or more of the project's total development cost. Such projects must meet the Preservation Project definition referenced above to be eligible for funding.

In a High Acquisition Cost Project, the amount of the developer's fee shall be based upon an assessment of risk assumed by the project owner, considering factors including, but not limited to, rent subsidies or other project operating support, location, financing sources, occupancy level, project type and identities of interest.

c. Supportive Housing Projects

DHCR may provide a special funding priority for Supportive Housing Projects, with a funding set-aside of up to \$2.2 million. A Supportive Housing Project, as defined in Section 2040.2(u) of the QAP, is a project that gives preference in tenant selection to persons with special needs (defined in Section 2040.2(p) of the Proposed QAP), for at least thirty percent of the total units of the project.

For a proposed LIHC-financed project to be considered Supportive Housing:

- i. The need for housing for the targeted population within the primary market area must be documented;

- ii. The applicant must ensure the delivery of appropriate services, for which a documented need exists, to the targeted population as evidenced in a comprehensive service plan and an agreement in writing with an experienced service provider;
- iii. The project must be located in close proximity to public transit service or the applicant must include a transportation plan as a component of the comprehensive service plan to ensure access to necessary services;
- iv. The applicant must demonstrate that funding is in place or identify a viable plan for the funding of appropriate services;
- v. The applicant must provide for an ongoing rental subsidy or other form of subsidy to ensure that rents paid by the targeted population remain affordable; and,
- vi. The applicant must identify, and have a written agreement with, a public agency or experienced service provider that will refer eligible persons and families for the targeted units.

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

Subject to the availability of appropriations, HTFC intends to make \$29 million of NYS Low-Income Housing Trust Fund (HTF) Program resources available to fund site specific project applications submitted under this 2009 Unified Funding Round. Applicants may request up to \$2.0 million in HTF funding per project.

HTF provides funding for new construction, rehabilitation of vacant, under-utilized, or occupied 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 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. Pursuant to statute, funding under HTF is limited to \$125,000 per unit. In addition, up to 10 percent of the amount of the HTF award may be used for the rehabilitation, construction or conversion of 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. By statute, up to 50% of an HTF award may be utilized for acquisition, although preference for awards will be given to projects which will use 25% or less of the HTF award for acquisition costs.

Applications may request up to \$2.0 million per project. However, projects that meet one of the following criteria may apply for additional funds. 1.) Projects in which 50% or more of the units will: a.) serve large families (households with 5 or more persons) by including units with three or more bedrooms, or b.) serve persons with special needs as listed in the Unified Funding Reference Materials 2009, may request up to \$2.4 million. In order for a project serving persons with special needs to be eligible for up to \$2.4 million, the applicant must document that they will arrange for on or off site services for the targeted population. 2.) Applications which demonstrate compliance with the requirements of the Green Building Initiative by receiving a score of seven or more of the ten points available under the Green Building Initiative may request up to \$2.4 million. 3.) Applications for projects which demonstrate compliance with the requirements of the Energy Efficiency Initiative by

utilizing NYSERDA programs and plan to purchase electricity and/or fuel from a utility that pays the System-Benefits-Charge may request up to \$2.4 million. Applications for projects which demonstrate compliance with the requirements of the Energy Efficiency Initiative but do not purchase or do not plan to purchase electricity and/or fuel from a utility that pays the System-Benefits-Charge may request up to \$2.5 million.

If HTFC determines a proposal can be accomplished at a lower cost to the state than proposed, fewer funds will be awarded. For applicants who request both HTF and HOME funds for a project, the above funding limits apply to the combined HTF and HOME request.

HTFC reserves the right to fund any application requesting HOME and HTF solely with HTF funds and, in these instances, will require the owner to execute a HOME Match Addendum requiring the project to meet the HOME Program definition of affordable housing.

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.

This RFP is for applicants seeking funding to develop multi-family housing. Applicants requesting funds for one to four family homesteading projects should submit a HOME local program application or NYS Affordable Housing Corporation application for this project type.

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.

a. HTFC/DHCR Regulated Project Preservation Set-Aside

HTFC will set-aside up to \$4 million of the HTF/HOME funds available this funding round for preservation of affordable housing projects previously assisted by HTFC or DHCR. Applicants for this set-aside would only compete for this assistance against other applications for projects previously assisted by HTFC or DHCR.

The primary goals of this set-aside will be to extend the affordability of the existing HTFC/DHCR low-income housing portfolio by correcting deferred maintenance and obsolescence, lowering energy costs by bringing older projects up to current industry construction standards and assist projects that are financially distressed.

HTF/HOME applications submitted under this set-aside may not include a request for 9% LIHC. Applications seeking Low Income Housing Credit for preservation projects may request credit through the LIHC Preservation Project Set-Aside.

The requirements for Preservation Projects outlined in Section IV. B. of this RFP will apply to applications seeking funds under this set-aside.

C. The New York State HOME Program

HTFC expects to make \$34 million in HOME funds available to fund site specific project and local program applications submitted under UF 2009. The application process for HOME local programs will be administered through a separate Notice of Funding Availability and RFP.

In accordance with the State's approved Consolidated Plan, HTFC utilizes a competitive process for distributing HOME funds. The competitive process has been incorporated into the State's Unified Funding application process. Funds are distributed in the following manner:

- A minimum of fifteen percent of each annual allocation is reserved for Community Housing Development Organizations (CHDOs);
- Eighty percent of the remaining funds are reserved for projects and programs located within non-participating jurisdictions (local governments which do not participate directly in the HOME Program); and
- All remaining funds are distributed on a statewide basis.

This RFP is for site-specific multi-family housing applications. A separate RFP will be issued at a later date for local program applications.

It is one of the purposes of the HOME Program to give, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, job training, employment, contracting and other economic opportunities to low- and very low-income persons and locally owned enterprises, pursuant to Section 3 of the Housing Act of 1937. Federal law and regulations require that recipients of federal funds in excess of \$200,000 for construction or rehabilitation projects and their contractors agree to comply with the provisions set forth at 24 CFR Part 135.

Under this RFP, HOME provides funds for acquisition, rehabilitation or construction for site-specific multi-family rental housing projects. Applicants are reminded that HOME funded projects with 12 or more units are subject to Federal Labor Standards regulatory requirements (Davis Bacon Related Acts).

Applications requesting HOME funding for projects may request up to \$2.0 million. However, projects that meet one of the following criteria may apply for additional funds. 1.) Projects in which 50% or more of the units will: a.) serve large families (households with 5 or more persons) by including units with three or more bedrooms or b.) serve persons with special needs as listed in the Unified Funding Reference Materials 2009 may request up to \$2.4 million. In order for a project serving persons with special needs to be eligible for up to \$2.4 million, the applicant must document that they will arrange for on or off site services for the targeted population. 2.) Applications which demonstrate compliance with the requirements of the Green Building Initiative by receiving a score of seven or more of the ten points available under the Initiative may request up to \$2.4 million. Applications for projects which demonstrate compliance with the requirements of the Energy Efficiency Initiative by utilizing NYSERDA programs and that purchase or plan to purchase electricity and/or fuel from a utility that pays the Systems-Benefits-Charge may request up to \$2.4 million. 3.) Applications for projects which demonstrate compliance with the requirements of the Energy Efficiency Initiative but do not purchase or do not plan to purchase electricity and/or fuel from a utility that pays the Systems-Benefits-Charge may request up to \$2.5 million. Awardees that qualify as CHDOs may receive additional funds for operating expenses, subject to non-profit development allowance restrictions.

If HTFC determines that a proposal may be accomplished at a lower cost to the State than proposed, less will be awarded.

For applicants who request HTF and HOME funds for a project, the above funding limits apply to the combined HTF/HOME request.

CHDO applicants who intend to submit project applications to compete for the 15 percent CHDO set-aside should review Section 2.05.04F of the Capital Programs Manual and the application instructions for Exhibit 1, Section E.5., to ensure that their project meets all requirements for CHDO control of the project.

HTFC does not provide HOME funds as construction financing. However, up to \$5 million of Housing Development Fund (HDF) Program loan funds will be available from the Division of Housing and Community Renewal for construction financing only to eligible not-for-profit applicants who propose to use New York State HOME funds as permanent financing. The amount of HDF funding requested by an applicant may not exceed the amount of the applicant's request for New York State HOME funds.

Eligible applicants for HDF include: Housing Development Fund Companies (HDFCs) incorporated pursuant to Article 11 of the Private Housing Finance Law and not-for-profit and charitable corporations and their wholly-owned subsidiaries which have the improvement of housing for persons of low-income as a primary purpose. Other aspects of HDF program eligibility (areas, projects, costs and occupants) are determined by the eligibility requirements of the HOME program outlined in the Eligibility Matrix (see Section IV (B) of this Request for Proposals).

Requests for HDF funds will not be rated. HDF eligible applicants who receive New York State HOME awards for permanent financing and also request HDF funds for construction financing will receive an HDF award.

D. UF 2009 Initiatives

1. Green Building Initiative

The Green Building Initiative provides HTF and HOME funding to encourage sustainable development measures which promote smart growth practices, energy efficiency, a healthy living environment and protection of environmental resources. The criteria that must be met in order to qualify for the Green Building Initiative are substantially the same as in the previous Unified Funding round. To qualify, projects must meet certain mandatory criteria. Applications may also be eligible for extra points by including additional green building measures in their project.

All applicants must complete and submit with the application the Green Buildings Criteria Checklist which sets forth the mandatory criteria and additional criteria scoring system. The Green Building Initiative criteria is based on the following sustainable design practices - integrated design process, location and neighborhood fabric, site planning and environmental impacts, water conservation, energy efficiency, materials beneficial to the environment, healthy living environment and operations and maintenance.

To qualify, applicants also must provide central heating (with sealed combustion chambers) and cooling plants; or individual HVAC units (with sealed combustion chambers) that include central air conditioners, within each dwelling unit. No air conditioner sleeves will be permitted.

2. Energy Efficiency Initiative

The Energy Efficiency Initiative provides HTF and HOME funding to encourage the development of energy efficient residential buildings. The criteria that must be met in order to qualify for the Energy Efficiency Initiative are substantially the same as in the previous Unified Funding round. In order to qualify, applications must propose projects that demonstrate participation in the New York State Energy Research and Development Authority (NYSERDA) Multifamily Performance Program or the New York Energy Star Labeled Homes Program.

Applicants not eligible for participation in NYSEDA's programs such as projects located in non-Systems Benefits Charge (SBC) areas, will be required to submit 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/web_tools.stm). Note: NYSEDA technical assistance funding may be available to applicants in non-SBC municipalities.

Energy efficient construction measures that allow projects to meet energy efficiency requirements include additional wall and roof insulation, windows with lower U values, and heating/cooling plants with greater efficiency.

Prospective applicants under this initiative should contact NYSEDA for financing and technical assistance for improving energy efficiency in newly constructed housing and substantially rehabilitated multifamily buildings. For more information and specific program requirements, call NYSEDA at 1-877-NY-SMART, email to NewConstruction@trcsolutions.com, or visit www.getenergysmart.org

3. Project Based Voucher Program Initiative

As authorized by program regulations at 24 CFR 983, DHCR plans to offer up to 100 units of Project Based Voucher (PBV) assistance for proposed projects financed through the HTF, LIHC, SLIHC and/or HOME programs as well as for proposed projects financed in conjunction with the USDA Rural Development Section 515 program. 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: www.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 one of the programs included in this funding round.

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.

Regulations generally limit PBV assistance to no more than 25% of the units in each building (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 2009 UNIFIED FUNDING ROUND

- A. Applicants are encouraged to consider the housing and community development needs set forth in the available Housing Needs Study Regional Reports produced by DHCR when submitting applications this funding round. These reports are available through DHCR’s website.
- B. HTF and/or HOME Stand-Alone Preservation Projects – HTF and/or HOME funds can be used for 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. For HTF and/or HOME applications that do not request Low-Income Housing Credit, 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 equal to the term of the project’s existing regulatory agreement, whichever is greater. Please note for preservation projects that utilize LIHC, the scope of the rehabilitation must be sufficient for the project to function in good repair as affordable housing for a period equal to at least 30 years from the date of the final credit allocation.

HTF and/or HOME 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.

In this round, HTF and/or HOME standalone preservation project applications will be evaluated as a group and will only be evaluated against other preservation project applications. Preference in awarding HTF and/or HOME 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 an 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 or, if no HTFC regulatory agreement is in place, at the amount required for non-preservation projects. DHCR 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 provide evidence of anticipated energy savings as described in the Energy Efficiency Initiative scoring on Page 31 of this RFP.

C. General Requirements for Funding Round

1. Replacement Reserve Requirements

Operating budgets for non-preservation projects requesting HTF and/or HOME must provide an annual contribution to the replacement reserve equal to .50 percent of the total construction cost (including builder's fees), up to a maximum of \$800 per unit for family projects or \$400 per unit annually for elderly projects, unless otherwise approved by HTFC/DHCR. LIHC/SLIHC standalone projects must provide for an annual replacement reserve contribution of \$250/per unit for new construction developments for seniors and \$300 per unit for new construction of family developments and all rehabilitation projects. Please refer to the RFP section B above 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 DHCR website: www.nysdhcr.gov/Funding.

LIHC/SLIHC Projects

All applications for projects requesting LIHC or SLIHC must include a professional market study prepared by a DHCR pre-qualified market analyst or, in the case of projects located in the City of New York, a market analysis utilizing data from the New York City Rent Guidelines Board Report.

Projects with more than 15 units:

Any new construction project of over 15 units will require the submission of a **professional market study** or, in the case of projects located in the City of New York, a market analysis utilizing data from the New York City Rent Guidelines Board Report.

HTF and/or HOME stand-alone preservation projects located outside of the City of New York involving the rehabilitation of existing, occupied housing, may submit a **market analysis** rather than a professional market study, if the project's average occupancy for the twelve months prior to application submission is 90% or greater, HTF/HOME preservation project applications must include documentation of the project's most current monthly rent roll, two year project occupancy history, and income-qualified waitlist in the application Attachment D-5, "Preservation Project Information". If the project's average occupancy for the twelve months prior to application is below 90%, a professional market study is required.

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 application **must include** documentation of the project's most current monthly rent roll, two year project occupancy history and income-qualified wait list in the application Attachment D-5 "Preservation Project Information". 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 LIHC, HTF, HOME and SLIHC rating criteria provide scoring incentives for applicants who propose to participate in and meet the energy efficiency standards of the New York State Energy Research and 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. HOME and/or HTF stand-alone awards to not-for-profit applicants may be structured as a 0% deferred loan with a 30-year term if used to finance a preservation project.
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. For standalone HTF and/or HOME funded projects, no more than 10% of the HTF or HOME funds may be used for payment of a developer fee.

D. 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/DHCR 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
corgmrn@omh.state.ny.us

New York State Department of Health
AIDS Institute
Elizabeth Foster
(518) 474-8162
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
mbrune@hra.nyc.gov

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

SEED MONEY/TECHNICAL ASSISTANCE:

A. Seed Money

Seed money from the HTF or HOME Programs 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, 2.05.03.B, and 3.09 of the Capital Programs Manual for more information on the programmatic and eligibility criteria 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.

C. Regional Office Service Areas

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

OPEN WINDOW PROGRAMS

Applications which request funds only from one or more of the following programs available under the Open Window Review Process may be submitted at any time. However, applications that propose the use of SLIHC, UI or RARP with HTF, HOME and/or LIHC funding must be received by 5:00 P.M., February 11, 2009. HTFC/DHCR expects to notify applicants requesting funds from only Open Window programs of the outcome of the review process within 60 days of the date of receipt of a complete application.

Applicants seeking both HWF funds and NYS Housing Finance Agency (HFA) bond financing through the open window process may submit a joint application to both HTFC and HFA using the CD Online HWF/HFA joint application on the DHCR website at any time. Applicants may also use the Word/Excel version of the HWF/HFA joint application also available from the DHCR website.

Applicants who are applying for SLIHC, UI, RARP, or Small Projects Program standalone projects (not in combination with LIHC, HTF or HOME funds) may apply for these programs at any time of the year until the date of notice that all available funds are committed.

Applications for the following Open Window programs are available at: www.nysdhcr.gov through the "Forms & Applications" link.

A. Homes for Working Families (HWF) Program

Subject to the availability of appropriations, HTFC expects to make approximately \$7 million available under the Home for Working Families (HWF) Program.

HWF applicants also seeking NYS Housing Finance Agency tax-exempt bonds, 4% tax credits and subsidy funds may submit a joint application to HFA and HTFC using the CD Online application available at the DHCR website. Applicants may make a special request, based on demonstrated need, for DHCR approval to utilize a Word/Excel fillable paper application in lieu of CD Online. Requests must be submitted in writing no less than 30 days prior to submitting an application.

Under this program, HWF financing of up to \$35,000 per HWF-assisted unit outside of New York City and up to \$45,000 per assisted unit in New York City is provided to applications selected for funding to finance the substantial rehabilitation or new construction of affordable rental housing for families and/or senior citizens in which more than 50 percent of the project cost is financed with tax-exempt bonds allocated from the State's Private Activity Bond Volume Cap (issued pursuant to Section 42 and 142 of

the Code). The bond allocation enables the project to receive an allocation of 4 percent “as-of-right” low-income housing credit. Requests for HWF are capped at \$3.5 million per project, with preference given to applications requesting less than the maximum HWF award per unit.

Applicants must secure the necessary allocation of tax-exempt bonds separately through a public authority serving as an issuer. Such issuers include the New York State Housing Finance Agency, the New York City Housing Development Corporation, and the Dormitory Authority of the State of New York in conjunction with the NYS Office of Mental Health, local industrial development agencies and local public housing authorities.

While 100% of the HWF-assisted units are expected to meet LIHC restricted rent requirements (pursuant to Section 42 of the Code), up to 20% of the overall project units may be affordable to households with incomes above 60% of area median income provided the units are financed by other sources. The NYS Low-Income Housing Tax Credit Program (SLIHC) may be utilized as a source of financing for units serving households with incomes between 61% and 90% of area median.

The total amount of funds available depends on HWF program appropriations HTF reserves the right to review an application requesting HTF, HOME or HWF program funds as an application for funding under any of these programs whose eligibility criteria are met.

B. New York State Low-Income Housing Tax Credit (SLIHC) Program

Subject to authorization, approximately \$4 million is expected to be available for SLIHC reservations. Applications requesting SLIHC may not request more than \$750,000 per project. All reservations of SLIHC will be made in compliance with the QAP and the SLIHC regulations.

The maximum amount of annual SLIHC allocation per unit that may be requested is \$20,000. Applications which include units to be assisted by both LIHC and SLIHC may request up to the per unit credit allocation maximum under each program for those specific units.

SLIHC provides a dollar-for-dollar reduction in certain New York State taxes to investors in qualified low-income housing which meets the requirements of Article 2-A of the Public Housing Law and which also has received an allocation under the criteria and procedures established in the New York State Low-Income Housing Tax Credit Program Regulations, Section 2040.14. The SLIHC Regulation is included with the 2009 Unified Funding Materials.

The SLIHC Program is basically the same as the federal LIHC program **except program eligibility is set to assist households earning up to 90% of the area median income rather than the 60% standard of the federal LIHC program.** The SLIHC program requires that at least 40% of the units must be set aside for households whose income is at or below 90% of the area median income. For project applications proposing SLIHC financing only, no more than 40% of the project units assisted by SLIHC can serve households with incomes at or below 60% of AMI. For applications requesting both LIHC and SLIHC financing, there is no minimum percentage requirement for the number of such units that will serve households above 60% of AMI. However, applicants contemplating this approach should consider the added difficulty of finding investors for both the federal and state tax credit in light of current market conditions.

Applications requesting SLIHC will be rated pursuant to the scoring criteria set forth in the SLIHC Regulations. While the SLIHC scoring criteria is substantially synchronized with the LIHC scoring

criteria, the SLIHC scoring provides an additional preference for projects which will serve households with a range of income levels.

C. 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) through the “Funding” and “Forms and Applications” link. If UI or RARP is requested in combination with LIHC, HTF and/or HOME, applications must be submitted by no later than 5:00 P.M, February 11, 2009.

D. 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. The Small Projects application is available on the DHCR website (www.nysdhcr.gov) through the “Forms and Applications” link.

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.

Applications that propose quality housing that most efficiently provide 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. The Consolidated Plan Strategic objectives are available using the “Publications” link on the DHCR website (www.nysdhcr.gov).

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.

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 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

Applicants who submit 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.

Application exhibits and attachments used primarily for rating purposes 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 30% or more 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. At the sole discretion of DHCR/HTFC, 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 Section 5 of the CPM.

3. Eligibility Review

Applications are reviewed according to the criteria in the eligibility matrix on the following pages. The HWF Program has the same eligibility criteria as the HTF program. The eligibility of an application for the programmatic initiative is based upon the eligibility of the application under the program(s) requested in the application 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) for ineligibility. **HTF Eligibility Review Matrix**

Category	HOME	HTF and HWF	LIHC and SLIHC	UI/RARP
Project	Residential only; new construction, substantial or moderate rehabilitation. (Applicants requesting home ownership or tenant-based rental assistance must apply as Local Program Administrators under a separate RFP).	Residential only: rental, cooperatives or condominiums provided that up to 10% of an HTF award may be used for costs associated with a community service facility. New construction, rehabilitation, conversion, distressed occupied 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; projects with fewer than three units where project creates an additional unit. Residential buildings to be rehabilitated may be vacant, underutilized or distressed; non-residential space to be converted must be underutilized or vacant prior to application.	Residential only or residential with Community Service Facility (LIHC only); new construction, building acquisition with rehabilitation, and rehabilitation.	Residential, commercial, public facilities, community, civic, cultural establishments. Applicants must have an ownership interest in the project during the contract period.

Category	HOME	HTF and HWF	LIHC and SLIHC	UI/RARP
Costs	<p>Any customary development hard costs, acquisition, related soft costs or relocation costs. If more than one source of HOME funds, total HOME funds from all participating jurisdictions must be within published HOME subsidy limits. Applications requesting HOME funding for projects may request up to \$2.0 million, with additional amounts available for projects that meet criteria outlined on page 10 of this RFP.</p>	<p>Actual and necessary cost of construction, rehabilitation, 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 HTF \$125,000/unit. For HWF, the maximum of \$35,000/ unit (\$45,000/unit in New York City); 10% of HTF/HWF award may be used for a Community Service Facility. Applicants may request up to \$2.0 million in HTF funding per project, with additional amounts available for projects that meet criteria outlined on page 8 of this RFP. Requests for HWF are capped at \$3.5 million per project, with preference given to applications requesting less than the maximum HWF award per unit.</p>	<p>Actual and necessary cost of construction, building acquisition and/or rehabilitation, customary hard cost and related soft costs excluding the expense associated with syndication of the Credits. Requests may not exceed \$22,000 of LIHC per unit or \$20,000 of SLIHC per unit. However, a request for both credit programs can each go to the per unit limit. The maximum amount of annual credit allocation that may be requested per project is \$1,430,000. However, applications for projects in which 50% or more of the units will serve large families (households with 5 or more persons) by including units with three or more bedrooms or serve persons with special needs as listed in the Unified Funding Reference Materials 2009, may request up to \$1,650,000. Applications requesting SLIHC may not request more than \$750,000 per project.</p>	<p>Maximum grant amount for a UI project is \$100,000 and the maximum grant amount for a RARP project is \$200,000 for the acquisition, construction, rehabilitation, preservation or improvement of projects.</p>

Occupants	All HOME funds must benefit households at or below 80% of area median income; 90% of all rental units must benefit households with incomes at or below 60% of area median income.	Low-income persons up to 80% of area median income in New York City, low-income persons up to 90% of area median income in the areas of the State outside New York City. Preference for very low-income persons (50% or less of area median income). *(1)	Low-income households earning up to 60% (90% for State Tax Credit) of area median income. For a project to be eligible for LIHC allocation, it must meet one of the following income related occupancy requirements: 1) 20% of the units must be set aside for households earning 50% or less of area median income; 2) 40% of the units must be set aside for households earning 60% or less of area median income; or 3) 25% of the units must be set aside for households earning 60% or less of area median income, where allowable under the IRC (i.e., New York City).	Occupancy or benefit from complete projects is limited to persons of low-income as defined below: UI: Persons or families whose incomes do not exceed 90% of the median income of the MSA in which the project is located RARP: Persons and families whose incomes do not exceed 90% of median income of the county in which the project is located.
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NOTE: HWF is subject to the eligibility requirements set forth in the HTF and LIHC columns except as noted below.

* (1) For HWF, 100% of HWF-assisted units must serve low-income persons up to 60% of area median income, although 20% of the overall project units may serve households above 60% of the area median income.

4. Rating Criteria

Applications which pass completeness and eligibility reviews are scored using the rating criteria for each program requested.

LIHC requests will be rated based on the criteria contained in DHCR’s QAP, Section 2040.3(f), which include:

- i. Community Impact/Revitalization (15 points)
- ii. Financial Leveraging (13 points)
- iii. Sponsor Characteristics (10 points)
- iv. Green Building (10 points)
- v. Long Term Affordability (7 points)
- vi. Fully Accessible and Adapted, Move-in Ready Units (6 points)
- vii. Affordability (5 points)
- viii. Individuals with Children (5 points)
- ix. Energy Efficiency (5 points)
- x. Marketing Plan/Public Assistance (5 points)

- xi. Project Readiness (5 points)
- xii. Persons with Special Needs (5 points)
- xiii. Participation of Local Non-Profit Organizations (4 points)
- xiv. Mixed Income (3 points)
- xv. Project Amenities (2 points)

HTF and HOME requests will be rated based on the criteria listed in 4(i)-(xi) below.

SLIHC applications will be rated based on the criteria contained in the New York State Low-Income Housing Credit Regulation, Section 2040.14, which include:

- i. Community Impact/Revitalization (15 points)
- ii. Financial Leveraging (13 points)
- iii. Sponsor Characteristics (10 points)
- iv. Green Building (10 points)
- v. Long Term Affordability (7 points)
- vi. Fully Accessible and Adapted, Move-in Ready Units (6 points)
- vii. Affordability (5 points)
- viii. Individuals with Children (5 points)
- ix. Energy Efficiency (5 points)
- x. Marketing Plan/Public Assistance (5 points)
- xi. Project Readiness (5 points)
- xii. Persons with Special Needs (5 points)
- xiii. Participation of Local Non-Profit Organizations (4 points)
- xiv. Income Mixture (3 points)
- xv. Project Amenities (2 points)

HWF applications that pass completeness and eligibility reviews will not be scored but will undergo a technical evaluation which is described in Section 3.08 of the CPM.

UI and RARP requests will be rated based on the rating system summarized on the DHCR website (www.nysdhcr.gov) and accessible through the “Programs” link. UI and RARP requests which accompany a request for HTF, HOME, LIHC, SLIHC or HWF funding will be reviewed for eligibility only and will not be scored.

HTF/HOME Rating System

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 HTF and HOME 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 or HOME 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 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 Unified Funding Subsidy 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.

iii. Maximum of (15 points) Community Impact/Revitalization

Scored on the extent the project provides affordable housing in an area that meets the following criteria:

- (1) (5 points) Limited or no subsidized affordable 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) Strong housing market as evidenced by a vacancy rate of less than 5 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.

(4) (5 points) Is supported by the implementation of significant measures including, but not limited to, infrastructure improvements, real property tax relief and rezoning.

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.

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 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 Participant and a NYSERDA approved Performance Partner and such applicants 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 Participant 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 2009 Reference Materials) and the extent of a commitment to 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)

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 equivalent energy efficiency standards.

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 to 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

When an application requests LIHC, HTF or HOME funds, complete feasibility reviews, including design, underwriting and persons with special needs reviews are conducted pursuant to the DHCR/HTFC Capital Programs Manual, Design Handbook and QAP (for applications requesting LIHC). 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 also 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.

Pursuant to statutory and policy requirements, the following limitations will also be considered in reviewing HOME applications:

- a. first, all CHDO applications will be placed in rank order and selections made until the 15% CHDO set-aside is met;

- b. next, all non-participating jurisdiction applications will be placed in rank order and selections made until the minimum 80% requirement is met; and
- c. finally, all of the remaining applications will be placed in rank order and selections made until the dollar limit for HOME awards is reached.

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

7. HTFC Board Approval

All HTF, HOME, UI, RARP and HWF awards must be approved by the HTFC Board of Directors prior to entering into a funding commitment for HTF projects.

8. LIHC Reservations

The Commissioner of DHCR will issue a reservation of tax credits for LIHC and SLIHC within approximately 120 calendar days of the close of the funding round.

9. Application Review Letter

Applicants for HTF, HOME and LIHC will be sent an Application Review (AR) Letter approximately **120 calendar days** after the submission deadline. If a request for SLIHC, UI, RARP or HDF was submitted with a request for these programs, all programs will be addressed in the AR letter.

10. 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.

11. Project Development Meeting

The Project Development Meeting provides a forum for the applicant's development team and HTFC/DHCR to discuss the project's development timetable; the roles and responsibilities of the development team members and HTFC/DHCR; 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.

12. 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 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, Schuylar, 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.

-END OF REQUEST FOR PROPOSALS-