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**LOW-INCOME HOUSING CREDIT PROGRAM
COMMISSIONER DETERMINATION
SHARS ID: 20146002**

**Project Name: Oneida Workforce Housing
Project Applicant/Awardee: Stoneleigh Housing, Inc.
Date: October 31, 2014**

The federal Housing and Economic Recovery Act of 2008 (“HERA”) provided significant amendments to the Low-Income Housing Credit Program (“LIHC”). The LIHC Program is administered by the New York State Division of Housing and Community Renewal (“DHCR” or “the Division”), as the State’s lead housing credit agency, pursuant to Section 42 of the Internal Revenue Code (“Code”), the Governor’s Executive Order 11 of 2011 and DHCR’s LIHC Qualified Allocation Plan (“QAP”).

One HERA provision provides DHCR with the authority to assist specific projects and/or buildings which it has determined require an increased or enhanced credit allocation in order to be financially feasible. This provision authorizes DHCR to designate such projects and/or buildings as eligible for an enhanced credit through an increase in its eligible basis of up to 30%, in the same manner as projects/buildings located in HUD-designated Difficult Development Areas or Qualified Census Tracts.

Section 2040.2(s) of the QAP sets forth a definition for a State Designated Building as “a building receiving LIHC that is determined to advance the State’s affordable housing goals and policies and that is designated by the Division as requiring an increase in credits up to an amount determined by the Division to ensure financial feasibility as if the building were located in a difficult development area.”

DHCR provides guidance on its website at the following address - <http://www.nyshcr.org/Programs/LIHC/EnhancedCredit.htm> - on how project sponsors may request such a designation if the boost in basis is necessary to address a financing gap which would exist without the associated boost in basis. This guidance cites the specific application exhibits which must be submitted in order to document such a financing gap.

New York State Homes and Community Renewal’s (“HCR”) Unified Funding 2014 Multi-Family Programs Request for Proposals (“RFP”) seeks to encourage high quality, high readiness projects that advance specific housing goals of New

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York State by providing an accelerated application and review process as part of UF 2014. One such State housing goal enumerated in the RFP - Disaster Relief Projects – encourages applications which propose projects in communities directly impacted by Federal Emergency Management Office declared disasters. The Disaster Relief Projects goal states that HCR will consider requests under this goal for the HERA-authorized LIHC basis boost based on a review of specific financing needs and whether the applicant proposed specific actions to reduce overall project costs.

Oneida Workforce Housing project, to be developed by Stoneleigh Housing, Inc., and Kinderhook Development, LLC, meets the above Early Award project parameters for determination as a State Designated Building, pursuant to the QAP. This UF 2014 Early Award Disaster Relief project involves the new construction of 40 residential units in two buildings located at 106 N. Warner Street in the City of Oneida, in Madison County, within ½ mile of a neighborhood impacted by the Summer 2013 Severe Storms. The project proposes to serve a community impacted by the Storms and has been listed as a priority development under the NY Rising Community Reconstruction Plan. The project has proposed a construction start by April 2015 and demonstrated that it can meet this timeframe.

In addition, consistent with the above parameters, the applicant has proposed specific actions to reduce overall projects costs by more than \$500,000. These cost savings include a reduced selling price of the land by the City of Oneida, reduced contaminated soil costs, a fixed architectural contract fee at 4.82% of construction costs (the HCR maximum allowed fee is 6%), and the reduction of the developer's fee to 10% (HCR's allowable maximum is 15%).

The project is recommended to receive a LIHC reservation in the amount of up to \$880,000, which incorporates the basis boost and the enhanced credit. Based on DHCR's initial underwriting review of the project, the application demonstrates that the project cannot generate sufficient financing without obtaining a determination to be a State Designated Building and receiving the associated boost in basis.

In consideration of the information provided herein and in order to provide the project with sufficient financing to proceed, the above referenced project has been designated by DHCR as a State Designated Building and that the project's LIHC award, reservation and subsequent allocation be provided at the enhanced credit amount of up to \$880,000.

This Determination will be posted to HCR's website at <http://www.nyshcr.org/Funding/UnifiedFundingMaterials/2014/> to provide a written explanation of this award and intended allocation which is made available to the general public.



Commissioner Darryl C. Towns