



# Public Housing Preservation

**PUBLIC HOUSING PRESERVATION (PHP):** PHP funds provide gap financing to address the capital needs and long-term affordability of federal Public Housing Authorities (PHAs) outside of New York City. HCR will coordinate with PHAs and HUD to develop and implement a strategy to preserve public housing units, address their need for capital improvements, and ensure their continued affordability. This subordinate financing is prioritized for properties approved for participation in HUD’s Rental Assistance Program (RAD1), but projects not utilizing RAD1 may also be eligible.

PHP projects that are not participating in the RAD1 program that can demonstrate need based on cash flow may request Project Based Vouchers through the HCR Housing Choice Project Based Voucher Program Initiative.

Actual award amounts must be recommended by HCR staff, and approved by HFA Credit Committee, the HTFC and/or HFA Boards, as applicable. HCR reserves the right to substitute PHP funds with Homes for Working Families funds for projects financed with HFA bonds. Applicants are strongly encouraged to apply for only the funding necessary for the financial feasibility of the project and to leverage funding from non-HCR sources.

<b>Eligible Uses</b>	<p>Substantial or moderate rehabilitation and/or the demolition and replacement through new construction of site-specific multifamily rental housing currently owned by federal PHAs.</p> <p>Eligible costs are for site acquisition, hard costs, and related soft costs.</p> <p>For projects applying through the HCR Multifamily Finance 9% RFP, permanent financing only. For projects applying for financing with HFA bonds, both construction and permanent financing available.</p>
<b>Area Median Income (AMI) Restrictions</b>	<p>Projects utilizing LIHTCs must comply with the LIHTC AMI restrictions. For projects without LIHTCs, up to 60% AMI.</p>
<b>Per Unit Maximum Award</b>	<p>For projects utilizing 9% LIHTCs, up to \$50,000 per housing unit with a household income of up to 60% AMI, or if income averaging is utilized, up to 80% AMI.</p> <p>For all other projects, up to \$75,000 per housing unit with a household income limit of up to 60% AMI, or if income averaging is utilized, up to 80% AMI.</p> <p>HCR does not anticipate issuing the maximum per residential unit award to most projects.</p>
<b>Interest Rate and Loan Terms</b>	<p>0.5% interest-only paid during construction and permanent. Minimum of 30 year term, maximum of 50 years.</p>

<b>Priorities</b>	Properties approved for RAD1 by HUD.
<b>Eligible Applicants</b>	Federal PHAs or not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers, in partnership with a federal PHA.
<b>Regulatory Agreement Requirements</b>	Minimum 40 year regulatory agreement. There are additional statutory requirements for public housing authorities and property managers of projects that receive funding under this program.
<b>Monitoring Fees</b>	A fee sufficient to cover the cost of monitoring program requirements may be charged unless another governmental funder is monitoring compliance in a manner acceptable to HCR.
<b>Additional Submission Requirements</b>	For projects utilizing RAD1, a CHAP letter from HUD. For all other federal PHA's not utilizing RAD1, written permission from HUD.

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