

# HCR Multifamily Finance 9% RFP – Fall 2020

## Record of Revisions – December 15, 2020

Page 7 – In Section III.A the language was updated to remove the mandatory requirement of a Technical Assistance (TA) session. TA will now be completely voluntary and subject to the prioritization described below.

HCR is prioritizing providing TA to applicants seeking TA for proposals which were not previously submitted in the Summer 2020 Funding Round; and for Vital Brooklyn awardees.

This will affect scheduled TA sessions in following ways:

- 1) For TA requests regarding applications submitted in the Summer 2020 Funding Round, the TA sessions will be cancelled. In lieu of the scheduled TA session, a written summary of the Summer 2020 application review will be provided.
- 2) For applicants who did not submit in the Summer 2020 Funding Round, the TA session is voluntary. Applicants may elect to continue with the scheduled TA session at the already scheduled date and time, and must indicate the choice to do so with an email to [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org) by **5:00 p.m. Wednesday, December 16<sup>th</sup>, 2020**. An email electing to retain the previously scheduled TA session must be received by the deadline. If an email is not received by the deadline, the TA session will be cancelled. This announcement is effective for all TA sessions scheduled on or after Wednesday, December 16<sup>th</sup>.

All applicants may and are encouraged to continue to submit questions through the Questions and Answers process by using the RFP mailbox at [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org).

# Request for Proposals

## Multifamily Programs

## HCR Multifamily Finance 9% RFP – Fall 2020

### For Projects Financed by:

9% Low-Income Housing Tax Credit

New York State Low-Income Housing Tax Credit

Low-Income Housing Trust Fund Program

Rural and Urban Community Investment Fund

Supportive Housing Opportunity Program

Public Housing Preservation Program

Middle Income Housing Program

Housing Development Fund

Federal Housing Trust Fund Program

Senior Housing Program

All Affordable New York City Program

**RFP RELEASE DATE: November 17, 2020**



**Homes and  
Community Renewal**



## TABLE OF CONTENTS

|      |  |    |
|------|--|----|
| I.   | INTRODUCTION .....   | 3  |
|      | A. Funding .....   | 3  |
|      | B. What's New .....  | 4  |
| II.  | RFP TIMELINE AND SUBMISSION INSTRUCTIONS .....                         | 5  |
|      | A. Significant Deadlines .....   | 5  |
|      | B. Application Submission Instructions .....                           | 5  |
|      | C. Application Fees .....  | 6  |
|      | D. Q&A.....  | 7  |
| III. | APPLICATION PROCESS & REVIEW.....                                      | 7  |
|      | A. Pre-Application Technical Assistance & Site Visit Requirements..... | 7  |
|      | B. Threshold Review .....  | 10 |
|      | C. State Housing Goals .....   | 10 |
|      | D. Program Eligibility .....   | 12 |
|      | E. Scoring .....   | 12 |
|      | F. Funding Awards .....  | 13 |
|      | G. Waiting List .....  | 13 |
| IV.  | REGULATIONS, GUIDANCE, AND APPLICANT OBLIGATIONS.....                  | 14 |
|      | A. 9% LIHTC Set-Asides .....   | 14 |
|      | B. Fair Housing.....   | 15 |
|      | C. Equal Employment Opportunity/Minority and Women Owned Business..... | 15 |
|      | D. Entities on Federal or State Debarment Lists .....                  | 16 |
|      | E. Environmental Review & Prohibition of Project Work.....             | 15 |
|      | F. Credit and Financial Background.....                                | 16 |
|      | G. Reference Materials and Related Resources .....                     | 16 |
|      | H. HTFC/HFA Board Approval and Subsequent Process Obligations.....     | 18 |
|      | I. Material Changes to Applications. ....                              | 19 |
|      | J. Project Budget Completeness .....                                   | 19 |
|      | K. Identity of Interest Disclosure .....                               | 19 |
|      | L. Single Financing Plan. ....   | 19 |
|      | M. Subsidy Gap Financing Source per Residential Unit.....              | 20 |
|      | N. Capacity. ....  | 20 |
|      | O. Market Studies .....  | 20 |
|      | P. Rent Setting Guidance.....  | 20 |
|      | Q. Design Guidelines.....  | 20 |
|      | R. High Cost Projects .....  | 20 |
| V.   | GENERAL PROVISIONS .....   | 21 |
|      | Appendix – Regional Development Areas .....                            | 22 |



## I. INTRODUCTION

### A. Funding

The funding made available through this Request for Proposals (RFP) and through other NYS Homes and Community Renewal (HCR) funding opportunities is a critical component of Governor Cuomo’s landmark \$20 billion, five-year plan to combat homelessness and advance the construction and preservation of affordable housing in New York State. Made possible by the release of \$2.5 billion in funding delivered in the Fiscal Year 2018-19 Budget, the plan will create and preserve more than 100,000 units of affordable housing over five years.

To advance the plan, HCR seeks proposals for the preservation and creation of high-quality affordable housing throughout the State by investing certain resources of the agency identified herein. HCR invites eligible applicants to apply for these housing resources through this HCR Multifamily Finance 9% Request for Proposals (RFP). Under this RFP, applicants may only apply for funding for the new construction, rehabilitation, and/or adaptive reuse of site-specific projects that provide multifamily rental housing. This RFP is not applicable to projects proposing the use of tax-exempt bond financing.

This RFP describes the programmatic and submission requirements for the following funding sources. Detailed information on each program is available in the program term sheets available at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

| Program  | Anticipated Funding |
|--|---------------------|
| 9% Low-Income Housing Credit (LIHTC)                 | \$22 million        |
| New York State Low-Income Housing Tax Credit (SLIHC) | \$2 million         |
| Low-Income Housing Trust Fund Program (HTF)          | \$25 million        |
| Rural and Urban Community Investment Fund (CIF)      | \$3 million         |
| Supportive Housing Opportunity Program (SHOP)        | \$20 million        |
| Public Housing Preservation Program (PHP)            | \$3 million         |
| Middle Income Housing Program (MIHP)                 | \$3.5 million       |
| Housing Development Fund (HDF)                       | \$5 million         |
| Federal Housing Trust Fund Program (FHTF)            | \$2 million         |
| Senior Housing Program (SENR)                        | \$5 million         |
| All Affordable NYC (AANYC)                           | \$5 million         |



## B. What's New

Specific changes for the Fall 2020 RFP include:

- HCR has updated the Design Waiver process. All applicants requesting a waiver must utilize the updated Design Waiver request at <https://hcr.ny.gov/multifamily>. The form must be received at least 30 calendar days prior to the submission deadline.
- As part of the Governor's priority, HCR considers the provision of free Wi-Fi in affordable housing developments to be a key component. Therefore Fall 2020 applicants are highly encouraged to include enhanced access to broadband services for all residents. Examples to consider include discounted bulk internet services or managed wi-fi throughout the project. Projects which provide broadband internet connection in dwelling units and or in common areas will be given priority consideration in the scoring process. If projects are proposing to include enhanced broadband internet connection, applicants should discuss the plan for provision of enhanced broadband internet connection in the Project Narrative (Attachment B-2), include a price quote from a provider in Attachment F-3 (Operating Expenses Documentation) and include associated costs in the Development Budget and Operating Expenses tabs of the Underwriting Application. Development teams may consider partnerships with external funding partners.
- Fall 2020 projects located outside of New York City which receive funds through the 9% Multifamily RFP and are larger than 25,000 square feet will be subject to HCR Benchmarking requirements. Fall 2020 projects located in New York City subject to New York City Local Law 84 may be requested to share data with the HCR Portfolio Manager account. Additional information on benchmarking requirements are available here: <https://hcr.ny.gov/steps-hcr-benchmarking-program>
- Market study updates – For projects resubmitted from the Summer 2020 Round, if no changes have been made to the number of units, unit configuration, rent structure, and income targets, applicants may submit a letter from the market analyst certifying that the findings of the previous market study remain valid, in lieu of submitting a new study. If a resubmission of a Summer 2020 application has changes to rents, income targets, number of units, and/or unit sizes, the analyst must provide an updated capture rate analysis reflecting the changes, along with a certification that all other information provided in the prior study remains valid. Sponsors must also resubmit a copy of the prior market study in the Financing application.
- HCR's Energy Efficiency and Green Building goals are part of the Agency's continued effort to promote safe, healthy, and efficient living environments, in addition to taking steps toward meeting the Governor's ambitious greenhouse gas (GHG) emission reduction limits set forth in the Climate Leadership and Community Protection Act (CLCPA). In addition to the Energy Efficiency and Green Building requirements and electives listed in the "Energy Efficiency, Green Building, Visitability & Accessibility Submission Requirements & Scoring" document, Fall 2020 projects are encouraged to include measures that advance the CLCPA goals. Applications which advance the CLCPA goals will be favorably reviewed.
- Applicants are encouraged to review clarifications to the Fall 2020 term sheets.



## II. RFP TIMELINE AND SUBMISSION INSTRUCTIONS

### A. Significant Deadlines

The following are significant dates and deadlines under this RFP Process:

|  |   |
|--|---|
| RFP Release  | <b>November 17, 2020</b>                              |
| Webinar  | <b>December 1, 2020</b>                               |
| Deadline to submit questions   | <b>Prior to Applicable Application Deadline</b>       |
| Deadline to request TA session, Design Unit occupied rehabilitation package due, and/or LIHTC/SLIHC fee deferral | <b>December 1, 2020 at 3:00 PM EST</b>                |
| Design Waivers due   | <b>30 calendar days prior to application deadline</b> |
| Register users/emails for drop box   | <b>December 22, 2020 at 3:00 PM EST</b>               |
| Deadline to submit applications  | <b>January 13, 2021 at 11:59 PM EST</b>               |

**NOTE: Another RFP is expected to be released in Spring 2021.**

### B. Application Submission Instructions

Each applicant must submit a complete application, utilizing the current application forms and the instructions therein and providing the requested supporting documentation. Applications submitted on incorrect or outdated forms will not be considered for funding. Application forms and full submission instructions are available at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

#### 1. Application Submission Documents

| TAB | CONTENTS                           | EXHIBITS/ATTACHMENTS |
|-----|------------------------------------|----------------------|
| A   | Application & Development Team     | A-1 – A-5            |
| B   | Project/Site Information           | B-1 – B-7            |
| C   | Community Needs/Market Information | C-1 – C-3            |
| D   | Design & Construction Documents    | D-1 - D-7            |
| E   | Environmental Documents            | E-1 – E-6            |
| F   | Financial Analysis                 | F-1 – F-5            |
| G   | Preservation Documents             | G-1 – G-8            |
| H   | LIHTC/SLIHC                        | H-1 & H-2            |
| I   | Consents and Certifications        | I-1 – I-5            |

#### 2. General application instructions

Applications must be submitted electronically (Excel and pdf) via an Internet Aspera drop box set up by HCR. Prior to December 22, 2020 at 3:00 PM EST, applicants must send an email to [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org) to request access to the drop box to be used for the submission of an application. Shortly after HCR's receipt of the request e-mail



above, each user identified will receive a “Dropbox Invitation” e-mail from “NYS mySend” ([its.grp.plat.adhoc@its.ny.gov](mailto:its.grp.plat.adhoc@its.ny.gov)). The invitation e-mail will contain a unique web link (URL) that has been assigned to them specifically. This URL should not be shared. It is the equivalent of their User ID and Password for the drop box. Please see the Aspera Drop Box Instructions available at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily) for more detailed information.

The submission process can take a considerable amount of time, especially over Internet connections with slower upload speeds. For this reason, HCR strongly recommends that applicants **do not wait until just before the deadline to submit**. While the actual deadline is at 11:59 pm, HCR staff will not be available for technical assistance after 4:00 pm. Please plan accordingly.

### C. Application Fees

Applications for 9% LIHTC and/or SLIHC are subject to a \$3,000 application fee per credit program requested. An applicant requesting both 9% LIHTC and SLIHC must submit \$6,000.

#### Credit Fee Transmittal

Fee payments must be made payable to “NYS DHCR” **on or prior to the date of application submission** and transmitted with the Credit Fee Transmittal Letter in Attachment H-1. Both the fee letter and check should indicate “LIHTC/SLIHC fee” and the project name. Send the check and letter via United States Postal Service overnight to:

DHCR – 9% LIHTC/SLIHC/HDF  
P.O. Box 28026  
New York, NY 10087-8026

HCR will not accept payment of the fee at any other office or address. A copy of the payment and Credit Fee Transmittal Letter must be submitted in Attachment H-1 of the application. Failure to meet the fee requirements will result in the application being deemed incomplete and the termination of further application review.

#### Credit Fee Deferral

Not-for-profit applicants (or their wholly-owned subsidiaries) which have not received HCR capital funding since 2017 and which will be the sole general partner (or co-general partner with another not-for-profit) of the limited partnership/project owner or the sole managing member (or co-managing member with another not-for-profit) of the limited liability company/project owner may request a deferral of the application fee until the time of initial allocation (i.e. carryover allocation).

A Credit Fee Deferral Request must be submitted to HCR no later than one week prior to the applicable submission deadline stated in Section II.A. above. Deferral requests should be emailed to: Arnon Adler, LIHTC Program Director, at [arnon.adler@nyshcr.org](mailto:arnon.adler@nyshcr.org).

Applicants who have received approval of their request for an application fee deferral must include a copy of the Credit Fee Deferral Request Letter and HCR’s deferral approval letter in Attachment H-1 of the application.



## D. Q&A

Prior to the application deadline, questions regarding this RFP may be submitted via email to [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org). Responses to all timely and appropriate questions will be posted at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

**Upon submission of an application to HCR for consideration, no communication will be permitted from applicants (or representatives of applicant team members) to HCR (or its staff and board members) regarding such application until an Outcome Letter is issued, unless initiated by HCR, except as required under Section IV of this RFP. Any such prohibited contact will be grounds for disqualification.**

## III. APPLICATION PROCESS & REVIEW

### A. Pre-Application Technical Assistance & Site Visit Requirements

#### 1. Pre-Application Technical Assistance

TA will now be completely voluntary and subject to the prioritization described below. HCR is prioritizing providing TA to applicants seeking TA for proposals which were not previously submitted in the Summer 2020 Funding Round; and for Vital Brooklyn awardees.

This will affect scheduled TA sessions in following ways:

- 1) For TA requests regarding applications submitted in the Summer 2020 Funding Round, the TA sessions will be cancelled. In lieu of the scheduled TA session, a written summary of the Summer 2020 application review will be provided.
- 2) For applicants who did not submit in the Summer 2020 Funding Round, the TA session is voluntary. Applicants may elect to continue with the scheduled TA session at the already scheduled date and time, and must indicate the choice to do so with an email to [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org) by **5:00 p.m. Wednesday, December 16<sup>th</sup>, 2020**. An email electing to retain the previously scheduled TA session must be received by the deadline. If an email is not received by the deadline, the TA session will be cancelled. This announcement is effective for all TA sessions scheduled on or after Wednesday, December 16<sup>th</sup>.

All applicants may and are encouraged to continue to submit questions through the Questions and Answers process by using the RFP mailbox at [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org).

All requests for TA must be made using the TA Request Form, located at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

The request for TA must include: the anticipated project name; the name of the prospective applicant; the address of the project; prior project history, including the Project ID of previous submissions and details on how past application issues have been addressed or what other substantial changes have been made; description of potential waiver requests; the names and contact information of the development team members who will be participating in the TA session, including the contact person for scheduling the TA session; and, any specific issues for which TA is being requested



(so that the appropriate HCR technical units will be prepared to participate in the TA session). Please be specific regarding the issue(s) to be addressed in the TA session, e.g., first time applicant, a specific site issue, or a unique financing issue.

To request a TA session, all prospective applicants must send the completed TA request form via email to HCR at [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org), prior to the TA session request deadline. After receipt of the request for a TA session, HCR will schedule a TA session with the development team and the HCR staff who can provide guidance based upon the issue(s) identified in the request for TA.

Applicants and/or development teams proposing multiple applications must submit separate requests for TA for each specific project application. For administrative convenience, HCR may hold consecutive TA sessions for multiple projects from the same applicant and/or development team, if scheduling permits.

Once HCR has scheduled the TA session, applicants must submit the following completed pre-application documents at least 5 business days before the scheduled TA session:

- Underwriting Model
- B-2 Project Narrative
- D-1 Preliminary Plans (including site plans, building plans and building elevations)
- G-1 Physical Needs Assessment (for rehab projects only)
- G-2 – G-8 Occupied Project Information (for occupied rehab projects only)

TA sessions will be scheduled in the order the requests for TA are received by HCR. Please be advised that the later a TA request is received, the lesser the likelihood the request can be accommodated. Only one TA session will be provided per project per funding round.

Further, be advised that HCR guidance provided during a TA session is based solely on the information provided by the development team, and that the questions asked during a TA session may be posted to the Q&A on the HCR website.

## 2. Site Visit Requirements

- **Rehabilitation of Occupied Buildings**

Applicants proposing rehabilitation of occupied buildings must submit an occupied rehabilitation package to HCR's Design, Construction and Engineering Unit (Design Unit) to discuss the building's existing condition and proposed renovations prior to submission of the application. Applicants proposing the rehabilitation of occupied buildings must submit an occupied rehabilitation package consisting of a draft physical needs assessment form accompanied by photographs showing typical and special areas of concern by 3:00 PM on December 1, 2020.

Currently occupied buildings that plan to undergo a substantial "gut" rehabilitation will not be required to submit a physical needs assessment or request a remote site visit. Please see the "Remote Site Visit" memo at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

- **Use of Historic Tax Credits**

All applicants who are contemplating the use of historic tax credits must schedule a walkthrough prior to application submission with representatives from HCR and the



New York State Historic Preservation Office (SHPO). Walkthroughs will be conducted virtually through a photographic tour of the building(s) with staff members from both agencies. Guidance on scheduling the walkthrough can be found in the "SHPO Guidance and Walkthrough Information" available on HCR's website at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

### 3. OPWDD Coordination

For the purposes of this RFP, prospective applicants who are planning to propose a preference in tenant selection for individuals with intellectual and/or developmental disabilities can only be considered only if the project either (1) has an Empire State Supportive Housing Initiative (ESSHI) conditional award letter and does not require OPWDD capital or (2) a current letter of support from OPWDD issued following the release date of this RFP.

Project teams seeking to support individuals with intellectual and/or developmental disabilities should schedule a conference call with HCR and OPWDD's Program Implementation, Regional Offices prior to submission of an application under this RFP. Prospective applicants should contact Patricia Downes, Project Director, OPWDD at [patricia.downes@opwdd.ny.gov](mailto:patricia.downes@opwdd.ny.gov) and the appropriate HCR staff identified at the end of this RFP to schedule a conference call.

### B. Threshold Review

HCR will review each application according to the Threshold requirements listed below. If a project does not meet the Threshold requirements, it will be eliminated from further review under this RFP and the applicant will be notified of such in HCR's Outcome Letter (see Section IV).

#### Threshold Requirements

- **TA Session**

- A TA session with HCR staff must have been conducted within 12 months prior to application submission.

- **Completeness**

- All required submissions are included in the application.

- **Development Team Experience and Capacity**

- No adverse findings found: Applicants may be rejected at any time during or after the evaluation process if there are any adverse findings regarding the applicant, any entity or individual associated with the Applicant, or any property owned or managed by them. Applicant must certify that there are no adverse findings, which may include, but are not limited to:
  - The project applicant, developer, owner, general contractor, and manager and their principals are not included on any federal or state debarment lists,
  - The owner and/or manager and their principals do not include anyone who owns or manages a project for which an IRS Form 8823 has been issued and has not been corrected,
  - The project developer, owner and/or manager and their principals do not include anyone who has participated in a publicly assisted program or project that has been determined to be out of compliance with statutes, rules, regulations, policies or agreements, and such non-compliance has not been corrected or otherwise resolved as determined by the public agency responsible for supervising the project, or
  - The project applicant, developer, owner, general contractor and/or manager and their principals are in compliance with all relevant federal, New York State, and Agency policies and requirements, and local laws and regulations, including but not limited to the prohibition against discriminating against Section 8 Housing Choice Voucher holders, nondiscrimination and marketing policies, guidelines and requirements.
- Development team demonstrates comparable experience to undertake, complete, and operate the project. If the team does not have comparable experience it must demonstrate that individuals on the team have requisite experience.



- Development team demonstrates available capacity to develop the project based on current workload.
- **Programming**
  - Residential: Project proposes that all HCR-assisted units will be subject to a regulatory agreement for no less than the minimum term required under each requested funding program as set forth in this RFP.
  - Evidence of site control: must be valid through the proposed construction finance closing date.
  - Site suitability: Demonstrate: (a) that potential site contamination concerns identified in Phase I or Phase II Environmental Site Assessments will be resolved in accordance with Application Attachment E-3; and, (b) identify nearby facilities and infrastructure that may be incompatible with the development of affordable housing and/or have the potential to adversely affect the health and well-being of the current or future tenants and provide a mitigation plan to address such factors in accordance with Application Attachment E-6.
  - In NYC, when ULURP is required, ULURP certification has been obtained and full ULURP approval is achievable within 90 days of award.
- **Housing needs**
  - Market study or analysis demonstrates that the project meets an existing and identified need.
  - Addresses a State Housing Goal as listed in Exhibit B-1 and below.
- **Financing**
  - Letter or letters of interest from a private lender/lenders are included, dated no earlier than 45 days from the date of submission. LOI's from government agencies are not required, but preferred, if those sources are included in budget proposals (this will be taken into consideration when scoring).
  - If LIHTC is proposed, an equity investor or syndicator letter must be provided, dated no earlier than 45 days from the date of submission.
- **Ownership structure**
  - All entities are identified, including all general partners and managing general partners for limited partnerships, and all managing members for limited liability corporations.

### C. State Housing Goals

All applications must clearly advance at least one of the following State Housing Goals:

1. Community Renewal and Revitalization Projects: Projects that address a component indicated in the municipality's most recent comprehensive plan, or other municipal approved plan, as demonstrated by one or more of the following:
  - Demonstrate site control of land acquired through Land Banks, established pursuant to Article 16 of New York State Not-for-Profit Corporation Law, in neighborhoods that have experienced a high incidence of abandoned and/or "zombie" properties;
  - Demonstrate the donation of one or more of the project sites from the municipality in which the project is located at either \$0 or \$1 acquisition;
  - Demonstrate the rezoning of, or the granting of a zoning variance/special use permit for, at least one project site necessary to complete the project;
  - Demonstrate the project municipality has committed capital financing to the project as evidenced in the application sources and uses;
  - A draft commitment for a PILOT for the project (at a level greater than Section 581-A of Real Property Tax Law);
  - Listed as a priority project in the municipality's latest Action Plan;
  - Utilizing a site for the project which has been designated for redevelopment by an Urban Renewal Plan;
  - Applicant, or its affiliate, has been identified as the Designated Developer for the project by the municipality;



2. Integrated Supportive Housing Projects: Projects that provide permanent supportive housing to one or more special needs populations, and that can show evidence of a service and operating subsidy from a governmental agency, such as Empire State Supportive Housing Initiative (ESSHI).
3. Housing Opportunity Projects: Family projects in an area of opportunity linked to schools that meet or exceed minimum performance standards and that meet or exceed other measures of opportunity, including, but not limited to, the rate of poverty, as defined in a list of census tracts published by HCR. At least 10% of the project units must be targeted to and serve households at or below 30% of AMI. Additionally, average unit size must be at least 2 bedrooms.
4. Workforce Opportunity Projects: Projects that propose housing within a safe half-mile walk of frequently occurring public transportation (available 7 days a week on a repetitive, fixed-route schedule that is regular and continuing).
5. Projects Advancing State Revitalization and Economic Development Initiatives, including:
  - Downtown Revitalization Initiative Projects: Projects that propose residential and/or mixed-use projects located in Downtown Revitalization Initiative plan areas that clearly advance the objectives of an approved Downtown Revitalization Initiative Strategic Investment Plan.
  - Economic Development Projects: Projects specifically endorsed in the Regional Economic Council Strategic Plans that will support the construction and/or rehabilitation of affordable housing.
  - Brownfield Cleanup Program Projects: Projects resulting in the cleanup/redevelopment of property that has been determined to be eligible to participate in the New York State Brownfield Cleanup Program (BCP). The application must propose a plan of finance fully utilizing all BCP tax credits generated from the cleanup/redevelopment of the property.
  - Projects which will be implemented in a neighborhood located in a designated Empire State Poverty Reduction Initiative (ESPRI) locality and coordinated with the ESPRI activities underway. At least 15% of the project units must be targeted to and serve households at or below 30% of AMI.
6. Senior Housing: Projects that allow low-income seniors to live independently in the community. Preference will be given to projects that also meet at least one of the following State Housing Goals: 1) Community Renewal and Revitalization, 2) Workforce Opportunity, 3) Economic Development, or 4) Downtown Revitalization Initiative.
7. Public Housing Redevelopment Projects: Projects that address the needs of public housing units outside the City of New York and assist Public Housing Authorities in completing their restructuring plans. Priority will be given to projects participating in HUD's Rental Assistance Demonstration Program.
8. Preservation Projects: Projects that are currently under a regulatory agreement with a governmental agency to provide affordable housing to low-income individuals and/or families in order to preserve the housing as a viable community housing resource.



Preference will be given to projects currently under a regulatory agreement with NYS Homes and Community Renewal.

#### **D. Program Eligibility**

Proposals that meet all Threshold requirements will be reviewed to determine whether program-specific Eligibility is met per the Eligibility Checklist in the application. If a project does not meet Eligibility, it will be eliminated from further review under this RFP and the applicant will be notified of such in HCR's Outcome Letter (see Section IV).

#### **E. Scoring**

Proposals that meet all Threshold and Eligibility requirements will be scored and ranked by geographic region. Applications will be evaluated using the following scoring criteria outlined in the 9% LIHTC Qualified Allocation Plan (QAP):

1. Community Impact/Revitalization – up to 15 points
2. Financial Leveraging – up to 13 points
3. Sponsor Characteristics – up to 10 points
4. Green building, per the criteria outlined in the Energy Efficiency, Green Building, Visitability & Accessibility – Submission Requirements & Scoring – up to 5 points
5. Fully accessible and adapted, move-in ready units – up to 5 points
6. Affordability – up to 5 points
7. Individuals with children – up to 5 points
8. Marketing plan/public assistance – 5 points
9. Project readiness – up to 10 points
10. Persons with special needs – 5 points
11. Participation of non-profit organizations – up to 4 points
12. Mixed income – up to 5 points
13. Historic nature of project – up to 3 points
14. Cost effectiveness – 5 points
15. Housing opportunity projects – up to 3 points
16. Minority and Women Owned Business Enterprise and Service-Disabled Veteran-Owned Business participation – up to 2 points

For the purposes of rating and ranking applications, when an applicant requests funds from two or more programs, HCR will utilize the scoring criteria for the program which would provide the greatest amount of financial assistance to the proposed project. Recognizing that different Program scoring criteria can result in scores that are not comparable to one another, HCR's evaluation of applications will only compare projects to other projects scored under the same Program scoring criteria. See the Program Term Sheets for specific program scoring criteria. Some gap subsidy financing may have additional scoring criteria as outlined in the term sheets.

#### **F. Funding Awards**

Funding awards are made from available funds on the basis of score and ranking, statutory distribution requirements, geographical distribution across the State, support of the State's Housing Goals and other review criteria outlined in this RFP.



Also, please note that consistent with the provisions of the QAP, HCR may award a project funding irrespective of its point ranking, if such an award is in furtherance of the State's Housing Goals and such award is determined to be in the interests of the citizens of the State of New York.

Applicants will be informed of the disposition of their application in an Outcome Letter. Awards are contingent upon compliance with all applicable regulations and HCR policies and guidance. Further post-award process information is contained in Section IV.

### **G. Waiting List**

Any complete application which meets threshold or eligibility review criteria but is not selected for a credit reservation will be placed on a waiting list which will be in effect until the next funding round, at which time the waiting list will be terminated. Applicants on the waiting list will remain eligible to be selected for a credit reservation if credits are made available to the Division from sources including the LIHTC national pool, expired credit reservations or binding agreements, or credit allocation recapture.

## **IV. REGULATIONS, GUIDANCE, AND APPLICANT OBLIGATIONS**

### **A. 9% LIHTC Set-Asides**

HCR expects to set-aside a portion of the available 9% LIHTC for the following program priorities: Empire State Supportive Initiative Housing (ESSHI) Projects and Supportive Housing Projects (up to \$4 million); Housing Opportunity Projects (up to \$4 million); NYCHA Seniors First Projects (up to \$15 million over several years), and Vital Brooklyn. HCR may exceed these set-aside amounts depending upon the number of competitive and feasible set-aside applications received.

#### **1. Empire State Supportive Housing Initiative (ESSHI) Projects**

In order to qualify under this set-aside, applicants must demonstrate: (a) they have received a Conditional Award Notification through the Empire State Supportive Housing Initiative, Inter-Agency Service and Operating Funding Opportunity RFP to fund appropriate services for the targeted population; (b) the proposed project gives preference in tenant selection to persons with special needs for at least 50% of the project units; and (c) the project satisfies the definition of supportive housing cited in Section 2040.2(u) of the QAP, provided however that applicants may satisfy the capital financing requirement of that definition by requesting SHOP funds pursuant to this RFP.

#### **2. Supportive Housing Projects**

A Supportive Housing Project, as defined in Section 2040.2(u) of the QAP and this RFP, is a project that gives preference in tenant selection to persons with special needs for at least 50% of the project units. Persons with special needs for the purposes of this set-aside are defined in Section 2040.2(p) of the QAP. To be considered a Supportive Housing Project under this set-aside, an application must:

- a. document the need for housing for the targeted population within the primary market area (may include Continuum of Care data or local data that was collected as part of community planning activities);



- b. provide a comprehensive service plan and an agreement in writing with an experienced service provider that ensures the delivery of appropriate services for which a documented need exists for the targeted population;
- c. propose a project site in close proximity to public transportation, or include a transportation plan as a component of the comprehensive service plan to ensure access to necessary services;
- d. include a provision for an ongoing rental subsidy or other form of subsidy to ensure rents paid by the targeted population remain affordable;
- e. demonstrate a firm commitment for capital financing from a governmental agency serving the proposed target population and/or have a commitment of service and operating funding from a governmental agency serving the proposed target population;
- f. identify a public agency or experienced service provider with which a written agreement has been executed to refer eligible persons and families for the targeted units; and,
- g. the project must provide an integrated setting that enables individuals with disabilities to live independently and without restrictive rules that limit their activities or impede their ability to interact with individuals without disabilities.

Any applicant considering submitting an application for a project that would give preference in tenant selection to persons with disabilities (and therefore subject to *Olmstead* considerations) for more than 60% of a project's total bedrooms must provide evidence from the government service agency providing services and supports to the project that the project complies with New York State's *Olmstead* plan.

### **3. Housing Opportunity Projects (HOP)**

In order to qualify under the Housing Opportunity Projects Set-Aside, eligible projects must be located in census tracts with poverty rates at or less than 10%, according to 5 year averages from the American Community Survey and average school testing scores in the upper two quartiles of proficiency scores for 3 through 8 grade English and Math exams statewide (averaged over the past 5 years). (See [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily) for a list of these census tracts.) Proposed projects must have an average unit size of at least 2 bedrooms. HOP projects may not be: 1) intended for, and solely occupied by persons 62 years of age or older; or 2) intended and operated for occupancy by persons 55 years of age or older. Proposed projects must also target at least 10% of project units to households at or below 30% of AMI. Applications that clearly advance this goal will be eligible for a 130% LIHTC basis boost, based on a DHCR designation, as authorized by the Housing and Economic Recovery Act of 2008.

### **4. NYCHA Seniors First**

As part of a long-term commitment to increasing affordable housing opportunities for seniors, HCR will set-aside up to \$15 million in 9% LIHTC over several years for 1,000 units that are part of the New York City Housing Authority (NYCHA) and the New York City Department of Housing Preservation and Development (HPD) Seniors First Initiative. In order to qualify under the NYCHA Seniors First Set-Aside, applicants must demonstrate that the project: (i) received an award of site control of underutilized



housing authority property through the NYCHA and HPD Seniors First Initiative; (ii) is located in Central Brooklyn; (iii) received the endorsement of the Independent Emergency Manager or such other monitor as may be designated by HCR in its sole discretion. Projects must be intended for and solely occupied by persons 62 years of age or older. Projects must also be 100% affordable.

### **5. Vital Brooklyn**

Vital Brooklyn is New York State's new comprehensive community development initiative that addresses chronic social, economic, and health disparities in central Brooklyn, one of the most underserved areas in the State. HCR will set aside resources for projects awarded under the Vital Brooklyn Requests for Proposals.

## **B. Fair Housing**

All awardees must comply with all HCR marketing guidelines and submit an Affirmative Fair Housing Marketing Plan acceptable to HCR's Office of Fair Housing and Equal Opportunity (FEHO). FEHO Affirmative Fair Housing Marketing Plan requirements are available at: [hcr.ny.gov/marketing-plans-policies](https://hcr.ny.gov/marketing-plans-policies).

## **C. Equal Employment Opportunity/Minority and Women Owned Business**

All contractors and awardees must submit a Minority Women Business Enterprise (M/WBE) Utilization Plan that is acceptable to HCR. Awardees are required to make affirmative efforts to ensure that New York State Certified M/WBE's are afforded opportunities for meaningful participation in projects funded by HTFC. Further, all contractors and awardees must conduct good faith outreach efforts to solicit the participation of NYS-Certified Service-Disabled Veteran-Owned Businesses (SDVOBs) in HTFC financed projects. Enterprises and Businesses certified by New York City or any entity other than New York State do not satisfy this requirement. Additional information can be found at: [hcr.ny.gov/oeopd](https://hcr.ny.gov/oeopd).

## **D. Entities on Federal or State Debarment Lists**

No entity listed on any Federal or New York State debarment list, or which is otherwise prohibited from bidding on or receiving government contracts, may be contracted for any services related to the project (including construction subcontracts).

## **E. Environmental Review & Prohibition of Project Work**

Applicants are hereby advised that after submission of an application no work may be undertaken, including site acquisition, contracts for services, demolition, and any other site disturbance beyond investigation or testing activities, until either an award is made and HCR's Environmental Analysis Unit has completed an environmental review and issued an environmental clearance letter to the applicant or the applicant receives a Negative Outcome Letter. If project work or choice limiting actions are made, it may impede or prohibit environmental clearance or use of particular funding sources.

All funding awards are contingent upon completion of HCR's review pursuant to the State Environmental Quality Review Act (6 NYCRR 617) and HUD's National Environmental Policy Act (NEPA) requirements under 24 CFR Part 58 (if HUD funding will be utilized) or Federal Housing Trust Fund (FHTF) housing standard regulations at 24 CFR 93.301. All



projects shall comply with: Section 14.09 of the Parks, Recreation, and Historic Preservation Law (or federal equivalent); Floodplain Management Criteria for State Projects (6 NYCRR Part 502); Section 305(4) of the Agriculture and Markets Law; NYS Coastal Zone Management regulations (19 NYCRR Part 600); and, Smart Growth Public Infrastructure Policy Act (NYS Environmental Conservation Law, Article 6), in addition to other policy and laws outlined in HCR's Capital Programs Manual and Design Handbook or HCR Design Guidelines, as applicable per selection in Exhibit D-3 of the application.

## **F. Credit and Financial Background**

As a condition of application submission and/or award, HCR will require the project applicant, project developer, project owner, general contractor/builder, architect, management agent and development consultant to provide written authorization for HCR to conduct credit and financial background and LexisNexis reviews.

## **G. Reference Materials and Related Resources**

This RFP provides only some of the information and materials necessary for application preparation. Additional materials are available on HCR's website at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily).

1. HCR Multifamily Finance 9% Application;
2. HCR Multifamily Finance 9% Underwriting Application;
3. Technical Assistance Request Form;
4. Term Sheets;
5. HCR Remote Site Visit Memo;
6. 2020 HCR Design Guidelines (Revised 11/5/2020);
7. 2020 HCR Design Guidelines – Record of Revisions;
8. Design Waiver Request Form;
9. Energy Efficiency, Green Building, Visitability & Accessibility – Submission Requirements & Scoring;
10. Capital Programs Manual (CPM);
11. DHCR's 9% LIHTC Qualified Allocation Plan (effective Nov. 2013);
12. DHCR's SLIHC Regulation – 9 NYCRR Part 2040.14 (effective Nov. 2013);
13. HCR Multifamily Finance 9% Application Reference Materials;
14. 2019 Action Plan;
15. SHPO Guidance and Walkthrough Information;
16. Federal HTF Rehab Standards;



17. Affirmative Fair Housing Marketing Plan Guidance;
18. HCR Multifamily Finance 9% Application Webinar (available on December 1<sup>st</sup>);
19. Housing Opportunity Census Tracts;
20. Market Analyst Certification Form;
21. Pre-Qualified Market Analysts List;
22. HOME, FHTF and CDBG Antidisplacement and Relocation Assistance Plan;
23. HOME, FHTF and CDBG Relocation Appeal Process; and,
24. Aspera Dropbox Instructions.



## H. HTFC/HFA Board Approval and Subsequent Process Obligations

### 1. Board Approval

All HTF, CIF, SHOP, PHP, MIHP, HDF, FHTF, SENR and AANYC awards must be approved by the HTFC Board of Directors.

### 2. Outcome Letters

HCR will issue Outcome Letters. There are three types of letters:

- a. Application Disqualification Letters are sent to unsuccessful Applicants whose submissions did not pass Completeness, Threshold or Eligibility reviews.
- b. Application Review Letters are sent to unsuccessful Applicants regardless of which program(s) funds were requested from.
- c. Award Letters are sent to all successful Applicants. This letter notifies the applicant that the project has been selected for funding and sets forth the number of units and award amount(s). The Award Letter is a preliminary notification and is issued prior to the 9% LIHTC/SLIHC Reservation and Funding Commitment Letters, as described below.

### 3. 9% LIHTC/SLIHC Reservation Letters

9% LIHTC and/or SLIHC Reservation Letters are sent to awardees of 9% LIHTC and/or SLIHC. These letters specify the terms and conditions that the project awardee will be required to meet prior to issuance of a binding agreement and/or carryover allocation, including the reservation expiration date and certain provisions to be incorporated in the project's 9% LIHTC and/or SLIHC Regulatory Agreement.

Projects that are awarded both 9% LIHTC and SLIHC will be issued a combined 9% LIHTC/SLIHC Reservation Letter.

### 4. Funding Commitment Letters

HCR sends Funding Commitment Letters (FCL) to successful applicants who were awarded HTFC financing. The FCL sets forth the terms and conditions under which HTFC will provide financing to the project, including some of HTFC's requirements for the project's ongoing operations during the regulatory period, and is considered a binding agreement when signed and returned by the Applicant.



## 5. Project Development Meeting

The project development team for each awarded project will be required to participate in a Project Development Meeting with HCR staff. The meeting provides a forum for the awardee's development team and HCR to discuss the project's development timetable, the roles and responsibilities of the development team members and HCR, and the deliverables required prior to issuance of a 9% LIHTC/SLIHC Reservation Letter and/or Funding Commitment. Additional information on Project Development Meetings can be found in the CPM. Project development meetings will be scheduled to occur within approximately 30 business days after the issuance of an award letter.

## 6. Processing Timeframes

Successful applicants will be required to agree to a development timetable outlining the timing of critical development milestones and establishing a schedule for the delivery of key documents for HCR staff review.

### **I. Material Changes to Applications**

Applicants are obligated to inform HCR if there are any material changes to applications after submission. Please note, however, that any information related to material changes provided after the application deadline will not be considered if the documentation would, in any way, enhance the competitiveness of the application. For example, applicants must disclose any loss of funding source(s) or changes in the local approval process. After application submission, applicants must send the required disclosure materials to [9%RFPModifications@nyshcr.org](mailto:9%RFPModifications@nyshcr.org).

### **J. Project Budget Completeness**

All costs and funding sources related to the development or redevelopment of the project site, including any related infrastructure work necessary for the project, must be included in the project budget. Failure to include all such costs and/or to disclose such sources will result in the termination of HCR's review and the rejection of the application. All costs and financing sources related to the remediation of any environmental hazards affecting the site, as necessary for the redevelopment of the parcel on which the proposed project is located, must be disclosed in the application and included in the development budget.

### **K. Identity of Interest Disclosure**

Any identity of interest between applicants, owners, their development teams and the proposed financial institutions and/or financing sources must be disclosed and will be closely scrutinized to ensure the most advantageous market terms available to the project have been achieved. HCR reserves the right to require the solicitation of alternative financing partners acceptable to the agency.

### **L. Single Financing Plan**

Applicants may only submit a single plan of financing for proposed projects. Applications that propose multiple financing scenarios will be deemed ineligible and will not be subject to further review.



## **M. Subsidy Gap Financing Source per Residential Unit**

In addition to 9% LIHTC and SLIHC, projects may only apply for one subsidy gap financing source per residential unit, except for FHTF and HDF which may be included in addition to another source of subsidy. Projects may also apply for CIF for non-residential purposes in addition to other subsidy sources. Furthermore:

- HTF, SHOP, SENR and PHP cannot be combined; a project may use only one of these funding sources;
- MIHP must be the only source of HCR financing in a unit and cannot be combined with projects requesting PHP or SENR;
- SLIHC cannot be used in projects utilizing Income Averaging; and,
- AANYC funding is reserved specifically for projects located in the City of New York in which all units are restricted to households earning up to 60% AMI. Projects which meet AANYC criteria will automatically be considered for an AANYC award of these reserved funds. HCR, in its sole discretion, will substitute AANYC funds in eligible projects at the same per unit limits as the subsidy program requested. AANYC priority shall be given to not-for-profit applicants that have prior experience in community development projects with at least 51% controlling interest in such projects, and which propose projects that utilize state or city-owned land.

## **N. Capacity**

HCR will consider the capacity of development teams to undertake more than one project within a single funding round, based on the past performance of the developer or development team. In reviewing applications, HCR will also consider whether that developer or development team is currently engaged in projects relying on 4% LIHTC and tax-exempt bonds.

## **O. Market Studies**

Market studies are to be performed by a Pre-Qualified Market Analyst for applications requiring a comprehensive market study. Market study analysts who were included on the Summer 2020 Pre-Qualified Market Analyst List do not have to resubmit a Market Study Certification Form. Market analysts who would like to be included on the Fall 2020 Pre-Qualified List must complete the Market Study Certification form available at [hcr.ny.gov/multifamily](http://hcr.ny.gov/multifamily) and submit the Certification form, along with the company address, phone number and email of contact person, to [9%RFP@nyshcr.org](mailto:9%RFP@nyshcr.org).

## **P. Rent Setting Guidance**

HCR is requiring project applicants to set rents for Fall 2020 projects at the lesser of the 2019 or 2020 HUD-designated Area Median Incomes.

## **Q. Design Guidelines**

Projects are subject to the 2020 HCR Design Guidelines. Any additional Design Guidelines that may apply to a specific subsidy financing source are specified in the term sheets.

## **R. High Cost Projects**



HCR will evaluate project costs in making its funding decisions. All project costs will be compared to those on other proposed projects in comparable cost regions. Two cost regions will be used for these evaluations. The first will include proposed projects located in New York City, and Rockland, Westchester, Nassau, and Suffolk Counties. The second will include all proposed projects located in the remaining 53 counties of the State. HCR may also consider any other available cost data and disallow costs that are ineligible, unreasonable and/or excessive.

The QAP provides a Cost Effectiveness scoring criterion that awards points to proposed projects based on a comparison of costs to other projects proposed in the same cost region. The QAP also bars HCR from funding High Cost Projects that significantly exceed the costs of other proposed projects unless a determination has been made by the Commissioner finding the project to be in furtherance of the State's Housing Goals.

In scoring Cost Effectiveness and identifying High Cost Projects, HCR will use three cost measures:

- Total Residential Development Cost per Gross Square Foot of Residential Space, including Residential Common Areas (Square Footage used for this calculation includes all Dwelling Unit Space plus all Residential Common Areas up to, but not exceeding the HCR design standards limit of 25% of the total, or 35% if a waiver to exceed that 25% limit has been requested and granted prior to application, or requested and granted prior to application to exceed 35% for Historic Adaptive Reuse projects only);
- Total Residential Development Cost per Bedroom; and,
- Total Residential Development Cost per Residential Unit.

For scoring purposes, HCR will award points to projects with costs at or below the median for all project submitted during the round within the same cost region.

A High Cost Project will be defined as projects that average above 130 percent of the cost region median for the three cost measures listed above. For example, if the costs for Project A are 155 percent of the cost region median for cost per square foot, 132 percent of the cost region median for cost per bedroom, and 120 percent of the cost region median cost per unit, the average (mean) across the three measures would be 135.6 percent. As a result, Project A would exceed the 130 percent threshold and be identified as a High Cost Project and could only be funded if a determination was made by the Commissioner finding the project to be in furtherance of the State's Housing Goals.

No more than 10% of the total amount awarded per program will be available to High Cost Projects and will only be awarded if a project is determined by HCR to advance a State Housing Goal.

## V. GENERAL PROVISIONS

HCR reserves the right to award all, a portion of, or none of the program funds based upon funding availability, feasibility of applications received, site suitability, the competitiveness of the applications, the applicant's ability to meet the criteria for funding described in this RFP and additional HCR Multifamily Finance 9% Application Reference Materials, the applicant's



ability to advance the State’s housing goals, and HCR’s assessment of cost reasonableness, as well as other considerations described in this RFP. HCR further reserves the right to review an application requesting project funds as an application for funding under other programs for which the project is statutorily eligible, including 4% LIHTC and tax-exempt bond financing, and to change or disallow aspects of the applications received. HCR may make such changes an express condition of its commitment to fund the project. HCR may also revise this RFP as necessary after issuance.

## **Appendix – Regional Development Areas**

HCR Development Directors serve the county in which the proposed project is located.

Darren Scott, Upstate Director of Development East: (518) 795-5016

[darren.scott@nyshcr.org](mailto:darren.scott@nyshcr.org)

Counties Served: Albany, Clinton, Columbia, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Herkimer, Jefferson, Lewis, Montgomery, Orange, Oneida, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, St. Lawrence, Sullivan, Ulster, Warren, and Washington.

Leonard Skrill, Upstate Director of Development West: (518) 461-6591

[leonard.skrill@nyshcr.org](mailto:leonard.skrill@nyshcr.org)

Counties Served: Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Cortland, Delaware, Erie, Genesee, Livingston, Madison, Monroe, Niagara, Onondaga, Ontario, Orleans, Oswego, Schuyler, Seneca, Steuben, Tioga, Tompkins, Wayne, Wyoming and Yates.

Ayanna Wayner, Downstate Director of Development: (212) 872-0506

[ayanna.wayner@nyshcr.org](mailto:ayanna.wayner@nyshcr.org)

Counties Served: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester.

-END OF REQUEST FOR PROPOSALS-