



Public Housing Preservation

PUBLIC HOUSING PRESERVATION PROGRAM (PHP): PHP funds provide gap financing to address the capital needs and long-term affordability of 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.

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.

Eligible Uses	<p>Substantial or moderate rehabilitation and/or the demolition and replacement through new construction of site-specific multifamily rental housing currently owned by 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>
Area Median Income (AMI) Restrictions	Up to 60% AMI or up to 80% AMI if utilizing 9% LIHTC Income Averaging.
Per Unit Maximum Award	<p>Up to \$75,000 per housing unit.</p> <p>Up to \$85,000 per housing unit provided the project complies with one of the following:</p> <ul style="list-style-type: none"> • NYSERDA MPP Tier 3 AND all electric space heating with high performance equipment such as cold climate air source heat pumps, AND heat pump Domestic Hot Water (DHW) where applicable and available as evidenced in Exhibit D-3; OR, • Enterprise Green Communities AND all electric space heating with high performance equipment such as cold climate air source heat pumps, AND heat pump DHW where applicable and available as evidenced in Exhibit D-3. <p>(If DHW high performance electric equipment is not feasible for existing moderate rehabilitation preservation projects due to the size of the project (over seven stories), or existing space constraints exist, a letter from an Engineer or</p>

	<p>Energy Engineer must be submitted as part of Attachment D-6 documentation confirming the constraints.)</p> <p>HCR does not anticipate issuing the maximum per residential unit award to most projects.</p>
Interest Rate and Loan Terms	0.5% interest-only paid during construction (only available for HFA-financed projects) and permanent. Minimum of 30 year term, maximum of 50 years.
Priorities	Properties approved for RAD1 by HUD.
Eligible Applicants	Federal or State-supervised 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 PHA. Eligible PHAs must maintain a majority controlling interest in any such partnership.
Regulatory Agreement Requirements	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.
Monitoring Fees	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.
Additional Submission Requirements	For projects utilizing RAD1, a CHAP letter from HUD. For all other federal PHA's not utilizing RAD1, written permission from HUD.
Tenant Relocation	PHA's must ensure that all tenants relocated by the construction be given the right to return to an appropriate unit in the project in accordance with their household size and composition upon completion. No rescreening of tenants may be conducted based on credit or a history of justice involvement. PHA must comply with applicable relocation laws including Section 18 of the Housing Act of 1937, as amended, and/or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable.

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.