



**Homes and
Community Renewal**

HCR Multifamily Finance 9% RFP Summer 2021

July 14, 2021

Agenda

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- 9% LIHTC QAP updates
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- Program Information

Agenda

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- HCR Fair and Equitable Housing Office
 - Affirmative Fair Housing Marketing Plan
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- HCR Office of Economic Opportunity and Partnership Development
 - M/WBE
 - SDVOB
- Section 8 Project-Based Voucher RFP

What's New?

- New Design Guidelines
- HOME Funds available
- New 9% LIHTC QAP and SLIHC Regulation
- Benchmarking costs capped at \$495 per building
- New Technical Assistance process
- Budget and plan of finance presentation to HCR must be consistent with submissions to other funding agencies
- Clean Energy Incentive for High Performing Projects - Demonstration Phase 1A
- Public Housing Preservation updates including expanded eligibility, increased per unit limits and 9% LIHTC Set-Aside
- Market studies must now include a PMA map shows only the existing regulated affordable housing projects in the PMA

9% LIHTC QAP

- Updated definitions (Section 2040.2)
 - Cost certification - now includes syndication and other fees
 - Feasibility - defines feasibility review, including both financial and constructability aspects
 - Housing Opportunity Projects - adds definition
 - Persons with special needs – updates language with reference to certain populations
 - State Designated Building – now includes housing opportunity projects
 - Supportive housing – ties minimum percentage of supportive units to the RFP
- Updated Applicant Notification Requirements (Section 2040.3(d)(5))
 - Material changes to a project (e.g., project scope, development team, financing, budget, design, etc.)
- Updated threshold/eligibility standards (Section 2040.3(e))
 - Approval process - expands minimum requirements to include those in other HCR-issued documents such as the NOCA, RFP, design requirements, CPM, etc.
 - CEO notification – removes requirement to address local objections
 - Compliance with policies, requirements, laws and regulations - new
 - Qualified Contracts restriction - new

9% LIHTC QAP

- Updated scoring criteria (Section 2040.3(f))
 - **Community impact/revitalization** – Reduced from 15-10 points, moves 5 points to Investment in Underserved Areas
 - **Financial Leveraging** – Reduced from 13 to 11 points
 - **Sponsor Characteristics** – Reduced from 10 to 9 points
 - **Affordability** – Increased from 5 to 8 points
 - **Individuals with Children** – Increased from 5 to 7 points
 - **Persons with special needs** – Service providers to have experience with population served
 - **Housing Opportunity** – Increased from 3 to 5 points, removes outside of QCT requirement and high-performing schools reference.
 - **Investment in Underserved Areas** – Establishes separate 5 point criterion
 - **MWBE and SDVOB** – Increased from 2 to 5 points
 - **Historic Nature** - Reduced from 3 to 2 points
 - **Mixed Income** – Reduced from 5 to 4 points
 - **Marketing Plan/ Public Assistance** – Removed 5 point criterion and redistributed points
 - No changes in point values to Green Building (5); Fully Accessible Units (5); Project Readiness (10); Persons with Special Needs (5); Cost Effectiveness (5); Participation of Not-For-Profit Organizations (4)

General Overview –

What is the HCR Multifamily Finance 9% RFP?

- Formerly known as Unified Funding, the HCR Multifamily Finance 9% RFP is a competitive process used to award 9% LIHTC and subsidy financing to sponsors proposing affordable and supportive multifamily housing projects that address a wide range of needs identified as part of the state's housing goals.
- The process of issuing an RFP twice per year, initiated in the Fall of 2019, is intended to be more accessible to sponsors, improve the quality of projects so they continue to align state housing goals, and streamline the review of applications for HCR staff.

Competitive Regions

- The regional competition is based on New York State's 10 Economic Development Regions



Program Funds Available

9% Low-Income Housing Tax Credit (LIHTC)	\$16 million
NYS Low-Income Housing Tax Credit (SLIHC)	\$2 million
Low-Income Housing Trust Fund (HTF)	\$40 million
Rural and Urban Community Investment Fund (CIF)	\$4 million
Supportive Housing Opportunity Program (SHOP)	\$23 million
Public Housing Preservation (PHP)	\$15 million
Middle Income Housing Program (MIHP)	\$10 million

Program Funds Available

Housing Development Fund (HDF)	\$5 million
Federal Housing Trust Fund (FHTF)	\$13 million
Senior Housing (SENR)	\$6 million
HOME (HOME)	\$10 million

Funding Round Schedule

- July 1, 2021: Request for Proposals issued
- July 14, 2021: Webinar
- July 15, 2021, 3 pm EDT: Design Waivers due
- July 21, 2021: Notices of Funding Availability and Notice of Credit Availability published in NYS Register
- July 29, 2021, 3 pm EDT: Deadline to request TA session, Design Unit occupied rehabilitation package due, and/or credit fee deferral
- August 5, 2021, 3 pm EDT: Register email/users for drop box
- August 26, 2021, 11:59 pm EDT: Application Submission Deadline

Application/Reference Materials

The RFP webpage (<https://hcr.ny.gov/summer-2021-multifamily-finance-9-lihtc-rfp>) contains:

- RFP and Term Sheets
- Application Components (Financing and Underwriting Applications)
- Questions and Answers (updated periodically)
- 9% LIHTC Qualified Allocation Plan

As well as various reference materials, including, but not limited to:

- 2021 HCR Design Guidelines – June 2021
- Green Building & Accessibility Scoring Criteria
- Clean Energy Incentives for High Performance Projects – Demonstration Phase 1A (New collaborative opportunity with NYSERDA)

Overview of Process

- Mandatory Pre-Application Technical Assistance within 12 months
- State Housing Goal requirement for all projects
- Completeness, Threshold and Eligibility Review
- Scoring
- Funding Awards
- Waitlist

Submission Requirements

- Application (Excel workbook)
- Underwriting model (Excel workbook)
- Exhibits consist of fillable Excel Workbooks. In some cases, there are associated pdf uploads.
- All Attachments consist of pdf uploads

Aspera Dropbox

- **IMPORTANT: Applicants must register users/emails by August 5, 2021, 3 pm EDT by sending an email to msr@nyshcr.org**
- HCR will send each user a “Dropbox Invitation” from “NYSMYSend” with a unique URL that can not be shared
- Do NOT wait until the deadline to begin the upload process
- See the Aspera Dropbox Instructions at hcr.ny.gov/multifamily

Technical Assistance

- Mandatory Pre-Application Technical Assistance within 12 months
- In order to request a TA session, submit the following completed pre-application documents:
 - TA Request Form
 - B-2 Project Narrative
 - D-1 Preliminary Plans (including site plans, building plans and building elevations)
 - Occupied Rehabilitation Package (for moderate rehab projects only)
 - G-2 – G-8 Occupied Project Information, including the Current Use of the Project Site (for occupied rehab projects only)
 - Underwriting Model
 - E-3 and E-6 Phase I ESA and Site Suitability Narrative (for projects with site suitability/contamination issues)
 - I-4 Program Eligibility Checklist
- Send complete TA package to 9%RFP@nyshcr.org
- See <https://hcr.ny.gov/multifamily> for full process description and Exhibits/Attachments

State Housing Goals

Projects REQUIRED to meet one or more of the following Goals:

- Community Renewal and Revitalization Projects
- Integrated Supportive Housing Projects
- Public Housing Redevelopment Projects
- Housing Opportunity Projects
- Workforce Opportunity Projects
- Projects Advancing State Revitalization and Economic Development Initiatives
- Senior Housing Projects
- Preservation Projects

Program Information

9% Low-Income Housing Tax Credit Program (LIHTC)

- Will be utilizing new 9% LIHTC QAP (effective date 5/26/2021)
<https://hcr.ny.gov/low-income-housing-tax-credit-programs>
- Must meet the meet the 2021 HCR Design Guidelines
- For projects utilizing multiple sources of tax credit financing (e.g., LIHTC and SLIHC), investor letters must separately quantify the value of each tax credit resource. HCR requires that investors and syndicators assign an independent value to each type of credit reflecting the actual market value of the resource being proposed for purchase.
- May request MIHP in conjunction with 9% LIHTC as specified in the 9% LIHTC term sheet

Program Information

9% LIHTC Set-Aside

- **ESSHI and Supportive Housing Projects (up to \$3 million)**
 - **ESSHI Projects**
 - Must have received a Conditional Award Notification through the Empire State Supportive Housing Initiative, Inter-Agency Service and Operating Funding Opportunity RFP
 - At least 50% of units must serve persons with special needs
 - Must meet definition of supportive housing cited in Section 2040.2(v) of the 9% LIHTC QAP, provided however that applicants may satisfy the capital financing requirement of that definition by requesting SHOP and/or HOME funds pursuant to this RFP
 - **Supportive Housing Projects**
 - At least 50% of units must serve persons with special needs cited in Section 2040.2(q) of the 9% LIHTC QAP
 - Must meet definition of supportive housing cited in Section 2040.2(v) of the 9% LIHTC QAP
- **Housing Opportunity Projects (up to \$3 million)**
 - Family projects which must be located in a HOP Census Tract
 - Must have an average unit size of at least 2 bedrooms
 - 10% of units must be targeted to households at or below 30% AMI

Program Information

9% LIHTC Set-Aside

- **NYCHA Seniors First (up to \$15 million multi-year)**
 - Must be targeted to 62+ seniors
 - Project must be 100% affordable
 - Restricted to Central Brooklyn with award of site control from NYCHA and HPD
- **Public Housing Redevelopment Projects (up to \$2 million)**
 - Must meet the Public Housing Redevelopment Project Housing Goal
- **Vital Brooklyn**

Program Information

NYS Low-Income Housing Tax Credit (SLIHC)

- Will be utilizing new SLIHC Regulation (effective date 5/26/2021)
- May not be used to finance senior units (62+) serving households above 60% AMI
- Must meet the 2021 HCR Design Guidelines.
- For projects utilizing multiple sources of tax credit financing (e.g., LIHTC and SLIHC), investor letters must separately quantify the value of each tax credit resource. HCR requires that investors and syndicators assign an independent value to each type of credit reflecting the actual market value of the resource being proposed for purchase.
- Per project maximum \$500,000
- SLIHC may not be used in projects utilizing 9% LIHTC Income Averaging Set-Aside
- Can be combined with MIHP for project units serving households above 90% AMI up to 130% AMI as specified in the SLIHC term sheet

Program Information

Low-Income Housing Trust Fund (HTF)

- Must benefit households \leq 90% of AMI outside of NYC (in NYC \leq 80% of AMI)
- HTF may not be used to finance senior units (62+) serving households $>$ 60% AMI
- Can be combined with MIHP for project units above 90% AMI up to 130% AMI (outside NYC) or above 80% AMI up to 130% AMI (in NYC) as specified in the HTF term sheet
- Cannot be combined with SENR, PHP or SHOP
- Must meet the 2021 HCR Design Guidelines
- Applicants requesting HTF must ensure use of the correct program name in the Financing Application and the Underwriting Application

Program Information

Supportive Housing Opportunity Program (SHOP)

- Minimum of 30% of project units for supportive housing. For projects involving the relocation of existing supportive units funded by state rental and operating subsidies, the existing supportive housing units will be considered as “new” supportive housing units for the purposes of calculating the total number of supportive units in the proposed project.
- Requires award of service and operating funds
- Projects serving ID/DD populations must include either an ESSHI conditional award letter which does not require OPWDD capital OR a current letter of support from OPWDD issued after April 1, 2021
- Cannot be used with SENR, HTF or PHP funds
- PBVs can be accessed to fund non-ESSH units in an ESSHI project. In New York City, PBVs can be accessed for both ESSHI and non-ESSH units. The ESSHI service and operating award may not be used for rent subsidies, but only for services on ESSHI units with PBVs.

Program Information

Supportive Housing Opportunity Program (SHOP)

- May request MIHP in conjunction with SHOP as specified in the SHOP term sheet
- Up to 60% AMI or 80% AMI if utilizing 9% LIHTC Income Averaging
- ESSHI Supportive unit rents must be underwritten to at least 50% AMI (may be higher based on operating needs of project)
- Must meet the 2021 HCR Design Guidelines

Program Information

Public Housing Preservation Program (PHP)

- Rehab and/or demolition and replacement through new construction of site-specific multifamily rental housing owned by PHA's
- Increased per unit limits, including an additional \$10,000 per unit if project meets additional criteria
- Up to 60% AMI or up to 80% AMI if utilizing 9% LIHTC Income Averaging
- Cannot be combined with SENR, HTF, SHOP or MIHP
- Requires CHAP letter or other written permission from HUD
- Must meet the 2021 HCR Design Guidelines

Program Information

Rural and Urban Community Investment Fund (CIF)

Non-residential only:

- Available for new construction, adaptive reuse, or rehabilitation of a retail, commercial, or community facility component of an HCR-regulated affordable housing development that
 - Clearly serves the critical unmet needs of the tenants in the affordable housing development; or
 - Clearly advances a Regional Economic Development Council or Downtown Revitalization Initiative approved strategic investment plan.

- In order to be deemed a component of an HCR-regulated affordable housing development, it must be part of, or in close proximity to the affordable housing development

Program Information

Federal Housing Trust Fund (FHTF)

- May be used for new construction, adaptive reuse or preservation
- Financing for 30% AMI units within a mixed income project
- Must meet the 2021 HCR Design Guidelines
- See FHTF term sheet for environmental **prohibitions**
- See Reference Materials and Related Resources for subsidy limits and rent limits
- Applicants requesting FHTF must ensure use of the correct program name in the Financing Application and the Underwriting Application

Program Information

Senior Housing Program (SENR)

- Seniors aged 62+
- Must include healthy aging programming and design features to allow seniors to age in place in Attachment B-2 Project Narrative
- Up to 60% AMI or 80% AMI if utilizing LIHTC Income Averaging Set-Aside
- Must meet 2021 HCR Design Guidelines
- Cannot be combined with HTF, PHP, SHOP or MIHP

Program Information

HOME

- Supportive Housing Projects with at least 30% supportive units (25% for projects with OPWDD units) to be developed by not-for-profit organizations or Housing Opportunity Projects prioritized
- Up to 60% AMI
- Must meet 2021 HCR Design Guidelines
- HOME may be combined with other HCR financing in a project, however HOME must be the only source of HCR subsidy financing in a unit. A unit may not include HOME and HTF, SHOP, PHP, SENR or FHTF.

Program Information

Housing Development Fund Program (HDF)

- Subject to appropriation, HDF Program loan funds may be requested as low-interest construction financing to eligible not-for-profit applicants proposing 9% LIHTC, SLIHC, SENR, HTF, SHOP, PHP, HOME, CIF or MIHP (proportional acquisition, hard costs and soft costs) as permanent financing.
- HDF may not be used to finance senior units (62+) serving households above 60% AMI
- Applicants considering HDF to bridge an HTF permanent loan should discuss with HCR staff prior to application submission.
- HDF loans may involve additional processing time due to additional state agency approvals, including the Office of the State Comptroller.

Underwriting

- The Summer 2021 RFP Underwriting application model is available on the HCR website.
- **Applications submitted on incorrect or outdated forms will not be considered for funding.**
- UW model has only minor revisions since the last version to make it more user friendly, address minor formula issues, and update for the 2021 HUD AMIs.
- Be consistent with program requests on the Financing Application and Underwriting Application. The amount of the program request must be the same in both the Financing Application and the Underwriting Application, as well as which programs are being requested.

Underwriting

Setting Rents for Summer 2021 projects

- Rent affordability automatically calculates off the 2021 AMIs in the UW model
- Rent levels should be set based on the 2021 AMIs
- Sponsors should be cautious about setting rents at the maximum AMI levels for income bands to be served by the project in the event that AMIs decrease after 2021.

Underwriting

Market Studies

Refer to Section 5.07 of the Capitals Program Manual for specific market study and market analysis submission requirements

LIHTC and/or SLIHC Projects in NYC

- May submit a market analysis in lieu of a professional market study

LIHTC and/or SLIHC Projects outside of NYC

- Must submit a professional market study prepared by a firm on the HCR Pre-Qualified market Analysts list
- Market studies must include a Primary Market Area map identifying existing affordable housing projects

Underwriting Market Studies

Resubmissions of Fall 2020 Applications Only

- 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 Fall 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.

Underwriting Reserves

Capitalized Reserve Contributions- **Operating Reserve**

Projects with 9% LIHTC and/or SLIHC

- \geq 60 units: three months of operating expenses and debt service
- < 60 units: six months of operating expenses and debt service

Projects with subsidy only

- No requirement to capitalize an operating reserve; may be considered if there are eligible project sources to cover the cost

Underwriting Reserves

Capitalized Reserve Contributions - **Replacement Reserve**

- initial capitalization equal to \$1,000 per unit is required for all preservation rehabilitation projects including 9% LIHTC and/or SLIHC as a financing source.
- no initial capitalization required for all other projects financed with 9% LIHTC/SLIHC, or, for projects which do not include 9% LIHTC/SLIHC as sources.

Underwriting Reserves

Annual Reserve Contributions - **Operating Reserve**

Projects with 9% LIHTC and/or SLIHC

- No annual operating reserve contribution is required

Projects with subsidy only

- 3% of gross rents annually required in any year that the reserve balance is less than 50% of gross rent
- Contributions should be trended to increase by 2% annually in the operating pro forma

Underwriting Reserves

Annual Reserve Contributions - **Replacement Reserve**

Projects with 9% LIHTC and/or SLIHC

- \$250 per unit for all new construction projects
- \$300 per unit for all rehab projects
- Contributions must be trended to increase 3% annually in operating pro forma

Projects with subsidy only

- .5% of construction costs capped at \$800 per unit for family projects, and \$400 per unit for senior projects.
- Trended to increase 3% annually

Underwriting

HCR Financing Terms

HCR Financing

- Available as permanent financing only in this RFP, with exception of HDF which is only available as construction period financing
- 30-year term loan minimum, up to 50 year maximum; refer to term sheets for program specific requirements
- .5% interest only, hard-pay debt, with the exception of Federal Housing Trust Fund Program loans which will be 0% interest
- HCR debt must be budgeted “above-the-line” in the operating proforma
- Payable ahead of all subordinate debt, including deferred developer fee loans

Underwriting Technical Assistance

- Refer to the Underwriting Model Worksheets and Section 5 of the **Capital Programs Manual** for specific project underwriting criteria.
- Underwriting technical assistance prior to application submission is available on a limited basis where warranted, e.g., new applicants, complex financing proposals, etc.
- Use the Summer 2021 9% UW Application Excel workbook when submitting exhibits for Underwriting Technical Assistance
- Follow the Technical Assistance procedures outlined in the RFP

Design Unit

Preservation Projects

- Preapplication site visits for Moderate Rehabilitation Preservation Projects will be conducted via remote procedures
- See the “HCR Remote Site Visit Memo” at:
<https://hcr.ny.gov/system/files/documents/2020/12/hcr-remote-site-visit-memo.pdf>

Design Unit

Design Requirements

- 2021 HCR Design Guidelines released
 - Applicable for all projects funded under this RFP
 - Notable changes include requirements for broadband internet and EV charging stations
 - Sustainability related recommendations added in the body of the Design Guidelines
 - Appendix F (Green & Energy Building Requirements) adjusted to react to sustainability goals of the Agency and NYS
- Design Waiver Request Form
 - Waiver requests from the design criteria of the 2021 HCR Design Guidelines should be submitted on this form.
 - This form is available online in the RFP Reference Materials and can be submitted to Kristy Whitcher; kristy.whitcher@nyshcr.org

Design Unit

Design Requirements

- “Energy Efficiency, Green Building, Visitability & Accessibility Submission Requirements & Scoring”
 - All requirements now referenced in the Design Guidelines
 - Mandatory Green Building Practices
 - Mandatory Energy Efficiency Practices
 - Mandatory Energy Efficiency Strategies
 - Visitability Requirements
 - Optional strategies for points awarded in the RFP are outlined in the “Green Building & Accessibility Scoring Criteria” reference document

Design Unit

Design Requirements – Appendix F

- Mandatory Green Building and Energy Efficiency Practices split into two categories:
 - Mandatory Green Building Practices
 - Mandatory Energy Efficiency Practices

- Mandatory Green Building Practices
 - Clarification added for Limiting Lead Exposure regarding applicable drinking water regulations

- Mandatory Energy Efficiency Practices
 - Requirement added for all electric appliances
 - Requirement added for WaterSense Certified fixtures
 - Required flow rates for toilets and kitchen faucets update

Design Unit

Design Requirements – Attachment D-6

- Programs available for the Mandatory Energy Efficiency Strategy and the Optional Green Building Program have been updated
 - Minimum threshold requirement for projects choosing the NYSERDA New Construction Housing Program as their Mandatory Energy Efficiency Strategy is now Tier 2.

- Clean Energy Incentives for High Performance Projects
 - Check box added for applicants to commit to this new incentive
 - Applicants interested in this incentive program will be required to complete Exhibit D-6a in the application.

Clean Energy Incentives for High Performance Projects – Demonstration Phase 1A

- Demonstration program/partnership between HCR and NYSERDA to incentivize highly-efficient, all-electric new construction or substantial rehabilitation projects.
- Up to \$12,500/unit will be made available for selected projects committing to meet HCR's Stretch Sustainability Standards: highly-efficient, all-electric buildings.
- Development team must commit to the enhanced design and partner with a designated Technical Assistance Provider to assist with design, construction, measurement and verification.
- Funds are designed to cover the cost difference between a “base” design that complies with HCR Design Guidelines and HCR's Stretch Sustainability Standards.
- Interested applicants should closely review the program description and further instructions posted in the reference materials.
- Budgets and scope of work submitted should not include the enhanced scope. If awarded through the 9% RFP, projects selected for this demonstration program will be informed and assigned a TA provider to assist in the design enhancements and budget adjustments.

Environmental Site Suitability

Site Suitability Threshold Item (Under Programmatic section)

- **Site Contamination:** Application must identify, characterize, and resolve site contamination concerns. If the Phase I ESA identifies issues of concern and those concerns have not been fully characterized and/or a remedial plan has not been developed, the application must include at least a narrative explanation and budget lines to resolve. If a portion of contingency would be used to address potential contamination, state directly in explanation. Application Attachment E-3.
- **Surrounding uses:** 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. Application Attachment E-6.
 - Suggestion for applicants – copy Attachment E-6 Instructions and respond to each information request (a.i.-v, b.i-ii, & c).
- **FOLLOW THE APPLICATION AND TERM SHEET INSTRUCTIONS**

Affirmative Fair Housing Marketing & FEHO

- HCR's Fair and Equitable Housing Office (FEHO) ensures that the agency and our awardees comply with the Fair Housing Act ("FHA"), the New York State Human Rights Law ("NYSHRL"), and any applicable local fair housing laws, policies and procedures.
- No Rubber Stamp! FEHO attorneys review each Plan for compliance with HCR Guidelines and Fair Housing Laws.
- Questions re. Marketing Plans and Fair Housing?
 - <https://hcr.ny.gov/marketing-plans-policies>
 - feho@nyshcr.org



Affirmative Fair Housing Marketing & FEHO

- Each development must create and execute:
 1. FEHO Short Form submitted prior to closing – includes any occupancy preferences and fair housing claims/litigation
 - ALL occupancy preferences must be approved by FEHO, including preferences for those involved in artistic or literacy activities, and those projects which received QAP scoring points for:
 - Persons on public housing waiting lists
 - Persons with Special Needs
 - FEHO review also includes any local and workforce preferences
 2. FEHO Long Form Affirmative Fair Housing Marketing Plan (“AFHMP”) submitted prior to the commencement of marketing
 - Submit completed AFHMP form 240 days (8 months) before occupancy.
 - **Marketing & application period must be 60 days after FEHO approval.**



Affirmative Fair Housing Marketing & FEHO

- Special Areas of Interest in FEHO Review
 - Outreach and Marketing – Plan must demonstrate meaningful plan to reach those Least Likely to Apply in the area.
 - Occupancy preferences – FEHO conducts an individualized analysis of each preference requested. You must provide demographics and supporting documentation to ensure the preference is not disparately impacting protected groups.
 - VAWA – Cannot deny or terminate a tenant based on adverse factors (like poor credit or rental history) directly related to the VAWA-covered crime
 - Justice Involvement Assessment Policy – Very limited automatic bar based on criminal background. Housing provider must conduct individualized assessment in order to deny. Must use HCR worksheet.
 - Credit Policy – No automatic bar based on credit. Housing provider must conduct individualized assessment and allow evidence of 12 months on-time rent payment instead of pulling credit report. Must use HCR worksheet.

NYS Section 3 (FEHO)

- Projects for which **\$200K+ of HUD funding** (CDBG, HOME, Federal HTF) is utilized must comply with Section 3 of the Federal Housing and Community Development Act of 1968, which requires “to the greatest extent feasible” that employment, training and contracting opportunities be given to low-income people in the area of the project and those companies that are hired or owned by them.
- You, your contractors and their subcontractors are responsible for achieving the hiring and contracting benchmark goals. *You are responsible for reporting their Section 3 compliance metrics.*
- New regulations issued – all project funded after November 2020 must comply with new regs. Move to benchmark goals based on percentage of labor hours involved in the project by you + subs.
- Bi-annual reporting cycle – Report on whether you and your subs have met their Section 3 goals or provide justification and documentation for why not.
- Questions? Need technical assistance? Dinorah.Santiago@nyshcr.org
 - <https://hcr.ny.gov/section-3-compliance>

NYS Section 3 (FEHO)

What are Section 3 Benchmark Goals?

HUD established these benchmark hiring goals for Section 3 projects.

- 25% of total labor hours worked by Section 3 Workers,
 - YouthBuild Participant
 - Low or Very-Low Income in the Last 5 years
 - Employed by a Section 3 Business (51% owned/controlled by low-income persons or Section 8/public housing residents, or 75% of labor hours performed by Section 3 workers)
- 5% of total labor hours worked by Targeted Section 3 Workers.
 - YouthBuild Participant
 - Section 3 worker in the service area/neighborhood of the Project
 - Employed by a Section 3 Business.

These percentages are against the total number of labor hours worked by all workers on a Section 3 Project.

NOTE: Section 3 requirements apply to the entire project regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

M/WBE Participation

- Article 15A of the Executive Law promotes economic opportunities and equality of employment for minority group members and women in State (M/WBE) contracting activities.
- All state funded programs are subject to this law and must comply with HCR's M/WBE participation requirements.
- HCR fully supports these efforts and its Office of Equal Opportunity and Partnership Development (OEOPD) is charged with analyzing agency expenditures, creating procurement strategies, tracking, monitoring and reporting progress as well as identify obstacles to help reach and/or exceed the 30 percent utilization rate.
- Preference in awards given to applications which include NYS-certified M/WBE as part of development team.
- Award decisions include consideration of applicant's past and current performance, including M/WBE performance

Service-Disabled Veteran Owned Business Act

- The Service-Disabled Veteran Owned Business (SDVOB) program was signed into law by Governor Cuomo on May 12, 2014. The law allows eligible Veteran business owners to get certified as a New York State Service-Disabled Veteran-Owned Business (SDVOB). OGS is the state agency responsible for administration of the program.
- All state funded programs are subject to this law and must comply with all HCR (SDVOB) participation requirements.
- HCR's OEOPD is charged with monitoring compliance for its SDVOB program.
- HCRs state wide requirement for the SDVOB program is 6%.
- Please direct all questions to: econ.opportunity@nyshcr.org

Labor Standards

Davis-Bacon/Prevailing Wages

- OEOPD is also charged with monitoring and compliance of all labor standards issues.
- Please direct all questions to:
LaborStandardsCompliance@nyshcr.org

Section 8 Project-Based Voucher RFP

- PBV's must be applied for separately from 9% LIHTC RFP
- Track 1 for new construction or substantial rehabilitation projects
- Section 8 PBV RFP and Webinar available at: <https://hcr.ny.gov/summer-2021-section-8-project-based-vouchers-requests-proposals>

Final Thoughts

- Questions may be asked ONLY through email submission to 9%RFP@nyshcr.org. Questions and Answers will be posted and updated periodically. Please check the website daily.
- Don't wait until the last minute to begin the application
- Continue to check www.hcr.ny.gov/multifamily
- Any updates to documents will be posted in the Record of Revisions.
- Good luck!

Questions & Answers

9%RFP@nyshcr.org

www.hcr.ny.gov