



Legacy City Access Program

In many areas across NY State, lingering effects of the foreclosure crisis, combined with population loss and limited access to capital have resulted in cities struggling to address blight, particularly vacant and distressed 1–3-unit properties. These abandoned structures continue to drive down market conditions and strain limited municipal resources. As these properties have languished, the cost of renovation is often greater than the after-improved value, putting scalable and targeted revitalization efforts financially out of reach.

In many of these same cities, historic trends in lending discrimination and redlining practices have contributed to a massive homeownership gap in communities of color. This is compounded by the rising costs and limited availability of “move-in” ready homes for sale in these markets.

The Legacy City Access Program will address these market dislocations by providing resources to small developers who have the capacity to take title to and renovate vacant properties, creating new opportunities to promote affordable homeownership for underserved families, particularly first-time homebuyers of color.

<p>Eligible Communities</p>	<p>The program will consider awards for projects in communities who meet the following criteria:</p> <ol style="list-style-type: none"> 1. Project/s located in an Upstate community served by a NYS Land Bank in one of the following REDC Regions: <ul style="list-style-type: none"> - Mid Hudson - Capital Region - North Country - Mohawk Valley - Southern Tier - Central New York - Finger Lakes - Western New York and; 2. Project/s located in communities with historical disparities in terms of access to mortgage credit and homeownership for applicants of color. If local data is not available, use the Climate Leadership and Community Protection Act (CLCPA) mapping tool found here: https://www.nyserda.ny.gov/ny/disadvantaged-communities
<p>Eligible Applicants</p>	<p>Land Banks in partnership with local developers who propose projects that meet the following criteria will receive priority review:</p> <ol style="list-style-type: none"> 1. Proposed projects should target 5 to 10 vacant 1-3 family residential properties to which a Land Bank currently holds clean title, or where an agreement exists between a municipality and a Land Bank to transfer title to the Land Bank. Properties must be in close proximity in identifiable neighborhood/s. 2. Applications must be in partnership with a developer partner for each assemblage, with a priority going to MWBE-certified or other minority-owned developers.



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	<p>3. The proposal must demonstrate that the proposed project assemblages can be successfully rehabilitated for homeownership based on the subsidy per unit available under this term sheet</p> <p>4. An established partnership with a homeownership counseling agency to build homebuyer pipeline</p> <p>5. Land Banks that demonstrate the capacity to address more than 1 assemblage following the same criteria listed above will receive priority review for funding.</p> <p>Where a municipality, rather than a land bank, holds title to an assemblage located in an eligible community, applications from the municipality with a partner developer that meet the other project criteria will be considered where the land bank has not sought title to the subject properties.</p>
Financing Requirements	Prior to commitment of the subsidy, selected developer partners must demonstrate a construction loan commitment from CPC or other financial institution that may be acceptable to HCR.
Anticipated Amount Available	Up to \$25 Million will be available.
Per Residential Unit Maximum Award	<p>Up to \$75,000 per unit in HCR subsidy for homeownership projects, on average, across the units in a single project. Up to \$95,000 will be made available if the renovation includes energy efficiencies, including but not limited to electric heat source systems, building envelope efficiency improvements, and energy efficient appliances.</p> <p>Actual award amounts will be based on need as determined by HCR underwriting standards, and must be recommended by HCR Staff, and approved by the Housing Trust Fund Corporation Board. At the sole discretion of HCR, rare exceptions to the maximum subsidy awards may be made in extraordinary circumstances where additional expenses are incurred due to local regulations including historic district requirements. This subsidy may be combined with other local, state, and federal sources, which may have additional conditions or per unit maximum awards.</p>
Loan Terms	<p>HCR will provide subsidy in the form of a construction loan at a rate of 0.5% interest only for the construction term.</p> <p>At sale to homeowners, subsidy allocated to each home will be converted to a second mortgage. The second mortgage will be structured as a declining balance lien and will be forgiven entirely if the homeowner complies with the terms of the 10-year regulatory agreement.</p>
Equity Requirements	5% cash equity contribution
Priorities	The program is available to existing land banks and their developer partners seeking to redevelop vacant property owned by land banks. Priority will be given



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	to applications that aggregate multiple properties in closest geographic proximity that can be addressed as a single construction transaction.
Developer Fee	A developer fee is allowable but may be no more than 12% of the total development costs.
Design Standards	Each property identified must have an identified scope to create a quality homeownership opportunity and cost verified by an engineer, architect, or other appropriate professional. Depending on the final proposed financial framework, specific design and quality standards will apply.
Affordability Requirements	
Term of Affordability	Homebuyers who acquire the newly renovated homes through this program will assume the HCR subsidy in the form of a non-amortizing, non-interest bearing second mortgage with a 10-year term. With each year of compliance, the balance will decline until the conclusion of the term, at which point the amount will be fully forgiven and the lien will be satisfied.
Affordability Restrictions	Homeowners earning below 80% of the Area Median Income will be prioritized. In no event will homes utilizing the maximum subsidy be sold to households earning more than 100% of the Area Median Income.
Reviews and Approvals	
Environmental Review	Projects in this program will undergo the standard environmental review procedures dictated by the sources of funding used in the project and which apply to the renovation of one, two and three family homes.
Appraisal Report	An independent appraisal is required and subject to HCR review and approval.
Scope of Work	Plans for renovation should be prepared by professional architect or engineer with verified cost analysis. The construction lender will oversee review, approval, and implementation of work plans.
Conditions for Credit Committee and Board Review	All projects must receive HTFC board approval prior to the commitment of any funds.
Equal Opportunity Goals	
Marketing Plan Requirements	All projects must comply with NYS HCRs Affirmative Fair Housing Marketing Plan requirements.
Fair Housing	The Borrower is required to comply with all applicable Federal, State, and local laws and regulations prohibiting discrimination and must comply with laws regarding accessibility for people with disabilities.
Application	



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Application Process	Following evaluation by CPC or other financial institution proposed to serve as the construction lender, a Legacy City Access Property Program Application must be submitted electronically to the HCR contact below. Applications can be found here: https://hcr.ny.gov/legacy-city-access-program
HCR Contact	Madeline Fletcher, Director, Distressed Asset Preservation, madeline.fletcher@nyshcr.org