

HCR Multifamily Finance 9% RFP – Winter 2022

Questions and Answers #2

Application:

Q1: If an HDFC owns the site, but is essentially a shell-corporation that is wholly-owned by a not-for-profit organization, should the HDFC be identified as the Applicant even though its only asset currently is the property or should the Applicant be the not-for-profit that will be the guarantor?

A: The determination as to whom should serve as the Applicant for submission of a funding application to HCR is entirely at the discretion of the project sponsor/Applicant. For demonstration of site control, the Applicant will need to clearly establish a link between the Applicant of record and the entity which owns or otherwise retains site control. And under either scenario, HCR would conduct its standard vetting processes, including review of sponsor qualifications and characteristics, in regard to the not-for-profit corporation which incorporated the HDFC.

Q2: Exhibit A-5, question 7, asks in part if the not-for-profit is affiliated with a for-profit entity. If a not-for-profit controls the general partner in a limited partnership in a LIHTC project, does that need to be disclosed or is the concern in this question whether the not-for-profit is in some way controlled by a for-profit entity?

A: Exhibit A-5 is used to determine the extent of non-profit participation as an Applicant or owner per the 9% LIHTC QAP. The Applicant may use the Project Narrative to further clarify the nature of the ownership entity and the level of non-profit involvement in the project. There is also a LIHTC scoring criteria which evaluates the extent of non-profit participation, including whether a non-profit established to participate in a project is affiliated with a for-profit or non-profit parent corporation.

Q3: In Exhibit B-6, does a Housing Services Agreement have to be provided under any of the three scenarios below:

- A. If the Sponsor Applicant is also providing the supportive services?**
- B. If an HDFC has to be identified as the Applicant and the parent organization is providing the services?**
- C. If the property will ultimately be transferred to an LP controlled by the not-for-profit service provider, but the LP is not yet formed?**

A: A Housing Services Agreement must be provided for any project proposing the inclusion of a special needs population(s). At application, the Housing Services Agreement should be between the Applicant and the service entity. If awarded funding, the Housing Services Agreement must

be updated to the beneficial owner (i.e., Limited Partnership or Limited Liability Corporation as applicable) and the Supportive Service Agency. The Housing Services Agreement templates can be found at: <https://hcr.ny.gov/persons-special-needs-forms>.

Q4: Exhibit I4 is required to request Technical Assistance. Do all eligibility items need to be completed prior to submitted the TA request? Or is it sufficient to indicate the anticipated answer at the time of application?

A: At the time of TA, it is appropriate for applicants to answer the eligibility questions with the anticipated answers. In reference to the mandatory CEO notification requirement, this may occur subsequent to a TA meeting, but prior to application submission.

Q5: For the purposes of completing the development timeline as part of Exhibit B5, when will Winter 2022 awards be made?

A: HCR anticipates Winter 2022 awards to be made in June/July 2022.

Q6: Exhibit C-2 indicates that if a planning document is more than 3 years old, evidence from the locality that efforts to implement the plan through investments, resolutions, and updates to the plan need to be provided. Will a letter from the locality stating they are continuing their efforts as outlined in the plan and are still working under the plan sufficient to meet this requirement?

A: Evidence of the efforts (investments, resolutions, updates to the plan, etc.) outlined in the letter must also be included.

Q7: A Housing Services Agreement must be between the service provider and the beneficial owner. How should the Housing Services Agreement be drafted in the circumstance in which the applicant and service provider are the same entity?

A: If the applicants and service provider are the same entity, a Housing Services Agreement listing the same agency must be provided or the applicant may use a distinction such as a department name, i.e., Community Service Department, for the service entity.

Q8: For projects involving ULURP approval, can these projects still be competitive if they have not yet received certification from the NYC Department of City Planning? Or must they have received certification?

A: If ULURP is not yet certified, the application must indicate an approximate date for ULURP certification and the CEQR determination for that ULURP certification. The status of ULURP approval is considered in readiness scoring.

Q9: Exhibit I4 Program Eligibility Checklist (line 50) refers to NYC HPD Site-Control Guidelines. Where can applicants access this information?

A: Prospective project applicants can access HPD's site control guidelines from HPD's current Qualified Allocation Plan (QAP) at <https://www1.nyc.gov/site/hpd/services-and-information/lihtc.page>. Specific questions about HPD's QAP requirements pertaining to site control may be directed to HPD at labiba@hpd.nyc.gov.

Underwriting:

Q1: Does the December 2021 market study deadline pertain to projects located in New York City?

A: The December 2021 deadline refers to projects outside of New York City that require a professional, third party market study. HCR does not require a professional market study for NYC projects. Please refer to Section 5.0 of the CPM for requirements related to projects located in New York City.

Environmental:

Q1: The project will utilize NYC 15/15 services and rental subsidy but no NYC capital funding. Who would be the lead agency for the environmental review? Should the sponsor submit a draft NYC CEQR or NYS Short EAF?

A: It is HCR's understanding that a NYC CEQR EAS is not required for this type of NYC action. The development team should confirm that with NYC. Where a NYC CEQR EAS is not required, the HCR application should include the NYS SEQR Short EAF.

Q2: Does a project with a complete Phase II and Remedial Action Plan need to submit a Phase I dated within one year?

A: No. Note the application should indicate the remedial actions that will be taken and the budget should reflect those costs.

Design:

Q1: Our project is a rehabilitation project with the new construction of additional units, should one construction budget be prepared, or should the new construction and rehabilitation budget be separated?

A: Per the instructions on Exhibit D-4, projects with multiple buildings should duplicate the worksheet to provide separate construction cost estimates for each building, unless they are identical building types. A summary for the project should also be provided. If the new

construction of additional units is part of the building being rehabilitated, then that would be considered one building and can be submitted as one construction cost estimate.

Q2: The HCR Design Guidelines state common space is to be limited to 25% of total residential space. Is the common space calculation based on the total project or building basis?

A: The HCR Design Guideline requirement limiting residential shared common space to no more than 25% of the total residential space is based on the entire project. Individual buildings may be over the 25% limit, as long as the total residential common space for the project meets this requirement.

Q3: For projects pursuing the New York State Affordable Multifamily Energy Efficiency Program (AMEEP) through the Joint Utilities of New York, what should be submitted as part of the application to evidence the AMEEP commitment?

A: An AMEEP commitment letter stating the amount of the incentive must be submitted. Note that per the “Mandatory Energy Efficiency Strategy Notice to Applicants”, the AMEEP program is NOT an eligible program for meeting the requirements of the HCR Mandatory Energy Efficiency Strategy or Optional Green Building Program.

Q4: Is HCR planning on making in person site visits for occupied preservation projects or is a photo submission and narrative acceptable?

A: Please see the Occupied Rehab section of the TA requirements at <https://hcr.ny.gov/technical-assistance-multifamily-finance-9-lihtc-rfp-applicants>. HCR will be conducting in-person preservation site visits to the greatest extent feasible. At the very least, HCR will conduct in-person site visits to assess the site and exterior of the project/buildings. The applicant should contact the HCR Design Unit to determine the best course of action for preservation site visits based on the project specific needs and restrictions.

Q5: Can sponsors with an approved design waiver request from the Summer 2021 round use that approval for submission in the Winter 2022 round?

A: Yes, applicants can submit previously approved design waivers from the Summer 2021 funding round if the design has not changed.