NEW YORK STATE OF OPPORTUNITY. | Homes and Community Renewal

Low-Income Housing Tax Credit (9% LIHTC)

9% LOW-INCOME HOUSING TAX CREDIT PROGRAM (9% LIHTC): The federal Low-Income Tax Housing Credit (9% LIHTC) program provides a dollar-for-dollar reduction in federal tax liability to investors partnering with project sponsors in the development of qualified low-income housing that meets the statutory requirements of Section 42 of the Internal Revenue Code (IRC). The amount of credit allocated to a project is directly related to the costs associated with the acquisition, new construction and/or rehabilitation of rental housing that is reserved for low-income households.

Applicants requesting 9% LIHTC are referred to the IRC, the DHCR 9% LIHTC Qualified Allocation Plan (QAP), the current 9% LIHTC RFP, the Capital Programs Manual, and other HCR guidance, prior to submission of an application. The QAP includes program definitions, threshold eligibility review criteria, project scoring and ranking criteria, clarifications regarding DHCR's allocation process, certain project underwriting criteria and provisions regarding project monitoring requirements.

Projects seeking to include units above 60% AMI (above 80% AMI if utilizing LIHTC Average Income) and up to 130% AMI are eligible to apply for Middle Income Housing (MIHP) funds subject to the limits specified below, as applicable, and based on demonstrated need for gap financing pursuant to HCR underwriting standards.

Applicants are advised that a pre-qualified market study firm must be used to prepare the professional market study required for all 9% LIHTC applications submitted for projects located outside of the City of New York. Both the QAP and the Pre-Qualified Market Analysts list are available at https://hcr.ny.gov/multifamily.

Applications proposing projects in the City of New York must include a market analysis utilizing data from the most recent edition of the New York City Rent Guidelines Board report.

For projects utilizing multiple sources of tax credit financing, investor letters must separately quantify the value of each tax credit resource proposed including, but not limited to, all housing, historic and brownfield tax credits. While HCR recognizes tax credit investors consider the blended yield of these investments on a project-wide basis, for both policy and programmatic reasons, including the need to highlight the real value of these resources for taxpayers and policymakers, HCR requires investors and syndicators to assign an independent and specific value to each type of credit reflecting the actual market value of the resource being proposed for purchase.

Eligible Uses	Residential only or residential with Community Service Facility; new construction, building acquisition with rehabilitation, and rehabilitation, including adaptive reuse of non-residential property.
Area Median Income Restrictions	Low-income households earning up to 60% AMI (80% AMI for projects utilizing Average Income). Must meet one of the following statutory minimum set aside pertaining to income/occupancy requirements: 1) 20% of the units must be set-aside for households earning up to 50% AMI. 2) 40% of the units must be set-aside for households earning up to 60% AMI; or

	3) 25% of the units must be set-aside for households earning up to 60% AMI where allowable under the IRC (New York City only); or 4) Projects proposing LIHTC Average Income must meet the following statutory parameters: a) at least 40% (or 25% for projects located in New York City) of the project units are both rent-restricted and occupied by individuals who do not exceed the imputed income limitations designated by the project owner. b) The average imputed income limitations designated cannot exceed 60% AMI; and, c) the designated imputed income limitations must be in 10% increments ranging from 20% to 80% AMI.
Per Project Maximum Award	New York City, Westchester, Rockland, Nassau, and Suffolk counties: Up to $2.2 million per project in 9% LIHTC annual allocation and up to $3,028,000 million for projects in which 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons). Rest of State: Up to $1.43 million per project in 9% LIHTC annual allocation and up to $1.65 million per project for projects in which 50% or more of the units have three or more bedrooms to serve large families (defined as households with five or more persons). For projects seeking funding under the Middle-Income Housing Program (MIHP), at least 10% but no more than 30% of the units within the project must be designated for households with incomes over 60% AMI (80% for project utilizing LIHTC Average Income) and up to 130% AMI. HCR will allow a reduced rent burden to encourage middle- and moderate-income households to reside in economically distressed neighborhoods, such as a Qualified Census Tract (QCT) or a project which is a component of a downtown revitalization effort. In such cases, HCR will allow up to a 20% rent advantage for middle-income tenants. For example, if the rent of a MIHP unit is set at an 80% AMI affordability level, it may be rented to households up to 100% AMI. Projects outside of a QCT or which are not a component of a downtown revitalization effort must be able to achieve rents that are affordable to households with incomes of at least 80% AMI to access MIHP funding.
Per Residential Unit Maximum Award	New York City, Westchester, Rockland, Nassau, and Suffolk counties: Up to $27,000 per unit. Rest of State: Up to $22,000 per unit. For MIHP financed units, up to $140,000 in MIHP per unit in New York City, Westchester, Rockland, Nassau & Suffolk counties, and up to $95,000 in MIHP per unit in all other counties.

Priorities	See 9% LIHTC Set-Aside Information in the RFP.
Scoring Criteria	Community Impact/Revitalization (10), Financial Leveraging (11), Sponsor Characteristics (9), Green Building (5), Fully Accessible and Adapted, Move-In Ready Units (5), Affordability (8), Individuals with Children (7), Project Readiness (10), Persons with Special Needs (5), Participation of Non-Profit Organizations (4), Mixed Income (4), Historic Nature of Project (2), Cost Effectiveness (5), Housing Opportunity Projects (5), Investment in underserved areas (5) and Minority and Women Owned Business Enterprise and Service-Disabled Veteran-Owned Business Participation (5)
Eligible Applicants	Not-for-profit developers, for-profit developers, individuals, corporations, limited partnerships, and limited liability corporations.
Regulatory Agreement Requirements	Minimum of 50 years.
Geographic Targeting	Awards will promote a statewide geographic distribution of this financing.
Application and Allocation Fees	$3,000 at application submission. $1,000 if binding agreement is requested, and a one-time allocation fee equal to 8% of the LIHTC annual allocation amount, payable prior to carryover issuance. Not-for-profit applicants (or their wholly owned subsidiaries) which have not received an award of HCR capital funding since 2019 and which serve as the sole general partner (or co-general partner with another non-profit) of the partnership/project owner or the sole managing member (or co-managing member with another non-profit) of the limited liability company/project owner may request a deferral of payment until carryover allocation. Such deferral requests must document applicant financial hardship, no HCR funded projects since 2018 and the inability to remit the application fee at the time of application. Deferral requests must be submitted no later than one month in advance of the appropriate application due date. Written application deferral approvals granted by HCR must be appended to application **Attachment H-1**. Send deferral requests to: Arnon Adler, LIHTC Program Manager, by email at arnon.adler@hcr.ny.gov
Monitoring and Service Fees	Monitoring fee of .5% of the 60% LIHTC maximum rent per LIHTC regulated unit per month.

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 its funds under this program. All proposals must comply with all applicable federal, state, and local laws.