



New Construction Program

NEW CONSTRUCTION PROGRAM (NCP): HCR’s New Construction Program provides financing for the new construction or adaptive reuse of rental housing affordable to households that may advance one or more of the specific housing priorities of New York State. These priorities include the redevelopment of State-owned and municipally owned sites and developments that meet critical needs in their communities, family housing in high performing school districts, community redevelopment and revitalization, and developments specifically supported by the Regional Economic Development Councils and the Downtown Revitalization Initiative, and projects developed by MBE organizations.

Projects seeking to include units above 60% AMI (or above 80% AMI if income averaging is utilized) and up to 130% AMI (Middle Income Units) are eligible to apply for Middle Income Housing Program funds subject to the limits specified below, as applicable, and based on demonstrated need for gap financing by HCR underwriting standards.

Priority is given to projects in accordance with the information set forth herein. Actual award amounts must be recommended by HCR staff, and approved by HCR Credit Committee, the HTFC and/or HFA Boards as applicable. 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. HCR reserves the right to allocate funding to ensure that the broad range of statewide housing needs are met.

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| Eligible Uses | <p>New construction or the adaptive reuse of non-residential property to create affordable housing, including site acquisition, hard, and related soft costs.</p> <p>Eligible costs are for site acquisition, hard costs, and related soft costs.</p> <p>Construction and permanent financing available.</p> <p>In New York City, these funds can be used for projects being developed on sites owned by or previously owned by the State of New York and those developed by MWBE organizations.</p> |
| Area Median Income Restrictions | <p>Up to 60% AMI, or 80% AMI for projects utilizing LIHTC Income Averaging. Projects that target at least 10% of the income restricted units at up to 30% AMI will receive priority in funding.</p> <p>For projects seeking funding under the Middle-Income Housing Program (MIHP), at least 10% but no more than 30% of the units in the project must be for households with incomes over 60% AMI (above 80% AMI if LIHTC income averaging is utilized) 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</p> |

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| | <p>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.</p> |
| Per Unit Maximum Award | <p>New York City, Rockland and Westchester, Nassau & Suffolk Counties: Up to \$140,000 per income restricted unit.</p> <p>Rest of State: Up to \$95,000 per income restricted unit.</p> <p>For MIHP financed units, up to \$200,000 in MIHP per unit in New York City, Westchester, Nassau & Suffolk counties, and up to \$150,000 in MIHP per unit in all other counties.</p> <p>Maximum award does not include potential Clean Energy Initiative (CEI) funding. Please refer to the CEI Program term sheet for CEI funding program details.</p> <p>Projects are strongly encouraged to secure other, non-HCR subsidy resources. The maximum per unit awards is expected for projects unable to secure leveraged resources and/or for projects where prevailing wages are required.</p> |
| Interest Rate and Loan Terms | <p>HFA-financed projects: 0.25% interest-only paid during construction and permanent. 0.25% servicing fee paid during construction and permanent.</p> <p>Projects funded through the 9% LIHTC RFP: 0.25% interest-only paid during permanent. 0.25% servicing fee paid during permanent.</p> <p>All projects: Minimum of 30-year term, maximum of 50 years.</p> |
| Priorities | <p>Housing Opportunity Projects, Economic Development Projects, Community Renewal and Revitalization Projects, Workforce Opportunity Projects, Disaster Relief Projects, Downtown Revitalization Initiative Projects.</p> <p>Projects with at least 10% of income restricted units at up to 30% AMI will have priority.</p> |
| HTFC Eligible Applicants | <p>Not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers.</p> |
| Regulatory Agreement Requirements | <p>Minimum 40-year regulatory agreement.</p> |

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 law.