

HCR Multifamily Finance 9% RFP – Fall 2023

Questions and Answers #1

Underwriting:

Q1: Are there any requirements for the timing of CIF-related market studies for community facility spaces? The CPM only references residential appraisals and market studies.

A: Please see the CIF term sheet which states “Applicants must provide a market study for new housing and a market analysis or other evidence acceptable to HCR clearly demonstrating that there is sufficient demand for the proposed non-residential use at rents assumed in the income and operating budget. The market analysis must include information about the existing market and detail the commercial rents (including per square foot costs) of comparable commercial space in the immediate market area. At the sole discretion of the Agency, HCR may consider other information in assessing market demand for non-residential space.

Q2: For Fall 2023 9% LIHTC project including ESSHI units, what should rents be set at for ESSHI units?

A: ESSHI rents should be set at 50% of AMI. Justification of the need for rents other than a 50% AMI rent must be provided in the Fall 2023 9% LIHTC application. HCR in coordination with the ESSHI State Coordinating Agency will evaluate and consider exceptions to a 50% AMI rent.

Q3: Can SHOP funds be used to fund a superintendent unit?

A: Yes, SHOP funds can be used for a superintendent unit at the non-supportive per unit amount.

Design:

Q1: Can HCR provide clarification on the statement from page 34 of the Design Guidelines regarding washer and dryer hookups in Senior projects and in all units that are Fully Accessible and Adapted, Move-in Ready Units? The section reads “The total number of appliances may be reduced by one half where all dwelling units are provided with laundry hook-ups. All dwelling units in Senior projects and all units that are Fully Accessible and Adapted, Move-in Ready for mobility impaired residents shall provide space for laundry hook-ups in a side-by-side arrangement.”

A: There have not been any changes to the requirements for washer and dryer appliances (W/D) in projects. The revised section is part of the paragraph that allows for a reduction of common W/D appliances when hook-ups are provided in all dwelling units. It is not a requirement unless the project is looking to reduce the number of common W/D appliances by

providing in-unit hookups for W/D appliances. In previous versions of the Design Guidelines, all washer and dryer hookups needed to be side-by-side in order to qualify for this allowable reduction in common W/D appliances. With this newest update, we are now permitting the space for hookups to accommodate a stacked W/D arrangement in any typical dwelling units where it is permitted by code. In senior projects and accessible units, we are still requiring that the space for W/D hookups accommodate side-by-side appliances. Again, this is only if the project is planning to reduce the number of common resident W/D appliances.

Q2: There are no emails listed on the Design Waiver Request Form. Who should the Design Waiver be sent to?

A: Please refer to the Design Guidelines, page 3, for the email addresses for Design staff at <https://hcr.ny.gov/multifamily>. Please refer to the Sustainability Guidelines, page 4, for the email addresses for Sustainability staff at <https://hcr.ny.gov/multifamily>.

Term Sheet:

Q1: We have a project that includes ESSHI-eligible seniors and are considering applying for Senior Housing Program (SENR) funds. The SENR term sheet states SENR funding is restricted to seniors 62+, however the ESSHI definition considers ESSHI-eligible seniors to be 55+. If utilizing SENR funds for ESSHI-eligible seniors, can the ESSHI-eligible seniors be restricted to 62+?

A: For projects with 100% of the ESSHI population as ESSHI-eligible seniors, the Senior Housing Program (SENR) must be used and the ESSHI-eligible senior units must be age restricted to 62+. Projects utilizing SHOP funds for ESSHI-eligible seniors at 55+ can designate a maximum of 10% of the project's total units for ESSHI-eligible seniors and applicants must incorporate another ESSHI population to reach the supportive requirement for SHOP funds.

Q2: For a project in which zoning restricts tenants to be 55+ and the ESSHI populations to be served include SMI and chronic homeless, can SHOP subsidy be utilized?

A: The ESSHI State Contracting Agency would need to approve any age restriction imposed upon a non-age restricted ESSHI population. In general, HCR would not expect any age restrictions imposed on other ESSHI populations that are not already defined by age (e.g., young adults, youth aging out of foster care, seniors). In addition, any age restrictions would need to comply with Fair Housing rules.

RFP:

Q1: Our project has an ESSHI award expiring in December 2023. We will be resubmitting an application to renew the ESSHI award in Round 8. How should this be reflected in the Fall

2023 9% LIHTC submission? Should the current award expiring in December 2023 and evidence of the resubmission be submitted?

A: The current award expiring in December 2023 should be submitted as part of the Fall 2023 9% LIHTC submission. Any applicant relying on an ESSHI conditional award is encouraged to reapply once the ESSHI Round 8 RFP is released. HCR will coordinate with the Office of Mental Health (OMH) to determine whether applications have been submitted for any expiring conditional awards.

Q2: Our project is proposing to provide a preference in tenant selection for individuals with Intellectual/Developmental Disabilities. However, we do not currently have an ESSHI or ISH award and will be applying in each of their respective upcoming RFP's. If we apply for ESSHI this year in the upcoming Round 8, is that sufficient to be eligible to apply to the Fall 2023 9% LIHTC RFP?

A: Applications proposing a preference in tenant selection for individuals with intellectual and/or developmental disabilities will only be considered if the project either (1) has an ESSHI conditional award letter (or extension) and does not require OPWDD capital or (2) has a current Integrated Supportive Housing (ISH) letter of support or extension of support from OPWDD issued after January 1, 2023. The circumstance of a pending ESSHI or OPWDD ISH application is not applicable to the Fall 2023 Multifamily Finance 9% LIHTC RFP timeline.

Environmental:

Q1: We are trying to determine if we need an updated Site Suitability Narrative. Last year we submitted an application, which was not awarded, and we will be resubmitting this round. The Site Suitability Narrative will be a year old. We noticed the in the Fall 2023 9% LIHTC RFP "What's New?" section that if the Site Suitability Narrative has already been accepted, that acceptance should be included along with the submittal. How would we obtain a potential acceptance from the Environmental Unit?

A: Regarding the timing of the Site Suitability Narrative, there is no age limitation. However, updates should be made if the surrounding area or project design has changed substantially. The Environmental Unit may have already provided an email acceptance of a Site Suitability Narrative (this may have been conveyed through the Development Director). In Attachment E-6 provide a copy of that email along with the Narrative. If you have not received an email for a previously accepted Site Suitability Narrative, one can be requested by contacting your Development Director.

Q2: There is a new Exhibit E-7 that requires documentation if applying for Federal Housing Trust Funds (FHTF). What documentation is sufficient to demonstrate that the project is not barred by any of the property standards at 24 CFR 93.301(f)? Is a memo/report from an environmental firm sufficient documentation?

A: The report or memo should address each standard and provide supporting documentation.

Application:

Q1: In working through the Fall 2023 9% LIHTC Project Detail Application, there is a duplicate or potential new question in Exhibit A-5 (questions 5 and 6). It says “Does the non-profit organization provide housing-related services/programs in the primary market area or county in which the proposed project is to be located? If yes, provide details below. Unhide rows from additional projects/programs”. Question 5 requests the project name, address, and SHARS ID and question 6 requests just the program name and program type. Is this intended to be duplicated, or, shall we put “see above” under question 6? If question 6 is also to be answered in addition to question 5, there is only one opportunity to put the program type (i.e. there are no additional un-hideable lines), but in situations where there is more than one program, there is not a way to list all program types.

A: Exhibit A-5 Question 5 refers to “housing-related services” i.e., affordable housing projects in the primary market area or county in which the proposed project is to be located. Applicants must list the project name, address and SHARS ID (if applicable) for the project being referenced for experience. Exhibit A-5 Question 6 refers to “housing-related programs” i.e., owner occupied rehab, homebuyer assistance (down payment, closing cost assistance, rehab), homebuyer education, tenant based rental assistance or other housing-related programs in the primary market area or county in which the proposed project is to be located. Applicants must list the program name and program type being referenced for experience. This is a new question. Question 5 and 6 are not interchangeable. There are hidden rows for Question 5 between rows 22 and 38 for multiple projects. There are hidden rows for Question 6 between rows 42 and 79 for multiple programs.

Q2: Does not having a National Park Service (NPS) Part 2 determination approving the scope of historic rehab work impact the score of an application?

A: Please refer to Section 2040.3(f)(12) of the 9% LIHTC QAP which provides the parameters for scoring under Historic Nature of Project. The criterion states:

(12) Historic nature of project (up to 2 points). Scored on whether:

(i) the project includes the rehabilitation of a historic building (1 point);

(ii) the applicant demonstrates that the project will include a building that will be eligible for, and the applicant will seek, a federal tax credit for the rehabilitation of historic buildings (1 point).

Q3: Is site control documentation in the name of an affiliate of the applicant, instead of the applicant itself, acceptable for the purposes establishing valid site control pursuant to the Fall 2023 9% LIHTC RFP application?

A: If the current site control is in the name of an affiliate of the applicant, the applicant should address by this explaining the nature of the affiliation between the two entities and submit an agreement or contract between the two entities in relation to transferring the project's site control to the applicant or, ultimately, the ownership entity.