

# NYS HOME-ARP-Term-Sheet

<p><b>Goal</b></p>	<p>The goal of the <b>HOME-ARP Term Sheet</b> is to provide a summary of the NYS HOME-ARP Program. Further details can be found in the HOME-ARP Request for Applications and materials located here: <a href="http://www.hcr.ny.gov/nys-home-arp">www.hcr.ny.gov/nys-home-arp</a>. HOME-ARP is designed to create and preserve Rental Housing, Non-Congregate Shelter (NCS), and enhance Supportive Services for the Qualifying Populations (QP) residing in units developed through the HOME-ARP Program. To ensure underserved communities across NYS have the opportunity to benefit from this subsidy program, HOME-ARP will also fund capacity building for Non-Profits to successfully develop HOME-ARP qualifying projects. The NYS HOME-ARP Program is expected to have multiple release dates to allow applicants more opportunity to prepare applications based on the availability of funds. NYS HOME-ARP will prioritize the creation of new housing, but will consider preservation.</p>
<p><b>Eligible Costs</b></p>	<p><b>Rental Housing</b> – See Section VI.B.5 of HUD Notice CPD-21-10 for eligible costs.</p> <ul style="list-style-type: none"> <li>▪ Hard costs include but are not limited to acquisition of land or buildings, rehabilitation, demolition, and new construction.</li> <li>▪ Soft costs include but are not limited to all legal, financing, architect/engineer, developer fee, filing and other professional fees.</li> <li>▪ Rental project operating assistance includes but is not limited to property management fees, insurance, utilities, and property taxes during the period of affordability.</li> </ul> <p><b>Non-Congregate Shelter</b> – See Section VI.E.3 of HUD Notice CPD-21-10 for eligible costs.</p> <ul style="list-style-type: none"> <li>▪ Hard costs include but are not limited to acquisition of land or buildings, rehabilitation, demolition, and new construction etc.</li> <li>▪ Soft costs include but are not limited to all legal, financing, architect/engineer, filing and other professional fees.</li> <li>▪ Capitalized Replacement Reserves may fund the reasonable and expected cost of ongoing replacement needs of an NCS’s major systems during the restricted use period.</li> </ul> <p><b>Supportive Services</b> – See Section VI.D.4 of HUD Notice CPD-21-10 for eligible costs.</p> <ul style="list-style-type: none"> <li>▪ McKinney-Vento defined Supportive Services, Homelessness Prevention Services, and limited Housing Counseling Services.</li> <li>▪ Supportive services must be connected to a site-specific HOME-ARP project.</li> <li>▪ Funding is not eligible for standalone services.</li> <li>▪ Supportive services are not considered operating costs under NYS HOME-ARP</li> </ul> <p><b>Project-Specific Capacity Building for Not-for-Profits</b> (Section VI.F.1b of HUD Notice)</p> <ul style="list-style-type: none"> <li>▪ Contracts for capacity building through professional service providers as needed to successfully develop a HOME-ARP project.</li> <li>▪ Staff training/development and related costs needed to develop a HOME-ARP project.</li> </ul>
<p><b>Eligible Applicants</b></p>	<ul style="list-style-type: none"> <li>▪ Non-Profit Corporations incorporated under NYS Non-profit Corporation Law</li> <li>▪ For-Profit Housing Developers</li> <li>▪ Public Housing Authorities</li> </ul> <p>Applicants must demonstrate relevant experience &amp; capacity to develop and operate HOME-ARP projects.</p>
<p><b>Financing &amp; Funding Limits</b></p>	<ul style="list-style-type: none"> <li>▪ HOME-ARP funding will generally be provided as a 0% interest loan, with potential to be declining balance. Loan Terms maybe be tailored to specific project needs on a case-by-case basis by NYS HCR.</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ Rental Housing: Up to \$400,000 per unit, min. award \$1 million, max. award \$20 million. Non-Congregate Shelter: Up to \$200,000 per unit, min. award \$1 million, max. award \$7 million. Projects that leverage HOME-ARP with other sources will be deemed more competitive.</li> <li>▪ Supportive Services: Up to \$50,000 per unit prefunded for use over 15 years of service provision. Funds not intended as sole source for Supportive Services.</li> <li>▪ Project-Specific Capacity Building for Not-for-Profits: Must be based on documented organizational &amp; project needs. In any fiscal year, assistance cannot exceed the greater of 50 percent of the general operating expenses of the organization, or \$50,000.</li> <li>▪ Award amounts will be based on actual project costs and need. Maximum per unit and total project award amounts <b>should not</b> be considered “as of right”.</li> <li>▪ All projects are subject to subsidy layering review.</li> <li>▪ Proposals may request funds for a portion, or all of the units in a development project.</li> <li>▪ While the preservation of existing affordable units is an eligible expense with HOME-ARP, priority may be given to projects that prioritize the creation of new affordable units.</li> </ul>
<b>Developer Fee</b>	<ul style="list-style-type: none"> <li>▪ Up to 12% of the HOME-ARP Development Funding may be used for a developer fee</li> <li>▪ The calculation should exclude developer fee itself, contingencies, and any supportive service award and/or not-for-profit capacity building awards.</li> <li>▪ Some projects under 15 units may be eligible for a developer fee up to 15%</li> </ul>
<b>Regulatory Requirements</b>	<ul style="list-style-type: none"> <li>▪ Awardees will be required to execute a Regulatory Agreement prior to start of construction. The agreement will ensure compliance with income and rent restrictions, sale and transfer restrictions and general asset management obligations for the 15-year Minimum Compliance Period.</li> <li>▪ Rental Housing: Minimum Compliance Period is 15 years minimum.</li> <li>▪ Non-Congregate Shelter: Restricted Use Period is up to 15 years and is further defined in the RFA.</li> <li>▪ Supportive Services must coincide with the HOME-ARP period of affordability or restricted use period on the site-specific project developed by the applicant.</li> </ul>
<b>Property Standards &amp; Design Guidelines</b>	<ul style="list-style-type: none"> <li>▪ All construction must follow State and Local housing codes and HUD HOME regulations at 24 CFR 92.251 in addition to property standards pursuant to Section VI.B.11 of Notice CPD-21-10.</li> <li>▪ New construction proposals are expected to incorporate HCR’s most current Design Guidelines in the design and development of the NYS HOME-ARP project. Any variation from these standards requires review and approval of HCR, in its sole discretion.</li> <li>▪ Rehabilitation proposals are also encouraged to incorporate the Design Guidelines. If the proposed project does not adhere to HCR’s Design Guidelines, the application must include justification and provide an alternate approach for confirming code compliant, healthy, energy efficient design choices.</li> </ul>
<b>Qualifying Populations (QP)</b>	<ul style="list-style-type: none"> <li>▪ Persons who are experiencing homelessness, persons who were formerly homeless but housed with temporary resources, persons at-risk of homelessness, persons with disabilities, persons fleeing or attempting to flee domestic violence or human trafficking, persons exiting institutions or systems of care and other populations</li> </ul>

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	<p>experiencing housing instability. See <b>Section IV.A of HUD Notice CPD-21-10 for complete QP definitions and criteria.</b></p>
<b>Occupants &amp; Beneficiaries</b>	<ul style="list-style-type: none"> <li>▪ Rental: Every project financed under this program must reserve at least 70% of units for Qualifying Populations. Up to 30% of the units may be for Low-income populations earning at or below 80% of AMI.</li> <li>▪ Non-Congregate Shelter: 100% of units must be designated for Qualifying Populations.</li> <li>▪ Supportive Services: 100% of recipients must be Qualifying Populations</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>▪ HOME-ARP is subject to the National Environmental Policy Act (NEPA) regulations outlined in 24 CFR Part 58 in the Code of Federal Regulations.</li> <li>▪ Awardees must take no choice limiting actions until after the Environmental Analysis Unit (EAU) environmental approval by HCR.</li> <li>▪ State funded grant programs are subject to requirements of the State Environmental Quality Review Act (SEQR) at 6 NYCRR Part 617. Compliance applies to all participants in the development process, including public or private nonprofit or for-profit entities, or any of participating contractors.</li> </ul>
<b>Fair Housing and Equal Opportunity</b>	<ul style="list-style-type: none"> <li>▪ All applications must comply with all HCR marketing guidelines and meet the mission and requirements of HCR’s Fair and Equitable Housing Office (FEHO), including but not limited to the submission of an Affirmative Fair Housing Marketing Plan.</li> <li>▪ Any preferences proposed in tenant selection for rental housing may require a waiver from FEHO.</li> <li>▪ HOME-ARP projects must comply with Section 3 requirements of the Housing and Urban Development Act of 1968 and work with the HCR’s FEHO to submit a Section 3 Participation Plan and subsequent reporting.</li> <li>▪ Section 3 requires that economic opportunities generated by HUD funds be prioritized for low-income individuals and the businesses that hire or are owned by them, particularly in the neighborhood surrounding the project.</li> </ul>
<b>Office of Economic Opportunity and Partnership Development (OEOPD)</b>	<ul style="list-style-type: none"> <li>▪ All applications must comply with and meet the requirements of HCR’s Office of Economic Opportunity and Partnership Development (OEOPD), including but not limited to the participation of Minority and Women-Owned Business Enterprises (MWBEs).</li> <li>▪ Davis-Bacon wage requirements shall apply to any project receiving assistance under this program for 12 or more units.</li> </ul>
<b>Application &amp; Funding Round Materials</b>	<ul style="list-style-type: none"> <li>▪ All Applicants are encouraged to attend an Application Technical Assistance Webinar</li> <li>▪ Applications will involve two steps 1) Initial Application submitted for threshold review. 2) Upon meeting the HOME-ARP threshold, applicants will then be invited to submit a full application for HOME-ARP funds.</li> <li>▪ Applicants may request funding for multiple of the HOME-ARP eligible uses outlined.</li> <li>▪ For further detail please go to the HOME-ARP website for RFA, application, and all other relevant funding round materials: <a href="http://www.hcr.ny.gov/nys-home-arp">www.hcr.ny.gov/nys-home-arp</a></li> </ul>
<b>Contact</b>	<p>Kristin Diotte - Director, Strategic HOME Initiatives  NYS Homes &amp; Community Renewal  Email – <a href="mailto:HOME_ARP@hcr.ny.gov">HOME_ARP@hcr.ny.gov</a></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 regulations.*