



Request for Applications

NYS HOME-ARP

Rental Housing, Non-Congregate-Shelter,
Supportive Services & Not-for-Profit Capacity
Building

Fall 2023

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I. INTRODUCTION

A. HOME-ARP Available Funding

The New York State HOME American Rescue Plan Program (NYS HOME-ARP) is a federally funded program allocated to New York State by the Department of Housing and Urban Development (HUD) and administered by the NYS Housing Trust Fund Corporation (HTFC). Approximately \$79.46 million is available through NYS HOME-ARP.

NYS Homes & Community Renewal (HCR) seeks proposals for the creation and preservation of high-quality affordable rental housing and non-congregate shelter (NCS) throughout the State by investing HOME-ARP resources further identified herein. HCR invites eligible applicants to apply for these housing resources through this HOME-ARP program request for applications (RFA). Under this RFA, applicants may apply for funding for the new construction, rehabilitation, and/or adaptive reuse of site-specific projects that provide rental housing, non-congregate shelter (NCS) as well as enhance supportive services for the Qualifying Populations (QP) residing in these developments.

Qualifying Populations can be defined as: 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 experiencing housing instability. Refer to Section IV.A of the [HUD HOME-ARP Notice CPD-21-10](#) for complete definitions and information on Qualifying Populations.

The HUD HOME-ARP Notice CPD-21-10 will be referred to as “Notice CPD-21-10” throughout this RFA.

HOME-ARP funding is also available to support not-for-profit developers that demonstrate the need to increase their capacity to take on specific HOME-ARP eligible project(s).

This RFA describes the programmatic and submission requirements for the NYS HOME-ARP program. HCR reserves the right to adjust anticipated funding amounts and limits contained in this RFA when awarding funds. In addition to the per-project and per-unit limitations, applicants cannot exceed capacity building or supportive service subsidy amounts. The program term sheet and additional information is available online: www.hcr.ny.gov/nys-home-arp.

NYS HOME-ARP Available Funding	
Rental Housing	\$57,866,341
Supportive Services	\$10,000,000
Non-Congregate Shelters (NCS)	\$7,000,000
Not-for-Profit Capacity Building	\$4,600,000



B. HOME-ARP Eligible Applicants

- Non-profit Corporations incorporated under NYS Non-profit Corporation Law
- For-Profit Housing Developers
- Public Housing Authorities

While all areas of New York State are eligible, it is preferred that programs located within another HOME-ARP Participating Jurisdiction (PJ) provide evidence of funding commitments or efforts to secure funding from the local HOME-ARP PJ to leverage additional funds for the project as applicable and reducing NYS HOME-ARP funds needed.

To be eligible to apply, applicants must have been in existence for at least one year prior to application and providing recent and relevant residential housing services to the community.

Applicants must provide a proposal and program design that addresses local market need for the proposed activity in the service area, demonstrates the capacity to administer and complete the program in the contract term, and knowledge of HOME-ARP program regulations and the [NYS HOME-ARP Allocation Plan](#) that was completed and approved by HUD.

C. HOME-ARP Eligible Activities & Funding Limits

- Projects funded by the NYS HOME-ARP Program must adhere to the [NYS HOME-ARP Allocation Plan](#) and the HUD HOME-ARP Notice CPD-21-10.
- Proposals may request funds for a portion, or all of the units in a development project.
- 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.
- Applicants may request funding for multiple of the HOME-ARP eligible uses based on the project's needs.
- **Supportive Services and Capacity Building funding through HOME-ARP will only be awarded in conjunction with HOME-ARP Rental Housing or Non-Congregate Shelter development projects and will be based on demonstrated needs.**
- Award amounts will be based on actual project costs and need. Maximum award amounts should not be considered "as of right".
- All projects are subject to subsidy layering review.

Eligible Activities, Uses & Funding Limits of the NYS HOME-ARP Program:

1. Development of Affordable Rental Housing

Eligible HOME-ARP rental housing includes "housing" as defined at 24 CFR 92.2, including but not limited to manufactured housing, single room occupancy (SRO) units, permanent supportive housing, single-family or multi-family housing.

Refer to Section VI.B of Notice CPD-21-10 for HOME-ARP rental housing requirements.

Hard costs include but are not limited to, rehabilitation, demolition, and new construction.



Soft costs include but are not limited to, acquisition of land or buildings, all legal, financing, architect/engineer, developer fee, filing and other professional fees.

Rental project operating cost assistance may be used to cover deficits remaining after rental revenue is applied to the project operating costs. Operating cost assistance includes but is not limited to property management fees, insurance, utilities, and property taxes during the Minimum Compliance Period. The amount of assistance will be based on project underwriting and is restricted to HOME-ARP units occupied by Qualifying Population (QP) households. Refer to Section VI.B.5g of Notice CPD-21-10 for requirements.

At least 70% of HOME-ARP assisted rental units must be restricted for occupancy by Qualifying Population (QP) households. Up to 30% of HOME-ARP assisted units may be restricted for occupancy by low-income households earning under 80% of AMI.

Funding Limits: Up to \$400,000 per unit. Maximum Award: \$20 million. Minimum Award: \$1 million.

2. Development of Non-Congregate Shelter

A non-congregate shelter (NCS) is one or more buildings that provide private units or rooms as temporary shelter to individuals and families and does not require occupants to sign a lease or occupancy agreement. HOME-ARP funds may be used to acquire and develop HOME-ARP NCS for individuals and families in qualifying populations.

Refer to Section VI.E of Notice CPD-21-10 for HOME-ARP NCS requirements.

Hard costs include but are not limited to, rehabilitation, demolition, and new construction.

Soft costs include but are not limited to acquisition of land or buildings, all legal, financing, architect/engineer, filing and other professional fees.

Capitalized Replacement Reserve is the reasonable and expected cost of ongoing replacement needs of an NCS's major systems during the restricted use period that can be pre-funded with HOME-ARP. Refer to Section VI.E.3.f of Notice CPD-21-10. Operating costs for a HOME-ARP NCS project are prohibited, Section VI.E.4 outlines all prohibited costs.

100% of units must be restricted for occupancy by Qualifying Population (QP) households and NCS projects are not eligible for operating subsidy.

Funding for NCS will be prioritized in areas of NYS without an existing shelter system as consistent with the NYS HOME-ARP Allocation Plan.

Funding Limits: Up to \$200,000 per unit. Maximum Award: \$7 million. Minimum Award: \$1 million.

3. Supportive Services

Supportive Services eligible through HOME-ARP are as adapted from the services listed in section 401(29) of the McKinney-Vento Homeless Assistance Act, Homelessness Prevention Services as adapted from Emergency Services Grant (ESG) regulations at 24 CFR Part 576,



and limited Housing Counseling Services that do not include homeowner assistance and related services.

Refer to Section VI.B of Notice CPD-21-10 for HOME-ARP Supportive Services requirements.

Eligible costs associated with McKinney-Vento supportive services and homelessness prevention supportive services may include life skills education, job training, legal services as well as connections to existing social & supportive services within project jurisdiction. Refer to Section VI.B. 4 of Notice CPD-21-10 for further definition. **Supportive services must be connected to a site-specific HOME-ARP project. Funding is not eligible for standalone services.** Supportive services are not considered operating subsidy under NYS HOME-ARP.

100% of recipients of supportive services must be Qualifying Populations (QP) who are not already receiving the services outlined through another program.

Funding Limits: Up to \$50,000 per unit prefunded for use over 15 years of service provision. Funds not intended as sole source for Supportive Services.

4. Non-Profit Capacity Building

Funds may be used to procure technical assistance, training, staffing, materials, supplies, or contracts through professional service providers needed to ensure the successful development and operation of a site-specific project eligible under the HOME-ARP program.

Refer to Section VI.F of Notice CPD-21-10 for Non-Profit Capacity Building requirements.

Funding Limits: Must be based on documented organizational & project needs to develop a HOME-ARP project. In any fiscal year, assistance cannot exceed the greater of 50 percent of the general operating expenses of the organization, or \$50,000.

II. RFA TIMELINE, SUBMISSIONS and REVIEW CRITERIA

A. Significant Deadlines

The following are significant dates and deadlines under this RFA Process:

RFA Release	November 29, 2023
Funding Round Presentation	December 12, 2023
Deadline to Submit Initial Application for Threshold Review	December 22, 2023
Deadline to request Application Support	February 2, 2024
Deadline to Submit Application for Funding	February 16, 2024, at 4pm

NOTE: NYS Homes & Community Renewal intends to release additional HOME-ARP application dates & deadlines in 2024 under this RFA based on funding availability.



Applications must be submitted electronically prior to 4:00 PM ET on the above noted deadlines. HCR strongly recommends that applicants submit prior to the deadline to avoid technological issues due to large file sizes.

Applicants may email HOME_ARP@hcr.ny.gov to request to access a secure, web-based file transfer tool. Please plan ahead as this access cannot be granted on the day of final deadline.

B. Application Submission Instructions

- Each applicant must complete and submit an Initial Application for Threshold Review (“Initial Application”).
- If the Initial Application meets threshold standards, then applicant(s) will be invited to submit a Final Application for Funding.
- All applicants must utilize the current application forms and provide the requested supporting documentation.
- Incomplete applications as well as applications submitted on incorrect or outdated forms will be asked to resubmit in a future round and may not be considered for future funding.
- Applicants may be rejected at any time during or after the evaluation process if there are any adverse findings regarding the applicant, any entity or individual associated with the applicant, or any property owned or managed by them.
- Application forms and all funding round materials are available at: www.hcr.ny.gov/nys-home-arp.

C. Threshold Eligibility Review

HCR will review each Initial Application according to the Threshold Requirements listed below. If a project does not meet the Threshold Requirements, it will be removed from further review until the deficiencies are addressed. Depending on the severity of the deficiencies, a conference with HCR staff may be set up to review deficiencies to create a resubmittal plan or the applicant may be notified of such requirements through written communication by HCR staff.

Threshold Requirements:

Projects & activities funded by the NYS HOME-ARP Program must adhere to the NYS HOME-ARP Allocation Plan approved by HUD. Proposals must demonstrate need and viability. The following considerations must be met during the initial threshold level of review for projects to be invited to submit a final application to the HOME-ARP Program:

- Proposals meet the minimum HOME-ARP regulations and requirements outlined in Notice CPD-21-10 and this RFA: eligible applicant proposing eligible activities for eligible occupants / beneficiaries of the NYS HOME-ARP Program.
- Applicant must not have current or past unresolved performance, compliance, monitoring and/or audit issues with HCR and cannot be included on any federal or state debarment lists.



- Applicant must demonstrate at least one year experience providing recent and relevant residential housing services in the proposed service area.
- The Vendor Responsibility Questionnaire must indicate that an applicant is in good standing with no concerns that would prohibit funding the application.

D. Final Application Review Criteria

Scoring criteria is derived from statutory, regulatory, and policy considerations of the NYS HOME-ARP Program and based on a 100-point scale summarized below.

Application ratings are based only on the application materials received by the submission deadlines. Documents received after the deadline will not be considered.

Final applications will be reviewed based on the following categories:

1. Proposal & Program Design (50 points)

- Proposal aligns with the [HUD HOME-ARP Notice CPD-21-10](#), approved [NYS HOME-ARP Allocation Plan](#) and NYS Housing Goals
- Narrative addresses long-term sustainability
- Demonstrated need for activity in service area
- Comprehension of HOME-ARP regulatory requirements
- Demonstrated Site Control

2. Organizational Capacity (30 points)

- Applicant demonstrates comparable experience in affordable housing development to undertake, complete and operate the HOME-ARP project.
- Applicant demonstrates available capacity to develop the project based on current workload or provide a capacity building narrative and budget on how the applicant intends to procure appropriate staffing to achieve needed capacity.
- Applicants will be required to submit resumes for key development team members and demonstrate financial stability with source documentation.

3. Budget & Financing Plan (15 points)

- Proposal has a complete budget with sources & uses.
- Clearly defined plan for operating costs through regulatory period.

4. Success Metrics & Partnerships (5 points)

- Defines partnerships, resources leveraged and how success will be monitored & measured over the regulatory period.



E. Final Application Submission Documents

CONTENTS TO INCLUDE:
Application Checklist & Development Team
Project / Site Information
Community Needs / Gap Analysis / Market Info.
Design & Construction Documents
Environmental Review Documents
Financial Analysis & Budget Proforma
Preservation Documents (if applicable)
Letters of Interest and Support
Consents & Certifications

F. Application Fees

Applications for HOME-ARP do not have any associated fees.

G. Q & A

Prior to the application deadlines (Initial Application & Final Application), all questions regarding this RFA must be submitted via email to HOME_ARP@hcr.ny.gov. Responses to all timely and appropriate questions will be posted at www.hcr.ny.gov/nys-home-arp

Upon submission of an application to HCR for consideration, HCR staff and board members are not able to answer questions or communicate about the status of applications under review.

III. APPLICATION GUIDANCE

A. Application & Contract Term

1. Pre-Application Technical Assistance

Applicants may request technical assistance before or during the application process by submitting questions via email to HOME_ARP@hcr.ny.gov. Please see HCR's website at www.hcr.ny.gov/nys-home-arp for more information including webinar(s) regarding the HOME-ARP program.

At the completion of the funding round, applicants not selected for award may request an application review conference to examine general reasons why applications were not funded and tips for improvement.

2. Developer Fee & Expectations

The applicant may receive up to a maximum of 12% of the total HOME-ARP (generally excluding acquisition, developer fee, reserves, and contingencies) award as a developer fee to develop and operate the units in compliance with HOME & HOME-ARP regulations, provided that the project is within budget and on schedule. For developments under 15 units, the developer fee may be up to 15% on a case-by-case basis.



The developer fee may be invoiced based on the following schedule as documented by HCR's construction monitor:

- Initial Closing: 10%
- Completion of rough carpentry and mechanicals: 25%
- At punch list: 30%
- At final completion of all construction: 25%
- All HOME-ARP units rented with IDIS completion reports submitted: 10%

The project owner must manage or hire a property manager to oversee the long-term management responsibilities of the rental housing throughout the required restricted use period or Minimum Compliance Period. A management plan will be required as part of the due diligence review of any award.

The applicant must oversee all aspects of the development process to include identification, selection and oversight of contractors, negotiation of land use/permit approvals, obtaining zoning approvals, securing non-HOME-ARP financing as applicable, selecting architects, engineers, housing rehabilitation specialists, general contractors, etc., and must oversee the progress of all work paid with HOME-ARP funds to determine the reasonableness of costs.

3. Regulatory Requirements

Awardees will be required to execute a Regulatory Agreement prior to start of construction. The agreement will ensure compliance with occupancy, income and rent restrictions, sale and transfer restrictions and general asset management obligations for the term of affordability (regulatory period).

Rental Housing: Minimum Compliance Period is 15 years.

Non-Congregate Shelter: HOME-ARP NCS projects must comply with HOME-ARP requirements during the Restricted Use Period established in Section VI.E.9 of Notice CPD-21-10:

- New Construction: 15 years
- Rehabilitation: 10 years
- Acquisition Only: 10 years

Supportive Services must coincide with the HOME-ARP Minimum Compliance Period or restricted use period on the site-specific project developed by the applicant.

4. Contract Term

If awarded, the contract term shall not exceed 36 months (3 years).



Proposals must demonstrate that the proposed project can be completed within the 3-year contract. Contract extensions will be limited and based on HTFC discretion. All awarded projects will be monitored monthly for progress and HTFC reserves the right to rescind the award partially or in full if satisfactory progress cannot be demonstrated. A schedule for generally expected program progress will be posted on the HOME-ARP Program website.

If awarded, HTFC may, at its sole discretion, provide need-based awards to commit additional grant funds to existing contracts specifically for the continuance or expansion of eligible activities. Additional funds are subject to board approval. **Per federal regulations, the budget period to use HOME-ARP funding ends on September 30, 2030.**

Rental & NCS Capital Subsidy: Projects must be able to utilize the amount of funding requested within the three (3) year contract term and demonstrate financial stability of the project throughout the Minimum Compliance Period or Restricted Use Period. HOME-ARP units must be occupied by eligible households within 6 months of completion.

Supportive Services Subsidy: Projects must be able utilize the amount of funding requested within the Minimum Compliance Period and ensure access to supportive services for Qualifying Populations residing in a HOME-ARP assisted units throughout the Minimum Compliance Period or Restricted Use Period.

Project Specific Capacity Building for not-for-profits: Must be able to utilize the amount of funding requested within the three-year (3) contract term. Depending on Capacity building sought, this term may be shorter. Applicants must demonstrate how the capacity building subsidy will ensure stability of HOME-ARP assisted units throughout the Minimum Compliance Period or Restricted Use Period.

5. Prior Experience & Compliance

Applicants for NYS HOME-ARP Program Funds are subject to an evaluation of prior program funding history, prior program administration performance and organizational capacity. Interested parties are discouraged from applying for NYS HOME-ARP Program Funds if:

- The project cannot be completed within the 3-year term
- The amount of funding requested cannot be expended within the 3-year term.

Furthermore, applicants must resolve all outstanding monitoring and/or non-compliance issues that involve a violation of Federal, State, or Local regulations, and/or program and HCR requirements prior to the submission of an application for funding.

Applicants that do not resolve monitoring and/or non-compliance issues will be deemed ineligible, and the application will not be accepted or reviewed. HCR will provide, upon request, status information related to the above items for any potential applicants.

The HTFC and HCR reserve the right not to fund any application if it has been determined that the applicant is not in compliance with existing State contracts and has not taken satisfactory steps to remedy such non-compliance



B. New York State Housing Goals:

All applications should, to the best of their ability, advance at least one of New York State's Housing Goals. Preference may be given to HOME-ARP projects that successfully incorporate NYS Housing Goals including but not limited to:

- Community Renewal and Revitalization Projects: Projects that address a component indicated in the municipality's most recent comprehensive plan, or another municipal approved plan.
- Integrated Supportive Housing Projects: Projects that provide permanent supportive housing to one or more special needs populations, and that can show evidence of a service and operating subsidy from a governmental agency, such as an ESSHI award.
- Workforce Opportunity Projects: Projects that propose housing within a safe half-mile walk of frequently occurring public transportation (available 7 days a week on a repetitive, fixed-route schedule that is regular and continuing).
- Public Housing Redevelopment Projects: Projects that address the needs of public housing units outside the City of New York and/or assist Public Housing Authorities in completing their restructuring plans.

C. Ineligible Costs & Activities (Refer to Notice CPD-21-10 for complete guidance)

Ineligible costs and activities through the HOME-ARP program include, but are not limited to:

- Facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories do not constitute housing in the HOME-ARP program.
- Housing Counseling surrounding the following topics are **ineligible** under HOME-ARP: Resolving or preventing mortgage delinquency, including, but not limited to default and foreclosure, loss mitigation, budgeting, and credit.
- Home maintenance and financial management for homeowners.
- Costs for luxury improvements or improvements that are not consistent with the HOME Final Rule standard of "non-luxury housing with suitable amenities."
- Payment of any operating costs for Non-Congregate Shelters
- Replacement reserves for Rental Buildings.
- Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit.
- Refinancing or payment of other debt without renovations.

D. Project-Based Rental Assistance & ESSHI Awards

Applicants interested in applying for HCR Project Based Vouchers (PBVs) must apply through the HCR PBV RFA. The next RFA is expected to be released by summer of 2024. Applicants must reflect the HCR PBV's and/or other rental assistance acquired for the proposed HOME-ARP units in the underwriting application.



Empire State Supportive Housing Initiative (ESSHI) applicants considering providing supportive services funded through ESSHI must either have an ESSHI conditional award letter or an ESSHI extension letter to submit with final application.

IV. PROGRAM REQUIREMENTS and REGULATIONS

Federal regulations outlined and referenced in the [HUD HOME-ARP Notice CPD-21-10](#) govern the NYS HOME-ARP program. Except as described in the HUD HOME-ARP Notice CPD-21-10, HOME statutory and regulatory provisions apply to the use of HOME-ARP funds. Federal HOME program regulations are in [24 CFR part 92](#) of the Code of Federal Regulations. The following is a list, though not exhaustive, of specific HOME-ARP regulations and other program requirements that apply to the NYS HOME-ARP Program. Applicants are expected to understand and comply with all governing regulations if awarded and will be monitored to ensure compliance.

A. Occupants & Beneficiaries:

1. Targeting and Occupancy Requirements

HOME-ARP activities must primarily benefit households meeting the Qualifying Populations criteria.

Targeting: Pursuant to Section VI.B.1 of Notice CPD-21-10, HOME-ARP funds can only be invested in units restricted for qualifying households or low-income households as follows:

- At least 70 percent of the total number of rental units assisted with HOME-ARP funds must be restricted for occupancy by tenants who meet the qualifying population criteria at the time of the household's initial occupancy.
- Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds can be occupied by those outside of the qualifying population criteria, but these assisted units must be restricted to low-income households. Rental units restricted to low-income households are only permitted in projects that include HOME-ARP units for qualifying households.

2. HOME-ARP Qualifying Populations

Every HOME-ARP development must benefit Qualifying Populations. For definitions and guidance on this, refer to Section IV.A of the [HUD HOME-ARP Notice CPD-21-10](#). Below is a general overview of the eligibility criteria, however applicants should refer to Notice CPD-21-10 for complete requirements.

- Homeless: Individual or family who lacks a fixed regular and adequate nighttime residence.
- At Risk of Homelessness: Individual or family at or below 30% of Median Family Income (MFI), lacks social network to prevent them from moving to emergency shelter and one other criteria from list below
 - 1) *moved 2+ times in the last 60 days*
 - 2) *living in the home of another, or overcrowded*
 - 3) *notified in writing of termination of occupancy*
 - 4) *lives in a hotel/motel not paid for by charity, NFP or govt entity,*
 - 5) *exiting a publicly funded healthcare/mental health facility, correction institution,*



foster care, or youth facility

6) lives in housing that has characteristics associated with instability/increased risk of homelessness such as but not limited to inadequate housing, unsafe, or unsanitary housing as well as housing where illegal activity is taking place.

- Those Requiring Services or Housing Assistance to Prevent Homelessness: Catch all for households who do not meet homeless criteria. They were homeless but are in shelter/housing due to receiving services but need further assistance to avoid returning to homelessness.
- Fleeing or Attempting to Flee: Domestic Violence (DV), Sexual Assault or Human Trafficking - These are all defined by threat of imminent or potential harm, past harm or safety concerns connected to a domicile.
- Other populations or those experiencing housing instability- Individual or Family with an annual income at or below 30% of AMI and is paying more than 50% of income towards housing costs. Or has an annual income at or below 50% of AMI and meets at least one of the “at risk of homelessness” criteria listed above.
- Vets and Vet Families: There is no special QP for Vets/Vet Families, they must meet at least on listed definition of QP, but this will need to be tracked and reported out on to HUD.

3. Low-Income Households

Households assisted with HOME-ARP under the Low-Income category must be under 80 percent of the area median income for the service area as defined by HUD HOME income limits published here [HOME Income Limits - HUD Exchange](#). Again, not more than 30 percent of the total number of rental units assisted with HOME-ARP may fall outside of the qualifying population and must be restricted to low-income households.

4. Tenant Selection Methods

HOME-ARP projects must work with HCR’s Fair and Equitable Housing Office (FEHO) to submit an approved Affirmative Fair Housing Marketing Plan (AFHMP) that includes a suitable Tenant Selection Plan (TSP). Determination must be made on whether an owner may use Continuum of Care (CoC) Coordinated Entry (CE), CoC’s CE and other referral sources, or a project-specific waitlist (Section VI.B.20 of Notice CPD-21-10), to select qualifying households for HOME-ARP units restricted for occupancy by qualifying populations. HCR will make this determination on a project-by-project basis. Regardless of which method is selected, in all cases, a project-specific waitlist must be used when selecting households to occupy units restricted for occupancy by low-income households that do not fit with the definition of qualifying populations.

See more information here [Fair and Equitable Housing Office | Homes and Community Renewal \(ny.gov\)](#).

The written agreement between HCR and the project owner will specify the method the owner must use for selecting qualifying households for admission to HOME-ARP units.

B. Income Limits

Household Income: The following income requirements apply to HOME-ARP households:

Qualifying Households: At initial occupancy and each subsequent year during the minimum 15-year compliance period, the definition of annual income at 24 CFR 5.609 must be used and the process described in the HUD Notice to determine the household’s contribution to rent.



Low-Income Households: the definition of annual income at 24 CFR 5.609 must be used and the process described in the HUD Notice to examine the household's income at initial occupancy and each subsequent year during the minimum 15-year compliance period to determine the household's ongoing income eligibility and applicable contribution to rent.

Tenant Contribution to Rent: A qualifying household may not contribute to rent more than is affordable based on the determination of the household's income and rent limit guidance.

Refer to VI.B.12 of the HUD HOME-ARP Notice CPD-21-10 for complete requirements.

C. Rent Limits & Guidance

1. Rent Limits for Qualified Populations under HOME-ARP:

For any HOME-ARP household that meets criteria as a "qualified population" as defined in Section IV.A of the HUD HOME-ARP Notice CPD-21-10, the rent must meet the following requirements:

- The rent may not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD annually provides the HOME Rent Limits, that are also applicable to HOME-ARP, which include average occupancy per unit and adjusted income assumptions. This is also known as the low HOME rent limit.
- If the unit receives federal or state project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
- If a household receives Tenant-Based Rental Assistance (TBRA), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).

The rent limits for HOME-ARP units for qualifying households include the rent plus the utility allowance established pursuant to Section VI.B.13.d of Notice CPD-21-10.

2. Rent Limits for Low-Income Households under HOME-ARP:

For any HOME-ARP units occupied by "low-income households," the rent must comply with the rent limitations in CFR Part 92.252(a). The maximum rents are the lesser of:

- The fair market rent (FMR) for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME-ARP rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

This is also known as the high HOME rent limit.

- If a household receives a form of federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).

The rent limits for low-income households apply to the rent plus the utility allowance



established pursuant to Section VI.B.13.d of Notice CPD-21-10.

3. Rent Limits for Single Room Occupancy Units under HOME-ARP:

If the single room occupancy (SRO) unit has both sanitary and food preparation facilities, the maximum HOME-ARP rent is based on the zero-bedroom FMR.

If the SRO unit has only sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of the zero-bedroom FMR. The rent limits for SRO units must also include the utility allowance established pursuant to Section VI.B.13.d of Notice CPD-21-10.

D. Environmental Review

NYS HOME-ARP program is subject to [24 CFR Part 58](#) in the Code of Federal Regulations as related to the National Environmental Policy Act (NEPA) [Environmental Review - HUD Exchange](#).

NYS HCR as the Responsible Entity (RE) for all HOME-ARP projects will oversee the environmental review process and approve the Request for Release of Funds (RROF). All projects will obtain final environmental approval in coordination with the HCR Environmental Analysis Unit.

Under no circumstances will the HTFC approve the release of funds for a project or activity where an approved environmental review was **not conducted in advance, and in accordance with all applicable rules and regulations**.

HOME-ARP awardees must take no choice limiting actions until after the Environmental Analysis Unit (EAU) environmental approval by HCR.

NYS HOME-ARP is further subject to the provisions of the State Environmental Quality Review Act (SEQRA) [State Environmental Quality Review Act \(SEQRA\) Basics | Department of State \(ny.gov\)](#).

E. Lead Based Paint Regulations

HOME-ARP projects must comply with the lead-based paint requirements implemented at [eCFR :: 24 CFR Part 35 -- Lead-Based Paint Poisoning Prevention in Certain Residential Structures](#) and are expected to trigger abatement in most cases.

Under no circumstances will the HTFC approve the release of funds for a project where lead safe practices and lead safe clearance were not conducted in accordance with all applicable rules and regulations.

F. Davis Bacon & Labor Standards

Programs that undertake construction or rehabilitation activities on 12 or more HOME/HOME-ARP assisted units within the same construction contract must comply with the Federal Labor Standards requirements (Davis Bacon Related Acts) as outlined in 40 USC 276 [Office of Davis-Bacon and Labor Standards | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#). This regulation requires that workers receive no less than the prevailing wages being paid for similar work in their locality.



G. Section 3 Requirements

HOME-ARP projects must comply with Section 3 requirements and work with the Fair and Equitable Housing Office (FEHO) to submit a Section 3 Participation Plan and subsequent reporting. More information can be found here [Fair and Equitable Housing Office | Homes and Community Renewal \(ny.gov\)](#).

Projects that receive more than \$200,000 in federal Housing Trust Fund or other funding from the U.S. Department of Housing and Urban Development (HUD) must comply with Section 3 of the Housing and Urban Development Act of 1968 (“Section 3”).

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.

H. Equal Employment Opportunity and Minority & Women Owned Business Participation

The HOME Program regulation at 24 CFR 92.351 (b) requires all HOME funded projects to adopt affirmative marketing procedures and include, to the maximum extent feasible, minorities and women and entities owned by minorities and women to be provided employment and contracting opportunities funded by the HOME program.

If HOME Program Funds are combined with New York State funds in a program or project, then State requirements are triggered. Article 15-A of the State Executive Law requires that only State certified (as certified by Empire State Development Corporation) MWBEs shall be given the opportunity for meaningful participation in the performance of State-assisted contracts and to facilitate the award of a fair share of State assisted contracts and subcontracts to such enterprises. More information can be found here [Minority & Women's Business Development | Empire State Development \(ny.gov\)](#)

For federal HOME Program reporting purposes, all MWBEs (that meet the federal definition of business enterprises that are 51% minority or women owned) that have been hired to provide services for the NYS HOME Program contract must be reported on. HTFC requires all contracts to include State and Federal goals for the participation of Minority and Women-Owned Business Enterprises (M/WBE) as applicable.

I. Property Standards & Design Guidelines

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.

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.

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.

The applicant must submit architectural plans and specifications to the HTFC for approval prior to the start of construction.

J. HOME-ARP Non-Congregate Shelter (NCS) Habitability Standards:

Refer to NCS Habitability Standards in Section VI.E.7 of Notice CPD-21-10. NCS design requirements include, but are not limited to, the following:

- Must provide each individual or family with an acceptable, individual room to sleep which includes adequate space and security for themselves and their belongings.
- Must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of occupants.
- Must have a water supply free of contamination.
- Must have in-unit sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.
- Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.
- Must provide one working smoke detector and one working carbon monoxide detector in each unit. All smoke and carbon monoxide detectors and alarm systems must be designed for hearing-impaired residents.
- All public areas of the shelter must have at least one working smoke detector and one carbon monoxide detector.
- There must also be a second means of exiting the building in the event of fire or other emergency.

K. Energy Efficiency and Green Building Requirements (updated 01-09-2024)

New construction and rehabilitation proposals are expected to incorporate HCR's most current Sustainability 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. If the proposed project is not able to adhere to HCR's Sustainability Guidelines, the application must include justification and provide an alternate approach for confirming code compliant, healthy, energy efficient design choices.

L. Uniform Relocation Act

The HOME-ARP Program is subject to an overall policy of minimizing displacement and is subject to the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

The HTFC HOME & CDBG Residential Anti-displacement & Relocation Assistance Plan, available on the HCR website, establishes the policy to minimize displacement as a result of an investment by the federal HOME and CDBG programs. NYS HOME-ARP programs must provide reasonable benefits and relocation assistance to any person involuntarily and permanently displaced as a result of the use of NYS HOME-ARP Program funds. Any purchase of property meeting the requirements of the URA must be documented, including provision of notices to



the seller identifying the transaction as a voluntary sale not under the threat of eminent domain.

Any legal occupant of a property at the time of application for federal funds is entitled to protections, including the initial notice that is due on the initial application for funds by the applicant. While it is preferred and expected that only temporary relocation will be needed, projects triggering permanent relocation requirements must enlist the assistance of a project specific certified relocation specialist versed in HUD requirements. This specialist will be primarily responsible for meeting URA regulation and also working with HCR for reporting purposes.

Relocation costs eligible through HOME-ARP are defined in 24 CFR 92.206(f), 24 CFR 92.353 of the Federal Code of Regulations as described in Notice CPD-21-10 and, if applicable, must be reflected in the project's proposed budget.

M. Affirmatively Furthering Fair Housing

The NYS HOME-ARP Program must comply with all federal, New York State, and local laws, executive orders and regulations pertaining to Fair Housing and Equal Opportunity. These include, but are not limited to:

- *Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.)*
- *The Fair Housing Act (42 U.S.C. 3601-3620)*
- *Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)*
- *Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107)*
- *New York State Human Rights Law (N.Y. Exec. Law 290 et seq.)*
- *New York State Criminal Conviction & Credit Individualized Assessment Policy*

Projects are required to develop an Affirmative Marketing Plan that relies on local knowledge and decision making to determine the best strategies for compliance. This Plan will be reviewed for compliance during contract monitoring. See more information here [Fair and Equitable Housing Office | Homes and Community Renewal \(ny.gov\)](#)

Any preferences proposed in tenant selection for HOME-ARP housing may require a waiver from HCR's Fair and Equitable Housing Office (FEHO).

N. Entities on Federal or State Debarment Lists

No entity listed on any Federal or New York State debarment list, or which is otherwise prohibited from bidding on or receiving government contracts, may be contracted for any services related to the project (including construction subcontracts).

V. HTFC BOARD APPROVAL and FUNDING CONSIDERATIONS

A. HTFC Board Approval & Commitment

1. HTFC Board Approval



All HOME-ARP awards must be approved by the HTFC Board of Directors.

2. Outcome Letters

Awards are contingent upon compliance with all applicable regulations, HCR policies and guidance. Applicants will be informed of the disposition of their application in an outcome letter which will be emailed or sent to the contact provided with the status of the application.

- Award Letters are sent to all successful applicants. This letter notifies the applicant that the project has been selected for funding and sets forth the activities funded, number of units and award amount(s).
- Application Disqualification Letters are sent to unsuccessful applicants whose submissions did not pass Completeness, Threshold or Final Application reviews.
- Application Review Letters are sent to unsuccessful applicants whose projects are ineligible for funding.

3. Funding Commitment Letters

HCR sends Funding Commitment Letters (FCL) to successful applicants who were awarded HTFC financing. The FCL sets forth the terms and conditions under which HTFC will provide financing to the project, including some of HTFC's requirements for the project's ongoing operations during the regulatory period, and is considered a binding agreement when signed and returned by the applicant.

4. Project Development Meeting

The project development team for each awarded project will be required to participate in a Project Development Meeting with HCR staff. The meeting provides a forum for the awardee's development team and HCR to discuss the project's development timetable, the roles and responsibilities of the development team members and HCR, and the deliverables required prior to issuance of a HOME-ARP Reservation Letter and/or Funding Commitment.

5. Processing Timeframes

Successful applicants will be required to agree to a development timetable outlining the timing of critical development milestones and establishing a schedule for the delivery of key documents for HCR staff review.

B. Funding Considerations & Allocation Priorities

HTFC reserves the right to award all, more than identified, a portion of, or none of the available funds based upon funding availability, feasibility of the applications received, the competitiveness of the applications, an applicant's ability to meet HTFC criteria for funding, the applicant's ability to advance the State's housing goals, and HTFC's assessment of cost reasonableness. HTFC further reserves the right to review an application requesting funds as an application for funding under other programs for which the proposed activity is eligible, and to change or disallow aspects of the applications received.



Prior to applying, applicants should evaluate the progress of their open project portfolio to determine if additional funds are warranted and should not apply if the proposed program activities cannot be completed and funds cannot be expended within the 30-month contract term.

HTFC reserves the right to communicate with an applicant for the purpose of addressing clerical and arithmetical errors in applications.

HTFC reserves the right not to issue an award or contract to any applicant if it has been determined that the applicant is not in compliance with existing contracts and has not taken satisfactory steps to remedy such non-compliance. Activities that commence prior to contract execution and environmental review will not be eligible for reimbursement.

Applicants may be negatively impacted by unsatisfactory performance or may be determined to be ineligible for a grant when prior performance indicates significant lack of capacity to carry out the proposed project or program as required and according to the applicable laws, regulations, policies, and procedures governing the program.

Preference may be given to applicants pursuing multiple sources of funds to cover increased project costs and ensure a greater number of program participants. Other funding sources to be leveraged must be relevant to the proposed application and their proposed use documented along with proof that funds are available and committed at the time of application. Documentation of a pending application to another HCR program is also acceptable.

VI. CONTRACT REQUIREMENTS and EXECUTION

A. Financial Background Review

As a condition of application submission and/or award, HCR will require the project applicant, project developer, project owner, general contractor/builder, architect, management agent and development consultant, and their principals, to provide written authorization for HCR to conduct financial background and LexisNexis reviews.

B. Loan Terms

- HOME-ARP funding will generally be provided as 0% interest loan, with potential to be declining balance.
- Expected minimum term of 15 years following construction/rehabilitation completions starting on the date completed in HUD's Integrated Disbursement and Information System (IDIS).
- Loan terms maybe be tailored to specific project needs on a case-by-case basis by NYS HCR.

C. Underwriting Guidelines

HOME-ARP Projects must comply with the Underwriting & Subsidy Layering guidelines established in Section VI.B.10 of the HUD HOME-ARP Notice CPD-21-10.

1. Revenue and Expense

- Minimum Income-to-Expense Ratio (I-E Ratio) of 1.05



- Debt Service Coverage Ratio (DSCR): Minimum of 1.15, if applicable
 - I & E Trending: 2% income increase and 3% expense increase.
 - Vacancy and Collection Loss Rate: 5% for affordable residential.
2. Reserves
- Capitalized Replacement Reserve for NCS: Pre-funded at closing based on the useful life determination of major systems and the cost to replace during the restricted use period as defined through an IPNA.
 - Replacement Reserve Annualized Rental: At a minimum the required annual deposit is \$300 per unit into a Reserves for Replacement account, payable monthly. This amount, however, is subject to adjustment, depending on project requirements the deposit may be the greater of the following: 3% of Gross Rent Potential, or \$300 per unit per year.
 - Rental Operating Reserves: Operating reserves may be funded in an amount appropriate to ensure operations of the property at least for the 15-year Minimum Compliance Period.
 - Upon completion the 15-year Minimum Compliance Period, the balance of the reserve shall be returned to NYS HCR. HCR may allow for the operating reserve to be kept by the owner operator if the property stays compliant with the HOME-ARP regulations beyond the Minimum Compliance Period.
3. Contingency
- Hard Cost Contingency is 10%
 - Soft Cost Contingency is 10% (less developer fee, reserves and bond costs)
 - For all projects the balance of all unutilized contingencies may be used to reduce HCR subsidy.

D. Insurance Requirements

During the term of the contract, the project owner shall take all adequate measures to insure the property and safeguard against the risk of liability for injuries or death of employees of the project owner, contractors and subcontractors, and any other persons. The project must also extend these insurance requirements to contractors hired under this contract.

Insurance policies must include the HTFC and the State of New York as a loss payee/additional insured on all policies as applicable throughout the Minimum Compliance Period or Restricted Use Period.

All insurance certificates shall be with a New York State licensed carrier.

All policies applicable to the project must contain a clause requiring 30 days prior written notice to HTFC of cancellation, non-renewal, or change in coverage.

E. Professional Services & Contractor Procurement

Professional services required to develop a project, such as architects, contractors, engineers, attorneys, housing consultants, managing agents, or others must be selected based on professional and technical competence, relevant experience and past experience, knowledge of local laws, regulations and codes, proposed cost for services, and capacity to provide services in a timely manner consistent with the development timeframe.



Expenditure of any HOME-ARP funds must be reviewed for cost reasonableness. This is typically documented by comparing bids received to in-house cost estimates. If none of the bids received are considered reasonable, the job should be re-bid. Certain principles must be upheld in seeking bids or quotes. There must be a clear, written, scope of work for the project for which bids or quotes are sought and all bidders must have equal access to relevant information, including information on the project itself. The process must be free of collusion or intimidation, and the developer should exercise appropriate oversight over the entire process to ensure that it is fair and efficient and avoids actual and perceived conflicts of interest.

Procurement should include outreach and award to MWBE and/or Section 3 businesses to the greatest extent feasible.

All agreements for professional services should generally reflect a fixed fee compensation for structured so that payment is tied to successful completion of the various phases of work proposed (i.e., preliminary design, bid design, construction documents, etc.). All contracts must be available for HCR review and may require revisions if not acceptable to HCR.

Applicants/owners who propose to act as their own GC must document the following:

- (i) a minimum of five years of successful experience administering construction and completing projects of comparable size and scope;
- (ii) the in-house staff capacity and experience to negotiate and direct the functions of both the project architect and construction activities.

Applicants who pre-select a general contractor (GC) with their application for funding will be required to indicate the selection criteria that was used to hire the GC, the GC's previous professional experience in producing low-income housing units, the role the GC will play during the development and construction phases of the project.

For projects that will be subject to Davis-Bacon wage requirements all construction cost estimates should be based on the most current Davis-Bacon wage rates appropriate for the project location and type of construction.

Selected contractors must not be on the debarred contractors list, be lead-certified where applicable, and carry proper insurance.

Documentation and formal tracking of RFPs, solicitation of contractors, bids received, cost estimates, award decisions, and other related procurement documentation must be kept on file for review.

VII. REFERENCE MATERIALS and RELATED RESOURCES

This RFA provides only some of the information and materials necessary for application preparation. Additional materials will be available on the HOME-ARP webpage of HCR's website at www.hcr.ny.gov/nys-home-arp.

-END OF REQUEST FOR APPLICATIONS-

