



Low-Income Housing Tax Credit (9% LIHTC)

9% LOW-INCOME HOUSING TAX CREDIT PROGRAM (9% LIHTC): The federal Low-Income Housing Tax 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.

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	<p>Residential only or residential with Section 42 eligible 9% LIHTC Community Service Facility (Section 42 9% LIHTC eligible CSF); new construction, building acquisition with rehabilitation, and rehabilitation, including adaptive reuse of non-residential property.</p> <p>If a proposed project includes acquisition costs stemming from the purchase of property owned by a related party of the development team, no consideration to a related party seller (cash out to seller) is permitted. Acquisition costs stemming from the purchase of property owned by a related party of the development team may be returned to the project in the form of a Seller’s Note. A related party is considered related to the purchaser if the relationship between such party and the purchaser is one contained in IRC Sec. 267(b) or 707(b)(1).</p>
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<p>Area Median Income Restrictions</p>	<p>Low-income households earning up to 60% AMI (80% AMI for projects utilizing Average Income).</p> <p>Must meet one of the following statutory minimum set aside pertaining to income/occupancy requirements:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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.
<p>Per Project Maximum Award</p>	<p>New York City, Westchester, Rockland, Nassau, and Suffolk counties: Up to \$2,835,000 million per project in 9% LIHTC annual allocation and up to \$2,950,000 million for projects having an average unit size of at least 2 bedrooms.</p> <p>Rest of State: Up to \$1,925,000 million per project in 9% LIHTC annual allocation and up to \$2,075,000 million per project for projects having an average unit size of at least 2 bedrooms.</p>
<p>Per Residential Unit Maximum Award</p>	<p>New York City, Westchester, Rockland, Nassau, and Suffolk counties: Up to \$31,500 per unit.</p> <p>Rest of State: Up to \$27,500 per unit.</p>
<p>Scoring Criteria</p>	<p>Community Impact/Revitalization (10), Financial Leveraging (10), Sponsor Characteristics (11), Sustainability (5), Additional HCR Accessible Units (5), Affordability (7), Individuals with Children (5), Project Readiness (10), Special Housing Needs and Supportive Housing (5), Participation of Non-Profit Organizations (4), Mixed Income (4), Historic Nature of Project (2), Cost Effectiveness (5), Projects in Well-Resourced Areas (5), Transit-Oriented Development (2), Investment in Underserved Areas (5), and Minority and Women-Owned Business Enterprise and Service-Disabled Veteran-Owned Business Participation (5)</p>

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	<p>\$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.</p> <p>Not-for-profit applicants (or their wholly owned subsidiaries) which have not received an award of HCR capital funding since 2021 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 the application fee until carryover allocation. Minority and/or Women-Owned Businesses (M/WBE) which will be the sole general partner of the limited partnership or the sole managing member of the limited liability company, which will own the project, may also request a deferral of the application fee until the time of carryover allocation. Such deferral requests must document applicant financial hardship, no HCR funded projects since 2021 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.</p> <p>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</p>
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.