

Public Housing Preservation

PUBLIC HOUSING PRESERVATION PROGRAM (PHP): PHP provides financing to address the capital needs and long-term affordability of Public Housing Authorities (PHAs) outside of New York City. HCR will coordinate with PHAs and HUD to develop and implement a strategy to preserve public housing units, address their need for capital improvements, and ensure their continued affordability. This gap financing is prioritized for properties approved for participation in HUD’s Rental Assistance Program (RAD), but projects not utilizing RAD may also be eligible.

Actual award amounts must be recommended by HCR staff, and approved by HFA 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.

<p>Eligible Uses</p>	<p>Substantial or moderate rehabilitation and/or the demolition and replacement through new construction of site-specific multifamily rental housing currently owned by PHAs.</p> <p>Eligible costs are for site acquisition, hard costs, and related soft costs.</p> <p>For projects applying through the HTFC/DHCR 9% RFP, permanent financing only. For projects applying for HFA 4% LIHTC tax-exempt bond, both construction and permanent financing available.</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>
<p>Area Median Income (AMI) Restrictions</p>	<p>Up to 60% AMI or up to 80% AMI utilizing 9% LIHTC Average Income.</p> <p>Existing tenants with incomes above the term sheet AMIs are PHP-eligible and the unit will be regulated by HCR. In the event that the unit is no longer occupied by an over-income household, the unit will be made available to a household with an income level at 60% or below of area median income, or subject to other income restrictions as may be applicable to the project.</p>
<p>Per Unit Maximum Award</p>	<p>Projects financed with HFA bonds: Up to \$125,000 per income restricted unit.</p> <p>Project financed with HCR 9% LIHTC: Up to \$100,000 per income restricted unit.</p>

<p>Interest Rate and Loan Terms</p>	<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> <p>*Eligible for HCR Construction Completion Payment (see CPM Section 5.10.01) only if PHP funds are requested in conjunction with 9% LIHTC/SLIHC</p>
<p>Eligible Applicants</p>	<p>Federal or State-supervised PHAs or not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers, in partnership with a PHA. Eligible PHAs must maintain a majority controlling interest in any such partnership.</p>
<p>Regulatory Agreement Requirements</p>	<p>Minimum 40-year regulatory agreement. There are additional statutory requirements for public housing authorities and property managers of projects that receive funding under this program.</p>
<p>Monitoring Fees</p>	<p>A fee sufficient to cover the cost of monitoring program requirements may be charged unless another governmental funder is monitoring compliance in a manner acceptable to HCR.</p>
<p>Additional Submission Requirements</p>	<p>For projects utilizing RAD, a CHAP letter from HUD. For all other federal PHA's not utilizing RAD, written permission from HUD.</p>
<p>Tenant Relocation</p>	<p>PHA's must ensure that all tenants relocated by the construction be given the right to return to an appropriate unit in the project in accordance with their household size and composition upon completion. No rescreening of tenants may be conducted based on credit or a history of justice involvement. PHA must comply with applicable relocation laws including Section 18 of the Housing Act of 1937, as amended, and/or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as applicable.</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 laws.