



## New York State Low-Income Housing Tax Credit Program

**NEW YORK STATE LOW-INCOME HOUSING TAX CREDIT PROGRAM (SLIHC):** SLIHC provides a dollar-for-dollar reduction in certain New York State tax liability to the owners of qualified low-income housing projects (or qualified third party investors) that meet the requirements of Article 2-A of Public Housing Law (the Statute) and has also received an allocation under the criteria and procedures established in the SLIHC Regulation at 9 NYCRR Section 2040.14. SLIHC utilizes the standards and requirements of the Federal Low-Income Housing Tax Credit (LIHTC) program under Section 42 of the internal Revenue Code (the Code), except that SLIHC may finance residential rental units serving households with incomes of up to 90% AMI. SLIHC must be requested in conjunction with 9% LIHTC through the 9% LIHTC RFP.

SLIHC award amounts will be based on the demonstrated need for such funding and are subject to approval by the Commissioner of HCR. Applicants are strongly encouraged to apply to HCR only for the funding necessary for the financial feasibility of the project and to leverage funding from non-HCR sources.

<b>Eligible Uses</b>	<p>New construction of, or the adaptive reuse of non-residential property to, affordable housing, or substantial rehabilitation or moderate rehabilitation of site-specific multifamily rental housing.</p> <p>Eligible costs are for site acquisition, hard costs, and related soft costs.</p> <p>SLIHC may be utilized for projects which qualify at the 9% or 4% applicable rate. Projects which utilize 9% LIHTC qualify for SLIHC at the 9% applicable rate. Projects which utilize federal tax-exempt bonds and 4% LIHTC qualify for SLIHC at the 4% applicable rate.</p> <p>Projects which do not utilize federal tax-exempt bonds and 4% LIHTC qualify for SLIHC at the 9% applicable rate.</p> <p>Projects receiving HFA recycled bonds (pursuant to Section 146(i)(6) of the Code) also qualify for SLIHC at the 9% applicable rate.</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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<b>Area Median Income Restrictions</b>	<p>The project must meet either a LIHTC minimum low-income set aside pursuant to the Code or the following SLIHC minimum set aside:                  At least 40% (25% in New York City) of the units set aside for households earning at or less than 90% AMI.</p> <p>SLIHC may not be used to finance senior units (62+) serving households above 60% AMI.</p>
<b>Per Project Maximum Award</b>	<p>For new construction and adaptive reuse projects, up to \$1,000,000 with at least 10% of units targeted to households with an income limit at 30% AMI; otherwise up to \$750,000. For preservation projects, up to \$1,000,000.</p>
<b>SLIHC Transfer</b>	<p>Project applications proposing SLIHC Transfer must clearly identify such a request in the initial application and utilize HCR’s website guidance (<a href="https://hcr.ny.gov/slihc-transfer-information">https://hcr.ny.gov/slihc-transfer-information</a>).</p>
<b>Eligible Applicants</b>	<p>Not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers.</p>
<b>Regulatory Agreement Requirements</b>	<p>SLIHC project owners will be required to enter into a Regulatory Agreement to ensure compliance with Agency policies including but not limited to, income restrictions, LIHTC requirements, restrictions on transfers, and financial reporting for a period of at least 30 years. The regulatory period may be increased at the discretion of the Agency.</p> <p>The Regulatory Agreement will require that the project owner waive the ability to request a Qualified Contract to terminate the Extended Use period under §42(h)(6)(E) of the Code.</p>
<b>Additional Eligibility Criteria</b>	<p>For projects utilizing multiple sources of tax credit financing and/or SLIHC transfer, tax credit equity investor/syndicator letters must identify the independent value of each tax credit resource including the specific value of SLIHC equity pay-in.</p>
<b>Application and Allocation Fee</b>	<p>Application fee of \$3,000, \$1,000 if binding agreement is requested and one-time allocation fee equal to 8% of annual SLIHC allocation amount, payable prior to carryover issuance (for 9% SLIHC projects) or DTF 625 issuance (for 4% SLIHC projects).</p> <p>Written application deferral approvals granted by HCR must be appended to application <b>Form H-1</b>. Send deferral requests to: Arnon Adler, Tax Credit Program Manager, NYS HCR, Hampton Plaza, 38-40 State St 6th Floor South, Albany, NY 12207. Email: <a href="mailto:arnon.adler@hcr.ny.gov">arnon.adler@hcr.ny.gov</a></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</p>

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	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.
<b>Monitoring and Servicing Fees</b>	Monitoring fee of .5% multiplied by the maximum restricted rents of the SLIHC units.

*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.*