



Supportive Housing Opportunity Program

SUPPORTIVE HOUSING OPPORTUNITY PROGRAM (SHOP): SHOP provides financing for the creation of affordable supportive housing with on-site supportive services. The use of SHOP funding is limited to projects financed with HFA bonds and those utilizing HCR federal 9% Low Income Housing Tax Credits (9% LIHTC). Additionally, the use of SHOP funding is limited to projects with a service and operating award.

Supportive housing projects seeking to include units above 60% AMI (or above 80% AMI if LIHTC Average Income is utilized) and up to 130% AMI (Middle Income Units) are eligible to apply for Middle Income Housing Program funds subject to the limits specified below, as applicable, and based on demonstrated need for gap financing by HCR underwriting standards.

Applicants can access Section 8 Housing Choice Project Based Vouchers (from HCR through a separate RFP and local administrators) to fund non-Empire State Supportive Housing Initiative (ESSHI) units in an ESSHI project. In New York City, applicants can access Section 8 Housing Choice Project Based Vouchers for rental subsidies for both ESSHI and non-ESSHI units. The ESSHI service and operating award will be reduced to account for services only on ESSHI units.

Priority is given to projects in accordance with the information set forth herein. Actual award amounts must be recommended by HCR staff, and approved by HFA Credit Committee, 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. HCR reserves the right to allocate funding to ensure that the broad range of statewide housing needs are met.

<p>Eligible Uses</p>	<p>New construction or the adaptive reuse of non-residential property to, or the rehabilitation of unregulated residential property to create integrated affordable supportive housing with supportive services offered to the tenants. Applicants are encouraged to maximize the number of supportive housing units in their developments taking the neighborhood context into consideration. The total number of new supportive housing units must constitute at least 30% (25% for projects with OPWDD units) of the total units in the project. For projects involving the relocation of existing supportive units funded by state rental and operating subsidies, the existing supportive housing units will be considered as “new” supportive housing units for the purposes of calculating the total number of supportive units in the proposed project.</p> <p>Eligible costs are for site acquisition, hard costs, and related soft costs.</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>For projects applying through the HCR Multifamily Finance 9% RFP, permanent financing only. For projects applying for financing with HFA bonds, both construction and permanent financing available.</p>
<p>Area Median Income Restrictions</p>	<p>Up to 60% AMI, or 80% AMI for projects utilizing LIHTC Average Income. Projects that target at least 10% of the income restricted units to households with incomes of up to 30% AMI will receive priority in funding.</p>

<p>Per Unit Maximum Award</p>	<p>Projects are strongly encouraged to secure other, non-HCR subsidy resources. The maximum SHOP subsidy amounts are expected only for projects unable to secure leveraged resources and/or for projects where prevailing wages are required. All projects will be evaluated on a case-by-case basis.</p> <p><u>Projects financed with HFA bonds</u> New York City, Westchester, Rockland, Nassau, and Suffolk Counties: Up to \$200,000 per supportive housing unit: up to \$160,000 per other income restricted unit and up to \$150,000 per supportive housing unit subsidized by NYC 15/15 rental assistance. Projects leveraging capital funds from the City of New York are eligible for up to \$100,000 per income restricted unit.</p> <p>Rest of State: Up to \$150,000 per supportive housing unit and up to \$95,000 per other income restricted unit.</p> <p><u>Projects financed with HCR 9% LIHTCs</u> New York City, Westchester, Rockland, Nassau, and Suffolk Counties: Up to \$140,000 per ESSHI or NYC 15/15 supportive housing unit with no other supportive housing capital subsidy. Projects leveraging supportive housing capital funds from the City of New York, other State governmental agencies or other income restricted unit are eligible for up to \$125,000 per unit.</p> <p>Rest of State: Up to \$115,000 per ESSHI supportive housing unit with no other supportive housing capital subsidy. Projects leveraging supportive housing capital funds from other governmental agencies or other income restricted unit are eligible for up to \$100,000 per 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. *Eligible for HCR Construction Completion Payment (see CPM Section 5.10.01) only if SHOP funds are requested in conjunction with 9% LIHTC/SLIHC</p>
<p>Supportive Services and Operating Funding</p>	<p>All projects must have a service and operating award or plan. Projects applying through the Multifamily Finance 9% RFP must meet the specific requirements and definition of supportive housing as set forth in the 9% LIHTC Qualified Allocation Plan.</p> <p>HCR anticipates that the operating funding from the services and operating source will at least cover real estate maintenance and operating expenses for the supportive housing units.</p>

Priorities	Projects with ESSHI awards, projects which are comprised of at least 50% supportive housing units, and projects with at least 10% of income restricted units at up to 30% AMI will have priority.
Target Populations	<p>The eligible target populations to be served under this program are families, individuals and/or young adults who are both homeless and who are identified as having an unmet housing need as determined by the CoC or local planning entity or through other supplemental local, state, and federal data, and have one or more disabling conditions or other life challenges, including:</p> <ul style="list-style-type: none"> Persons living with HIV/AIDS Persons with a Substance Use Disorder Persons with Serious Mental Illness Persons who are Survivors of Domestic Violence Persons with Intellectual/Development Disabilities Young Adults Aged 18-25, including Youth Aging out of Foster Care Persons Reentering the Community from Prison or Juvenile Justice Placement Individuals/Families Experiencing Long-Term Homelessness Persons who are Frail Elderly Persons who are Former Military with Disabilities Persons living with Hepatitis C Survivors of Human Trafficking Persons with a Physical Disabilities <p>The ESSHI RFP located at https://omh.ny.gov/omhweb/rfp contains a glossary for population definitions.</p> <p>Definition of Homeless: In order to be considered homeless for the purposes of this program, an individual must meet one of the following criteria:</p> <ol style="list-style-type: none"> (1) an un-domiciled person (whether alone or as a member of a family) who is unable to secure permanent and stable housing without special assistance. This includes those who are inappropriately housed in an institutional facility and can safely live in the community and those young adults, victims or survivors of domestic violence, and individuals with I/DD who are at risk of homelessness, (2) a young adult between the ages of 18 and 25 years of age without a permanent residence, including those who left foster care within the prior five years and who were in foster care at or over age 16, (3) an adult or young adult reentering the community from incarceration or juvenile justice placement, who was released or discharged, and who is without permanent and stable housing, or those aging out of a residential school for individuals with an intellectual or development disability.

<p>Eligible Applicants</p>	<p>In New York City, not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or NYS certified Minority and Women-Owned Enterprises (MWBE), or Service-Disabled Veteran-Owned Businesses (SDVOB). Outside of New York City, private for-profit developers allowed with a preference for not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations.</p> <p>The following arrangements are acceptable demonstrations of not-for-profit, MWBE and/or SDVOB control:</p> <ul style="list-style-type: none"> • 100% Not-for-profit, MWBE, and/or SDVOB Developers: Projects where the sponsor(s)/developer(s) are not-for-profits. The project will be developed and owned by a not-for-profit or a partnership of not-for-profits during construction and after conversion to permanent financing. • Turnkey Development: Projects where a not-for-profit, MWBE and/or SDVOB partner is in a fee development structure with a for-profit partner where the ownership of the project is wholly turned over to the not-for-profit, MWBE and/or SDVOB partner after construction completion. <p>Joint Ventures with Majority Not-for-profit, MWBE and/or SDVOB Control: Partnerships where the majority ownership is by the not-for-profit or MWBE and/or SDVOB Partner (at least 51% ownership by the not-for-profit or MWBE and/or SDVOB partner of the controlling entity of the property owner). Such partnerships ensure that not-for-profit has day-to-day and long-term management control over the properties.</p>
<p>Regulatory Agreement Requirements</p>	<p>Minimum 40-year regulatory agreement, maximum of 50 years.</p>

Age-Restricted Housing Requirements	<p>Developers seeking funding for a housing development that intends to restrict tenancy based on age (<i>e.g.</i>, “ESSHI-eligible seniors”), shall provide HCR with proof it has obtained an exemption from the New York State Division of Human Rights (“DHR”) in accordance with N.Y. Exec. Law § 296-2a(e). Verification that DHR has granted this waiver may be a condition precedent to the construction loan closing.</p> <p>To apply for an exemption pursuant to N.Y. Exec. Law § 296-2a(e), submit a written request to the Commissioner of DHR, located at One Fordham Plaza, 4th floor, Bronx, New York, 10458, describing, among other things, general information about the project (including the address and number of units, income and age restrictions, and any time sensitivities that may warrant expedited review), the anticipated sources of government funding, the market need for housing that is restricted by age, and the applicant’s intent to market the development in accordance with its HCR-approved Affirmative Fair Housing Marketing Plan.</p>
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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.