

HCR Multifamily Finance 9% RFP – 2025

Questions and Answers #2

Underwriting:

Q1: Can the initial rents listed in the Underwriting Application be set at the current (2025) maximum rent limit for that AMI band? For example, can the rent on a 50% AMI unit be set at the maximum 2025 rent for a 50% AMI unit (at no more than 30% of income towards rent) minus the utility allowance?

A: Yes, this is acceptable.

Q2: If a developer purchases property in an arms-length transaction to hold for the purpose of development, can they recoup the cost of that purchase, with a price supported by an appraisal, or would that be considered a related property transaction under the new rule?

A: Yes, the holding costs for a parcel can be included in the acquisition cost supported by an appraisal. This would not be considered a related property transaction under the new 2025 term sheet and CPM language.

Q3: How should projects utilizing NYC 15/15 rental subsidy reflect that HPD will approve 3.5% annual increases in rents for Year 15/15 units?

A: Projects using NYC 15/15 Rental Subsidy must provide a separate spreadsheet showing cash flow with income from year 15/15 units trending to increase by 3.5% as allowed by HPD. A separate 30-year operating proforma in an Excel spreadsheet showing the following must be submitted:

- The rents and income on non-NYC 15/15 units
- The rents and income on NYC 15/15 units
- 2% income trending on non-NYC 15/15 units
- 3.5% income trending on NYC 15/15 units
- 2% income trending for project ancillary income
- 3% annual increase for operating expenses (2% for DHCR 9% LIHTC monitoring fee.)
- 5% vacancy factor

Applicants should use the 15-year cash flow projected on this separate pro-forma for sizing the deferred developer fee presented in the HCR Underwriting application. Make sure the information presented in this spreadsheet is consistent with the HCR underwriting model.

Please see the HCR Advisory: NYC 15/15 Project Submission Requirement at

<https://hcr.ny.gov/2025-multifamily-finance-9-lihtc>.

Q4: Can a project use more than one rent level for the same unit size for an income tier target, e.g. two different 1-bedroom rents targeted up to 60% AMI?

A: No, HCR will not allow more than one rent level for a given unit size on a selected income tier target.

Application:

Q1: Are the requirements under Attachment B-6: Persons in Need of Supportive Housing applicable for senior housing projects?

A: Senior Housing projects (55+/62+) are not required to submit Attachment B-6: Persons in Need of Supportive Housing, unless the project includes age restricted units with service and operating funding. Senior Housing projects are required to submit an Aging-In-Place plan as part of Attachment B-2 Project Narrative. See CPM Section 5.0.

Q2: Attachment B-6: Persons in Need of Supportive Housing no longer appears to require a Plan for Serving Tenants who are Persons with Special Needs; however the link to the forms for this section still includes a form for Housing Services Agreement for Projects with Special Needs housing. Is a Housing Services Agreement still required for projects that include Persons with Special Housing Needs?

A: Attachment B-6 is required for Persons in Need of Supportive Housing. The link to the required Housing Services Agreements (<https://hcr.ny.gov/persons-special-needs-forms>) provides access to the Housing Services Agreements required for **Persons in Need of Supportive Housing** (ESSHI, 15/15, ELLA projects) as well as the Housing Services Agreements for Projects with Special Needs Housing under the previous Qualified Allocation Plan (QAP).

For **Persons with Special Housing Needs**, senior housing (55+/62+) projects must submit an Aging-In-Place plan as part of Attachment B-2 Project Narrative (also see CPM Section 5.0) and persons with physical disabilities must provide the required written referral agreement with an experienced service organization(s) to provide appropriate referrals for occupancy of such units. The persons with physical disabilities units are also subject to the HCR Accessible Units Management Memo at [Marketing Plans & Policies | Homes and Community Renewal](#).

Q3: Our project consists of three distinct components, residential rehabilitation, demolition of existing unoccupied space and subsequent new construction of residential units and non-residential rehabilitation of occupied commercial space. How many Exhibit D-4: Construction Cost Estimates need to be submitted?

A: Four separate Exhibit D-4: Construction Cost Estimates need to be submitted – one for each component of the project and a summary exhibit.

Q4: For an integrated supportive housing project that contains less than 10% of total project units for ESSHI frail elderly/seniors with no other age restricted units in the project, does a

project need to receive a waiver from the NYS Division of Human Rights (DHR) to submit the application, or can the waiver be requested and received from DHR after award?

A: Projects intending to serve seniors (55+/62+) must meet the Senior Housing project requirements contained in CPM Section 5.0. A DHR waiver does not override the Senior Housing project requirements. Applicants must comply with the most restrictive uses.

Q5: Exhibit A-1 asks for the ESSHI application number. Under the new SFS ESSHI application system, it appears an application number is no longer generated in a similar manner to the Grants Gateway system. How should applicants reflect a pending 2025 ESSHI application number in Exhibit A-1 if no application number is generated by the new SFS system?

A: For applicants which have applied under the Round 9 2025 ESSHI RFP, applicants should indicate “pending” in Exhibit A-1 for the ESSHI application number. Applicants should also use the 2025 per unit rate. Applicants with existing ESSHI awards should list the current ESSHI Conditional Award number in Exhibit A-1 and clearly state in the narrative and Attachment B-6 whether a Round 9 2025 ESSHI application has been submitted. If a Round 9 2025 ESSHI application has been submitted, applicants should use the 2025 per unit rate.

Term Sheets:

Q1: For HOME ARP Qualifying Populations, what supporting documentation should be provided with respect to the Supportive Service requirements, referral agreements etc.? Will HCR require submission of all items listed in CPM Section 5.15.02?

A: Please refer to the HOME ARP term sheet which requires any of the Qualifying Populations to be served by a service and operating subsidy. Units with service and operating subsidies must meet the requirements of CPM Section 5.15.02 and submit Application Attachment B-6.

Q2: Does the inclusion of HCR HOME ARP units trigger Subsidy Layering Review requirements?

A: Yes, a Subsidy Layering Review will be conducted on HOME ARP projects.

Q3: Do the 2025 9% LIHTC RFP HOME ARP funds require compliance with Build America, Buy America (BABA) requirements?

A: No, the HOME ARP funds included in the 2025 9% LIHTC RFP are not subject to BABA.

Design:

Q1: Per the HCR Design Guidelines, one of the criteria for the trash/recycling room is to “include measures for the safe collection, storage, and disposal of batteries, mercury-

containing lamps, and electronic waste.” Would it be acceptable to provide a centralized collection box in the ground-floor trash room, and post signage in all other trash/recycling rooms directing residents to that location for these items?

A: A proposed centralized collection point for batteries/mercury containing lamps and electronic waste is acceptable to HCR Design Unit.

RFP:

Q1: If a Qualified Nonprofit Organization (QNPO) is involved in a project, must the QNPO enter into a Right of First Refusal Agreement that complies with the terms of Section 2040.3(e)(25) of the LIHTC Qualified Allocation Plan (“ROFR Agreement”), to acquire the project at the end of the 15-year credit compliance period?

A: A ROFR Agreement is required depending on the level of QNPO participation in a project. Specifically:

- A ROFR Agreement is required if the QNPO is the sole general partner or sole managing member of the project ownership entity.
- A ROFR Agreement is required if the QNPO has a controlling interest (50.1% or greater) in the general partner or managing member.
- A ROFR Agreement is required if the applicant has designated its intention to enter into a ROFR in the HCR application.
- A ROFR Agreement is optional if the QNPO (or other non-profit) participating in the project has a minority interest (i.e., less than 50%) in the general partner or managing member of the project ownership entity.