



New York State Housing Acceleration Fund

**Notice of Funding Availability
July 2025**

**New York State Homes and Community Renewal
Kathy Hochul, Governor
RuthAnne Visnauskas, Commissioner/CEO**



**Homes and
Community Renewal**

Introduction

[New York State Homes and Community Renewal](#) (“HCR”) consists of all the major housing and community renewal agencies of the State of New York (“NYS”), including the New York State Housing Finance Agency (“HFA”). HCR includes other agencies (“Affiliates”) not involved in this Notice of Funding Availability (“NOFA”) process. HCR’s mission is to build, preserve, and protect affordable housing and increase homeownership throughout New York State.

HFA invites eligible applicants with experience in the underwriting, originating, and servicing of construction loans for the development of mixed-income, multifamily rental properties to partner with HFA to make loans as part of the New York State Housing Acceleration Fund (“HAF”) program. The intent of this NOFA is to select partner co-lenders for the HAF program.

Background

New York State is a national leader in financing the creation and preservation of income-restricted affordable housing. In 2022, Governor Kathy Hochul announced a five-year, \$25 billion Housing Plan, to create or preserve 100,000 affordable homes statewide, including 10,000 with support services for vulnerable populations.

However, the state's housing needs go beyond the creation and preservation of traditional income-restricted affordable housing through conventional financing methods. As part of New York State’s commitment to unlock housing supply, the HAF will offer low-cost, subordinate construction financing to accelerate the production of housing. By leveraging this new financing tool, more homes can be built sooner, providing much needed housing for all New Yorkers.

The intent of the HAF is to leverage public capital to mobilize private capital toward mixed-income multifamily rental production across New York State. The program will target multifamily residential developments that are shovel-ready but are struggling with assembling debt and equity financing. The HAF loan will be in a mezzanine position, subordinate to the senior construction loan. The balance of each’s project’s construction financing sources will include a senior construction loan and conventional equity.

HFA will partner with lenders, including banks and Community Development Financial Institutions (“CDFIs”) to leverage low-cost capital through subordinate, participation construction loans (“Project Loan(s)”). The HAF will be structured as an evergreen revolving fund – funds will be returned once the project converts to permanent financing and redeployed to additional future transactions. Critically, the HAF will accelerate the production of new housing without utilizing limited State resources that are dedicated to the creation and preservation of 100% affordable housing such as tax-exempt bonds and low-income housing tax credits.

HFA will make \$100 million available – \$50 million will be allocated to New York City and \$50 million will be allocated to the rest of the State. The \$100 million be paired with the eligible applicant’s capital to maximize the HAF’s impact.

Application Process and Terms

Eligible applicants, herein referred to “Co-Lenders,” are applying to receive the authority to make subordinate, participation construction loans that blend the co-lender’s capital with the funding made available by HCR. By partnering with co-lenders, HCR can multiply the impact of its capital and increase the volume of its construction lending. This NOFA describes the purpose for which the available funds are to be used and the methodology for disbursing those funds.

HFA will enter into a Construction Loan Participation and Servicing Agreement (“CLPSA”) with each co-lender that will specify a maximum amount of HFA capital that the co-lender can deploy alongside their own. Once the final CLPSA is executed by HFA and the co-lender, the co-lender will have **twelve (12) months** to close on Project Loan(s) that commit the HFA capital alongside their own capital. Program dollars will be considered committed once a Project Loan is closed as part of a construction financing closing. After the initial twelve (12) month period, at the discretion of HFA staff, there is the potential to decrease or increase the loan authority amount and/or extend the CLPSA term. HFA may also remove a participating lender before the twelve (12) month period HFA written notice if the lender is not able to maintain the appropriate capacity and quality required by HFA.

Co-lenders are invited to submit applications for funding. Applications must be submitted via email to NYSHousingAcceleration@hcr.ny.gov no later than **5:00 PM (EST) on Thursday, September 18th, 2025**.

Program Overview

In partnership with co-lenders, the HAF will make funds available to developers of mixed-income multifamily rental properties that are 50 units or more. The project must comply with affordability and income-restrictions that may be required for new development in a given town, county or municipality and/or required through a property tax-exemption. Additional information about eligible borrowers, loan terms, and affordability restrictions can be found in Appendix A – New York State Housing Acceleration Fund Term Sheet.

HFA will make \$100 million available to be paired with the co-lender’s capital – \$50 million will be allocated to New York City and \$50 million will be allocated to the rest of the state. As part of the Submission Requirements, applicants will specify the maximum amount of HFA capital for New York City and/or rest of the state that they are able to deploy in the twelve (12) month window after applicant selection.

Each Project Loan made by the co-lender is expected to be split between HFA and the co-lender, with HFA participating up to 50% of each Project Loan. To maximize HFA’s \$100 million, as part of their application submittal, co-lenders are encouraged to recommend Project Loan splits that are below 50% for the HFA portion.

For example, if the co-lender is designated to deploy up to \$10 million in New York City and \$20 million for the rest of the state – and recommends that the Project Loan be split 40% to HFA and the 60% to co-lender – the total loan capacity for the co-lender, once blended with the co-lender’s capital, will be \$75 million. The co-lender will be awarded an initial allocation of HFA capital – when the loan is ultimately paid

back as part of permanent financing conversion, the co-lender will return HFA's capital to HFA and will not be required to redeploy the capital into a new Project Loan.

HFA's portion of the Project Loan will earn 3% paid interest during the construction period. The co-lender can also charge a fixed, paid interest rate during the construction period on their portion of the Project Loan, depending on the borrower's credit profile and market conditions. The intent is that the blended interest rate for the Project Loan will have a lower cost of capital than market-rate mezzanine loan and equity financing, lowering the project's total cost of capital, allowing projects to become financially viable that would not have been but for the involvement of the HAF. Co-lenders will not be permitted to charge an origination fee for the Project Loan. Co-lenders will be permitted to charge a servicing fee for the Project Loan.

Actual Project Loan amounts will be based on the demonstrated need for such funding in accordance with the underwriting standards of HFA and the co-lender. HFA and the co-lender will work jointly to approve projects that maximize the "Project Priorities" specified in the New York State Housing Acceleration Fund Term Sheet in Appendix A. Approved eligible projects will be issued a joint Letter of Commitment from the co-lender and HFA before the project's construction closing.

Eligible Applicants and Activities

Eligible applicants that can serve as co-lenders include banks – including but not limited to retail banks, commercial banks, cooperative banks and credit unions – and CDFIs with extensive experience in underwriting, origination, and servicing of multifamily residential construction loans. Eligible applicants can also include teams of multiple banks and/or CDFIs.

Co-lenders must demonstrate capacity to undertake the following activities:

- 1) Assist in finalizing the HFA Term Sheet and form legal documents for the program, including but not limited to the Mortgage and Loan Documents, Intercreditor Agreement, and the Environmental Indemnity Agreement.
- 2) Source potential transactions by identifying and conducting outreach to developers that could benefit from the use of the HAF financing product.
- 3) Market and incorporate the program into existing mortgage loan programs for multifamily developments, including cooperation with HFA efforts to advertise the program.
- 4) Perform initial underwriting and due diligence for eligible projects including but not limited to lender loan sizing and financial gap assessment, market assessment and projections of market rate rents, operating and expense projects based on local benchmarks, cash flow projections, borrower and project risk assessments.
- 5) Perform background checks for borrower, related parties, general contractor, architect, and any required property management companies, and certify satisfactory results on behalf of HFA, communicate any red flags to HFA at the time they are identified, and collaborate with HFA and subject parties to resolve outstanding matters where possible.
- 6) Manage the process of obtaining required third-party reporting including, but not limited to, appraisals, plan and cost reviews, and environmental reviews. Supply materials to HFA as they are received and reviewed.

- 7) Perform other levels of due diligence as needed.
- 8) Perform a 'but for' analysis to determine the applicability of the HAF loan – projects should enhance the project's viability to the point feasible not have been but for the involvement of the HAF.
- 9) Lead the transaction closing(s) on Project Loan(s); negotiate with developer and senior lender on terms of intercreditor and subordination agreement.
- 10) Make available loans which shall be disbursed based on construction progress with regular inspections overseen by the co-lender.
- 11) Assist in construction monitoring with senior construction lender and administer Project Loan disbursements during the construction period. Report construction progress and loan servicing to HFA.
- 12) Hold funds in accounts consistent with the standards in Section 98 of New York State Finance Law.
- 13) Perform other relevant functions as delegated under the CLPSA.

Ineligible Activities

Program funds must exclusively be used for lending.

Eligible Costs

The Housing Acceleration Fund has been authorized in the state budget at \$100 million which consist exclusively of loan funds – \$50 million for New York City and \$50 million for outside of New York City. Funds will be disbursed at construction loan closing and will be serviced during the construction period by the co-lender. HFA's funding must exclusively be used for lending.

Proposal Cost and Materials

HFA will not be held liable for any cost incurred by the applicant for work performed in the preparation, production, or submission of a proposal in response to this NOFA. All proposal materials and information submitted as part of the application shall become the property of HFA. No materials, curricula, media or other content will be returned to the applicant.

Submission Requirements

1. **Experience Narrative** – narrative of no more than 1,000 words demonstrating Lender's experience as a construction lender, including detail on the following:
 - Expertise in construction lending and loan servicing
 - Identify a minimum of five construction loans that have closed in the past three years including the location, loan amount, number of units, type of affordability restriction regulation (if any)
 - Experience working with government lenders
 - Experience assessing prospective projects and potential borrower's credit profiles
2. **Outreach and Marketing Narrative** – narrative of no more than 1,000 words outlining the outreach and marketing strategy. Narrative describing the applicant's approach to identifying eligible

properties and conducting outreach to owners. A list of prospective projects that are fitting targets for the HAF as well as an anticipated schedule of closings per year including approximate loan amount and units over twelve months. The applicant should separately delineate the maximum that in both New York City and the rest of the state as part of the HAF.

3. **Staffing Plan Narrative** – narrative of no more than 1,000 words outlining staffing plan that describes plans to hire staff or allocate current staff time towards originating new loans.
4. **Key persons and Resumes/CVs** – identification of at least three key officer(s), director(s), manager(s) and/or other person(s) who will be central to the lending operations and who will have an administrative or oversight role or will otherwise have a significant role in the Co-Lender’s day-to-day loan operations (each, a “Key Person”). For each Key Person identified please provide a current and up-to-date resume or curriculum vitae. Provide an Organizational Chart that includes details on where Key Person fits into the Co-Lender’s organizational structure.
5. **Expected Financing Terms and Underwriting Procedures** – narrative of no more than 1,500 words describing the following as it relates to the co-lenders expected construction loan product through the HAF: general loan underwriting guidelines and credit standards, origination procedures including turnaround times, construction lending closure procedures, and loan servicing procedures. Include a description of projected portfolio-wide interest rate and loan splits between HFA and co-lender. Discuss typical approaches for determining interest rates and loan splits for individual Projects Loan(s).
6. **Evidence of Good Standing** – evidence of compliance with applicable regulations, licensing, and other requirements. Each co-lender should provide a recent certificate of good standing or comparable evidence from its primary regulator(s). Such certificate should be no more than six months old.
7. **Additional Information for CDFIs** – CDFIs must identify the type of account and the financial institution where they intend to hold HFA funding during the construction loan period. Such financial institutions must have assets under management of more than \$300 billion.
8. **Additional Documents for Non-Public Companies** – in addition to the above, co-lenders that are not publicly traded companies must provide the following additional documents as part of their Application Package:
 - Financial Statements – each co-lender should provide a copy of the previous 3 years audited financial statements along with the reports of the auditor. If the Lender does not have audited financial statements, it should provide a copy of the previous 3 years’ financial statements prepared by a Certified Public Accountant. Additionally, such Lender should provide a narrative explanation of how any assets and/or investment funds under its management are audited.
 - Organizational documentation – including your registration and/or qualification with the New York Secretary of State to do business in New York and good standing in relevant state of jurisdiction.

Evaluation and Selection Criteria

- 1. Organizational Background and Experience (maximum 20 points):** Measures the overall functionality of the organization and its relevance to the work that will be performed, if awarded. Organizations will receive high scores for those who have experience in construction lending for mixed-income multifamily transactions in New York State.
- 2. Ability to Staff and Administer Loan Program (maximum 20 points):** Measures the ability for the organization to dedicate staff and resources towards the administration of the HAF, if awarded. Proposals that demonstrate an ability to hire staff or allocate current staff time toward generating new loans as part of the HAF, if awarded.
- 3. Organizational Capacity & Readiness to Proceed (maximum 20 points):** Measures the extent to which the applicant has organized the proposal and assembled enough resources to complete the project and achieve the goals and objectives of the program in a manner that is timely. Proposals that document adequate organizational structures and procedures in lending and construction lending and loan servicing will receive high scores.
- 4. Financing Terms and Underwriting Procedures (maximum 20 points):** Measures the extent to which the applicant is able to offer competitive financing terms including a competitive interest rate and favorable splits in the Project Loan that minimize the HFA portion of the Project Loan.
- 5. Ability to Generate Demand (maximum 20 points):** Organizations who demonstrate an ability and process to identify prospective projects in geographies with high economic growth and job creation will receive high scores. Organizations who include marketing, strategies for identifying projects that will benefit most from this program, and corresponding outreach proposals in their application will receive high scores.

All completed applications will be reviewed and scored. HFA reserves the right to:

1. Award all, a portion of, or none of the program funds based upon funding availability, competitiveness of applications received, feasibility of achieving project goals and objectives and completing proposed activities.
2. To change or disallow aspects of the applications and may make such changes conditions of its commitment to provide funding.
3. To recommend funding in an amount less than requested.
4. To not issue an award agreement to any applicant if it has been determined that the applicant is not in compliance with existing state contracts and has not taken satisfactory steps to remedy such non-compliance.
5. Waive any requirement contained in this NOFA.
6. Revise this NOFA from time to time.
7. Extend the submission due date.

Application and Award Timeline

HFA reserves the right to modify this schedule, at its discretion. Notification of changes in connection with this NOFA will be posted and made available to all interested parties via <https://hcr.ny.gov/funding-opportunities>

Issuance of NOFA	Monday, July 28 th , 2025
Pre-submission conference	Thursday, August 7 th at 12:00PM (E-mail NYSHousingAcceleration@hcr.ny.gov to RSVP)
Deadline for Submission of Proposals	Thursday, September 18 th at 5:00 PM (EST)
Anticipated Preliminary Award Selection (award(s) will be contingent on HFA Board approval, which will occur after this date)	November 2025

Recommendations and HFA Board Approval

Awards are recommended based on available funding, proposal quality and project feasibility as determined by the review and rating of an application. The evaluation and selection criteria are detailed in the NOFA. Recommendations will be advanced to the HFA Board for consideration and the HAF award must be approved by the HFA Board prior to the execution of a CLSPA.

Application Status and Notification

Applicants will receive one of the notifications below in response to their application:

1. Incomplete: Application presents potentially eligible project but provides insufficient information. Applicant will be provided an opportunity to submit additional documentation.
2. Non-Award Notification: Application presenting an incomplete, non-competitive, not viable project will not receive an award under this NOFA.
3. Preliminary Award Notification: Application presents a complete, eligible, competitive and feasible proposal. The project has been recommended to and approved by the HFA Board of Directors for funding.

Construction Loan Participation and Servicing Agreement

The Awardee(s) may be asked to revise parts of their proposal prior to entering into the CLPSA. After any required revisions are submitted and approved, a final CLPSA will be executed. The CLPSA will require the Awardee commit all HFA awarded dollars by closing on Project Loan(s) within twelve (12) months. Program dollars will be considered committed once a Project Loan is closed as part of a construction financing closing. Uncommitted funds remaining at the end of the term are subject to de-obligation and reallocation. The CLPSA can also be extended, at the discretion of HFA.

Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action

Under Article 15A of the New York State Executive Law, all award recipients and their contractors are required to comply with the equal employment opportunity provisions of Section 312 of that Article. Also, all contractors and awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects funded by HFA pursuant to Section 313 of the Article.

All MWBE firms used to satisfy this requirement must be certified as such with New York State Empire State Development (“ESD”). All SDVOB firms used to satisfy this requirement must be certified as such with the New York State Office of General Services (“OGS”).

For purposes of this solicitation, HFA hereby establishes a goal of 30% of the administrative contract expenditures for MWBE participation, 15% for minority-owned business enterprises (“MBEs”) and 15% for women-owned business enterprises (“WBEs”).

Affirmative Action Policy Statement: It is the policy of the HFA to provide equal opportunity to all people without regard to race, color, sex, religion, age, national origin, disability, or sexual orientation.

Questions

Any questions regarding this NOFA or the application process should be directed to NYSHousingAcceleration@hcr.ny.gov.

Appendices

Appendix A – New York State Housing Acceleration Fund Term Sheet



New York State Housing Acceleration Fund

Mixed-Income Revolving Loan Program Term Sheet

As part of New York State’s commitment to unlock housing supply, the Housing Acceleration Fund (“HAF”) is a \$100 million capital fund that will offer low-cost, subordinate construction financing to accelerate the production of housing. By leveraging this new financing tool, more homes can be built sooner, providing much needed housing for all New Yorkers.

The intent of the HAF is to leverage public capital to mobilize private capital toward mixed-income multifamily rental production across New York State. The program will target multifamily residential developments that are shovel-ready but are struggling with assembling debt and equity financing. The HAF loan will be in a mezzanine position, subordinate to the senior construction loan. The balance of each’s project’s construction financing sources will include a senior construction loan and conventional equity.

PROGRAM DESCRIPTION	
Eligible Uses	Subordinate construction financing for new construction and adaptive reuse of multifamily rental housing. Projects must be 50 or more units.
Funding Structure and Finance Requirements	HFA will provide funding through the Housing Acceleration Fund in the form of a subordinate participation construction loan (“Project Loan”). The Project Loan will be in a mezzanine position, junior to the senior construction lender. Each Project Loan made by the co-lender is expected to be split between HFA and the co-lender, with HFA participating up to 50% of each Project Loan. HFA will make \$100 million available to be paired with the eligible applicant’s capital – \$50 million will be allocated to New York City and \$50 million will be allocated to the rest of the State. Funding is not available for projects proposing to use LIHTC or bonds.
Eligible Borrowers	The borrower must be a single-asset, sole-purpose entity. For-profit, limited dividend, and not-for-profit borrowers are eligible. The Borrower and principal participants in the project must not be in default under any existing mortgage financing and must meet all HFA and Co-Lender credit review criteria.
Project Loan Size	For projects in New York City, up to \$15 million for HCR financed component of loan, for a total loan size of \$30M with co-lender. For projects outside of New York City, \$10 million for HCR financed component, for a total loan size of \$20 million with co-lender. Actual amounts will be based on the demonstrated need for such funding by underwriting standards of HCR and Co-Lender. Combined value of construction loan and mezzanine loan will be capped at 80% of Loan to Cost.
Loan Term	Construction period only, up to 36 months.

Interest Rate	<p>HCR’s portion of the Project Loan will earn 3% paid interest during the construction period. The co-lender can also charge a fixed, paid interest rate during the construction period on their portion of the Project Loan, depending on the borrower’s credit profile and market conditions.</p> <p>Interest will be charged monthly on an as-drawn basis during the construction period.</p>
Project Priorities	<p>Priority will be given to projects that can demonstrate additional income-restricted units or deeper affordability than the baseline local income-restricted unit requirements that may be required for new development and/or required through a granted property tax-exemption. Additionally, priority will be given to projects in certified Pro-Housing Communities.</p> <p>In New York City, priority will be given to projects in the Greater Transit Area, as defined by the New York City Zoning Resolution, and in Two-Family and Multifamily Districts that were rezoned as part of the City of Yes Zoning Text Amendment. Additionally, projects that fall within the study-area of the City’s Bronx-Metro North Neighborhood Plan, the Atlantic Avenue Mixed-Use Plan, the Jamaica Neighborhood Plan, OneLIC, Mid-Town South Mixed-Use Plan.</p>
Equity Requirements	<p>Minimum equity requirement during construction period equal to 20% of total development cost.</p>
Guaranty and Recourse	<p>Construction completion guarantees and environmental indemnity agreements in connection with project without contribution or indemnification by HFA and Co-Lender as beneficiary are required.</p>
Affordability Restrictions	<p>The project must comply with baseline local income-restricted unit requirements as that may be required for new development and/or required through a granted property tax-exemption. If there is an option to pay into a fund in lieu of developing the required number of income-restricted units, projects will be required to locate the income-restricted units in the project.</p> <p>Priority will be given to projects that can demonstrate additional income-restricted units or deeper affordability for the required income-restricted units.</p> <p>Local jurisdictions will be responsible for administering the Regulatory Agreement governing the income-restricted units. The Regulatory Agreement must be executed prior to Project Loan closing.</p>
Market Study	<p>Projects must present a market study demonstrating demand for the type of units and expected market rents.</p>
Scope of Work	<p>Plans should be prepared by a professional architect or engineer with verified cost analysis.</p>

<p>Environmental Review</p>	<p>Prior to the financial closing of a Project Loan, the environmental effects of each Program activity must be assessed in accordance with the State Environmental Quality Review Act (“SEQRA”) at 6 NYCRR Part 617. HCR can rely on a completed SEQR analysis if completed as part of a coordinated review.</p> <p>Projects will also be required to comply with the following regulations where applicable:</p> <ul style="list-style-type: none"> • Section 14.09 of the Parks, Recreation, and Historic Preservation Law (Historic & Cultural Resources); • Floodplain Management Criteria for State Projects at 6 NYCRR 502; • NYS Agricultural and Markets Law Section 305(4) (Agricultural Districts); • Coastal Zones at 19 NYCRR Part 600; and • Local Zoning Code/Special Use Permits
<p>Conditions Precedent to Closing</p>	<p>Conditions precedent to construction loan closing includes, but are not limited to:</p> <ul style="list-style-type: none"> • Commitment Letters: Executed commitment lenders from senior construction lender and equity provider. • Project Budget: Must be agreed to and in final form for all parties • Plans: Building permits from the local jurisdiction issued as necessary. • Note, mortgage and UCCs. All documents in final form acceptable to all parties. • Certifications: Applicable certification and attorney opinion letters. • Insurance: Property and liability insurance in form and substance acceptable to HCR • Title: Good and marketable title, free and clear of encumbrances expected as permitted by HCR and Co-Lender. • HFA Named Beneficiary: Documentation will require that HFA be the named beneficiary on several documents, including but not limited to insurance certificates and completion guarantees. • NEPA, if necessary, when Federal funds are included in the project • SEQRA: Completed and satisfactory State Environmental Quality Review Act (SEQRA) review.

Conditions Precedent to Closing (Continued)	<ul style="list-style-type: none"> • Real Estate Tax Exemption: Agreement on real estate tax exemption/abatement must be in place. • Appraisal: An independent, third-party appraisal conducted by a licensed appraiser. • Third Party Reports: Completed and satisfactory third-party reports with reliance letters to HFA. • Disclosure: Completed and satisfactory disclosure documents for principals and known investors in the project, as required by HFA. All members of a non-profit board must complete the disclosure process. • Financial Statements: Financial statements and credit reports. • Background Check: Satisfactory as completed by co-lender.
Contact Information	Questions can be referred to NYSHousingAcceleration@hcr.ny.gov .

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 of its funds under this program. All proposals must comply with all applicable federal, state and local laws.