

Request for Proposals

Low-Income Housing Credit Program
NYS Low-Income Housing Tax Credit Program
Homes for Working Families Program
Low-Income Housing Trust Fund
New York State HOME Program
RESTORE Program

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New York State Division of Housing and Community Renewal
and the

New York State Housing Trust Fund Corporation

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Low Income Housing Trust Fund Program
New York State HOME Program
RESTORE Program

I. INTRODUCTION

The NYS Division of Housing and Community Renewal (DHCR) and the NYS Housing Trust Fund Corporation (HTFC) invite you to apply for housing assistance through the 2004 Unified Funding (UF) process. This Request for Proposals (RFP) describes six capital programs and five programmatic initiatives to which you may apply. These programs provide funds for a wide range of affordable housing activities including: new construction, substantial rehabilitation or moderate rehabilitation of rental or owner-occupied housing; emergency repair; homebuyer assistance; and tenant-based rental assistance. You should review the specifics of the programs to find the appropriate funding source(s) to meet your needs.

This RFP also explains the UF process, the system used by both DHCR and HTFC to accept and evaluate applications requesting funding. While much of the application review process is the same for all programs, each program has its own evaluation criteria and the review steps may vary. After a funding round, unsuccessful applicants may request an exit conference to review their unfunded application and/or examine any other application submitted that round. Throughout the year all potential applicants may request technical assistance. Not-for-profit applicants may also request seed money.

Under the UF process there are two different applications. One is for assistance for site-specific projects. The other is for funding locally administered programs. The appropriate application form must be used to be considered for funding. Application may be made for multiple programs depending on the financing needs of your project. The local program application is used for various eligible activities under the New York State HOME and/or RESTORE Programs. All applications are to be submitted to DHCR in accordance with **Section II, Application Deadlines and General Requirements.**

The six programs under this RFP for 2004 are:

1. Federal Low-Income Housing Credit Program (LIHC)
2. New York State Low Income Housing Tax Credit Program (SLIHC)
3. Homes for Working Families Program (HWF)

4. Low Income Housing Trust Fund Program (HTF)
5. New York State HOME Program (HOME)
6. Residential Emergency Services to Offer Repairs to the Elderly Program (RESTORE)

The five initiatives, available under either HOME or HTF, are:

1. Housing Choice Voucher Project Based Assistance Initiative
2. Mixed Income Family Initiative
3. Senior Housing Initiative
4. Small Project Initiative
5. Rural Housing Initiative/Leveraged Loan Projects

A description of each of these funding opportunities is given in **Section III, Program Announcements, Initiatives and Technical Assistance**. **Section IV, Evaluation and Selection Process**, describes the general application review process and explains the evaluation and/or processing aspects specific to each program or initiative.

DHCR and HTFC maintain a commitment to provide the best housing value for the residents of the State of New York and designed Unified Funding 2004 with the goal of providing you an opportunity to develop your project or implement your local program through a streamlined, efficient process and within a time frame consistent with your schedule.

II. APPLICATION DEADLINES AND GENERAL REQUIREMENTS

A. Applications for **HOME local programs** and **RESTORE programs** must be received by **5:00 PM, EST, on February 9, 2004** at:

**NYS Division of Housing and Community Renewal
Office of Community Development
Hampton Plaza
38-40 State Street
Albany, New York 12207
Attention: Unified Funding Manager**

Applications for **LIHC, HWF, HTF and HOME projects** and **Round 2004 Initiatives** must be received at the above address by **5:00 pm EST, on March 22, 2004**.

Applicants may apply for **SLIHC** at the above address **at any time until the date of notice that all available funds are committed**.

Applicants may apply for an allocation of “as-of-right” 4% low-income housing credit **at any time during the calendar year**.

Applicants may apply for seed money or technical assistance to the appropriate regional office **at any time during the calendar year**.

Individuals hand delivering applications must have picture identification and a transmittal letter on organization letterhead stating their name and the purpose of their visit. Applications delivered by commercial carrier must have a complete, legible, return address. Failure to comply with these requirements may result in items not being accepted.

Note: Applicants should refer to the **Application Submission Requirements Chart and Checklist** contained in the **Application Instructions** to determine the specific Exhibits and Attachments required for the applicable program(s) from which the funds are requested.

B. This RFP provides only a portion of the information and materials needed by applicants. Other materials, available at the appropriate Regional Office (see Regional Office Service Areas at the end of this RFP), are:

1. DHCR/HTFC Project Application (rev. 11/03) and HTFC HOME/RESTORE Local Program Application (rev. 11/03);
2. Design Handbook (rev. 11/03);
3. Capital Programs Manual (CPM) (rev. 11/03);
4. DHCR’s Low-Income Housing Credit Qualified Allocation Plan (QAP) (dated 4/17/01) which has been adopted as administrative regulations 9 NYCRR Part 2040;
5. NYS Low-Income Housing Tax Credit Law, Article 2-A;

6. NYS Low-Income Housing Tax Credit (SLIHC), 9NYCRR Part 2040, Section 2040.14 ;
 7. HTFC Homes for Working Families Program, Frequently Asked Questions (rev. 11/03); and
 8. Unified Funding Reference Materials 2004.
- C. Applicants requesting LIHC and/or SLIHC must include an application fee of \$100. Not-for-profit applicants (or their wholly-owned subsidiaries) who will be the sole general partner of the partnership/project owner may request a deferral of fee payment until allocation.
- D. Both the DHCR/HTFC Project Application and the HTFC HOME/RESTORE Local Program Application will be available in OMNIFORM 4.01 software format. Applicants intending to complete their application using OMNIFORM must use OMNIFORM Filler. Version 4.0 or later is recommended. Prior versions of OMNIFORM Filler may not be fully compatible. OMNIFORM Filler is produced by ScanSoft, Inc. and is available for approximately \$50.

The system requirements for using OMNIFORM Filler vary according to the version used. Applicants should verify that their computer systems meet the minimum requirements for the filler software prior to purchase.

The OMNIFORM version of both applications will be available for downloading from DHCR's website: www.dhcr.state.ny.us. If you cannot access the application through the Internet and would like to receive a copy of the project or program application exhibits on an OMNIFORM disk, need assistance in downloading the applications from the website, or are having difficulty entering required information, please call (518) 474-5323.

- E. Applicants should provide specific information relevant to scoring criteria in the correct location in the application. When supporting documents are required in multiple locations, the narrative in the exhibit(s) or attachment(s) that **do not** contain the supporting documents should clearly state the nature of the documents and their location, by page number, in the application. **Failure to properly cross-reference information required for rating an application may impact its overall score and competitive ranking.**
- F. Staff of the regional offices listed at the end of this RFP are available to answer questions from prospective applicants about proposals and about this RFP. Prospective applicants may also review funded applications from the two previous funding rounds at the DHCR Library, 38-40 State Street, 6th Floor South, Albany. Due to space limitations, applications may be reviewed by appointment only. Appointments may be scheduled by calling 518-474-5323. The library will close at 5 P.M. Friday, February 6, 2004 and remain closed until UF2004 awards are announced.
- G. DHCR and HTFC reserve the right to award all, a portion of, or none of the program funds based upon funding availability, feasibility of the applications received, the competitiveness of the applications, and the applicant's ability to meet DHCR and HTFC criteria for funding. DHCR and HTFC further reserve the right to review an application requesting project funds as an application for funding under other programs for which the project is eligible.

III. PROGRAM ANNOUNCEMENTS, INITIATIVES AND TECHNICAL ASSISTANCE

A. **Low-Income Housing Credit (LIHC) Program**

LIHC provides a dollar-for-dollar reduction in federal tax liability to investors in qualified low-income housing that meet the requirements of Section 42 of the Internal Revenue Code (IRC) and that have also received an allocation of Credit under the threshold and selection criteria contained in a Housing Credit Agency's Qualified Allocation Plan.

LIHC is available to project owners who acquire, construct, and/or rehabilitate rental housing that is reserved for low-income households. The amount of credit allocated to a project is directly related to the costs associated with the acquisition, construction, and/or rehabilitation of rental housing that is reserved for low-income households; those earning 60% or less of area median income.

DHCR expects to have approximately \$20 million available for LIHC Reservations. The maximum amount of annual credit allocation per application that may be requested is \$1.0 million. Projects in which 50% or more of the units will; serve large families (households with 5 or more persons), include units with three or more bedrooms, or serve special populations as listed in the Unified Funding Reference Materials 2004, may request up to \$1.2 million. In order for a special population project to be eligible to request up to \$1.2 million, the applicant must arrange for on or off site services for the special population. DHCR reserves the right to award all, a portion of, or none of the LIHC funds based upon credit availability, the competitiveness of the applications received and the applicants ability to meet DHCR criteria for funding.

Of the \$20 million, up to \$2 million may be made available for preservation projects as defined in DHCR's Low-Income Housing Credit Qualified Allocation Plan (QAP) dated April 17, 2001. Additionally, an amount of up to \$2 million may be made available for the redevelopment of public housing which has met the conditions for approval required under the New York State Public Housing Law.

For a project to be eligible for LIHC it must meet one of the following income related occupancy requirements:

- 1) 20% of the units must be set aside for households earning 50% or less of area median income; or,
- 2) 40% of the units must be set aside for households earning 60% or less of area median income.

Legislation passed at the end of 2000 (the Legislation) contained substantive changes to the LIHC program (Section 42 of the IRC). These changes necessitated DHCR's adoption of a revised QAP dated April 17, 2001. Applicants for LIHC are referred to Section 42 of the IRC and are advised to carefully review DHCR's QAP before submitting an application.

Changes to DHCR's QAP included: new definitions, new preferences in the allocation of LIHC, and changes to the threshold eligibility review criteria, project scoring and ranking criteria, and the rules regarding project monitoring requirements.

One provision of the Legislation requires that a comprehensive market study (CMS) of the housing needs of the low-income individuals in the area to be served by the proposed project be conducted before any allocation of LIHC is made. The CMS requirement is incorporated into DHCR's QAP Threshold Eligibility Review Criteria, Section 2040.3(E)(12), which states:

“A comprehensive market study conducted by a disinterested party approved by the Division demonstrates that the proposed number and type of units meet an existing and identified need of low-income individuals and can be readily absorbed by existing need in the local area.”

To satisfy this threshold eligibility requirement, LIHC applications must include a CMS that was prepared at the applicant's expense and in accordance with the requirements of Section 5.06(i) of the DHCR/HTFC CPM (11/03). It must be accompanied by a signed statement from the preparer of the study certifying that no identity of interest exists between the preparer and the developer or owner of the project and that the CMS was prepared in accordance with CPM Section 5.06(i).

CMSs should utilize to the extent possible 2000 Census Data and any other up-to-date information that is relevant. The source materials used in the data collection process in preparing the CMS should be clearly identified.

Alternatively, applicants proposing projects located in the City of New York may prepare an analysis utilizing data from the current Housing NYC: Rents, Markets and Trends report issued by The Rent Guidelines Board for inclusion in their application.

Another provision of the Legislation extended LIHC eligibility to that portion of a project used as a community service facility (CSF), not in excess of 10 percent of the total eligible basis in the project. To be eligible the subject project must be located in a qualified census tract.

A CSF is defined as any facility designed to serve primarily individuals who reside in the project or in the immediate community whose income is 60% or less of area median income. The community service facility may include space for such activities as Head Start, child care, job training, primary health care, youth recreation, and support services for seniors.

The intent of this portion of the Legislation is to provide an incentive to serve the varied needs of residents of the low-income housing credit property and the immediate community. Applicants are expected to describe the programmatic relationship between the occupant(s) of the CSF and the project tenants and the individuals within the community with incomes at or below 60% of area median income. Applicants should carefully apportion all project development costs, hard and soft, between the community service facility and the residential units of the project. The real estate expenses of the CSF must be given in a separate operating budget. Where possible a CSF should be referenced in funding commitments.

Preservation Projects

In regards to the \$2.0 million in LIHC made available for allocations to preservation projects, the project must meet DHCR's QAP definition of a preservation project which is:

A residential property that is to be rehabilitated to extend its useful life to serve as affordable housing and which meets one of the following conditions:

- 1) the project is to be carried out pursuant to a workout plan approved by a public agency; [Note: applicants proposing a workout are expected to fully address the physical, financial, market and management issues contributing to the current status of the property];
- 2) the project includes the use of existing housing as part of a community revitalization plan; [Note: applicants proposing the rehabilitation of existing housing as part of a community revitalization plan are expected to describe and document how the plan specifically addresses the project proposed for Credit funding];
- 3) the project averts the loss of affordable housing currently serving the housing needs of a population whose housing need would justify the replacement of it if it ceased to be available to that population; [Note: applicants proposing projects averting the loss of affordable housing should: a) describe any regulatory and economic circumstances which could precipitate the loss of or risk the availability of the project to low income households, and; b) provide a compelling rationale for preserving the existing project based upon economic conditions including the availability of alternative affordable housing, street rents, vacancy rates and current and future demand].

The scope of the rehabilitation under each of these three guidelines must be sufficient for the project to function in good repair as affordable housing for a period equal to at least thirty years and at least fifteen years beyond the remaining term of any existing affordability restrictions.

For the purpose of issuing LIHC reservations, DHCR will rank preservation project applications on a state wide basis as a separate LIHC sub-group.

Redevelopment of Public Housing

In regards to the \$2 million in LIHC available for the redevelopment of public housing that meets the criteria and conditions for approvals under the New York State Public Housing Law, applicants are encouraged to consult with DHCR regarding the review and approval of the redevelopment plan prior to submitting an application to DHCR.

For the purpose of issuing LIHC reservations, DHCR will rank public housing redevelopment project applications on a state wide basis as a separate LIHC sub-group.

B. New York State Low Income Housing Tax Credit (SLIHC)

Approximately \$700,000 of SLIHC made available for applications under the 2002 DHCR SLIHC Notice of Credit Availability remains available. DHCR expects allocations of SLIHC to range between \$50,000 and \$600,000 per project.

SLIHC provides a dollar-for-dollar reduction in certain New York State taxes to investors in qualified low-income housing which meets the requirements of Article 2-A of the Public Housing Law and which also has received an allocation under the criteria and procedures established in the New York State Low Income Housing Tax Credit Program Regulations Section 2040.14.

The SLIHC Program is basically the same as the federal LIHC program **except program eligibility is set to assist households earning up to 90% of the area median income rather than the 60% standard of the federal LIHC program.** The SLIHC program requires that:

40% of the units must be set aside for households whose income is at or below 90% of the area median income (vs. 60% as in the federal LIHC program).

C. Homes for Working Families (HWF) Program

HTFC expects to make approximately \$7 million available under the Homes for Working Families (HWF) Program to fund project applications submitted under UF 2004.

HWF provides funding for substantial rehabilitation or new construction of affordable rental housing for families and/or senior citizens. The entire project's rents must meet restricted rent requirements under Section 42 of the IRC. The primary source of funding must be tax-exempt bonds issued under Section 142 of the IRC.

Applicants must secure the necessary allocation of the State's Private Activity Bond Volume Cap through a public authority serving as an issuer. Such issuers include the New York State Housing Finance Agency, the New York City Housing Development Corporation, local industrial development agencies and local public housing authorities.

HTFC's assistance will be in the form of a 30 year, 1% interest loan repaid from 50% of cash flow. Construction loans are provided at 6% interest.

Applications selected for funding are expected to be awarded \$25,000 or less per HTFC assisted unit outside of New York City and \$35,000 or less per assisted unit in New York City. The total amount of funds available depends on the availability of FY 03-04 and FY 04-05 appropriations for the Housing Trust Fund Program and the Homes for Working Families Program. HTFC reserves the right to review an application requesting HTF, HOME or HWF program funds as an application for funding under any of these programs whose eligibility criteria are met.

D. The Low Income Housing Trust Fund (HTF) Program

HTFC expects to make approximately \$29 million of NYS Low Income Housing Trust Fund (HTF) Program allocation available to fund project applications submitted under UF 2004.

HTF provides funding for new construction, rehabilitation of vacant or under-utilized residential property and conversion of vacant non-residential property to residential use for occupancy by low-income homesteaders, tenants, tenant-cooperators or condominium owners. Funding under HTF is limited to \$55,000 per unit. HTFC has the discretion to make available up to an additional \$20,000 per unit based on: the cost of construction in an area, the location of the project, and the impact of the additional funding on the project's affordability to its low-income occupants.

Applications requesting HTF funding for projects should not exceed \$1.8 million. Projects in which 50% or more of the units will; serve large families (households with 5 or more persons), include units with three or more bedrooms, serve special populations as listed in the Unified Funding Reference Materials 2004, or which are submitted under the Senior Initiative, may

request up to \$2.1 million. In order for a special population project to be eligible to request up to \$2.1 million, the applicant must arrange for on or off site services for the special population. If HTFC determines a proposal can be accomplished at a lower cost to the state than proposed, less funds will be awarded.

HTFC reserves the right to fund any application requesting HOME and HTF solely with HTF funds and, in these instances, will require the owner to execute a HOME Match Addendum requiring the project to meet the HOME Program definition of affordable housing.

E. ROUND 2004 INITIATIVES

HTFC expects to make HTF or HOME funds available for the five different initiatives described below.

1. Housing Choice Voucher Project Based Assistance Initiative:

Under contract authority from the U.S. Department of Housing and Urban Development Housing Choice Voucher Program, DHCR and New York State Housing Finance Agency (HFA) expect to have a number of Housing Choice Vouchers available to owners who wish to rehabilitate or construct rental units.

Developers with projects located in Bronx, Dutchess, Kings, Nassau, New York, Orange Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster and Westchester counties are invited to submit proposals for those units requiring a minimum of \$1,000 per unit of allowable rehabilitation to upgrade substandard conditions or to repair or replace major building systems or components in danger of failure or to provide essential improvements to permit handicapped use or to provide housing to large families. Owners considering constructing new non-luxury units can also submit proposals under this initiative.

DHCR/HFA plan to offer up to 500 units for this initiative. Only applications submitted in response to this RFP will be considered for this funding. Applications requiring permanent relocation of current tenants will not be eligible.

An owner's packet with information about this program can be obtained from:

NYS Division of Housing and Community Renewal
ATTN: James MacKenzie
25 Beaver Street, 7th Floor
New York, NY 10004

The Unified Funding 2004 project application can be used to apply for this initiative.

"We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and market program in which there are no barriers to obtaining housing because



of race, color, religion, sex, handicap, familial status, or national origin."

Please note that this program is governed by federal regulations (24 CFR 983) that require: Davis Bacon compliance, the submission of State Certified Appraisal Reports, Flood Plain Certifications, and the completion of other various owner certifications prior to the award of any units.

2. Mixed Income Family Initiative:

The Mixed Income Family Initiative provides HTF or HOME financing to develop mixed income family rental projects. Applications must propose projects where a minimum of 40% of the total number of units are affordable to families above 60% of area median income. The remainder of the units can be affordable to families at various income levels. Applications under this initiative will be scored in a different manner than other HTF or HOME applications to determine "Income Served" (Affordability).

3. Senior Housing Initiative:

The Senior Housing Initiative (SHI) provides funding from the HTF or HOME programs to not-for profit organizations in connection with Sec. 501 (c)(3) bond financing for the substantial rehabilitation or new construction of rental housing for senior citizens. In recognition of the financing structure, applications under this initiative will be scored in a different manner than other HTF or HOME applications to determine "Income Served" (Affordability). Awards are expected to be \$25,000 or less per HTFC assisted unit outside of New York City and \$35,000 or less per assisted unit in New York City. Occupancy is limited to seniors, which is defined as a household in which at least one of the members is 55 years of age or older.

Projects may include units assisted by HTFC and units at market rent for the area in which the project is located. If both HTFC-regulated and unregulated units are proposed, the amount of HTFC funds will be based on the financing necessary to provide units which are affordable to seniors with incomes of 90% (80% in New York City) or less of area median income. A minimum of 20% of the units assisted by HTFC must be affordable to seniors with incomes of 50% or less of area median income.

HTFC assistance will be in the form of a 30 year, 0% interest loan repaid from 50% of cash flow. The primary source of project financing must be Section 501(c)(3) bonds (also known as civic facility bonds). Applicants must secure 501(c)(3) bond financing through a public authority serving as issuer. Such issuers include: the New York State Housing Finance Agency, the New York City Housing Development Corporation, local industrial development agencies and local public housing authorities.

4. Small Project Initiative:

The Small Project Initiative expects to provide up to \$5 million of HTF and/or HOME funds to small projects with 15 or fewer units and where financing does not include LIHC. Applicants may request HTF and/or HOME funds for a small project. Small Project Initiative projects will compete against each other rather than against all requests for capital funds. To take into account the unique nature of these projects, variants of

several rating questions will be employed to evaluate Small Project Initiative applications.

5. Rural Housing Initiative/Leveraged Loan Projects:

The HTFC, under a Memorandum of Understanding with the Rural Housing Services Agency of the U.S. Department of Agriculture (USDA), expects to make funding available from HOME or HTFC, and DHCR expects to allocate credit under LIHC, to construct rental housing for low and very low income households in rural areas. Under this initiative, eligible applicants apply to USDA for Section 515 Rural Rental Housing loan funds and under UF 2004 for HTF, HOME or LIHC. All units also receive rental subsidies from the USDA Section 521 program or New York State's Rural Rental Assistance Program.

DHCR, in concert with the USDA Rural Housing Services, reserves the right to provide rental subsidy for less than 100% of the units in a Rural Housing Initiative/Leveraged Loan project which receives a HOME or HTF award this funding round.

F. The New York State HOME Program:

HTFC expects to make \$38 million in HOME funds available to fund project and program applications submitted under UF 2004. **For specific application deadlines, see Section II, Application Deadlines and General Requirements.**

HTFC utilizes a competitive process for distributing HOME funds. The competitive process has been incorporated into the State's Unified Funding application process, which is based on the original enabling statute enacted by New York State. Funds are distributed in the following manner:

- Fifteen percent of each annual allocation is reserved for Community Housing Development Organizations (CHDOs);
- Eighty percent of the remaining funds are reserved for projects and programs located within non-participating jurisdictions (local governments which do not participate directly in the HOME Program); and
- All remaining funds are distributed on a statewide basis.

There are two types of HOME funding: site-specific to develop rental housing (usually a multi-family building or buildings), and local programs, which provide rehabilitation, home ownership, or rental assistance in an identified program service area.

1. Site Specific Projects

HOME provides funds for acquisition, rehabilitation, and construction for site-specific projects. Applications requesting HOME funding for a site-specific project should not exceed \$1.8 million. Projects in which 50% or more of the units will; serve large families (households with 5 or more persons), include units with three or more bedrooms, serve special populations as listed in the Unified Funding Reference Materials 2004, or which

are submitted under the Senior Initiative, may request up to \$2.1 million. In order for a special population project to be eligible to request up to \$2.1 million, the applicant must arrange for on or off site services for the special population. Awardees that qualify as CHDOs may receive additional funds for operating expenses, subject to non-profit development allowance restrictions. If HTFC determines that a proposal may be accomplished at a lower cost to the State than proposed, less will be awarded.

Up to \$5 million of Housing Development Fund (HDF) Program loan funds will be available from the Division of Housing and Community Renewal for construction financing only to eligible not-for-profit applicants who propose to use New York State HOME funds as permanent financing. The amount of HDF funding requested by an applicant may not exceed the amount of the applicant's request for New York State HOME funds.

Eligible applicants for HDF include: housing development fund companies (HDFCs) incorporated pursuant to Article 11 of the Private Housing Finance Law, and not-for-profit and charitable corporations and their wholly-owned subsidiaries which have the improvement of housing for persons of low income as a primary purpose. Other aspects of HDF program eligibility (areas, projects, costs and occupants) are determined by the eligibility requirements of the HOME program outlined in the Eligibility Matrix on pages 22 and 23.

Requests for HDF funds will not be rated. HDF eligible applicants which receive New York State HOME awards for permanent financing and also request HDF funds for construction financing will receive an HDF award.

2. Local Program Administrator (LPA) Programs

HOME provides funds for LPA Programs for purchase assistance, rehabilitation assistance, and tenant-based rental assistance. It is anticipated that the Corporation will limit awards to HOME LPAs to \$400,000, except in cases in which the applicant proposes to develop homeownership (1-4 units) housing or condominiums, in which case an award of up to \$1.8 million may be available. Applicants that have successfully administered similar programs in the past, and who have the capacity to utilize additional funding may apply for up to \$500,000. HTFC reserves the right to award less than the requested amount. Up to 8% of each award will be available to offset the applicant's administrative costs. If HTFC determines a proposal can be accomplished at a lower cost to the state than proposed, less will be awarded.

Units of general local government (state recipients), and not-for-profit corporations and public housing authorities (subrecipients) may apply as LPAs. LPA applications will be accepted for the following types of housing assistance: moderate rehabilitation of small, investor owned rental properties for occupancy by low-income households; moderate rehabilitation of single-family housing (1-4 units) to be owned and occupied by low-income households; purchase assistance to low-income home buyers; and, tenant-based rental assistance (TBRA). Local Program applicants may not request funding for rental property that they plan to own upon completion of the project.

Rental Rehabilitation: Applications that provide moderate rehabilitation of small (10 units or less) investor-owned rental properties are encouraged. Applicants for rental rehabilitation programs may request up to \$500,000, with an average cost per unit that will not exceed \$25,000. Rental rehabilitation applications that require an owner match of 25% of total project costs will receive full leveraging credit and may allocate up to 8% of the award amount for administrative costs. Rental rehabilitation applications that incorporate energy conservation and are part of an identified community revitalization program, including mixed-income and mixed use applications, are encouraged (see below).

Energy Conservation: Applicants are required to assess the energy conservation of units to be assisted using standard protocols such as energy audits, and are expected to consider including energy conservation measures in developing housing rehabilitation worksopes.

Community Revitalization Programs: Programs which propose moderate rehabilitation of single-family (1-4 unit) housing as part of a community revitalization strategy to eradicate slum and blight conditions are encouraged. In rating single-family rehabilitation programs, emphasis will be placed on: the overall community revitalization strategy, income level served, poverty and housing deficiencies within the revitalization area, cost-effectiveness, and applicant experience.

Mixed-Tenure and Mixed Income Programs: Applications that propose to provide home ownership assistance as part of a larger mixed-tenure (incorporating both rental and home ownership) or mixed-income project are encouraged.

Home Ownership Programs: Applicants proposing to develop or assist single-family home ownership (1-4 unit) housing or condominiums must use the HOME Local Program Application to request HOME funds. Home ownership programs which discourage sub-prime and predatory lending are encouraged.

CHDO Home Ownership Projects: HTFC encourages applications from Community Housing Development Organizations (CHDOs) to develop single-family (1-4 unit) home ownership projects. Not-for-profit applicants that qualify as CHDOs may apply for funding for small home ownership projects where they will act as developer in accordance with federal HOME Program regulations.

Applicants must use the HOME LPA application, and may not receive more than \$30,000 in HOME Program funds per unit. It is anticipated that CHDO HOME Ownership awards will not exceed \$500,000, including operating expenses.

CHDO Home Ownership Project applications are subject to the following limitations:

- The proposal must be for scattered site construction or rehabilitation of single-family housing (1-4 unit buildings);
- The CHDO must obtain project financing, rehabilitate or construct the dwelling units, and have title to the property during the rehabilitation/construction period. The HOME loan obligation is transferred to an eligible home buyer upon project completion. If the CHDO will not hold title to the property, it must enter into a contractual obligation with the property owner to develop the property for sale to the home buyer;

- The CHDO must be the sole applicant (no joint applications with private developers or other entities); and
- The proposal must identify a source of construction financing other than HOME Program funds - HOME Program funds may be used only as permanent financing.

All other LPA requirements will apply. CHDO home ownership applications will be scored in the same manner as other LPA home ownership applications.

All CHDO applications to develop rental housing **must** be submitted using the **project application**. Please note that technical assistance and seed money are available for CHDOs. See Section III (H) and (I) of this Request for Proposals for more information on CHDO technical assistance and seed money applications.

All CHDO applicants must apply to their DHCR Regional Office for CHDO certification prior to submitting a project or local program application.

G. The Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE) Program:

HTFC expects to make \$400,000 of RESTORE funds available to fund program applications submitted under UF 2004.

RESTORE provides funds for the cost of emergency repairs to eliminate hazardous conditions in homes owned by the elderly when the homeowners cannot afford to make the repairs in a timely fashion.

Applications requesting funding for RESTORE programs should not exceed \$30,000. If HTFC determines a proposal can be accomplished at a lower cost to the state than proposed, less funds will be awarded. Funds are distributed to meet the need for emergency repairs on a statewide basis. Administrative funds are limited to 7.5% for non-profits and 5% for municipalities.

H. Seed Money Loans:

Only not-for-profit organizations that have been in operation for at least one year with a full-time staff are eligible for seed money for HOME site-specific or HTF projects.

Seed money awards from HOME funds are available only to eligible CHDOs. CHDO qualifications must be established by the appropriate DHCR regional office prior to submission of seed money application.

Seed money is available to assess the feasibility of a potential project and/or retain professional services to assist in applying for capital project funding. To receive an award, a project must meet program eligibility and rating criteria.

A seed money loan made under the HTF or HOME Program may be forgiven if it is determined that the project is infeasible. Seed money is limited to \$5,000 per unit and a maximum amount of \$45,000 for the entire project.

The program from which seed money will be awarded will be determined based on eligibility and availability of funds.

Seed money loans may be requested for the following pre-development expenses:

1. feasibility studies;
2. market studies;
3. legal fees for site acquisition or site control;
4. site appraisal costs;
5. the costs of preparing applications if a housing consultant is used (project seed money applications only);
6. preliminary design documents and cost estimates;
7. title searches;
8. site option expenses;
9. survey maps; and/or
10. zoning approval fees.

An applicant's operating and administrative expenses are not eligible seed money costs.

Only proposals which have documented the following are eligible for seed money loans:

- the applicant is eligible under HOME or HTF;
- a site is identified and site control has been or can be obtained;
- the applicant has determined the population to be served by the project;
- the applicant has identified the approximate number of units to be developed;
- the applicant has identified a permanent funding source for which the project is eligible and from which funds for future applications will be available; and
- the proposed project demonstrates a likelihood to meet rating criteria.

Applicants may apply for seed money at any time during the calendar year by submitting the following Application Exhibits:

1. Application Summary (Sections F, H, and I should reflect anticipated total development costs and financing sources for constructing the project);

2. Proposal Summary;
3. Development Budget (showing only predevelopment expenses);
4. Affordability Plan;
5. Organization's Relevant Experience;
6. Site Information and Building Information;
7. Attachment A1 - Evidence of Site Control;
8. Attachment B - Community Needs Strategy;
9. Attachment F1 - Applicant's Certificate of Incorporation, if applicable.

Seed money for feasible projects is incorporated into the project's permanent financing if the project is awarded program funds or funding from another governmental agency. A seed money award does not guarantee the project will be selected for project funding nor does a project receiving seed money receive any priority in the competition for project selection.

Funding decisions and award announcements for seed money applications received during the funding round will be deferred until award announcements for project and program applications are made.

I. Technical Assistance

Applicants may request technical assistance to discuss a project or program that may result in a Unified Funding application or a Unified Funding project or program that may require additional assistance. Applicants are eligible for assistance provided by either HTFC or a consultant hired by HTFC. Priority will be given to not-for-profit applicants.

Requests for technical assistance may be made at any time by contacting the appropriate DHCR Regional Office.

Technical Assistance may include, but is not limited to, the following:

1. guidance on DHCR/HTFC program requirements and policies, as they pertain to a specific project;
2. assistance in determining the most appropriate funding sources for the proposed project;
3. assistance in establishing a Housing Development Fund Company for a specific project;
4. assistance in formulating development and/or operating budgets for a specific project;
5. assistance with reviewing and selecting a site or sites for a specific project;
6. assistance in assessing the cost effectiveness of a specific site or building;

7. referrals to other governmental agencies for funding and/or support services for a specific project; and
8. referrals to other applicants who have successfully undertaken projects similar to the one proposed.

IV. EVALUATION AND SELECTION

A. General Review Criteria:

All projects and programs will be selected through a competitive process. To the extent feasible and highly competitive applications are received, DHCR and HTFC will allocate resources to meet housing needs in an equitable geographic distribution across the State.

Applications that propose a quality housing product that most efficiently provides the greatest number of units for the longest period of time for the lowest-income New Yorkers, and which respond to a strategy to address housing needs, will have the greatest likelihood of being selected.

All awards made as a result of this RFP must be in conformance with the State's Consolidated Plan and further one of its Strategic Plan objectives. The Strategic Plan's housing objectives are:

1. Preserve and increase the supply of decent, safe and affordable housing;
2. Improve the ability of low-and moderate-income New Yorkers to access rental housing and home ownership opportunities; and,
3. Address the shelter, housing and service needs of the homeless poor and other special populations.

This requirement also applies to projects that include funds which are used to match HOME funds. Applicants that receive a HTF program award should be aware that the award may be claimed as a matching project for the purposes of the HOME Program and that this may impose additional requirements on the project.

Applications requesting funds for the rehabilitation of partially or fully occupied properties must demonstrate that the proposed work will have the effect of correcting substandard conditions which preclude lawful occupancy of the units in their current condition (i.e. code violations, etc.), with the exception of RESTORE local programs which are limited to correcting only emergency and safety concerns.

Equal Employment Opportunity/Minority and Women Owned Business

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 HTFC pursuant to Section 313 of the Article.

Applicant Past Performance

An applicant's past and current performance in State programs and contracts will be considered in reviewing, rating and ranking its application. The Corporation reserves the right to not issue an award 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.

Section 3

It is one of the purposes of the HOME Program to give, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, job training, employment, contracting and other economic opportunities to low- and very low-income persons and locally owned enterprises, pursuant to Section 3 of the Housing Act of 1937. Federal law and regulations require that recipients of federal funds in excess of \$200,000 for construction or rehabilitation projects and their contractors agree to comply with the provisions set forth at 24 CFR Part 135.

Low Income Housing Credit/State Low Income Housing Tax Credit Applications

All reservations of LIHC and SLIHC will be made in compliance with DHCR's QAP which sets forth criteria for threshold eligibility, project selection, and underwriting among other things.

B. Unified Funding Processing Steps

1. Application Receipt

Applications received under UF 2004 are assigned an identification number and undergo a series of reviews depending upon the type(s) of assistance and the program(s) from which the funds are requested.

2. Completeness Review

All applicants who have submitted incomplete applications will be notified in writing within **10 business days** from the deadline for applications. Applicants will then have **10 business days** from the date of first receipt of the notification, usually sent by fax, to provide all missing or incomplete documentation.

Applications deemed incomplete after this time period will not be reviewed further and the applicant will receive an Application Review Letter listing all missing or incomplete items.

An **incomplete application** is one that is **missing required Exhibits and/or Attachments** or that contains **unsigned certifications**.

The Completeness Review is used to compile data for logging applications and tracking their progress through the review process. This step is also used to compile information which will be used to assess a project's feasibility. Application exhibits and attachments used primarily for rating will not be requested in a notice of incomplete application.

If an application is deemed complete, but the content fails to address application questions, is inconsistent, or fails to comply with instructions, its evaluation will be compromised, possibly affecting rating and ranking decisions to the detriment of the applicant.

Note: The Corporation, in its sole discretion, may choose to discontinue processing of those applications that it determines to be substantially incomplete upon receipt. Substantially incomplete applications are those in which a majority of the exhibits and attachments are missing from the initial application submission.

3. Eligibility Review

Applications are reviewed according to the criteria in the eligibility matrix on the following page. The HWF program has the same eligibility criteria as the HTF program. The eligibility of an application under any of the five programmatic initiatives is based upon the eligibility of the application under the HTF program and/or the HOME program.

Applications that fail to meet all of the eligibility criteria will not be reviewed further.

Approximately 80 business days following the close of the funding round, an Application Review Letter will be sent to the applicant, indicating that the application is ineligible and specifying the reason(s).

Unified Funding Capital Programs Eligibility Matrix

Category	HOME	Housing Trust Fund (HTF)	RESTORE	LIHC and SLIHC
<p>Applicant</p>	<p>Site-specific projects: For-profit and not-for-profit corporations, including community housing development organizations (CHDO), public benefit corporations, partnerships, and units of local government that are not participating jurisdictions.</p> <p>LPAs: Units of general local government (counties, cities, towns, and villages) that are not participating jurisdictions; not-for-profit corporations; and housing authorities; CHDOs applying for Home Ownership assistance.</p>	<p>Not-for-profit corporations or charitable organizations in existence for one year, whose primary purpose is low-income housing; wholly-owned subsidiaries of not-for-profits or charitable organizations; Housing Development Fund Companies; partnerships (≥50% not-for-profit or charitable organization control); private developers; municipalities; and housing authorities, when assisting properties owned after 7/1/86.</p>	<p>Not-for profit corporations and municipalities, including counties</p>	<p>For-profit developers, not-for-profit developers, individuals, limited partnerships, limited liability corporations, limited corporations</p>
<p>Area</p>	<p>Entire State: a minimum of 80% of the funds available (after the 15% CHDO set-aside) to projects located in non-participating jurisdictions. HUD-designated participating jurisdictions may not apply.</p>	<p>Blighted areas as recognized by Federal, State or local government, or sites that have a blighting influence on the surrounding areas, or factors indicating an inability or unwillingness of the private sector to invest funds without State assistance.</p>	<p>All areas of the state are eligible.</p>	<p>All areas of the state are eligible.</p>

Unified Funding Capital Programs Eligibility Matrix

<p>Project</p>	<p>Residential only; new construction, substantial or moderate rehabilitation; home ownership assistance and tenant-based rental assistance. Applicants requesting home ownership or tenant-based rental assistance must apply as LPA's.</p>	<p>Residential only: homesteading, rental, cooperatives or condominiums. New construction, rehabilitation, conversion. Residential buildings to be rehabilitated must be at least 40% vacant (except for projects with fewer than three units where project creates additional unit); non-residential space to be converted must be 100% vacant prior to application.</p>	<p>Any repairs to 1-4 unit dwellings owned by an elderly homeowner that correct any emergency housing condition.</p>	<p>Residential only; new construction, building acquisition with rehabilitation, and rehabilitation.</p>
<p>Costs</p>	<p>Any customary development hard costs, acquisition, related soft costs, relocation costs, and costs related to tenant-based rental assistance. Total project costs, including HOME, must be within published HOME subsidy limits. LPA applications may not exceed \$30,000 per unit in HOME funds.</p>	<p>Actual and necessary cost of construction, rehabilitation or conversion, customary hard cost and related soft cost, excluding developers fees, administrative fees and capitalization of operating reserves. No more than 25% of award for acquisition. Maximum \$55,000/unit; up to \$75,000/unit when approved by HTFC. *(1)</p>	<p>The maximum amount that can be spent on any building is \$5,000. Work can only include repairs to correct an emergency housing situation. Typical repairs include furnace, roof, electrical and water problems.</p>	<p>Actual and necessary cost of construction, building acquisition and/or rehabilitation, customary hard cost and related soft costs excluding the expense associated with syndication of the Credits. Requests may not exceed \$20,000 of LJHC per unit.</p>
<p>Occupants</p>	<p>All HOME funds must benefit households at or below 80% of area median income; 90% of all rental units (including rental assistance) must benefit households with incomes at or below 60% of area median income.</p>	<p>Low-income persons up to 80% of area median income in New York City, low-income persons up to 90% of area median income in the portion of the State outside New York City. Preference for very low-income persons (50% of median). *(2)</p>	<p>New York State homeowners aged 60 or over. Recipient must live in building and have a household income of less than 80% of the area's median family income. Tenants not restricted by age or income.</p>	<p>Low-income households earning up to 60% (90% for State Tax Credit) of area median income.</p>

* (1) For HWF and SHI, maximum of \$25,000/unit (\$35,000/unit in New York City).

* (2) For HWF, low-income persons up to 60% of area median income. For SHI, a minimum of 20% of HTFC-assisted units must be affordable to persons with incomes at 50% or less of area median income. Occupancy is limited to households in which at least one member is 55 years of age or older.

4. Rating and Ranking

Each application is scored on criteria derived from the statutory, regulatory and policy considerations of the program(s) from which funds have been requested. Application ratings are based only on the application materials received by the submission deadlines and materials requested and received as a result of the Completeness Review. The rating criteria used for specific programs are presented below:

a. **LIHC applications** will be rated and ranked based on criteria contained in DHCR's QAP. These selection criteria are:

- i. Housing Needs (20 points)
- ii. Efficiency of Credit Use (15 points)
- iii. Project Readiness (15 points)
- iv. Regulatory Period (10 points)
- v. Sponsor Characteristics (10 points)
- vi. Affordability/Marketing (5 points)
- vii. Marketing Plan/Public Assistance (5 points)
- viii. Participation of Local Tax Exempt Organizations (5 points)
- ix. Special Needs (5 points)
- x. Tenant Buy-Out Plan (5 points)
- xi. Individuals with Children (5 points)

b. **SLIHC applications** will be rated and ranked based on the following selection criteria contained in the New York State Low-Income Housing Tax Credit Program Regulations Section 2040.14.

- i. Housing Needs (20 points)
- ii. Income Mixture (20 points)
- iii. Efficiency of Credit Use (15 points)
- iv. Project Readiness (10 points)
- v. Sponsor Characteristics (10 points)
- vi. Tenant Buy-Out Plan (5 points)
- vii. Special Needs (5 points)
- viii. Participation of Local Tax Exempt Organizations (5 points)
- ix. Marketing Plan/Public Assistance (5 points)
- x. Individuals with Children (5 points)

c. **HWF applications** that pass completeness and eligibility reviews will not be scored but will undergo technical evaluation using the following criteria:

i. **PUBLIC PURPOSE**

- (1) **Need for Project** - a review of the affordability of project units in terms of income groups served and proposed rent levels. Priority will be given to applications which serve the largest number of households at incomes of 50% or less of area median income. Note: the HTF statute requires HTFC to give a preference to economically feasible projects which provide affordable housing for persons at or below 50% of area median income.

- (2) **Community Need** - entails an assessment of the project in the context of affordable housing needs within the community (i.e., service area/primary market area); the strategy adopted to address those needs, including plans or strategy to provide housing opportunities to low-income and minority households in areas where opportunities do not currently exist; any measures which have been or are being undertaken to implement the strategy; and the proposed project as part of that strategy. Assesses how housing assistance requested is to be used with other resources, including but not limited to public infrastructure, private job creation, economic development, and/or human services.

ii. **COST EFFECTIVENESS**

- (1) **Subsidy Cost** - based on the project's HWF per-unit subsidy cost.
- (2) **Leveraging** - based on the ratio of non-State funds to HWF program funds required for permanent financing.

iii. **PROJECT READINESS**

- i. **Status of Financing** - a review of the extent to which project financing has been obtained as evidenced by the following:
 - (a) bond inducement resolution issued;
 - (b) TEFRA approval;
 - (c) applied for and/or received requested allocation of private activity bond volume cap (where applicable);
 - (d) credit enhancement approved; and,
 - (e) letter agreements with bond underwriter and/or on private placement.
- (2) **Status of Public Approvals** - a review of the extent and status of all required approvals necessary to complete the project as evidenced by the following:
 - (a) State Historic Preservation Office (SHPO) approval;
 - (b) State Environmental Quality Review (SEQRA) approval;
 - (c) local zoning approvals;
 - (d) local site plan approvals; and,
 - (e) building permit approvals.
- (3) **Status of Site Control** - a review of the applicant's site control.

d. **HTF and HOME Applications for Site Specific Projects**

HTF and HOME applications (including all five initiatives) which pass completeness and eligibility reviews are scored on the following criteria, with the exception that reviews of the Mixed Income Family Initiative and the Senior Housing Initiative will use alternative scoring criteria for Income Served (Affordability). The reviews of Small Project Initiative applications will employ alternative scoring criteria for Income Served (Affordability), Subsidy Cost, and Leveraging.

- i. (15%) **Community Needs**- Measures the extent of the affordable housing needs in the community, the extent to which proposed project is part of a strategy/plan adopted to meet identified community needs, and the actions which have been taken to implement the strategy/plan and the proposed project as part of that strategy/plan. Assesses how housing assistance requested is to be used with other resources, including but not limited to public infrastructure; private, job creating, economic development; and/or human services. For the following three components, scoring is based on comparison of an application with all other project and program applications received:
- (1) (5%) **Affordable Housing Need** - Measures the need for the housing in the proposed project based on the number and percentage of households without affordable housing in the community (i.e., service and primary market areas).
 - (2) (5%) **Strategy/Plan** - Evaluates the strategy for addressing community needs and the degree to which the proposed project and the strategy address the identified needs.
 - (3) (5%) **Strategy/Plan Implementation** - Evaluates the measures taken to implement the strategy and the proposed project as evidenced by financial investments in support of the strategy, linkages forged with providers of jobs and services, and local government actions.

The evaluation of community needs will consider whether the municipality or county in which the proposed project is located has adopted its own consolidated plan or is covered solely by the New York State Consolidated Plan. The rating of each application will be guided by and tailored to the circumstances in the project municipality or county. Applications for projects located in areas with locally-adopted municipal or county Consolidated Plans will be evaluated in relation to their own plan. All other applications will be evaluated on how local affordable housing needs and a locally based plan addressing these needs correspond with the State Consolidated Plan. In those communities in which there is a court decision or court ordered plan to address desegregation or remedy some other violation of law, Community Needs points will be awarded on the basis of the extent to which the proposed project is consistent with the court decision or plan. Applications may also cite as a basis for a community needs strategy Fair Housing Opportunity plans, area- wide or regional housing choice plans or any formally adopted plan which includes the provision of housing opportunities for low-income or minority households in areas where they are currently under-represented. Community needs strategies that are consistent with the recommendations of the Quality Communities Interagency Task Force Report, including strategies prepared with funding from the Quality Communities Demonstration Program, are encouraged. Applicants employing a Quality Communities strategy to respond to this question must explain how the strategy is consistent with the Task Force Report. If the application is requesting funding for a project which has received technical and/or financial assistance under the House-NY Program, it must be indicated in the response for this section.

ii. (25%) **Income Served** (applies to all site specific HTF and HOME applications except for the Mixed Income Family and Senior Housing Initiatives):

(1) (20%) **Affordability** - Measures the extent to which the proposal targets households with incomes below the statutory maximum for the program. Projects that serve a weighted average income which is a minimum of five percent below the statutory maximum eligible income will receive the minimum points. Projects that serve a weighted average income at 35% of median income will receive the maximum points.

For **Small Project Initiative** applications, the same calculation that is performed for larger HTF and HOME projects will be completed. However, small projects that serve a weighted average income of 60% of area median income will receive more than half of the available points under this criteria.

For HTF and HOME site-specific **rental projects**:

(2a) (5%) **Affordable Rents** - Measures the extent to which the proposed project's gross rents are below the area Fair Market Rents (FMR). Compares project rents with area FMR according to the following point schedule:

Project Gross Rents Compared to FMR	Points
>5% to 10% below FMR	1
>10% to 15% below FMR	2
>15% to 20% below FMR	3
>20% to 25% below FMR	4
>25% below FMR	5

OR For HTF site-specific **home ownership and condominium projects**:

(2b) (5%) **Affordable Owner Expenses** - Measures the extent to which the proposed project owner's gross housing expenses (principal, interest, taxes, and insurance - PITI) compares to an adjusted FMR according to the following schedule (in consideration of additional expenses associated with home ownership, FMR will be adjusted by a factor of 1.3):

PITI Compared to Adjusted FMR	Points
>5% to 10% below Adjusted FMR	1
>10% to 15% below Adjusted FMR	2
>15% to 20% below Adjusted FMR	3
>20% to 25% below Adjusted FMR	4
>25% below Adjusted FMR	5

OR For only **Mixed Income Family Rental Housing** and **Senior Housing Initiative projects**:

- (3) (25%) **Mixed Income Affordability** - This is scored based upon whether the rent plan of the project is established to have a minimum of 40% of the project units affordable to households above 60% of area median income and a minimum proportion of the units are affordable to households in three or more of five income groups. The five income groups are: 30% and below of median income (PA Level), above 30% to 50% of median income (very low- income), above 50% to 60% of median income (federal LIHC), above 60% to 90% of median income (HTF eligibility outside of New York City), and above 90% of median income (market rate). Points will be assigned as follows:

Minimum of 5 % of project units in each of four groups	25 points
Minimum of 15 % of project units in each of three groups	20 points
Minimum of 10% of project units in each of three groups	15 points
Otherwise	0 points

- iii. (25%) **Subsidy Cost** - Measures the present value of proposed project's per-unit annual subsidy cost to the State. Projects which cost the least and are regulated for the longest term will receive the most points. Reviewers will use a Unified Funding Subsidy Index to measure the per-unit cost against the length of time (regulatory term) that the units will remain affordable. The Index is adjusted to account for regional cost variations. It is also adjusted for bedroom size by using the following formula: for senior projects, the number of SRO's is multiplied by .75 and the number of 1 or more bedroom units is multiplied by 1.0; for non-senior/family projects, the number of SRO's is multiplied by .75, the number of 1 bedrooms is multiplied by 1.0, the number of 2 bedrooms is multiplied by 1.25, and the number of 3 or more bedroom units is multiplied by 1.50.

For **Small Project Initiative** applications, an identical calculation to that done for large HTF and HOME applications will be completed. However, an alternative subsidy cost index will be used which will award similar points for larger per unit HTF and/or HOME requests (compared to projects which are not small projects).

iv. (10%) **Leveraging**

- (1) (7%) **Permanent Financing** - Examines the ratio of NYS funds, including but not limited to DHCR, HTFC, AHC, HHAP, to be used for permanent financing to total project cost. Projects in which NYS funds constitute 20% or less of total project costs will receive the most points.
- (2) (3%) **Construction Financing** - Measures the extent to which private lenders will be used for construction financing. Projects in which only non-NYS funds (including but not limited to DHCR, HTFC, AHC, HHAP) will be used for construction financing will receive the most points.

For **Small Project Initiative** applications, these points will be awarded based solely on the extent to which non-NYS funds will be used for permanent financing. Projects in which NYS funds constitute 30% or less of total project costs will receive the most points.

- v. (5%) **Special Populations** - Measures the extent to which preference in tenant selection will be given to special populations (as listed in the Unified Funding Reference Materials 2004) and whether these populations will be served by supportive services.
- (1) Preference in tenant selection will be given to special populations for 15% or more of the low income units in the project - 3 points.
- (2) The special populations to be given preference in tenant selection will be served by on or off site supportive services as evidenced by a service contract or written referral agreement with a service provider that serves those populations - 2 points.
- vi. (15%) **Project Readiness** - Measures the likelihood that HTF and HOME site-specific projects will be successfully completed in the shortest time frame, based on:
- (1) (5%) **Financing Commitments** - Measures the extent to which the financing required to complete and operate the project is committed, as evidenced by an agreement executed by all parties. This financing includes tenant rental assistance but excludes HTF and HOME funding. Points will be awarded according to the following schedule:
- Some of the financing required to complete and operate the project has been applied for and none is committed - 1 point;
- All of the financing required to complete and operate the project has been applied for and none is committed - 2 points;
- All of the financing required to complete and operate the project has been applied for and less than 50% is committed - 3 points;
- All of the financing required to complete and operate the project has been applied for and more than 50% is committed - 4 points;
- All financing required to complete and operate the project is committed - 5 points.
- (2) (5%) **Public Approvals** - Measures the extent to which applicants have listed and obtained all required approvals necessary to complete the project. (The awarding of points for status of public approvals will be based on telephone verification of the accuracy of the information provided by the applicant on the list of required approvals, the status of each required approval and the schedule for receiving each approval.) Points will be awarded according to the following schedule:
- Applicant has listed and applied for all approvals required for the project - 1 point;
- Applicant has listed and applied for all approvals required for the project; some approvals have been secured - 3 points;
- Applicant has listed and obtained all required approvals (including environmental approvals and any required federal, state or local government approvals) for the project, except for a building permit, or no approvals are required - 5 points.

- (3) (5%) **Schedule** - Measures the extent the development timetable shows construction start date within 12 months (18 months if project is located in NYC) of project commitment date (09/2004) and the extent to which the proposed schedule is supported by time frames for approvals and the status of financial commitments. Points will be awarded according to the following schedule:

The development timetable shows a construction start later than 12 months (18 months if project is in New York City) from projected commitment date (09/2004), or the proposed schedule is not supported by the time frames for approvals or the status of financial commitments - 0 points.

The development timetable shows construction start within 12 months (18 months if project is located in New York City) of project commitment date (09/2004) and the proposed schedule is supported by time frames for approvals and the status of financial commitments - 3 points.

The development timetable shows construction start within 6 months (9 months if the project is located in New York City) of the projected commitment date (09/2004) and the proposed schedule is supported by the time frames for approvals and the status of financial commitments - 5 points.

- vii. (5%) **Successful Development Performance** - Measures the successful performance of the applicant or the applicant and members of their development team in the timely development and completion within approved development budgets of comparable affordable housing (in terms of size(number of units), financing, income served and tenure of housing) in the ten years prior to application submission date. The experience of the applicant, applicant/developer, architect and general contractor will be evaluated according to the following criteria:

- (1) **For-profit applicants:** (5%) Compares the total development costs (TDC) of comparable projects successfully completed by the applicant during the ten years prior to application to the TDC of the proposed project. Those with an aggregate amount of TDC from successfully completed projects equaling 10 times or more of the TDC of the proposed project will receive the most points. The development experience of all members involved as a joint venture applicant will be aggregated to award points.

OR

- (2) **Not-for-profit applicants:** (5%) Measures the successful performance of the not-for-profit developer and/or housing consultant, the architect and the general contractor selected for the proposed project in the timely development and completion within approved budgets of comparable affordable housing (in terms of size, financing, income served and tenure of the housing). Not-for-profit applicants who have successfully completed at least one similar project will receive three points. Not-for-profit applicants without prior development experience who have teamed with a developer or housing consultant who has successful development performance may receive up to three points. One point

for successful performance will be given to each the architect and the general contractor selected by the not-for-profit applicant.

e. **HOME Local Programs**

i. **Housing Rehabilitation Programs**

- (1) (15%) **Community Needs** - Measures the extent of affordable housing needs in the community, the extent to which the proposed program is part of a strategy adopted to meet identified community needs, and the actions which have been taken to implement the strategy and the proposed program as part of that strategy. Assesses how housing assistance requested is to be used with other resources, including but not limited to public infrastructure; private, job creating, economic development and/or human services. Scoring is based on comparison of an application with all other project and program applications received for the following three components:
 - (a) (5%) **Housing Need** - Measures the need for the housing in the proposed program based on the number and percentage of households without affordable housing in the community (i.e., service and primary market areas).
 - (b) (5%) **Strategy** - Evaluates the strategy for addressing community needs and the degree to which the proposed program and the strategy address the identified needs.
 - (c) (5%) **Strategy Implementation** - Evaluates the measures taken to implement the strategy and the proposed program as evidenced by financial investments in support of the strategy, linkages forged with providers of jobs and services, and local government actions.

The evaluation of Community Needs will consider whether the municipality or county in which the proposed program is located has adopted its own Consolidated Plan or is covered solely by the New York State Consolidated Plan. The rating of each application will be guided by and tailored to the circumstances in the municipality or county in which the program is proposed. Applications for programs located in areas with locally-adopted municipal or county Consolidated Plans will be evaluated in relation to their own plan. All other applications will be evaluated on how local affordable housing needs and a locally based plan addressing these needs correspond with the State Consolidated Plan. In those communities in which there is a court decision or court ordered plan to address desegregation or remedy some other violation of law, Community Needs points will be awarded on the basis of the extent to which the proposed program is consistent with the court decision or plan. Applications may also cite Fair Housing Opportunity plans, area wide or regional housing choice plans or any formally adopted plan which includes the provision of housing opportunities for low-income or minority households in areas where they are currently under represented as a basis for a community needs strategy. Community needs strategies that are consistent with the recommendations of the Quality Communities Interagency

Task Force Report, including strategies prepared with funding from the Quality Communities Demonstration Program, are encouraged. Applicants employing a Quality Communities strategy to respond to this question must explain how the strategy is consistent with the Task Force Report. If the application is requesting funding for a project which has received technical and/or financial assistance under the House-NY Program, it must be indicated in the response for this section.

- (2) (20%) **Average income level served** - Programs that target households with average incomes below statutory maximums are scored on the extent to which they fall below those maximums. The maximum points will be awarded to applicants that will only serve households with incomes at or below 50% of the HUD median income for the area. Programs that target households with incomes between 50% and 75% of area median income will receive an intermediate score. Those that only target households with incomes above 75% of area median income will receive the least points.
- (3) (5%) **Special populations targeted** - Programs that propose to target 15% of units to be assisted to households which include members of one of the eight special populations listed in Unified Funding Reference Materials 2004 will receive three points. Programs that propose targeting 15% of units for special populations and provide evidence of a service contract with or written referral agreement with a local service provider that serves the special population will receive five points.
- (4) (10%) **Percent below federal poverty level** in program service area - Programs in areas with the highest percentage of persons below the poverty level compared to service areas of other applications, will receive the most points. Programs in areas with the lowest percentage of persons below the poverty level compared to service areas of other applications, will receive the least points.
- (5) (10%) **Number of persons below federal poverty level** in program service area - Programs in areas with the greatest number of persons below the poverty level, compared to service areas of other applications, will receive the most points. Programs in areas with the least number of persons below the poverty level compared to service areas of other applications, will receive the least points.
- (6) (5%) **Age of housing** - Programs in areas with the highest percentage of housing units built before 1960 will receive the most points. Programs with the lowest percentage of housing units built before 1960 will receive the least points.
- (7) (5%) **Subsidy cost index** - Projects with the lowest per-unit cost and which are regulated for at least 5 years, will receive the most points, based on the Unified Funding Subsidy Cost Index. The Index is adjusted to account for regional cost variations. Those with higher per unit costs or shorter terms will receive fewer points. Projects with an average per unit cost of \$30,000 or more, or regulated for less than 5 years, will receive the least points. The Unified Funding Subsidy Cost Index has been adjusted to reflect higher construction and land acquisition costs in many parts of the State.

- (8) (10%) **Leveraging** (permanent financing) -Measures the ratio of non-State funds to HOME funds required for permanent financing. Programs with 25% or less of total program costs requested from NYS funds (including but not limited to DHCR, AHC, HHAP) will receive the most points. Applicants that provide 51% or more of the total program administrative cost, and propose using four percent or less of the requested amount of HOME funds for administrative expenses, will also receive maximum credit for leveraging, regardless of the amount of project funds leveraged. Rental rehabilitation programs that require owners to provide a 25% match will also receive maximum credit.
- (9) (5%) **Administrative plan** - Administrative plans will be reviewed to assess the adequacy of the proposed staffing plan, outreach and selection procedures, construction management procedures, and procedures for compliance with other federal requirements. Applications with no feasibility questions or impediments to timely program completion will receive the most points. Those with some minor feasibility questions or impediments to timely project completion, will receive an intermediate score. Those with major feasibility questions, or where significant impediments to timely project completion exist, or where not all required elements have been addressed, will receive the least points.
- (10) (15%) **Experience and performance** - Applicants that have substantial experience administering HOME or similar rehabilitation programs and have met all milestones will receive the most points. Consultant and staff experience is considered in rating this criterion. Applicants with some HOME Program experience or other similar experience, and those that have missed some HOME milestones, will receive an intermediate score. Those with no applicable experience, or that are in default on a HOME contract due to schedule or other issues, will receive the least points.

ii. **Homeownership and Rental Assistance Programs**

- (1) (15%) **Community Needs** - Measures the extent of the affordable housing needs in the community, the extent to which the proposed program is part of a strategy adopted to meet identified community needs, and the actions which have been taken to implement the strategy and the proposed program as part of that strategy. Assesses how housing assistance requested is to be used with other resources, including but not limited to public infrastructure; private, job creating, economic development; and/or human services. Scoring is based on comparison of an application with all other project and program applications received for the following three components:
 - (a) (5%) **Housing Need** - Measures the need for the housing in the proposed program based on the number and percentage of households without affordable housing in the community (i.e., service and primary market areas).
 - (b) (5%) **Strategy** - Evaluates the strategy for addressing community needs and the degree to which the proposed program and the strategy address the identified needs.

- (c) (5%) **Strategy Implementation** - Evaluates the measures taken to implement the strategy and the proposed program as evidenced by financial investments in support of the strategy, linkages forged with providers of jobs and services, and local government actions.

The evaluation of community needs will consider whether the municipality or county in which the proposed program is located has adopted its own consolidated plan or is covered solely by the New York State Consolidated Plan. The rating of each application will be guided by and tailored to the circumstances in the municipality or county in which the program is proposed. Applications for programs located in areas with locally-adopted municipal or county Consolidated Plans will be evaluated in relation to their own plan. All other applications will be evaluated on how local affordable housing needs and a locally based plan addressing these needs correspond with the State Consolidated Plan. In those communities in which there is a court decision or court ordered plan to address desegregation or remedy some other violation of law, Community Needs points will be awarded on the basis of the extent to which the proposed program is consistent with the court decision or plan. Applications may also cite Fair Housing Opportunity plans, area wide or regional housing choice plans or any formally adopted plan which includes the provision of housing opportunities for low-income or minority households in areas where they are currently under-represented as a basis for a community needs strategy. Community needs strategies that are consistent with the recommendations of the Quality Communities Interagency Task Force Report, including strategies prepared with funding from the Quality Communities Demonstration Program, are encouraged. Applicants employing a Quality Communities strategy to respond to this question must explain how the strategy is consistent with the Task Force Report.

- (2) (15%) **Average income level served** - Programs that target households with average incomes below statutory maximums are scored on the extent to which they fall below those maximums. The maximum points will be awarded to applicants that will only serve households with incomes at or below 50% of the HUD median income for the area. Programs that target households with incomes between 51% and 75% of area median income will receive an intermediate score. Those that only target households with incomes above 75% of area median income will receive the least points.
- (3) (5%) **Special populations targeted** - Programs that propose to target 15% of units to be assisted to households which include members of one of the eight special populations listed in Unified Funding Reference Materials 2004 will receive three points. Programs that propose targeting 15% of units for special populations and provide evidence of a service contract with or written referral agreement with a local service provider that serves the special population will receive five points.
- (4) (5%) **Percent of persons below federal poverty level in program service area** - Programs in areas with the highest percentage of persons below the federal poverty level compared to service areas of other applications, will receive the most points.

Programs in areas with the lowest percentage of persons below the federal poverty level will receive the least points.

- (5) **(10%) Number of persons below federal poverty level in program service area** - Programs in areas with the greatest number of persons below the federal poverty level compared to service areas in other applications, will receive the highest score. Programs in areas with the least number of persons below the federal poverty level compared to service areas in other applications, will receive the least points.
- (6) **(5%) Homeownership rate in program service area** - Programs in areas with the lowest percentage of owner-occupied units will receive the most points. Programs in areas with the highest percentage of owner-occupied units will receive the least points.

-OR-

Tenant Rent Burden- For tenant based rental assistance applications, programs in areas where more than 80% of renter households pay more than 30% of their income for rent will receive the most points. Programs in areas where between 41% and 80% of renter households pay more than 30% of their income for rent will receive an intermediate score. Programs in areas where less than 41% of all renter households pay more than 30% of income for rent will receive the lowest score.

- (7) **(5%) Affordability index** - For **home ownership programs**, a home buyer affordability index will be calculated, based on median incomes and median sales prices in different parts of the state. Programs in areas where home ownership is more expensive, relative to incomes, will receive the most points. Those where home ownership is least expensive, relative to incomes, will receive the fewest points.

-OR-

For **tenant-based rental assistance**, a renter affordability index will be calculated. Those in areas where very low-income tenants have less than 87% of the income needed to rent a unit at the federal Fair Market Rent level will receive the most points. Programs in areas where very-low-income tenants have 87-107% of the income needed to rent a unit at the federal Fair Market Rent level will receive an intermediate score. Programs in areas where very low-income tenants have more than 107 % of the income needed to rent a unit at the federal Fair Market Rent level will receive the fewest points.

- (8) **(10%) Subsidy cost index** - Projects with the lowest per-unit cost and that are regulated for at least 15 years will receive the most points, based on the Unified Funding Subsidy Cost Index. The Index is adjusted to account for regional cost variations. Those with higher per unit costs or shorter regulatory terms will receive fewer points. Programs costing \$30,000 per unit or more, or regulated for less than 5 years, will receive the fewest points. The Unified Funding Subsidy

Cost Index has been adjusted to reflect higher construction and land acquisition costs in many parts of the State.

-OR-

For **tenant-based rental assistance** programs, the subsidy cost will be calculated based on the average annual per-unit cost, with those costing the least receiving the most points and those with the highest per-unit cost receiving the fewest points.

- (9) (10%) **Leveraging** (permanent financing) -Measures the ratio of non-State funds to HOME funds required for permanent financing. Programs with 25% or less of total program costs requested from NYS funds (including but not limited to DHCR, HTFC, AHC, HHAP) will receive the most points. Applicants that provide 51% or more of the total program administrative cost, and propose using four percent or less of the requested amount of HOME funds for administrative expenses, will also receive maximum credit for leveraging, regardless of the amount of project funds leveraged.
- (10) (5%) **Administrative plan** -Administrative plans will be reviewed to assess the adequacy of the proposed staffing plan, outreach and selection procedures, construction management procedures, and procedures for compliance with other federal requirements. Applicants with no feasibility questions or impediments to timely program completion will receive the most points. Those with some minor feasibility questions or impediments to timely project completion, will receive an intermediate score. Those with major feasibility questions, or where significant impediments to timely project completion exist, or where not all required elements have been addressed, will receive the least points.
- (11) (15%) **Experience and performance** - Applicants that have substantial experience administering HOME or similar rehabilitation programs and have met all milestones will receive the most points. Applicants with some HOME Program experience or other similar experience, and those that have missed some HOME milestones, will receive an intermediate score. Those with no applicable experience or that are in default on a HOME contract due to schedule or other issues, will receive the fewest points.

f. **RESTORE Program**

Applications which pass completeness and eligibility reviews are scored on the following criteria. A maximum score is 100 points.

- i. (15%) **Community Needs** - Measures the extent of need in the proposed target area. Proposed programs in target areas with the most need (measured by number and percent of income eligible elderly homeowners in the area living in substandard housing conditions) will receive the most points.

- ii. (20%) **Very-Low Income Targeting** - Measures the extent to which a proposal targets very-low-income households. Programs that target lowest incomes (averaged for all assisted units) will receive the most points.
- iii. (15%) **Leveraging** - Measures the ratio of non-State funds to RESTORE funds requested for the proposed program. When the ratio is calculated, funds from DHCR and NYS Affordable Housing Corporation are considered State funds, while Weatherization and HOME programs are considered federal funds. Applications which identify sources of matching administrative or capital funds other than State funds equal to 50 percent or more of the RESTORE request will receive the most points.
- iv. (25%) **Program Design** - Measures the extent the proposed program describes a comprehensive program design that addresses all program requirements including documentation for delivery of emergency repair services.
- v. (15%) **Organization Experience/Program Readiness** - Measures the applicant's staff capacity and organization's experience with programs similar to the RESTORE program and the likelihood that the program can be quickly implemented and completed in the time frame projected in the application. Applications listing experience in home repair and rehabilitation services will receive the most points.
- vi. (5%) **Coordination of Housing and Aging Services** - Measures the extent to which the proposed program has demonstrated links to other senior citizen service providers in target area and the extent to which those links are documented in the application. Applications which attach referral agreements from service providers will receive the most points.
- vii. (5%) **Special populations targeted** - Programs that propose to target 15% of units to be assisted to households which include members of one of the eight special populations listed in Unified Funding Reference Materials 2004 will receive three points. Programs that propose targeting 15% of units for special populations and provide evidence of a service contract with or written referral agreement with a local service provider that serves the special population will receive five points.

5. Feasibility Reviews

Complete feasibility reviews are conducted when an application requests HWF, HTF, or HOME funds.

Applicants requesting LIHC will receive a review according to the parameters of the QAP. Applicants requesting SLIHC will receive a review according to the parameters of the QAP and the SLIHC Regulations.

Feasibility reviews will be conducted on complete and eligible applications in order of the application's rating and ranking (or for HWF applications, subsequent to technical evaluation) until a sufficient pool can be created to meet the funding allocations targeted for this round.

Projects which do not demonstrate feasibility to the satisfaction of HTFC will not be reviewed further.

In order to be considered for feasibility, an application must identify an eligible site for the proposed project and provide evidence of site control in compliance with Section 5 of the Capital Programs Manual.

An application must also demonstrate the proposed project site meets the following site criteria:

For urban sites, the following minimum requirements must be met:

- a. The site must be free from hazardous materials and incompatible adjacent uses. There must be no environmental conditions that significantly impair the intended residential purpose.
- b. The site must have power, telephone, water, and sewer connections adjacent to the site.
- c. The site must have local/public transportation or be within walking distance to community services and retail establishments including a grocery store.
- d. The site must have adequate space to accommodate local off-street parking requirements.
- e. The site must be relatively level and **of no greater size than that which is necessary** to accommodate the proposed project.

Non-urban sites must meet the following minimum requirements:

In addition to a, d and e above,

- f. Where public utilities are not included, the site must have the capacity to provide a cost effective on-site water and/or septic system.
- g. For family projects, the site must be located within five miles of a municipality that provides community services and retail establishments including a grocery store.
- h. Family projects must have adequate space to accommodate an on-site play area for children.
- i. The site must be directly accessible from a public road.
- j. Elderly projects must be located within a rural community and have local public transportation or be within walking distance (e.g., one-half mile) of essential services including a grocery store.

A site visit will be conducted to assess:

- a. the condition of the neighborhood, project site, and existing structures (if applicable);
- b. the accuracy of the design documents in reflecting existing site conditions;
- c. the suitability of the site with regard to the proposed occupants, accessibility to shopping, community facilities, transportation, etc.; and,

- d. site eligibility.

Applicants may be contacted to schedule the site assessment. The site assessment forms part of the basis for project recommendation.

HTFC strongly recommends that applicants for project funding schedule a site visit by DHCR architectural staff prior to submitting an application. Applicants may schedule a site visit by calling the Design Services Unit at (518) 486-1112.

In addition to the above, design and underwriting reviews will be conducted for all complete and eligible HOME, HWF and HTF applications. Portions of applications which propose to reserve units for persons with special needs will also be reviewed by DHCR's Special Needs Coordinator for compatibility with special needs requirements.

- a. **Design Review**

- i. For HWF applications, HTFC will expect compliance with the DHCR Design Handbook, latest edition. Any deviations from these standards must be requested in writing and included as Attachment G4, "Request for Waiver from HTFC Standards" in the Unified Funding application. Waiver requests will be reviewed, and determinations made, based upon the project sponsor's ability to demonstrate cost effectiveness, functional appropriateness, and durability and operating appropriateness of the alternate solution. Additional information in regard to design review standards is included in the HWF UF2004 Frequently Asked Questions supplement.
- ii. HTF and HOME Site-Specific applications will be reviewed to ensure compliance with the minimum requirements outlined in the Design Handbook. A qualitative review of the proposed project will be conducted, including an assessment of the reasonableness of proposed costs and a determination of whether its design is practical and functional.
- iii. For all HWF, HTF and HOME site-specific applications, each project will be reviewed to ensure compliance with applicable state and federal accessibility and adaptability requirements.

The following application architectural documents will be reviewed:

- project drawings;
- outline specifications;
- zoning compliance and minimum site area requirements; and
- construction costs.

- b. **Underwriting Review**

- i. **HWF applications** will be evaluated for operating viability during the HWF loan term and for financial feasibility. This evaluation will also assess if the project meets HTFC reserve standards and other regulatory requirements. Any deviation from these standards must be requested in writing and included in Attachment G4

of the Unified Funding application. Such requests will be reviewed to assess if the proposed waived items present a significant risk to the State's investment regarding the project's viability and feasibility through the regulatory term. Additional information in regard to HWF underwriting parameters is included in the HWF UF2004 Frequently Asked Questions supplement.

- ii. **HTF and HOME Site-Specific applications** will be reviewed for operating viability over the program's regulatory term and for financial feasibility.

The Project's feasibility is based on: demand for the type of housing at the proposed rent levels; whether the project income is sufficient to pay the estimated project expenses, including reserve fund contributions and debt service contained in the financing plan; and the reasonableness of operating and development budgets.

To determine project feasibility, the following will be reviewed:

- (1) that the applicant has established comparable rents for the neighborhood where the project is located;
- (2) that the applicant has established that market support exists at the rent structure proposed;
- (3) that the applicant demonstrates that estimated project rents are achievable given the project's operating expenses, reserve requirements, and debt service;
- (4) that the applicant has documented that the operating and development costs and expenses proposed are based upon quotes and/or comparisons with similar type projects;
- (5) that if there is a non-residential component of the project, the feasibility of the entire project can be determined based upon the information submitted;
- (6) for HOME applicants, that the applicant proposes HOME financing for project costs which are eligible under the source(s) cited in the application. (24 CFR, Part 92, Subpart E);
- (7) for HOME applicants, that the proposed rents meet the requirements of the HOME Program. (24 CFR, Part 92, subpart F); and
- (8) for HOME applicants, that the proposed costs do not exceed the HOME Program limits. (24 CFR, Part 92, Subpart F).

c. Special Populations Review

Applications which are proposing to serve an elderly and/or special population will be reviewed by the staff to ensure that the applicant addresses the aging-in place of elderly tenants, or the specific needs of the special populations.

6. Funding Recommendations

Funding recommendations are made for feasible projects and programs from available funds on the basis of ranking resulting from rating, statutory distribution requirements and a geographical distribution of funds. HWF, HTF, HOME and RESTORE awards must be approved by the HTFC Board of Directors. Applicants are informed of the disposition of their applications in an Application Review (AR) Letter. LIHC and SLIHC will be reviewed by DHCR senior staff in order to issue a reservation of tax credits.

All complete, eligible and feasible HOME project and program applications will be reviewed to achieve an equitable geographical distribution. The following steps will also be employed:

- a. first, all CHDO applications will be placed in rank order and selections made until the 15% CHDO set-aside is met;
- b. next, all non-participating jurisdiction applications will be placed in rank order and selections made until the minimum 80% requirement is met; and
- c. finally, all of the remaining applications will be placed in rank order and selections made until the dollar limit is reached.

All complete, eligible, and feasible HTF applications will be reviewed to achieve an equitable geographical distribution. The following steps will also be employed:

- a. no more than 50% of the total amount originally appropriated shall be awarded to projects located within any single municipality;
- b. no more than 33-1/3% of funds awarded to projects within a city with a population of one million or more shall be allocated to private developers; and
- c. no more than 33-1/3% of funds awarded to projects located in areas outside cities with a population of one million or more shall be allocated to private developers.

Recommendations for HDF awards will be made to the DHCR Commissioner based on the competitiveness of the HOME funding request which accompanied the HDF request.

Recommendations for RESTORE awards are made from available funds based on the ranking resulting from rating scores of complete and eligible applications and a policy to achieve an equitable distribution of funds.

Those applicants recommended to receive awards will receive an AR Letter indicating they have been selected for funding.

7. HTFC Board Approval

All HWF, HTF, HOME and RESTORE awards must be approved by the HTFC Board of Directors prior to entering into a funding commitment (for HWF, HOME and HTF site-specific projects) or an LPA contract (for HOME programs) or a RESTORE Program Agreement.

8. LIHC/SLIHC Reservations

The Commissioner of DHCR will issue a reservation of tax credits for LIHC and SLIHC within approximately **75 business days** of the close of the funding round.

9. Application Review Letter (AR)

Applicants for HWF, HTF, HOME and HDF will be sent an Application Review (AR) Letter approximately **80 business days** after the last application submission deadline.

The AR Letter will inform the applicant of the status of their application:

- a. Selected for Funding: applications which are complete, eligible, competitive and feasible, for which funds are set aside, and which are recommended to and approved by the HTFC Board for funding. Applicants who receive an award of NYS HOME Program funds and requested HDF funds as construction financing to be repaid by the HOME award, will also receive an HDF award from the Commissioner of DHCR.
- b. Placed on a Wait List: applications which are complete, eligible, competitive and feasible, but for which there are insufficient funds. An application will remain on a wait list until the next RFP is issued for the program under which applicant requested funds or until the wait list is discontinued.
- c. Not Selected for Funding: applications which are non-competitive, incomplete, ineligible, or funded under another proposed program funding scenerio.

Every applicant not selected for funding will have the opportunity to review DHCR's evaluation of their application. Applicants should schedule an appointment with the appropriate Regional Office to review their entire application, including any and all aspects of its evaluation. Technical assistance will also be available.

10. Funding Commitment for HTF, HWF and HOME site-specific projects:

Approximately 45-60 business days after the issuance of an AR Letter, Funding Commitments will be sent to successful HTF and HOME site-specific project applicants. The Funding Commitment for HWF projects will be issued after the terms of the tax exempt bond financing to be provided to the project have been finalized. The Funding Commitment will include cost and time specifications and all conditions which must be met prior to Contract Closing (including Predevelopment and Bid Document Submission, if applicable). The letter will define the following specifics on project scope:

- a. the number and configuration of units in the project and any necessary information about the ownership entity;

- b. project rents, housing expenses, and household income ranges;
- c. populations to be served;
- d. operating cost and project financing assumptions;
- e. time frames for project development;
- f. cost overrun guarantee from applicants expecting to receive Low-Income Housing Credits;
- g. marketing and management plans;
- h. Minority/Women-Owned Business Enterprise goals for the project;
- i. special needs requirements, if applicable;
- j. closing requirements;
- k. HOME project Federal requirements or HOME Match Addendum, if applicable; and,
- l. CHDO requirements, if applicable.

The terms of the Funding Commitment will provide for the delivery of the proposed housing product. Where an applicant is unwilling or unable to comply with terms of the Funding Commitment, funds for the project will be terminated, unless it is in the State's best interest to continue.

Upon HTFC's receipt of the executed Funding Commitment, a project development meeting may be scheduled for members of the applicant's project development team and HTFC staff to discuss the project.

HOME LPA Contract or RESTORE Program Agreement

Local program administrators selected for funding may be asked to revise parts of their proposal prior to issuance of a program agreement. After any required revisions are submitted and approved, an agreement will be issued. However, for HOME programs only, HTFC will not execute the contract or process disbursement requests until all required environmental reviews are completed.

11. Project Development Meeting - for HTF and HOME site-specific projects

The Project Development Meeting provides a forum for the applicant's development team and HTFC to discuss the project's development timetable; the roles and responsibilities of the development team members and HTFC; and the deliverables required under the terms of the executed Funding Commitment. The project development meeting begins the process to bring the project to a contract closing. The HTFC project manager organizes the project development meeting and serves as the applicant's primary point of contact for the project. Representatives from the Underwriting, Design, and Environmental Analysis units, the Office of Fair Housing and Equal Opportunity, the Special Populations Unit, the Federal Labor Standards Office, if required, and the DHCR Asset Management

Unit may also be in attendance to discuss technical issues, MBE/WBE requirements, Equal Opportunity policies, and marketing and project management.

Applicants may be requested to bring all members of their development team to the project development meeting. The applicant should be prepared to explain the roles and responsibilities of each member of its development team for all facets of the project. The applicant must designate one person to be the primary contact and coordinator for the project.

12. Implementation Meeting - for HOME or RESTORE programs

Local program administrators that are selected for funding may be asked to attend a program implementation meeting. The program implementation meeting may be held either on an individual basis, or may be in a group setting with other successful applicants. Any concerns about the application will be discussed at the meeting, and applicants will be given instructions on further processing requirements. Awardees that do not attend a program implementation meeting will receive processing instructions by mail.

13. Processing Time Frames

HTFC expects to process a request for a construction loan closing or permanent takeout within 30 business days of receipt, if all conditions in the commitment letter have been met. For HOME and RESTORE programs, HTFC expects to enter into an LPA contract or RESTORE program agreement within 45 business days of the applicant's compliance with all submission requirements.

C. Regional Office Service Areas

Any questions regarding this RFP or the application process should be directed to the Regional Office which serves the county(s) in which the proposed project is located. Regional Directors and the counties served by their offices are:

Capital District Regional Office Debra Devine, Regional Director
Hampton Plaza, 9th Floor, 38-40 State Street, Albany, New York, 12207 (518) 486-5012
Counties Served: Albany, Clinton, Columbia, Delaware, Dutchess, Essex, Fulton, Greene, Hamilton, Montgomery, Orange, Otsego, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Sullivan, Ulster, Warren and Washington.

Buffalo Regional Office Thomas Van Nortwick, Regional Director
Statler Towers, 107 Delaware Avenue, Suite 600, Buffalo, New York 14202, (716) 842-2244, ext. 221
Counties Served: Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming and Yates.

Syracuse Regional Office Vernita King, Regional Director
800 South Wilbur Avenue, Syracuse, New York 13204, (315) 473-6930
Mailing Address: P.O. Box 1127, Syracuse, New York 13201
Counties Served: Broome, Cayuga, Chenango, Cortland, Franklin, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, St. Lawrence, Tioga and Tompkins.

New York City Regional Office

Deborah Boatright, Regional Director

25 Beaver Street, 7th Floor, New York, NY 10004, (212) 480-7644

Counties Served: Bronx, Kings, New York, Queens, Richmond, Nassau, Suffolk, Rockland and Westchester.