

HCR Multifamily Finance 9% RFP – Winter 2022

Questions and Answers #1

Application:

Q1: If an Application Exhibit does not require a PDF attachment, does the Exhibit need to be submitted as a PDF?

A: Exhibits which do not require a PDF attachment may be submitted in Excel format only.

Q2: We are considering submission of a funding application proposing the bifurcation of the SLIHC allocation from the federal tax credit (i.e., LIHTC) owner/taxpayer and the transfer of the SLIHC allocation to a third party investor. What additional documents does HCR require in the application to support this request?

A: HCR does not require any additional document submissions in regard to an application proposing SLIHC Bifurcation and Transfer. However, for such projects, the required Letter of Interest (LOI) from the tax credit equity investor included in the application must clearly indicate that the transaction proposed is consistent with the parameters set forth in Article 2-A of Public Housing Law (i.e., SLIHC statute). The LOI should also identify the anticipated parties participating in the transfer transaction, the role of the federal LIHTC investor in this process and the initial projected recipient of the SLIHC allocation subsequent to bifurcation and transfer.

Underwriting:

Q1: In underwriting projects that receive both FHTF and Section 8 PBVs for the same unit, can the unit be underwritten to the Section 8 payment standard for the location of the project?

A: Yes.

Q2: Are the 2021 income limits applicable for this RFP or will the lower of 2021/2022 be applied as in years past?

A: Applicants should be using the current AMI's in setting rents.

Q3: Does the Competitive Project Map need to depict both family and senior projects or only those in competition with the intended subject population?

A: The Competitive Project Map needs to depict both family and senior projects regardless of the intended subject population.

Q4: A market study was completed in August 2021 for a project submitted in the Summer 2021 9% LIHTC Round. Is a new market study required for the Winter 2022 9% LIHTC Round?

A: Yes, a new market study is required. As per RFP Section B “What’s New”: *Applicants are required to submit a current Market Study per the requirements of Section 5.07 of the Capital Programs Manual. The Market Study must have been prepared no earlier than December 1, 2021. Market studies must also include a primary market area (PMA) map, which shows only the existing regulated affordable housing properties in the project’s PMA. Market studies prepared earlier than December 1, 2021 will not be accepted.*

Q5: What is the minimum rent burden for HTF units?

A: HTF tenants must pay a minimum of 30% of household income toward rent.

Term Sheets:

Q1: Is HOME funding in the Winter 2022 RFP available for projects that are not Supportive Housing Projects with at least 30% supportive units (25% for projects with OPWDD units)?

A: No. HOME funds in the Winter 2022 RFP are only available for projects that meet the Supportive Housing Project criteria.

Q2: Where can the maximum per unit FHTF subsidy limits be found?

A: Per the FHTF term sheet, see Reference Materials for FHTF Program Subsidy Limits.

Environmental:

Q1: The Phase I and II ESA’s have been completed for this project but are time barred. Is an update letter from the environmental consultant acceptable, or will HCR require full new reports?

A: If the Phase II ESA recommends further remedial action and that remedial action will be undertaken, updated reports are not required (the application should indicate the remedial actions that will be taken and the budget should reflect those costs). If the Phase II ESA recommends no further remedial action, a new Phase I ESA is required. It can incorporate the Phase II ESA findings to address potential Recognized Environmental Conditions that have already been resolved.

Q2: Is HCR requiring the updated ASTM E1527-21 Standard for Phase I Environmental Site Assessments?

A: HCR will not update its Design Guidelines to require the 2021 standard until EPA accepts the new guidelines as part of its AAI process. <https://www.epa.gov/brownfields/brownfields-all-appropriate-inquiries>. Until then, HCR will accept any of the following:

1. Use and cite the ASTM E1527-13 Standard until the EPA approves the new ASTM E1527-21 Standard for compliance with the AAI regulations;
2. Use and cite the new ASTM E1527-21 Standard now; or
3. Cite the ASTM E1527-13 Standard, and indicate that the Phase I ESA also incorporates procedures as prescribed in the new ASTM E1527-21 Standard.

Q3: Should the E-6 Suite Suitability Memorandum be dated/updated within a specified period of time from the application deadline?

A: The Site Suitability Memorandum does not need to be dated/updated within a specified period of time from the application deadline. If a Site Suitability Memorandum has been previously accepted, a new Memorandum need not be prepared unless substantial changes have occurred in the site area (e.g. rezoning, new construction of industrial facilities, etc.). The application should indicate the attached Memorandum has been previously reviewed and accepted.

Design:

Q1: Our project is located in an upstate county. Complying with the broadband requirement would result in an operating budget at application that trends negative. Should we apply for a waiver? Should we comply and submit a budget that may be deemed infeasible?

A: HCR has elected to temporarily modify the Design Guidelines requirement to provide broadband without additional cost to tenants for certain projects. Specifically, applications to this RFP for projects located outside of New York City, Westchester, Suffolk and Nassau Counties should comply with the broadband requirements for dwelling units *where feasible*. If the applicant considers meeting the requirement to be infeasible, no waiver request is necessary. Operating budgets submitted may omit such broadband expenses. HCR will evaluate the feasibility of broadband expenses and reserves the right to explore a solution collaboratively following an award. However, applicants are still expected to comply with the requirement to provide high speed broadband services in common areas and/or community rooms, where provided, at no additional cost to tenants. Applicants are also still expected to provide the *infrastructure* for access to high speed broadband services in dwelling units per the Design Guidelines. Applications for projects within New York City, Westchester, Suffolk and Nassau Counties are expected to comply with the broadband requirement, unless a waiver has been submitted and approved.