



# Homes and Community Renewal

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## **Plan For The Allocation And Distribution Of \$7,013,963 Of Federal Funds From The Housing Trust Fund For A Program To Finance The New Construction Of Housing Units For Households Of Extremely Low Income With Incomes Up To 30 Percent Of Area Median Income**

The New York State Housing Finance Agency (“HFA”) will administer \$7,013,963 of Federal Housing Trust Fund (“HTF”) monies to support the creation of new residential multifamily rental projects that will include units to be occupied by households with incomes up to 30% of the area median income (“AMI”).

The HTF program, administered by the U.S. Department of Housing and Urban Development (“HUD”), was created by section 1131 of the Housing and Economic Recovery Act of 2008. HTF provides formula grants to States to increase and preserve the supply of affordable housing for extremely low income households, including homeless families. Current HTF funding comes from the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae”).

Available funds will be awarded through a competitive process by selecting applications submitted by eligible recipients. Funding will be offered through an "Open Window" Request for Proposals (“RFP”). At least 90% of the expected HTF funding, or \$6,312,567, will be made available through the RFP for eligible activities that will benefit extremely low income households. Up to 10% of the expected HTF funding, or \$701,396, may be used by HFA for eligible administrative and planning costs.

All applications will be required to contain a description of the eligible activities to be conducted with HTF funds, and each eligible recipient will be required to certify that housing assisted with HTF funds will comply with HTF requirements. Proposals will be scored based on the priority and scoring criteria established for the program, as outlined below. All HTF grants or loans will be underwritten and scored by HFA staff, reviewed by the HFA Credit Committee and approved by the HFA Members or the Board of Directors of the Housing Trust Fund Corporation prior to any award.

HTF funds may be used statewide for the new construction of multifamily rental housing affordable to extremely low income households. HFA will restrict the use of HTF funds as a source of subsidy for the new construction of eligible multifamily rental projects that are financed by HFA tax-exempt bonds. Eligible HTF costs may include development acquisition, hard, and related soft costs, and operating cost assistance and operating cost assistance reserves.

It is expected that each project will also contain units that serve a range of household incomes above 30% of AMI that are served by existing housing finance programs. HCR will establish maximum

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limitations on the total amount of HTF funds that can be invested per HTF-assisted unit. The limits will be adjusted for the number of bedrooms in and the geographic location of the project.

Eligible recipients for HTF will include not-for-profit corporations or charitable organizations, a wholly owned subsidiary of such corporations or organizations, or private for-profit developers seeking to develop projects that contain a component of units with residential units affordable to households with incomes at 30% or less of AMI, as adjusted for family size. Projects are also expected to meet, at a minimum, the normal tax exempt bond and Low Income Housing Tax Credit low income set aside requirements, e.g. 20% of the units affordable to households with incomes at 50% or less of AMI or 40% of the units (25% in the City of New York) affordable to households with incomes at 60% or less of AMI. All projects will be subject to a minimum regulatory period of 30 years and must be maintained in safe and sanitary conditions for the full 30 years.

In order to minimize displacement of persons, a priority will be placed on projects that do not require displacement. In the event that a project funded by HTF results in the displacement of persons, HTF may be used for the cost of relocation payments and other relocation assistance to persons displaced.

In administering the HTF program, HFA will not distribute HTF funds through grants to subgrantees, will not use HTF funds for rehabilitation of housing, will not use HTF funds to assist first-time homebuyers, will not use HTF funds for homeownership housing, will not limit beneficiaries and/or give preferences to any segments of the extremely low income population, and will not permit the refinancing of existing debt. HFA intends to administer the HTF in a manner that affirmatively furthers fair housing choice.

Rental properties located within New York City or in municipalities subject to the Emergency Tenant Protection Act ("ETPA") shall be required to register such units with the New York State Division of Housing and Community Renewal's Office of Rent Administration and to comply with, respectively, the rent stabilization laws or ETPA.

An HTF Allocation Plan must be submitted to HUD by August 16, 2016. HUD may take up to 45 days to review the Allocation Plan. Assuming that the Allocation Plan is approved by HUD within the 45 day period, an RFP for HTF funding is expected to be able to be issued as early as the fourth quarter of 2016.

HFA expects to evaluate HTF applications based on the following standing State priorities:

- Community Renewal and Revitalization Projects: Mixed use and/or mixed-income projects in neighborhoods as part of a coordinated community redevelopment plan that involve infill new construction and/or the demolition and replacement of buildings having a blighting impact on a community, and for which rehabilitation is impracticable.
- Integrated Supportive Housing Projects: Projects that provide permanent supportive housing to a variety of special needs populations in integrated housing settings.
- Housing Opportunity Projects: Projects that propose workforce housing in areas experiencing economic growth that are served by high performing school districts.
- Workforce Opportunity Projects: Projects that propose workforce housing projects in close proximity to Metropolitan Transit Authority (MTA) rail stations outside the City of New York, or

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within a quarter-mile walk of an MTA subway station within the City of New York; or, which are in communities that have completed and are implementing Transit Oriented Development plans that clearly link the proposed project to expanded transportation choices for tenants; or, which are in close proximity to multi-modal transportation centers that will contribute to the development of vibrant, mixed-use, high-density neighborhoods.

- Disaster Relief Projects: Projects in communities directly impacted by Federal Emergency Office declared disasters, including, but not limited to, Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, and the Summer 2013 Severe Storms and Flooding.
- Economic Development Projects: Projects specifically endorsed in the Regional Economic Council Strategic Plans that will support the construction of new affordable housing and for which significant financial assistance has been made available as part of such plans.

Scoring for the HTF program will include at least the following criteria:

- Geographic Diversity
- Applicant Capacity (The applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner.)
- Project-Based Rental Assistance (The extent to which the project has Federal, State, or local project-based rental assistance so rents are affordable to extremely low-income families.)
- Duration of Affordability Period
- Priority Housing Needs of the State (Merits of the application in meeting the State's priority housing needs.)
- Leveraging (Extent to which the application makes use of non-Federal funding sources.)