

Privately Financed Affordable Senior Housing Program Term Sheet

<p>Program Description</p>	<p>HPD’s Privately Financed Affordable Senior Housing (PFASH) program facilitates the inclusion of Affordable Independent Residences for Seniors dwelling units (PFASH Units) in projects selected by HPD. A project that is an Affordable Independent Residence for Seniors (an AIRS), or that contains an AIRS, benefits from increased zoning allowances under the NYC Zoning Resolution in order to encourage the construction and renovation of projects that include affordable housing for seniors who are 62 years of age or older.</p>
<p>Regulatory Term</p>	<p>A regulatory agreement that designates the PFASH Units and the applicable requirements consistent with this term sheet shall be executed by HPD and the owner of the project. The regulatory agreement will have a term equal to 30 years, but shall further provide that as long as the increased floor area that was legally constructed only by virtue of the inclusion of an AIRS in the project (PFASH Floor Area) is occupied or otherwise in use, such PFASH Floor Area shall be used only as PFASH Units. The regulatory agreement will be recorded against the property.</p>
<p>Eligible Projects</p>	<ul style="list-style-type: none"> • Projects may be new construction or substantial rehabilitation. • Projects may consist of one or more buildings on the same or contiguous zoning lots (or would be contiguous but for their separation by a street). • Projects are subject to review and approval by HPD. • All PFASH Units in the project, with the exception of a dwelling unit allocated to a superintendent for the project, must be leased at the initial leasing and at each subsequent re-leasing to Eligible Tenants. • At all times at least 90% of all PFASH Units in the project must be occupied by at least one person who is 62 years of age or older. • When PFASH Units are subject to one or more other federal, state, or local programs, the most restrictive requirements must apply to the project.
<p>Eligible Tenants</p>	<p>Eligible Tenants are households with an income at or below 80% of AMI and that include at least one person whom is 62 years of age or older.</p>
<p>Rents</p>	<ul style="list-style-type: none"> • Legal Regulated Rents for PFASH Units shall be affordable to households with incomes at or below 80% of AMI. For more information on the incomes of NYC’s senior population, please see the US Census Bureau American Community Survey. • All PFASH Unit rents must be registered with the NYS Division of Housing and Community Renewal and be subject to rent stabilization. • Projects must have a 3% marketing band.
<p>Marketing</p>	<p>Unless otherwise prohibited by law, projects must be marketed according to HPD marketing guidelines at initial rental and upon re-rental, for the life of the project.</p>
<p>Community Board Notification</p>	<p>After selection by HPD, project applications must be submitted to the Community Board in which the project is located at least 45 days prior to execution of a regulatory</p>

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	<p>agreement. Proof of mailing or signature of receipt from the community board must be submitted to HPD.</p>
Design and Construction Requirements	<ul style="list-style-type: none">• Projects must include a minimum of 10 PFASH Units.• To accommodate households' ability to age in place, each PFASH Unit and all common spaces must meet UFAS accessibility requirements for both mobility-impairment and hearing- or vision-impairment. For more information, please review UFAS standards.• Accessory social and welfare facilities that are accessible to all building tenants must be provided on-site.<ul style="list-style-type: none">○ This size of this space must be at least equivalent to 4% of the floor area designated as AIRS.○ This space must be clearly identified on project plans.○ Projects are encouraged to creatively implement this requirement for the benefit of tenants, but should consider including flexible-use common rooms, communal kitchens, or business center/computer labs as options. Projects with social service contracts may count office space for in-house staff toward this requirement.
Administering Agent	<ul style="list-style-type: none">• Projects shall enter into an agreement with an HPD-approved Administering Agent to ensure PFASH Units are rented and re-rented in accordance with the regulatory agreement and HPD's marketing guidelines. Each year, by March 31, Administering Agents shall submit affidavits to HPD attesting that each lease of the previous year complied with applicable requirements. Records supporting these affidavits must be maintained and available for inspection.• Additionally, HPD-approved Administering Agents will:<ul style="list-style-type: none">○ Annually certify the existence and appropriate usage of requisite social and welfare accessory space.○ Offer education and assistance to all qualifying households in registering rents with the NYC Senior Citizen Rent Increase Exemption (SCRIE) program. For more information, please review the SCRIE website.
Fees and Reserves	<ul style="list-style-type: none">• A portion of the PFASH Application Fee in the amount of \$100 must be paid at the time of the submission of a project application. The remaining balance of the PFASH Application Fee, in an amount equal to \$1,100 multiplied by the number of PFASH Units, must be paid prior to the execution of a regulatory agreement. Fees are non-refundable.• The following operating reserve amounts should be capitalized:<ul style="list-style-type: none">○ For 100% AIRS buildings, an operating reserve of six months of maintenance and operation costs (including debt service).○ For buildings not 100% AIRS, an operating reserve of \$3.00 per square foot of the sum of AIRS floor area and accessory social and welfare space.• A capital reserve must be funded annually in the minimum amount of \$300 per unit, with an annual escalation factor of 2%.

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Project Underwriting

- Projects must submit underwriting in Excel format with all cells fully linked and calculations shown. The following items must be included:
 - Development budget - AIRS reserves must be capitalized in the development budget.
 - Sources and uses of financing.
 - Number and bedroom size of all units.
 - Rents and income level of tenants - indicate the AMI level of affordable rents and whether tenants are responsible for gas and/or electric payments.
 - Annual Maintenance and Operations expenses. At a minimum, the following should be included as separate line items:
 - Administrative: legal, accounting, management fee, fire and liability insurance.
 - Utilities: heating, electricity, water, and sewer.
 - Maintenance: supplies, cleaning, exterminating, repairs or replacement, super and maintenance salaries, elevator maintenance and repairs, building reserve.
 - Cash flow analysis extending after the termination of real estate tax exemption, if applicable. Debt Service Coverage Ratio should be greater than 1.20.

State Division of Human Rights Waiver

Prior to construction loan closing, the development team must coordinate with HPD to receive a waiver from the State Division of Human Rights to construct senior housing.

Real Estate Tax Benefits

If the project intends to apply for a real estate tax exemption, developer must provide an opinion of counsel prior to construction loan closing stating that the project qualifies for the tax exemption.

Additional Requirements

Projects must be in full compliance with the requirements of all applicable laws, including, but not limited to, the *New York City Zoning Resolution*, the *New York City Building Code*, the *New York City Housing Maintenance Code*, the *New York State Multiple Dwelling Law*, the *Federal Fair Housing Act*, the *Americans with Disabilities Act*, and *Section 504 of the Rehabilitation Act of 1973*.

Contact Information

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