

**Housing Preservation Opportunities Program (HPO)
 Term Sheet**

Program Description	<p>HPD's Housing Preservation Opportunities Program provides tax exemptions to preserve privately owned multifamily housing at a range of affordability levels throughout New York City. The Program's mission is to ensure the long-term affordability, operational viability and quality of housing.</p> <p>The Program provides full or partial Article XI tax exemptions for a term of up to 40 years, for multifamily housing where physical needs can be addressed without an HPD loan. Non-HPD governmental sources of funding may be used in conjunction with the tax exemption.</p>
Eligible Projects	<p>Multifamily rental properties that are in good physical condition, or where physical improvements can be undertaken without the use of City Capital funds. Projects seeking funding should refer to HPD's loan programs.</p> <p>Eligible properties may currently be rent stabilized, rent or income restricted, or unregulated.</p> <p>HPD will prioritize projects with one or more of the following characteristics:</p> <ul style="list-style-type: none"> • A significant portion of units, beyond the minimum affordability required herein, restricted for households at very low and extremely low incomes (at or below 50% and 30% of Area Median Income (AMI), respectively). • A significant portion of vacant units, which can be leased up immediately and set aside for formerly homeless households. • Outstanding immediate rehabilitation or repair needs that require a tax exemption to facilitate financing of these improvements, and which will improve housing conditions for existing residents. • Operational issues, as evidenced by an inability to meet standard debt service coverage ratios or income to expense ratios. • Promotes geographic diversity. <p>Projects that do not meet any the above characteristics may still be submitted for review and HPD will consider applications based on resource availability. HPD may also prioritize projects with other meaningful housing policy benefits.</p> <p><u>Ineligible Projects:</u></p> <ul style="list-style-type: none"> • Properties that have previously received State or City Low Income Housing Tax Credits (LIHTCs) are not eligible and should contact the HPD Year 15 Program (hpdyear15@hpd.nyc.gov). • Projects that receive HUD-assistance are not eligible and should contact the HPD HUD Multifamily Program (hpdhudmf@hpd.nyc.gov). HUD-assisted properties include those where a majority of the units are covered by a form of project-based rental assistance including various types of Housing Assistance Payment (HAP) contracts, Moderate Rehabilitation (Mod Rehab), Moderate Rehabilitation Single Room Occupancy (Mod SRO) or Rental Assistance Demonstration Component II (RAD) contracts and/or properties that received federal subsidies through programs including the HUD 202, 236, or 811 programs. • Projects that are seeking HPD financing that are not able to leverage debt should contact the HPD's Multifamily Housing Rehabilitation Loan Program (HRP)

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

	<p>https://www.nyc.gov/site/hpd/services-and-information/multifamily-housing-rehabilitation-loan-program-hrp.page)</p> <ul style="list-style-type: none"> • Projects that are seeking HPD financing that can leverage private debt should contact the Participation Loan Programs (hpdplp@hpd.nyc.gov). • Projects that are only seeking financing for lead abatement should contact the Lead Hazard Reduction and Healthy Homes Program (hpdlead@hpd.nyc.gov). • Condominiums, loans to individual shareholders, and projects outside of the five boroughs of New York City are not eligible for HPD Preservation Programs.
Eligible Owners	<p>Housing Development Fund Companies or Corporations (“HDFC”) formed pursuant to Article XI of the Private Housing Finance Law. The HDFC must be a single-purpose HDFC formed with consent from HPD. If the HDFC is already formed, the certificate of incorporation may need to be amended to comply with HPD’s current requirements.</p> <p>Beneficial ownership may be retained by limited partnerships, corporations, joint ventures, limited liability corporations or 501(c)(3) corporations through a nominee agreement, as applicable, as approved by HPD (together with the HDFC, referred to as “the Owner”).</p> <p>The development team must have sufficient financial stability and a demonstrated track record of successfully developing, owning, and operating comparable projects, or must form a joint venture with an entity that has such expertise.</p> <p>HPD may, among other interventions, require the development team to hire a consultant, form a partnership or joint venture, or change of property management as a condition of HPD assistance if there is a history of noncompliance or poor performance at the project and throughout any existing HPD-regulated portfolio.</p>
Article XI Exemption	<p>The Article XI provides a partial exemption of the residential assessed value of the project; commercial taxes may not be exempt. All HPO Article XI Exemptions must be authorized by the New York City Council through the passage of a resolution.</p> <p>Article XI Term is maximum 40 years.</p> <p>The Article XI exemption sizing is structured as a Gross Rent Tax (GRT), with the GRT calculated as a percentage of the gross potential residential and commercial income. Project GRTs will be sized using one of the following two methods, as determined by HPD:</p> <p>Method 1: For projects where a significant <i>majority</i> of the units are rent stabilized and where there is no or a limited difference between preferential and legal rents.</p> <ul style="list-style-type: none"> • Projects with average in-place collected rents and weighted restricted rents below 60% of AMI will receive an exemption with a GRT set at 5%, which may be adjusted per the below at HPD’s discretion. • HPD may also consider projects with average in-place collected rents and weighted restricted above 60% AMI that meet the above priorities. Projects with average in-place collected rents and weighted restricted rents above 60% AMI may receive an exemption with a GRT set at 15%, which may be adjusted downward per the below at HPD’s discretion. The GRT could also be adjusted beyond 15% GRT if the net present value per unit of the exemption exceeds \$50,000/unit, please find NPV calculation assumptions under Method 2, as applicable. <p>The GRT may be adjusted downward for one of the following reasons:</p>

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

- Ensuring a minimum income to expense ratio of 1.05, and debt service coverage ratio of 1.25 on senior secured mortgages only, or
 - Coverages must account for existing debt or new debt that is refinanced simultaneously with an Article XI closing.
- To refinance existing secured debt or to finance through a secured private loan immediate and short term (within 3 years) physical needs as identified in an IPNA and Aging in Place improvements requested per the approved resident survey, with the costs substantiated by a contractor or other third party-professional subject to HPD's approval, or
- Committing to additional policy goals as directed by HPD, such as funding transition reserves for substantial immediate homeless placements.

Method 2: For projects where there are *no current* rent restrictions or there is *potential for rent increases* or loss of rent stabilization (e.g. expiration of existing tax benefits or other regulatory term). This includes the following types of projects:

- Projects with existing 421(a) or J51 tax benefits where rent stabilization protections for tenants will expire after the tax benefit expires.
- Projects with a portion of the units not rent stabilized.
- Projects with a gap between existing preferential rents and legal rents.

HPD may consider projects where up to 1/3 of the units are not restricted when the project is in a high cost/high opportunity area, or that have other unique circumstances where regulating 100% of units at least 10% below market is infeasible but where the project presents opportunities to ensure deep affordability for the restricted units.

All Method 2 projects will receive a 10% GRT for the first five years of the regulatory term, except for circumstances outlined below. For years 6-40, HPD will conduct a cost benefit analysis comparing the value of the regulations to the cost of the exemption to size the GRT.

The cost benefit analysis must use HPD's standardized assumptions for HPO projects: an 8% discount rate for valuing the benefit of the exemption and affordability, maximum market rent growth of 3.5%, rent stabilization and AMI growth of 3%, a 7.25% turnover rate for rent stabilized units, and a 15% turnover rate for unregulated units with rents for unregulated units phased up to market over five years. Market rents for the cost benefit analysis must be supported by a third-party market study or appraisal. HPD may use existing in-building market rate rents for the cost benefit analysis if rents for existing occupied units exceed the market study or appraisal rents.

- The GRT for years 1-5 may be adjusted downward to ensure a minimum income to expense ratio of 1.05 and minimum debt service coverage ratio of 1.25 on senior debt.
- If for years 6-40 the supportable GRT exceeds 10%, the higher GRT will apply for all 40 years.
- If current taxes are less than the GRT, the current taxes will remain in place until the new GRT exemption is lower than the current taxes.
- All exemptions will be structured with a Gross Rent Tax to ensure compliance with the regulatory agreement.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

Rent Setting

All restricted units will have an income restriction that will apply to all vacant units and occupied units upon turnover of the household in occupancy at the signing of the regulatory agreement. 80% or below of AMI rent restricted units:

- May be rented to households earning up to 10% of AMI above the regulated rent restriction, unless other restrictions control.

Above 80% of AMI rent restricted units:

- May be rented to households earning up to 20% of AMI above the regulated rent restriction, unless other restrictions control.

Rents for all units in the project must be restricted into one or more regulatory tiers, with the regulatory tiers averaging at least 10% of AMI below current market rent for the neighborhood (as verified by a third-party market study, appraisal, or existing market rents at the property, acceptable to HPD) and where the restricted average rents are no more than 10% higher than current rents.

- HPD will determine the rent restrictions for each project through an analysis of the current rents, with the goal of mirroring the restrictions to the current rent distribution and ensuring the deepest possible rental affordability.
- Method 2 projects must agree to either restrict the rents for at least 30% of units at or below 60% of AMI, with at least 15% of all units restricted at rents that are affordable to Extremely Low Income (below 30% AMI) and Very Low Income households (below 50% AMI), OR agree to a 20% minimum homeless set aside.

Regulatory Requirements

Projects must enter into an HPD regulatory agreement at closing and it will restrict all residential units and require the following items.

Multifamily Rentals:

- Term of Regulatory Agreement –
 - Minimum of 40-years, coterminous with the tax benefits.
 - It is strongly preferred that 100% of units will be rent and income restricted below 165%, however HPD may make exceptions in special circumstances and at least 2/3 of the units must be rent and income restricted below 165% AMI.
- Rent Stabilization –
 - All residential units must be rent stabilized. At the end of the restriction period, all existing tenants must remain rent stabilized and receive renewal leases at the then current rents or restricted preferential rent, if applicable.
 - All units covered by the regulatory agreement that are not currently rent stabilized are required to be registered with the New York State Rent Stabilization system according to NYS Housing Community and Renewal guidelines within thirty days of the executed regulatory agreement.
- Homeless Set-Aside Requirements – Other than for Method 2 projects adopting a 20% homeless requirement, all projects must include a minimum of a 15% homeless set aside. The requirements shall be met using any current vacancies and/or the first available units that turn over after closing until meeting the requirement.
 - All homeless unit vacancy referrals must be made by HPD's Homeless Placement Unit except for units with supportive services contracts under which homeless referrals are made by the New York City Department of Social Services (DSS) or other designated City agency making supportive housing referrals.
 - HPD may require that the Owner partner with a qualified social service organization to provide stabilization services to formerly homeless households.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

- **Commercial Space:**
 - All commercial spaces must have triple net leases at closing or upon next lease renewal that require commercial tenants to pay for any commercial property taxes. Master leasing of commercial spaces may be allowed on a case-by-case basis, which is dependent on financial feasibility needs of the Project.
- **Reserves:**
 - HPD will require the greater of \$350 per dwelling unit or the published CPC Maintenance and Operations Standard for replacement reserve on an annual basis be deposited into a reserve account.
- **Acquisition Projects:**
 - If the property is being acquired from a third party, sponsor must provide HPD with a proposal satisfactory to HPD prior to acquisition. The purchase price must be supported by an “as-is” appraisal issued prior to acquisition consistent with HPD’s Preservation Finance “as-is” appraisal guidelines:
<https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/as-is-appraisal-guidelines.pdf>
- **Debt, Encumbrances, Subordination, and Conveyances:**
 - HPD reserves the right to not subordinate to debt that is deemed high risk by the agency, which may include short-term debt. HPD may require the project to deposit additional funds into a reserve account, separate from a replacement reserve, to address debt that is deemed high risk by the agency.
 - Throughout the term of the regulatory period, Owner may not convey, transfer, or sell title or the beneficial interest without HPD’s prior written consent.
 - Owner may not encumber the property with debt or liens that endanger the viability of the project. Owner must notify HPD prior to encumbering the property, and owner must receive prior approval of HPD for any encumbrance.

HDFC Cooperatives:

- **Term of Regulatory Agreement – minimum 30 years**
- **Rent / Sale Limitation –**
 - The HDFC may not rent vacant units; any current or future vacant rental units must be sold to eligible households.
- **Income Limitation –** shareholders can only sell units to eligible households only, with the sale price of 100% AMI max restricted to an amount affordable to a household earning 120% of AMI.
- **Building Operations –**
 - The project must remain in HDFC for the entire regulatory term.
 - The HDFC must employ professional paid management services, management fee not to exceed 8% of Effective Gross Income.
 - The building must maintain a monthly replacement reserve account equal to \$300 per dwelling unit annually.
 - The HDFC must employ a coop monitor acceptable to HPD within one year of construction completion.
 - Maintenance charges must increase by at least 2% annually.
 - Annual rent rolls and certified financial statements will be submitted to HPD on an annual basis. HPD may additionally request on an annual basis documentation demonstrating that unit sales have been conducted in

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

	<p>accordance with the regulatory terms. Other documentation will be maintained and submitted to HPD upon request.</p>
Real Estate Tax Benefits	<p><u>NYC Department of Buildings Records</u></p> <p>The use of properties in this program must be consistent with an active Certificate of Occupancy, I-card or receive a Letter of No Objection from the NYC Department of Buildings. If the property has any use inconsistent with formal City records, then a condition of closing will be to develop a plan to legalize the inconsistent space by permanent loan conversion. This applies to residential space, parking space, commercial space, and/or community facility space. An expired Temporary Certificate of Occupancy (TCO) will prevent an Article XI Certificate of Eligibility (COE) from being issued until a new TCO or Permanent Certificate of Occupancy is issued.</p>
Design and Construction Requirements	<p>Design Guidelines: All projects receiving discretionary City financial assistance are required to comply with the applicable Design Guidelines based on a project's Rehab Classification. Project teams for projects receiving city capital are required to follow HPD's process protocols and will be required to submit a Design Guidelines Workbook at multiple milestones. The final version must be signed by the owner/ developer and the architect of record certifying that the project complies with the Guidelines.</p> <p>For projects subject to the moderate rehabilitation, substantial rehabilitation, or gut rehabilitation design guidelines:</p> <ul style="list-style-type: none"> • Preference will be given to projects demonstrating cost containment, and where scopes result in reductions to utility costs. • HPD allows Design Waivers for certain mandatory Design Guidelines criteria, which may be used for reasons of technical or financial infeasibility or if implementation will cause negative impacts on residents. • Projects receiving city capital that are implementing building electrification are required to apply to HPD's REDi program for funding: redi (nyc.gov). Note that REDi prioritizes projects where electrification is most beneficial and cost effective, which aligns with HPD's Design Guidelines. Buildings not receiving REDi funding are strongly encouraged to seek other NYSERDA and/or utility incentives. • Projects that include electrification in scope will be subject to HPD's Electric Heat Policy and will need to underwrite to HPD's M&O standards for Electric Heating and Hot Water (and Utility Allowances where applicable). Additional Information can be found here: Underwriting Electric and High-Performance Buildings - HPD (nyc.gov) • Projects receiving city capital should not implement optional "reach" criteria if it will cause project to exceed term sheet loan amounts and costs cannot be offset by energy savings and/ or incentives. <p>Proposed layout changes will require review and approval by HPD's Division of Building and Land Development Services.</p> <p>Maintenance only scopes of work will undergo a more limited Design Guidelines review and Workbook submission process.</p> <p>IPNA & Scope: Energy efficiency, water conservation and rehabilitation needs are determined through an Integrated Physical Needs Assessment (IPNA), which is a roof-to-cellar assessment of a building's physical conditions combined with an energy audit and conducted by a third party firm found on : Integrated Physical Needs Assessment (IPNA) - NYSERDA . The following items from the IPNA must be included in the project's scope:</p> <ul style="list-style-type: none"> • Items that correct physical deficiencies and significantly lower energy and water cost. • Items noted as being in "poor condition" and/or items noted as "unsafe", and systems, components, and finishes that are classified as "immediate needs" or with a remaining useful life (RUL) of 5 years or less.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

- In addition, the scope must include all applicable, mandatory items that are required in order to comply w/ HPD's Preservation Design Guidelines.

Immediate and Short Term (with 3 years physical needs identified in the IPNA must be addressed by owner, including through escrowing or reserving funds, as appropriate. HPD reserves the right to request sponsor financial documentation, which may include financials, to confirm liquidity to pay for the work. The owner must complete the critical and immediate work prior to closing or within six (6) months of closing unless additional time is needed as evidenced from an architect and approved by HPD. On a case-by-case basis HPD may allow for reserving for uses to cover short term needs. Owner must certify that the work has been completed, and if the work includes major systems replacement or exceeds certain costs thresholds, as determined by HPD, the owner must have an additional certification from a third-party contractor, architect, or other third-party technical-services provider.

Housing Code Violation Requirements: All housing code violations in the property must be addressed prior to closing, or the owner may be required to fund an escrow appropriate funds to address the violations.

LOCAL LAW 97: Most HPD projects > 25,000 SF are subject [to Local Law 97](#) starting in 2024. The Design Guidelines will ensure that projects are able to comply. For projects not subject to the Design Guidelines, refer to the [HPD LL97 Prescriptive Measures Checklist](#), or the [IPNA's LL97 Compliance Tab](#).

SOLAR: Per [HPD's Solar Where Feasible Mandate](#), all HPD Preservation projects receiving subsidy are required to submit and install solar where it is deemed cost-effective. 50% of the projected annual savings from solar will be underwritten for all projects where solar is part of the HPD budget.

Aging in Place: The developer is required to comply with HPD's Aging in Place requirements, including distributing an Aging in Place survey to all tenants and submitting the results to HPD before closing, and including any requested upgrades in the scope of work. Please note that Aging in Place surveys must be distributed to all tenants and requested upgrades included in the scope of work regardless of age or other demographics of individual tenants. For more information, please see [HPD's Aging in Place guidelines on our website](#), <https://www1.nyc.gov/site/hpd/services-and-information/aging-in-place.page>. Participation in HPD's Aging in Place initiative will be required and work requested by tenants in response to Aging in Place or 504 Accessibility (if triggered by the scope of work) surveys must be incorporated in the scope of work.

Prevailing Wage Requirements:

Beginning in April 2, 2020, developers or owners of new construction or preservation residential projects with 120 or more residential units in one or more buildings receiving discretionary City financial assistance of \$1 million or more will be required to pay all building service employees no less than the prevailing wage. Prevailing Wage requirements will be accounted for in the project's underwritten expenses at closing.

The [Prevailing Wage Schedule](#) is issued annually for building service employees by the New York City Comptroller's Office.

Protected Wage Requirements:

Beginning in April 2, 2020, developers or owners of preservation projects receiving discretionary City financial assistance of \$1 million or more will be required to pay all building service employees no less than the protected wage.

A preservation project for the purposes of the protected wage requirement is defined as:

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

- a project undertaken by the City to preserve no more than 119 residential units in one or more buildings and receiving discretionary City financial assistance of \$1 million or more; or
- a project undertaken by the City to preserve 120 or more residential units in one or more buildings that is subject to a regulatory agreement requiring affordability of all residential units for households earning on average of up to 50% AMI and receiving City discretionary financial assistance of \$1 million or more that is solely in the form of a tax benefit; or
- a project undertaken by the City to preserve 120 or more residential units in one or more buildings that is subject to a regulatory agreement requiring affordability of all residential units for households earning on average of up to 50% AMI and that averages less than \$35k per DU in discretionary City financial assistance of \$1 million or more.
- The protected wage means the rate of wages and cost of benefits paid to a building service employee in a preservation project on the date that the financial assistance for such a project is received plus an annual increase to account for any change in the cost of living and in the cost of providing benefits. The protected wage annual increase will be determined by City agency rulemaking.

Exemptions:

The requirements of this law do not apply to converted public housing building service workers and supportive housing projects as defined by the law.

Prevailing Wage Requirements – City Initiated Rezoning Areas:

This law is applicable in City initiated rezoning areas that meet the criteria set forth in the law. In addition, it remains the City's policy to require that, in City initiated rezoning areas, prevailing wage must be paid to all building service employees in new or existing buildings with at least 30 units of residential housing that receive discretionary City financial assistance of \$1 million or more with certain exemptions for preservation projects.

More information is available online at: <https://www.nyc.gov/site/hpd/services-and-information/prevailing-wage.page>

MWBE Requirements:

Projects where HPD/HDC's contribution is more than \$2 million will have to comply with the M/WBE Build Up Program requiring developers/borrowers to spend at least a quarter of HPD-supported costs on certified M/WBEs over the course of design and construction of an HPD-subsidized project. A minimum goal will be required for each project subject to the program. Developers may adopt a goal higher than the minimum.

<http://www1.nyc.gov/site/hpd/developers/mwbe-build-up-program.page>

Incentives:

- Solar Incentives and Tax Credits are available for solar and other clean energy investments. More information can be found [here](#).
- Con Ed's Clean Heat program funds heat pumps for space heating and hot water. Note that Clean Heat may not be stacked with REDi.
- The joint-utility [New York State Affordable Multifamily Energy Efficiency Program \(AMEEP\)](#) has two prescriptive pathways that yield up to \$2,000/ DU for basic energy efficiency.
- NYSEDA's [FlexTech Program](#) shares the cost to produce an objective, site-specific, and targeted study on how best to implement clean energy and/or energy efficiency technologies and can be used to offset the cost of IPNAs.
- [DEP's Water Reuse Program](#) incentivizes water reuse and reduction.
- [Multi-Family Water Assistance Program - DEP \(nyc.gov\)](#) Projects can receive a \$250 credit per residential unit on their water and sewer bill(s) for water use reductions. Program enrollment is limited.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

	<p>Tenant Notification and Certification:</p> <ul style="list-style-type: none"> Owner must notify tenants in writing of the impending closing, regulatory restrictions, and exemption terms using a template provided by HPD prior to closing or within thirty days following the closing for acquisition projects. Owner must provide HPD with a copy of the letter and an affidavit certifying that tenants were notified, along with an owner-certified rent roll. <p>Integrity Review:</p> <ul style="list-style-type: none"> Owner and all members must submit disclosure statements and supporting documents for the HPD sponsor review procedure. The disclosure statement can be found at the following webpage: https://www1.nyc.gov/site/hpd/services-and-information/integrity-review.page <p>Article XI Process:</p> <ul style="list-style-type: none"> HPD coordinates and routes Article XI requests to City Council. Upon HPD review and approval of the Article XI, HPD will submit the request to City Council. The Owner must get a letter of support from the Council Member(s) in whose district the project is located. The City Council schedules the item for consideration and must pass a resolution authorizing the exemption. After the Article XI resolution is approved and the owner executes the regulatory agreement, the Owner must request a Certificate of Eligibility be issued by HPD. Once the Article XI certificate is issued, the Department of Finance implements the tax benefits, which are effective as of the date the regulatory agreement is executed.
Fair Housing and Accessibility Requirements	<p>The owner is required to comply with all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination. The owner must also construct the project in compliance with all laws regarding accessibility for people with disabilities, including but not limited to Chapter 11 of the New York City Building Code, the federal Fair Housing Act, the Americans With Disability Act, and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C.794) and implementing regulations at 24 CFR Part 8.</p> <p>Projects that restrict rentals based one or more protected classes, including but not limited to age or gender/gender identity, and do not have a Human Rights Law waiver issued by the New York State Division of Human Rights (SDHR) will be required to obtain an SDHR waiver prior to closing unless the project's rental restrictions come solely from certain government programs such as HUD's Section 202 or Section 811 programs. All rental restrictions based on protected classes must also be approved by HPD.</p>
Marketing Requirements	<p>All projects must be marketed according to HPD and HDC marketing guidelines. The developer must submit a marketing plan for agency review and approval. All projects must use NYC Housing Connect for all marketing of units except homeless units, units rented through a Mitchell-Lama waitlist, and units rented through a waitlist for certain project-based rental subsidies.</p> <p>All projects are required to utilize an HPD approved Marketing Agent via HPD's RFQ. Further information is available here.</p>
Application Process	<p>To apply, sponsors must fill out HPD's Preliminary Application, see appendix for intake requirements.</p>
HPD Contact	<p>Hadiya Housepian, Director, Leveraged Preservation Programs hpo@hpd.nyc.gov</p>

HPD, in its sole discretion, may, at any time and without prior notice, terminate the program, amend or waive compliance with any of its terms, or reject any or all proposals.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

NOTE: The project receiving funding under this program may be subject to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135. If applicable to the project, (i) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of the project must be given to "Section 3 Residents" as such term is defined in 24 CFR 135.5; and (ii) to the greatest extent feasible, contracts for work to be performed in connection with any such project must be awarded to "Section 3 Business Concerns" as such term is defined in 24 CFR part 135.5.

NYC Department of Housing Preservation and Development (HPD)
Office of Development, Division of Preservation Finance

APPENDIX

Subject to eligibility, the following items may be required as part of the intake process.

Intake Items	Description
Project Proposal	Sponsors submit a project proposal including location and description of the property, terms of the existing financing or details of the proposed acquisition, as applicable, and proposed financing plan.
Project History	Sponsors submit detail project history including summary of ownership history with supporting documentation, any existing mortgages, use restrictions, prior tax benefits and rental assistance, preceding three (3) years of project operation budgets, tenant arrears and turn-over, audited financial statements, if available, rent rolls, as well as current rent roll and operating budget.
Description of Development Team	Sponsors submit description of development team including Owner, management company and architect/contractor (as applicable), with list of principals and previous experience (particularly with HPD). Owner must provide list of all properties owned or managed, including any related entities.
Financial Statements	HPD may request financial statements for Owner.
Third-Party Market Study OR Comparable Market Rents	Method 2 projects will be required to commission a third-party Market Study or appraisal of comparable market rents, except where in building comparable are used to establish the market rents.
Housing and Community Renewal (HCR) Registration	All existing rent-stabilized units, if applicable, must have up to date registrations with Housing and Community Renewal (HCR).