

Funding Sources

This appendix identifies potential funding sources and administrating agencies for projects and activities identified as part of this Comprehensive Plan. In the years ahead, new initiatives will undoubtedly be implemented that may be able to assist in project financing.

A. Regional Cooperation

1. DOS – Department of State, Quality Communities Technical Assistance Program

B. Transportation

1. NYS DOT New York State Department of Transportation coordinates a number of funding programs with both state and federal money. These programs include:
 - a. Federal Transit Funding Programs which can assist local governments with planning and implementing community transportation projects.
 - b. Scenic Byways Program which provides both technical and financial assistance for communities who wish to develop a scenic byway. Development of scenic byways has the potential of bringing tourism dollars into communities along the corridor.
 - c. Industrial Access Program which provides grants and loans for road and bridge access related to job creation / retention and investment leveraging. There is also assistance available for rail freight planning.
 - d. Section 5311 Non-Urbanized Area Formula Program provides funding for public transportation in non-urbanized areas. FTA financial assistance may be used for capital and administrative expenses. In FY 2001, \$214.1 million was obligated to 53 grantees
 - e. Surface Transportation Program (STP) provides funds to localities for projects on any roads that are not classified as minor local or rural collectors.
 - f. Rural Transit Assistance Program (RTAP) provides training, technical assistance, research, and related support services, for providers of rural public transportation. Since fiscal year 1987, Congress has appropriated \$4.25 to \$5.25 million a year for the state Rural Transit Assistance Program.
 - g. ISTEA TEA-3 is the third iteration of the transportation vision established by Congress in 1991 with the Intermodal

Surface Transportation Efficiency Act (ISTEA) and renewed in 1998 through the Transportation Equity Act for the 21st Century (TEA-21). The following are eligible activities under the program:

- i. Facilities for pedestrians or bicycles
- ii. Acquisition of scenic easements and scenic or historic sites
- iii. Scenic or historic highway programs
- iv. Landscaping and other scenic beautification
- v. Historic preservation
- vi. Rehabilitation of historic transportation buildings, structures or facilities (including historic railroad facilities and canals)
- vii. Preservation of abandoned railway corridors (including conversion for use as bicycle or pedestrian trails)
- viii. Control and removal of outdoor advertising
- ix. Archaeological planning and research
- x. Mitigation of water pollution due to highway runoff

C. Land Use (None identified)

D. Infrastructure

1. Clean Water State Revolving Fund provides low-interest rate financings to municipalities for water pollution control projects including wastewater treatment facilities, sewers, and non-point source projects. Eligible municipalities can qualify for interest free short-term loans with terms up to 3 years and low-interest rate long-term financings with terms up to 30 years.
2. Drinking Water State Revolving Fund provides low-interest rate financings for drinking water projects including upgrades, treatment facilities, storage facilities, transmission and consolidation of water supplies. Eligible community water systems must have a plan with a public health benefit. These projects are scored and prioritized. Projects that are ready to proceed and score above an established funding line are generally funded, although funds are limited.
3. Small Cities Community Development Block Grant provides grants for community and economic development activities, wastewater and drinking water facilities, housing and public infrastructure projects. Grants are up to \$400,000 for projects that primarily

benefit low and moderate-income persons, and help correct or prevent public health and safety problems, slums or blight.

4. Clean Water / Clean Air Bond Act provides grants to municipalities for the implementation of water quality improvement projects including wastewater treatment improvement, nonpoint source abatement and control to implement comprehensive watershed management plans. Grants may be as much as 85 percent of construction costs.

E. Economic Development

1. HUD – CDBG - Housing and Urban Development’s Community Development Block Grants. This program is administered by the U.S. Department of Housing and Urban Development. The CDBG provides eligible metropolitan cities and urban counties (called entitlement communities) with annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low-and moderate-income persons. In 2001, communities with a similar sized population received awards of upwards of one million dollars.
2. SBA - The Small Business Administration is an independent Agency of the Executive Branch of the Federal Government. It is charged with the responsibility of providing four primary areas of assistance to American Small Businesses. In addition to providing advocacy, management, procurement, and financial assistance, the SBA also offers numerous loan programs to assist small businesses. It is important to note, however, that the SBA is primarily a guarantor of loans made by private and other institutions.
3. WCEDC - Washington County Economic Development Corporation has two loan programs. These programs provide eligible borrowers, primarily engaged in manufacturing, warehousing, wholesale distribution, and business start-ups and expansions, with funds for working capital, to purchase fixed assets, and to acquire real estate.

F. Natural Resources

1. NYS DEC in cooperation with federal funding sources provides reimbursement grants to municipalities for the acquisition and development of parkland, which is one way to protect natural

resources. All grants are made available on a matching basis of up to 50% of total project costs.

G. Housing

1. State and Federal Programs

- a. **Governor's Office for Small Cities.** The Small Cities Community Development Program is a federally funded program authorized by Title 1 of the Housing and community Development Act of 1974. The Governor's Office for Small Cities (GOSC) is New York State's administrative agency for the Small Cities Program. The Small Cities Program provides grants to smaller communities to ensure decent affordable housing for all, to provide services to the most vulnerable, to create jobs and expand business opportunities for implementing a variety of community and economic development activities directed toward neighborhood revitalization and economic development, and to provide improved community facilities and services. Under the Small Cities Program, approximately \$50 million of funding is available annually to eligible communities within New York State. The GOSC publishes a Notice of Funding Availability in the early part of each year inviting eligible communities to submit applications for funding in its annual competitive round.

For Housing and Public Facilities applications, town, villages and cities can receive a maximum of \$400,000; counties, joint applications and comprehensive grants can receive \$600,000. Economic Development applications have a \$750,000 maximum and a \$100,000 minimum. Technical Assistance applications are awarded a maximum grant of \$25,000.

Applicants of the Small Cities Program must ensure that 70 percent of all activities funded under the Small Cities Program primarily benefits low and moderate income households, those with incomes at or below 80 percent of the area median income established by the U.S. Department of Housing and Urban Development.

Small Cities funds can be used for a wide variety of housing activities including:

- i. Rehabilitation of existing single family or multifamily

housing

- ii. Conversion of non residential structures for housing
- iii. Assistance to first time homebuyers to purchase existing homes with or without rehabilitation
- iv. Hooking existing homes to water and sewer lines
- v. Repair or replacement of Mobile Homes
- vi. Purchase of land to be used for housing

For these activities, referred to as direct benefit activities, the general rule is that the majority of the units in each structure being assisted must be occupied by households that have incomes below 80 percent of the area median.

One exception to that rule is that, the new construction of non-elderly, multifamily rental structures need only have 20 percent of the units occupied by income eligible households. However, where income eligible households occupy between 20 and 51 percent of the households, the Small Cities portion of total development costs may not be greater than the portion of income eligible households. (For example, if 25 percent of the project is reserved for income eligible households, then funds from the Small Cities grant cannot be more than 25 percent of the total project costs.)

Small Cities funds can also be used for a variety of purposes in support of housing activities including:

Extending public infrastructure (water, sewer, streets) in support of housing activities.

For these area wide benefits at least 51 percent of the households being served must have incomes below 80 percent of the area median.

2. Division of Housing and Community Renewal

The New York State Division of Housing and Community Renewal administers a series of programs aimed at providing assistance to low and moderate income household meet their housing needs. These include:

- a. New York State HOME Program (HOME)
- b. Low-Income Housing Credit Program (LIHC)
- c. Low -Income Housing Trust Fund Program (HTF)
- d. Homes for Working Families Initiative (HWF)

e. Weatherization Assistance Program (WAP)

3. New York State HOME Program (HOME)

The New York State HOME Program is administered by the New York State Housing Trust Fund Corporation (HTFC). The program uses federal HOME Investment Partnership Program funds to expand the supply of decent safe, and affordable housing within the State. For Federal fiscal year 2001, The State's allocation of HOME program funds is \$35,566,000.

The HOME Program funds a variety of activities through partnerships with counties, towns, cities, villages, private developers, and community-based nonprofit housing organizations. The program provides funds to acquire, rehabilitate, or construct housing, or provide assistance to low-income home buyers and renters. Funds must be distributed in accordance with needs and priorities identified in the State's Consolidated Plan.

Any private for-profit or not-for-profit entity that can demonstrate the capacity to develop and operate a qualifying project is eligible to apply for HOME project funding. Units of general local government that have not been designated by HUD as participating jurisdictions and not-for-profit corporations that meet certain administrative tests may also apply as local program administrators. Jurisdictions which receive HOME program funding directly from the federal government may not apply for New York State HOME Program funds.

All areas of the State are eligible, subject to the funding limitations described below.

HOME Program funds may only be used to assist households with incomes at or below 80 percent of area median income. Rental projects must primarily serve households with incomes at or below 60 percent of area median income. Assisted rental units must remain affordable for a period of between five and 20 years, depending on the initial amount of subsidy provided for the project.

HOME Program funds may be used to pay for acquisition, rehabilitation, construction, and certain related soft costs. Funds may also be used for relocation costs, tenant-based rental assistance, down payment and closing costs, and some administrative and planning costs, subject to limitations set forth in the federal regulations. Funds may only be used with respect to residential housing.

4. Low-Income Housing Credit Program (LIHC)

The Low-Income Housing Credit Program was established under the Tax Reform Act of 1986 to promote private sector involvement in the retention and production of rental housing that is reserved for low-income households.

The Credit program provides a dollar-for-dollar reduction in federal income tax liability for project owners who develop, rehabilitate and acquire rental housing that serves low-income households. The amount of Credit available to project owners is in direct relation to the number of low-income housing units that they provide.

Many projects receiving an allocation of Credit also utilize another government subsidy as part of their project financing. Nationally, Credit has been used in conjunction with Community Development Block Grant (CDBG), HOME and FMHA 515 subsidies. On the State level, the Credit has been allocated to projects employing Housing Trust Fund and Turnkey Program subsidies. Local government capital subsidies have been employed extensively in New York City.

Project owners utilize Credit allocations as “gap fillers” in their development and/or operating budgets. The Credit is turned into equity to fill the project “gaps” through the sale of the project to a syndicated pool of investors.

Each year, New York receives a per capita allotment of low-income housing credit of \$1.75 or \$33,269,912 for each calendar year. Since the Credit is available for ten years, each of New York’s annual credit allotments supports approximately \$227 million in low-income housing rehabilitation, development and retention.

DHCR is the lead Housing Credit Agency for New York.

Applicants eligible to receive allocations of Credit include individuals, corporations, Chapter “S” corporations and limited partnerships with the latter being the mostly widely used vehicle. Economic incentives are provided to encourage the participation of not-for-profit corporations in credit projects.

All areas within a Housing Credit Agency’s jurisdiction are eligible to receive an allocation from that Housing Credit Agency.

The Credit is available to the project owners only on units that are occupied by low-income households. A low-income household is defined as one having an income of 60 percent or less of the area median adjusted for household size.

5. Housing Trust Fund Program (HTF)

The Housing Trust Fund Program was established under Article XVIII of the Private Housing Finance Law to help meet the critical

need for decent, affordable housing opportunities for people of low income.

HTF provides funding to construct low-income housing, to rehabilitate vacant or under-utilized residential property (or portions of a property), or to convert vacant non-residential property to residential use for occupancy by low-income homesteaders, tenants, tenant-cooperators or condominium owners. HTF can also provide seed funding to eligible non-profit applicants who need financial assistance in developing a full HTF application.

Since 1985, HTF has received annual appropriations generally of \$25 million.

Applicants must be not-for-profit corporations or charitable organizations or their wholly-owned subsidiaries; housing development fund companies (pursuant to Article 11 of the PHFL); municipalities; counties (counties with their own department of assessment may be direct recipients); housing authorities; private developers who limit their profits or rate of return of investors; or partnerships in which the non-profit partner has at least 50 percent controlling interest. Low-income persons may not be direct recipients of payments, grants or loans from the Corporation.

Projects must be located in an area which is blighted, deteriorated or deteriorating, or has a blighting influence on the surrounding area, or is in danger of becoming a slum or blighted area because of the existence of substandard, unsanitary, deteriorating or deteriorated conditions, an aged housing stock, or vacant non-residential property or other factors indicating an ability or unwillingness of the private sector unaided to cause the rehabilitation, construction or conversion.

To be eligible for rehabilitation with HTF monies, properties must be located in eligible areas and at the time of application must be either: vacant or under-occupied residential properties, vacant non-residential properties, or portions of eligible residential properties as long as the property is less than 60 percent occupied. Under-occupied residential property is defined as property that is less than 60 percent occupied by lawful occupants. The vacancy requirement does not apply to one and two unit residential properties if rehabilitation creates at least one additional unit.

Occupancy in HTF projects is limited to low income persons and families defined as: "in those portions of the State outside of cities with a population of one million or more persons and within a metropolitan statistical area (MSA), those persons and families whose incomes do not exceed 90 percent of the median income for

the MSA in which the project is located, or 90 percent of the median income for the State whichever is greater.”

Funding under the Low- Income Housing Trust Fund is limited to \$55,000 per unit. HTFC has the discretion to make available up to an additional \$20,000 per unit based on construction cost in the area.

6. Homes for Working Families Initiative (HWF)

Applications submitted under this initiative must propose projects for substantial rehabilitation or new construction of affordable rental housing. More than 50 percent of project cost must be financed by 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 public authority serving as issuer. Such issuers include the New York State Housing Finance Agency, the local industrial development agencies and local public housing authorities. HTFC may provide HTF and/or HOME program funds in the form of a direct loan and/or through participation in the bond financing. The typical loan structure is a 30-year, one percent interest loan with interest and principal repaid from available cash flow.

7. Weatherization Assistance Program (WAP)

The Weatherization Assistance Program (WAP) is federally authorized and funded through the United States Department of Energy (USDOE) and the Department of Health and Human Services (DHHS) through a sub allocation from the NYS Office of Temporary and Disability Assistance. This program is administered by DHCR’s Energy Services Bureau (ESB).

The Weatherization services provided are determined by an on site energy audit process which includes life-saving health and safety tests and an extensive analysis of fuel consumption and lifestyle. This process identifies the potential of the dwelling to save energy and assures that the investment of public dollars is the most cost effective.

These groups include community action agencies, various community and neighborhood organizations, and county governments. The work carried out by these groups is performed by their own highly trained crews, and or local subcontractors. Funding to each of these organizations is distributed by an allocation formula, which takes into account the number of low-income persons in the service area and climatic conditions expressed in heating degree-days. Additional funding is provided to agencies that perform at higher levels regarding energy savings

and completion jobs, which acts as an incentive to better overall program performance.

All areas of the State are eligible.

Weatherization funds are used to assist low-income persons, particularly the elderly, handicapped, and families with young children; and to reduce national energy consumption, while minimizing the impact of higher fuel costs on low-income families.

8. New York State Housing Finance Agency

The New York State Housing Financing Agency administers a series of housing initiatives directly as well as through the New York State Affordable Housing Corporation (AHC) and the State of New York Mortgage Agency they include:

- Grants through AHC
- Mortgages for owner-occupied homes through SONYMA
- Loans, subsidies and credit enhancement through the Housing Finance Agency and through SONYMA

The following briefly describes these initiatives.

New York State Affordable Housing Corporation

Eligible Grantees

Grantees include municipalities and their designees, municipal housing authorities, housing development fund companies and other not-for-profit and charitable organizations.

Eligible Areas

Designated eligible areas are for the purposes of this RFP, areas which are designated pursuant to any Federal, State or local law, rule or regulation as blighted, deteriorated or deteriorating or as having a blighting influence on the surrounding area or as being in danger of becoming a slum or blighted area.

Eligible Projects

The Program provides funds for three project types: (1) new construction of homes for sale; (2) acquisition/rehabilitation of homes for sale; and (3) improvements to existing, owner-occupied one-to four-unit homes. Homes must be one-to-four family, owner-occupied dwellings, or units in condominiums or cooperatives. Homes built under the Program must be

sold to or owned by low or moderate income buyers, and must remain owner occupied.

Eligible Purchasers

Buyers of homes that are built or rehabilitated using AHC grant funds, and owners who receive AHC funds for home improvements, must meet the income and asset limits set by the Program. They must have incomes below 80 percent of general area median.

Funding Limits/Leveraging

AHC funds are limited to the littlest of 60 percent of the project cost or \$20,000 per unit (\$25,000 per unit when the Project is in a "high cost area". For the last several years \$25,000,000 per year has been available under this program. Home improvement projects are limited to a maximum, grant award of \$300,000.

9. SONYMA

SONYMA provides mortgages at attractive rates and terms through the following initiatives:

- a. Low Interest Rate Mortgage Program
- b. Remodel New York Program
- c. Achieving the Dream Mortgage Program
- d. Construction Incentive Program
- e. Closing Cost Assistance

10. Low Interest Rate Mortgage Program

SONYMA's Low Interest Rate Mortgage Program provides qualified low-and moderate-income first-time homebuyers with low down payment mortgage financing on one-to four-family dwellings (including condominiums and cooperative apartments, as well as manufactures homes permanently attached to real property) at fixed interest rates which are below prevailing conventional rates. The program is financed by SONYMA through the sale of tax-exempt bonds.

Eligible borrowers must:

Be first- time homebuyers.

Meet SONYMA's credit underwriting standards.

Meet SONYMA's household income limit.

Use the home that is financed with SONYMA funds as their permanent residence.

11. Remodel New York, A One Step Purchase and Renovation Program

The Remodel New York Program has been created by SONYMA to provide low interest rate financing to qualified first-time homebuyers for the purchase and renovation of properties in need of improvements or renovations. SONYMA's Remodel New York mortgage loan will finance both the purchase and the renovation of the home. SONYMA has allocated \$15 million to the Remodel New York Program on a demonstration basis. These funds are being made available.

The basic requirements of the Remodel New York Program are the same as those for SONYMA's Low Interest Rate Program, with the following exceptions:

Maximum financing will be based on the lesser of (a) the purchase price of the home plus the cost of the renovations, or (b) the "as-improved" appraised value of the property as determined by a qualified real estate appraiser;

Eligible renovations include repair or replacement of plumbing, electrical, and heating systems, structural repairs, additions, modernization of kitchens and bathrooms, new siding and windows, etc.

Certain closing costs associated with home renovation can be financed.

Eligible properties are restricted to:

Existing one-family properties.

Existing two-family properties.

The renovation cost must be:

- at least, the lower of (a) \$5,000 or (b) five percent of the property's appraised value after the proposed repairs are made; and
- At most, 40 percent of the property's appraised value after the proposed repair is made.

12. Achieving the Dream Mortgage Program

SONYMA designed the Achieve the Dream Mortgage Program to assist low-income households to purchase their first home. This program offers up to 97 percent financing with a very low fixed interest mortgage. The program is financed by SONYMA through the sale of tax-exempt bonds.

All requirements of the Low Interest Rate Program apply to the Achieving the Dream Mortgage Program except for the following features:

Very low fixed interest rate.

All borrowers must be first time homebuyers, thus no exceptions will be made for borrowers purchasing in a target area.

Lower household income limits than other SONYMA programs.

SONYMA requires borrowers to complete a homebuyer education course provided by a source acceptable to SONYMA.

Eligible Properties are:

Existing or Newly constructed one-family homes

Existing two-family homes that are at least five years old as of the SONYMA loan application date.

13. Construction Incentive Program

The Construction Incentive Program has been specifically created in an effort to simulate new construction of one-and two- family homes. The program features 100 percent financing, a special two-step interest rate, and a longer rate lock period.

The requirements of the Construction Incentive Program are the same as those of the Low Interest Rate Program, with the following exceptions:

Two-step interest rate. The initial rate is fixed for the first 48 payments, then increases two percent and fixed for the remainder of the loan term.

Borrowers will be qualified at the lower initial rate.

Financing of up to 100 percent of the value of the property for qualified borrowers.

Eligible Properties are restricted to:

Newly constructed one-family homes

Borrower's cash contribution to the transaction must be a minimum of 3 percent.

14. Closing Cost Assistance Loan

Until further notice and effective for loan applications dated on or after February 13, 2003, SONYMA will offer closing cost assistance in conjunction with any currently available SONYMA program. The assistance amount will be in the form of a 0 percent interest, non-amortizing loan secured against the property (the "SONYMA Closing Cost Assistance Loan") that the applicant is purchasing and will require no monthly payments. The amount of the SONYMA Closing Cost Assistance Loan must be at least \$1,000 and may not exceed the greater of:

\$5,000; or

55 of the SONYMA mortgage loan amount.

The SONYMA Closing Cost Assistance Loan will be forgiven after ten years.

15. New York State Housing Finance Agency

The New York State Housing Finance Agency provides a series of incentives to assist in the development of multi family housing. These include:

a. Loan Programs

i. The 80/20 Programs

ii. The All Affordable Program

iii. Senior Housing Program

iv. 501(c)(3) Bond Financing Program

v. Manufactured Homes

vi. HOPES (Housing Opportunity and Preservation for

the Empire State)

- b. Subsidy Resources
 - i. Low Income Housing Tax Credit Program
 - ii. Empire Housing Fund Program
- c. Credit Enhancement
 - i. Third Party Credit Enhancement
 - ii. SONYMA Mortgage Insurance Fund Credit Enhancement
 - iii. HFA/FHA Risk Sharing Credit Enhancement

The following are the details on these loan, subsidy resource and credit enhancement programs from the New York State Housing Finance Agency.

Loan Programs

- i. *The 80/20 Program*

The 80/20 Program is the practical application of the federal Tax Code to projects that are financed with the proceeds of federally tax-exempt private activity bonds. The program derives its name from the Tax Code requirement that no more than 80 percent of the units in project financed with tax-exempt private activity bonds are to be occupied by individuals or families at market-rate rents, while the other 20 percent must be rented to low-income households. The Tax Code provides specific definitions of low income and also provides some options for the market/low income proportion of projects.

HFA's use of the proceeds of federally tax-exempt private activity bonds to make mortgage loans enables it to offer favorable mortgage rates. This form of bond financing also enables developers to:

Receive an allocation of "as of right" Low Income Housing Tax Credits,

Utilize a range of credit enhancement options and,

In many instances, benefit from some form of real estate tax relief. The latter is solely at the discretion of the local taxing jurisdiction.

The maximum rent on all units that are set aside for low-income households cannot exceed 30 percent of the applicable income limits.

ii. *The All Affordable Program*

The All Affordable Program is designed to encourage the production of newly constructed or rehabilitated multifamily rental housing in which all of the units are affordable to families earning no more than 60 percent of the Area Median Income (AMI), adjusted for household size. Many projects also include units at lower income levels (i.e., 50 percent of AMI). The All Affordable Program utilizes tax-exempt private activity bonds, and subordinate financing in order to maximize the amount of “as of right” Low Income Housing Tax Credits that can be allocated to the project. Gap, or subordinate, financing is often required to reduce the loan at the end of construction since this type of affordable housing is typically unable to support debt service on a loan amount equal to at least 50 percent of the eligible project costs.

iii. *The Senior Housing Financing Program*

To meet the special needs of senior citizens, a variety of innovative housing alternatives have been evolved such as assisted living.

The Senior Housing Financing Program provides financing options for the new construction or acquisition/rehabilitation of Assisted Living, Senior Rental Housing or State Licensed Senior Housing with tax-exempt private activity bonds, tax-exempt 501(c)(3) bonds or taxable bonds with or without Low Income Housing Tax Credits.

iv. *501(c)(3) Bond Financing Program*

HFA’s 501(c)(3) Bond Financing Program makes the proceeds of 501(c)(3) tax-exempt bonds available to not-for-profit organizations for the rehabilitation and preservation of existing affordable multifamily rental housing projects, including projects serving populations with special needs. The 501(c)(3) program also provides financing for the new construction of projects serving those same populations. The special needs category includes senior rental housing, senior

assisted living facilities, housing for the homeless and for the handicapped.

The 501(c)(3) Bond Financing Program may be used in conjunction with other programs to preserve affordable housing. Eligible properties include those acquired from a for-profit owner by a 501(c)(3) organization or those acquired from a 501(c)(3) organization by another 501(c)(3) organization. Properties currently owned by a 501(c)(3) organization and financed by an entity other than HFA may be eligible for financing or refinancing provided that the transaction includes a rehabilitation component. Properties currently owned by a 501(c)(3) organization and financed by HFA may be refinanced. The latter transaction does not require a rehabilitation component.

v. *Manufactured Homes*

The Manufactured Home Cooperative Fund Program (MHCFP) is a revolving loan program which provides the financial and technical resources to encourage and facilitate cooperative ownership of manufactured home parks. MHCFP assists manufactured home park residents in purchasing the land underlying their homes, making infrastructure improvements, and forming cooperatives.

vi. *The HOPES Program*

The HOPES Program is an HFA initiative to provide low cost, flexible financing for the preservation, rehabilitation and creation of quality, affordable multifamily rental housing. The HOPES Program targets a wide range of developers and nonprofit corporations to preserve affordable housing throughout New York State.

Eligible properties include:

Any property in need of preservation, including those already in HFA's portfolio. Projects that were initially financed through federal and/or state affordable housing programs as well as those not currently part an affordable housing program are eligible.

Projects must include units that are affordable to low, moderate or middle-income families.

For projects financed with tax credits, tax-exempt

bonds or HFA subsidy resources, the term of the affordability requirement will be 40 years from the time of the preservation transaction.

Subsidy Resources

i. Low Income Housing Tax Credit Program

The New York State Division of Housing and Community Renewal (“DHCR”) is the primary LIHTC allocating agency of Cap Credits for the State of New York. DHCR, HFA and the other sub-allocating agencies each have their own Qualified Allocation Plan(QAP).

Cap Credits may only be used in conjunction with taxable bond financing or conventional financing.

HFA only allocates Cap Credits and “as of right” credits to projects that are financed by HFA.

ii. Empire Housing Fund Program

The Empire Housing Fund Program was established with monies realized from the refinancing of various Agency bonds and is a source of subsidy for the construction, rehabilitation and operation of low-income housing. The funds are usually provided as low interest or, in some cases, no interest loans. The annual amount of funds available through the Empire Housing Fund is limited and the demand is high.

18. Credit Enhancement

Third Party Credit Enhancement

Third party credit enhancement is available for construction and permanent mortgage loan financing for multifamily rental properties.

Eligible Credit Enhancers include:

- Banks
- Insurance companies
- Bond insurers
- Sureties
- The Federal Housing Administration (FHA)

- The Federal National Mortgage Association (Fannie Mae)
- The Federal Home Loan Mortgage Corporation (Freddie Mac)
- The Government National Mortgage Association (Ginnie Mae); and
- Other Credit Enhancers acceptable to HFA.

Eligible Properties are:

- Multifamily rental housing properties including acquisition and rehabilitation, and new construction.
- Financed properties may include assisted living, senior rental housing and state licensed senior housing.

Bond Financing is:

- Tax-exempt 501(c)(3) bonds are tax-exempt bonds available to qualifying 501(c)(3) organizations based on their tax-exempt status. The bonds do not require an allocation of private activity volume cap and do not include tax credits. Qualifying entities must have a determination letter from the Internal Revenue Service regarding 501(c)(3) status.

Taxable bonds are available to for-profit and not-for-profit organizations and do not require an allocation of private activity volume cap. Taxable bonds may be used with nine percent or four percent tax credits both of which require a separate allocation.

Affordability Requirements

All HFA projects financed with third party credit enhanced bonds must provide housing affordable to low, moderate or middle income people as follows:

Tax-exempt private activity bond and/or tax credit financed projects must meet the income targeting requirements of Sections 142 and/or 42 of the Code:
(i) 20 percent or more of the units must be affordable to households whose income is 50 percent or less of the area median income as

determined by HUD, with adjustments for household size or (ii) 40 percent (25 percent in New York City) or more of the units must be affordable to households whose income is 60 percent or less of the area median income as determined by HUD, with adjustments for household size.

SONYMA Mortgage Insurance Fund Credit Enhancement

SONYMA mortgage insurance fund credit enhancement is available for construction and permanent mortgage loan financing for multifamily rental properties.

All mortgages will be insured by the State of New York Mortgage Agency Mortgage Insurance Fund (SONYMA/MIF). HFA will be responsible for securing SONYMA/MIF approval. Eligible properties include those with a mix of market rate and affordable units and those where 100 percent of the units are occupied by low and moderate-income households.

Eligible properties are:

Multifamily rental housing properties including acquisition and rehabilitation, and new construction.

Financial properties may include assisted living, senior rental housing and state licensed senior housing. Please refer to the HFA Senior Housing Financial Program term sheet for more information on senior housing.

Bond Financing

Loans may be financed with the proceeds of tax-exempt private activity, tax-exempt 501(c)(3), or taxable bonds issued by HFA.

HFA/FHA Risk Sharing Credit Program

HFA/FHA risk sharing credit programs are available for permanent mortgage loan financing for multifamily rental properties.

All mortgages will be insured under the HFA/FHA Risk Sharing Program established pursuant to Section 542(c) of the Housing and Community Development Act of 1992.

Eligible properties include:

Multifamily rental housing properties including acquisition and rehabilitation, and new construction.

Financed properties may include assisted living, senior rental housing and state licensed senior housing.

Bond Financing: Loans may be financed with the proceeds of tax-exempt private activity, tax-exempt 501(c)(3), or taxable bonds issued by HFA.

Affordability requirements: For purposes of the HFA/FHA Risk Sharing Program, affordable housing is defined as follows and is applicable to all categories of bond financings:

A project in which 20 percent or more of the units are both rent restricted and occupied by households whose income is 50 percent or less of the area median income as determined by HUD, with adjustments for household size, or

A project in which 40 percent (25 percent in New York City) or more of the units are both rent restricted and occupied by households whose income is 60 percent, or less of the area median income as determined by HUD, with adjustments for household size.

Rent restricted means that the gross rent for a unit does not exceed 30 percent of the applicable area median income level.

Federal Home Loan Bank

The Federal Home Loan Bank provides grants and loans to its member banks to assist in financing housing for low, moderate and middle-income household.

The Federal Home Loan Bank programs are:

Community Investment Program (CIP)

Affordable Housing Program (AHP)

First Home Club

Community Investment Program

A housing and community-lending program which provides reduced interest rate advances for housing benefiting families with incomes at 115 percent or less of area median income, and for economic development projects located in low and moderate income neighborhoods or that benefit families with incomes at or below 80 percent of area median income.

Affordable Housing Program

This program provides subsidized advances and grants to finance owner-occupied homes for households with incomes at or below 80 percent of area median income. AHP financing is also used for rental housing in which at least 20 percent of the units are occupied by and affordable to households with incomes at or below 50 percent of area median income.

The First Home Club

The First Home Club is a first-time homebuyers program designed to provide subsidy funds of up to \$5,000 to assist very low-and low-income households overcome the financial difficulties of purchasing a home.

New York Energy Research and Development Authority

The New York State Energy Research and Development Authority (NYSERDA) provides a series of programs to assist residential property owners to increase energy efficiency. Assistance includes technical assistance programs and financial assistance. The following is a summary of programs offered:

- i. Single Family to Four Family Homes
 - Energy Star labeled Homes (building your new home)
 - Home Performance with Energy Star (upgrading your

existing home)

- Comprehensive Energy Management Services (metering to manage your electricity use)
- New York Energy Smart Loan Fund (low-interest loans for energy efficiency upgrades)
- New York Energy Smart Photovoltaic (PV) or Solar Electric System Incentive Program (how to make solar energy work for your home)

Five Family Homes or More

- Residential Technical Assistance (energy engineering services and audits)
- Smart Equipment Choices (energy-efficient equipment incentives)
- Comprehensive Energy Management Services Program (metering)
- Sub-metering for Multifamily Buildings
- Cogeneration for Multifamily Buildings
- New York Energy Smart Photovoltaic (PV) or Solar-Electric System Incentive Program (how to make solar energy work for your home)
- Assisted Multifamily Program (i.e. for buildings that receive tax credits, Section 8, State and local subsidies)

ii. U. S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) is a primary source of funds for housing.

In addition to the Small Cities Program and the HOME Program now administered through New York State, HUD also provides assistance through the following programs:

- Section 202 Elderly Housing
- Section 811 Housing for Persons with Disabilities
- Section 8 Rent Subsidies
- Public Housing

- FHA Mortgage Insurance

- i. *Section 202 Supportive Housing for the Elderly*

This program provides a Capital advance to construct multifamily rental housing serving elderly persons. Owners must be not-for-profits and must provide a range of services that are tailored to the needs of residents.

Funds are in the form of a Capital Advance and contract for rental assistance. Resident income must not exceed 50 percent of the area median.

For the last several years, funds have been available to construct 100 to 200 units in Upstate New York.

- ii. *Section 811 Supportive Housing for Persons with Disabilities*

The Section 811 program also provides a Capital advance and a contract for Rental Assistance and must ensure that residents are provided with any necessary supportive services.

Funds are in the form of a Capital Advance and contract for rental assistance. Resident income must not exceed 50 percent of the area median.

For the last several years, funds have been available to construct approximately 30 units in Upstate New York.

- iii. *Section 8 Rent Subsidies*

The Section 8 Rent Subsidies provides a direct cash payment to income eligible households for rent. The tenant is required to pay 30 percent of their income with the subsidy being the difference between their payment and an established typical rent, including utilities, in the area (known as the payment standard).

In Warren County, the Section 8 Program is administered by the City of Glens Falls Housing Authority.

There is generally a waiting list to participate in the program.

iv. *Federal Housing Authority (FHA) Mortgage Insurance*

The Federal Housing Authority Mortgage Insurance Program provides mortgage insurance which assists borrowers to obtain mortgages from lending institutions. FHA provides Mortgage Insurance for single-family mortgages and multifamily mortgages. It also has programs that insure mortgages that involve purchase of existing properties with or without rehabilitation, and new construction.

There are not income limits for participation but there are maximum mortgage amounts. In Warren County, the maximum mortgage for a single-family home is \$154,896.

H. Visual Character (None identified)

I. Recreation and Culture

- LARAC is the Lower Adirondack Regional Arts Council (LARAC), which is an arts service organization for Warren, Washington and northern Saratoga Counties in New York State. LARAC was formed in 1972 by a coalition of arts-minded residents, to unify the arts and cultural community and establish a cultural identity. LARAC sponsors an Organizational Project Grant for providing arts and cultural projects that are open to the public. Sponsor organizations must be based in Warren or Washington County are limited to a maximum of three requests totaling no more than \$5000, with a minimum request of \$300.
- NYS DEC in cooperation with federal funding sources provides reimbursement grants to municipalities for the acquisition and development of park land. All grants are made available on a matching basis of up to 50 percent of total project costs.
- The Environmental Protection Agency's Brownfields Program provides funding and technical assistance to local entities to assess, safely clean, and sustainably reuse brownfields. Programs address the environmental, health, and economic concerns associated with brownfields. The Village may wish to utilize this program in order to reuse the lands along the river.

- The U.S. Soccer Foundation is a private foundation that provides two types of grant support: Capital-Field and Program. A Capital-Field grant is any project related to soccer specific infrastructure. Examples include applications addressing earthwork, field equipment, irrigation systems and field lighting. A Program grant is focused on the creation or development of soccer specific programs such as TOPSoccer, inner-city/rural programs and player development programs.

J. Historic Resources

- NYS OPRHP provides grants for projects to identify historic properties, inform the public about them, and plan for their preservation. Grants are small, usually in the \$2,000 to 1\$2,000 range.
- Rural New York Grants Program provides small sums of money for municipalities to use in the protection of the built and natural environments of villages and rural areas, and helps to strengthen the economic viability of New York's rural communities.
- NEH provides a variety of grant programs that can assist in developing programs that will increase awareness and appreciation of the historic resources in the Village.
- Federal Historic Preservation Tax Incentives are tax incentives or tax credits to property owners who make substantial improvements to their properties. PL99-514 Internal Revenue Code Section 47 is a 20 percent tax credit for the certified rehabilitation of certified historic structures and a 10 percent tax credit for the rehabilitation of non-historic, non-residential buildings built before 1936.
- New York State Real Property Tax Abatement is another tool rather than a funding source. Passed in 1997, this law gives municipalities the right to establish tax abatement measures for historic home restoration of either locally or nationally significant structures. Municipalities are allowed to assess property at pre-improvement values for 5 years and increase assessment by 20 percent each of the following five years.

K. Community Services (None identified)

