

## Discounted Water Rate Program for Affordable Housing Frequently Asked Questions (updated May 23, 2016)

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### General Program Eligibility

#### **1. How do I apply? Who do I send my application to?**

The application is available on the [main Discounted Water Rate webpage](#) on the HPD website and on the HDC website. The excel-based application has two tabs: the application form and the rent roll. You must fill out both tabs. Upon answering all the questions, you will be given instructions on how to submit your application.

#### **2. Who can I contact with additional questions about program eligibility?**

- For questions about whether a building meets the MCP conservation criteria, please contact DEP directly at (718) 595-7000 or [customerservice@dep.nyc.gov](mailto:customerservice@dep.nyc.gov).
- For questions specific to the Toilet Replacement Program, contact [trp@dep.nyc.gov](mailto:trp@dep.nyc.gov).
- For projects that will close on new financing with HPD or HDC before September 30, 2016, contact your assigned HPD or HDC Project Manager.
- For existing buildings with an HPD regulatory agreement, contact [AMwater@hpd.nyc.gov](mailto:AMwater@hpd.nyc.gov).
- For existing buildings with an HDC regulatory agreement, or a joint HPD-HDC regulatory agreement, contact [AMwater@nychdc.com](mailto:AMwater@nychdc.com).
- For all city-assisted Mitchell Lama buildings, contact [MLwater@hpd.nyc.gov](mailto:MLwater@hpd.nyc.gov).

#### **3. Which buildings are eligible to apply for this credit?**

Any project in New York City meeting the following criteria is eligible to apply:

- a) Average actual project rents affordable to households earning up to 60% of the Area Median Income (AMI). Vacant units may not be counted in the average.
- b) At least 15 years remaining on a city-issued (HPD/HDC), recorded regulatory agreement
- c) Buildings must be compliant with all applicable DEP and Water Board regulations. In the case of buildings charged on the Multifamily Conservation Program (MCP) rate, compliance with the program's conservation requirements (an installed automated meter reading device, low-flow toilets, showerheads and faucet aerators installed in at least 70% of units). All buildings billed on a metered basis are eligible.
- d) In good standing with the City (current on DEP and DOF bills)

#### **4. What is a "project"?**

A project is defined as one or more buildings under one executed and recorded regulatory agreement or equivalent document with HPD or HDC.

**5. What types of HPD/HDC projects may participate?**

Any HPD or HDC-assisted building is eligible as long as it meets the criteria described above. This can include rental buildings, (City-assisted) Mitchell Lama rental buildings and cooperatives and HDFC cooperatives.

**6. Are there any building size restrictions for the program?**

Yes, only buildings with 4 or more units are eligible for the credit. A project which both contains buildings with more and less than 4 units is still eligible to apply, but only the buildings with at least 4 units will be eligible for the credit.

**7. Are there limited spots in the program?**

There is a limit to the number of units that the discount can benefit. For this reason, buildings are encouraged to apply as early as they meet the program criteria. Only complete applications will be reviewed.

**8. What is the deadline to apply?**

The deadline to apply is September 30, 2016. Qualifying buildings will be informed in the Fall regarding their application status.

**9. When will buildings receive the credit?**

For metered buildings, the building will likely receive the credit on their first calendar year 2017 statement. For buildings billed on the MCP rate, they will receive the credit on their next annual bill, which is generally released late in the spring.

**Affordability Criteria**

**10. What are the Affordability eligibility criteria?**

*Rent Affordability:* Average collectable rents (rentals) or maintenance fees (coops) for the project must be affordable to households earning up to 60% of Area Median Income, using a Certified Rent Roll, effective as of the date of application. The affordability criteria are based on the entire project.

*Use Restriction:* Projects must have an executed and recorded regulatory agreement or equivalent document with HPD or HDC with a minimum of 15 years remaining that restricts 100% of the residential units. The project can have income limits higher than 60% of AMI as long as the average collected rent is affordable to those earning up to 60% of AMI.

**11. What does it mean that buildings must have average rents affordable to residents earning up to 60% of Area Median Income (AMI)?**

Every year, the federal Department of Housing and Urban Development (HUD) establishes the annual AMI for every metropolitan area in the United States based on the Fair Market Rent (FMR) of an area. In 2016, the AMI for New York City for a family of four is \$90,600. This means that 50% of New York households earn more than this figure and 50% earn less. 60% of AMI for a family of four translates to annual household earnings of \$54,360 and a maximum affordable monthly rent of \$1,359. The maximum affordable rent is based on residents paying no more than 30% of their

income towards rent. Households that pay more than 30% of their income towards rent are considered rent burdened.

**12. What are the maximum rents that are affordable to households earning below 60% of AMI?**

The following rents are affordable to households earning 60% of AMI. Note that the rent roll takes an average of all units in a project.

Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
\$952	\$1,020	\$1,224	\$1,413	\$1,576

**13. How can I calculate my average AMI?**

Applicants must fill out the rent roll in the Discounted Water Rate Application (this is the second tab in the Excel document). The application will automatically calculate your AMI based on collected rents (the combination of contract rents charged to tenants and any subsidies or vouchers they may receive).

**14. What is the Certified Rent Roll? What is the difference between the Certified Rent Roll and the Rent Roll in the application?**

The certified rent roll can be in any format you prefer, but it must also show rent information for the same time period as the rent roll tab. The info should match the rent roll tab in the Excel application. The certified rent roll needs to be signed to certify that the information on the rent roll is true and accurate.

The rent roll tab is a part of the Excel-based application and is used to calculate whether the project’s average rents meet 60% of AMI. When completed, the rent roll tab needs to include all buildings and units in the project.

**15. How recent do the rent rolls have to be?**

Certified rent rolls should reflect the actual building rents and should be signed. So long as they are still accurate, there is no specific “expiration date.”

**16. Where can I find my recorded regulatory agreement?**

A digital copy of the project’s regulatory agreement must be attached to the application. All documents can be downloaded from the [Automated City Register Information System \(ACRIS\)](#). Buildings can search for their regulatory agreement by building, block and lot (BBL) number. A regulatory document must clearly state the date that it became effective and the period of the restriction. All buildings in each application should be covered by a single regulatory agreement. Buildings covered by a separate regulatory agreement should submit an additional application for that project.

**17. Why do buildings need to have 15 years remaining on a regulatory agreement in order to participate in the program?**

As there are limited resources for this credit, priority is given to support the financial sustainability of buildings committed to the long-term affordability of the City’s housing stock.

**18. Is a project participating in one of HPD’s Division of Property Disposition and Finance loan programs eligible to apply for the credit?**

Yes, a project receiving financing through the TPT, MPLP, or ANCP loan program can apply to receive the credit if the project meets the eligibility criteria. At the project’s conversion to permanent financing, the project may apply for the credit through HPD’s Division of Asset Management by submitting an application via email to [AMwater@hpd.nyc.gov](mailto:AMwater@hpd.nyc.gov).

**19. Can a project extend its regulatory agreement to take advantage of the credit?**

Projects interested in obtaining a rehabilitation loan in conjunction with an extension of their HPD or HDC regulatory agreement should contact HPD’s Division of Preservation Finance or HDC’s Division of Preservation Finance, respectively. Information on HPD Preservation Finance can be found at the HPD website or by contacting [hpdpres@hpd.nyc.gov](mailto:hpdpres@hpd.nyc.gov). To contact HDC Preservation Finance regarding the Discounted Water Rate Program, please email [AMwater@nychdc.com](mailto:AMwater@nychdc.com).

**20. Can buildings with a regulatory agreement from another agency, such as HUD or DHCR participate? Can State-supported Mitchell Lamas participate?**

No, only buildings with fifteen years remaining on a **City-issued** regulatory agreement are eligible to apply for the credit.

**DEP Conservation Criteria**

**21. What are the conservation eligibility criteria?**

All buildings must demonstrate efficient water usage either through compliance with the Multifamily Conservation Program (MCP) or as evidenced by paying a metered water rate. The requirements listed below are specific to the MCP program.

*MCP Requirements:*

- Have meters that are equipped with Automated Meter Reading (AMR) devices
- Have low-flow toilets in at least 70% of all units
- Have low flow showerheads and faucet aerators in 70% of all units
- Have separately metered commercial units that have projected annual consumption of more than 63,000 gallons annually (this is for water-intensive businesses such as restaurants, salons, and medical facilities)

Conservation criteria are evaluated on a building basis. For example, a project with three buildings could income qualify based on all three buildings’ rent; however, if one out of the three buildings does not meet the conservation criteria then that building could not receive the credit but the other two eligible buildings could.

**22. Where can I go to learn more about the MCP program and its requirements?**

You can learn more about the MCP program [here](#). Frequently Asked Questions about the MCP program can be found at [here](#). If you have specific questions regarding your water bill or MCP, please contact DEP directly at (718) 595-7000.

**23. How do I know whether a building is billed on the MCP rate or metered billing?**

Your DEP bill will show this information. On the bottom of your bill next to “Rate” it will either say “Units billed on Multi-family conservation program fixed rate” which is the MCP rate or “Basic Water and Sewer” which is metered billing. Please see the below example, provided by DEP.

Example of an MCP Rate Bill:

**NYC Environmental Protection**

ACCOUNT NUMBER	BILL DATE	PAYMENT DUE BY	AMOUNT DUE	AMOUNT ENCLOSED
011800014356200107012015000024115590	Jul 1, 2015	Jul 31, 2015	\$ 24,115.59	\$

Check for name/address change (See reverse side)  
 Make check payable to: NYC Water Board.  
 Please send payment in the enclosed envelope to:

**NYC WATER BOARD**  
 PO BOX 11063  
 NEWARK, NJ 07101-8163

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR MAILED PAYMENT. PLEASE WRITE YOUR ACCOUNT NUMBER ON YOUR CHECK.

ACCOUNT NUMBER	BILL DATE	PAYMENT DUE BY	AMOUNT DUE	AFTER JUL 31, 2015 INTEREST CHARGES AT THE RATE OF 0.75% PER MONTH ARE INCLUDED.
011800014356200107012015000024115590	Jul 1, 2015	Jul 31, 2015	\$ 24,115.59	

**BILLING INFORMATION**

Previous bill - May 24, 2014 \$23,420.01  
 Payment Received - Jul 29, 2014 Thank you 23,420.01-  
**PRIOR BALANCE** 0.00

**RATE: UNITS BILLED ON MULTIFAMILY CONSERVATION PROGRAM FIXED RATE**  
 Billable items 24 From 7/1/15 To 6/30/16 Days

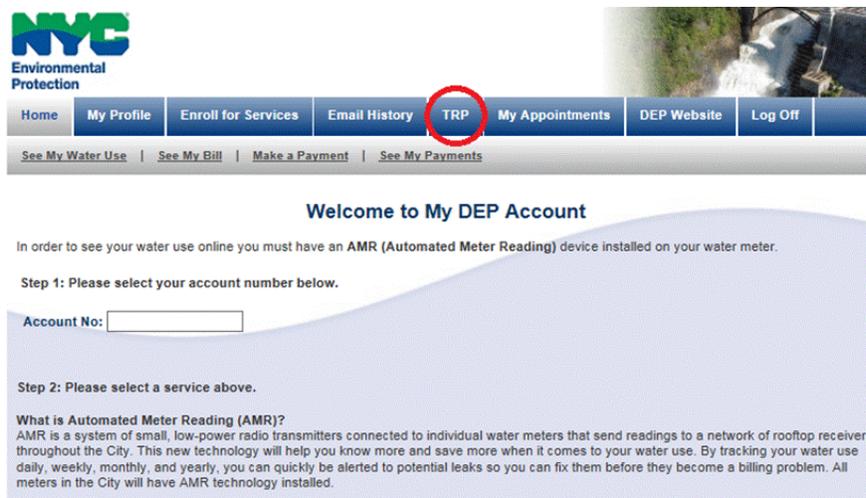
Water charge 365 9,311.04  
 Sewer charge 14,804.55

Buildings billed on the MCP rate must meet all conservation requirements to enroll in the discounted water rate. Projects billed on a metered rate are not required to meet these conservation criteria before enrolling.

**24. What resources exist to help pay for the costs of meeting the conservation criteria?**

Buildings currently on the MCP rate may be able to take advantage of the Toilet Replacement Program (TRP), which provides vouchers to cover the cost to purchase a new, low-flow toilet. More information about the toilet replacement program is available [here](#). Buildings can also login to their [My DEP](#) account and see whether they have the option to apply for the TRP (see below).

My DEP website showing the TRP tab:



DEP can assist with the installation of the automated meter reading (AMR) device. More information can be found about AMR devices [here](#).

**25. How can I verify if a building has met the MCP requirements?**

Buildings should check the “MCP Building Compliance” list on the [Discounted Water Rate website](#). Buildings can look up their accounts by DEP account number to see whether they are compliant with the conservation requirements.

If you believe your building was erroneously listed as noncompliant, contact DEP’s customer service at (718) 595-7000.

**26. How do I demonstrate compliance with the MCP conservation requirements?**

Projects should submit the letter which they received from DEP stating that they will have met the conservation criteria. A copy of the letter will be sent to all compliant MCP recipients in June 2016. Applicants submitting eligible applications before that date should reference the MCP compliance list on the HPD and HDC [website](#) (see question 24).

**27. Can buildings with metered water rates apply to this program?**

Yes, buildings charged metered water rates are eligible for this program. Buildings charged the MCP flat rate are also eligible, but they must meet the conservation requirements as stated previously.

**28. Are buildings on DEP metered water and sewer billing required to meet any conservation requirements?**

No, they are not.

**Good Standing**

**29. What are the performance eligibility criteria? What does it mean for a building to be in “good standing” with the City?**

Good standing is demonstrated by being current on DEP and DOF payments or being current on a payment plan as evidenced by submission of the most recent DEP and DOF bill(s). If an individual building in the project is not in good standing, then the entire project may be ineligible for the program. In special cases where a building is actively working with HPD/HDC Asset Management on addressing outstanding arrears, a waiver for this requirement may be requested.

**30. How can I provide evidence that my building is working with HPD or HDC Asset Management to bring the building into good standing with the City?**

If one or more buildings in the project are not in good standing with the City, but the Sponsor/Owner is actively working with HPD or HDC Asset Management, the Owner should submit an additional statement with their application explaining the circumstances.

### **Questions about the Application**

#### **31. Who can digitally sign the Application?**

For rentals and Mitchell Lamas (both coops and rentals), a property manager or a staff member of the ownership entity can digitally sign the application. For HDFC Coops, either a board member or UHAB staff member can digitally sign.

#### **32. What version of Excel should I use for the Application and Rent Roll?**

Microsoft Excel 2010 is the most compatible version, but Excel 2007 and later should work.