

FREQUENTLY ASKED QUESTIONS NYC 15/15 Rental Assistance Program

1. What is the NYC 15/15 Initiative?

The NYC Supportive Housing Initiative aims to fund and develop 15,000 new units of supportive housing in New York City over the next 15 years. This far reaching and comprehensive initiative targets the most vulnerable homeless New Yorkers in need of supportive housing. Supportive housing combines affordable housing with social services to help special populations, including individuals and families with serious mental illness, substance use disorders and/or disabling medical conditions. The City's 15,000-unit plan is comprised of a projected 7,500 newly-developed congregate (single-site) apartments and a projected 7,500 scattered-site apartments.

The NYC Department of Housing Preservation and Development (HPD) will award rental assistance and capital financing to support the congregate projects. HPD has a strong track record of funding supportive housing through the Supportive Housing Loan Program. Capital financing for the NYC Supportive Housing Initiative is available through the Supportive Housing Loan Program and other existing HPD Loan Programs. The NYC 15/15 Rental Assistance Program will build on HPD's commitment to supportive housing by offering operating subsidy.

2. What capital financing programs are available through HPD to support the NYC 15/15 Initiative?

HPD has a variety of loan programs that can fund development of supportive housing, including the Supportive Housing Loan Program. Information on HPD financing is available online at <http://www1.nyc.gov/site/hpd/developers/development-programs.page>.

3. What is the NYC 15/15 Rental Assistance Program?

NYC 15/15 rental subsidy is available to provide project-based rental assistance to eligible households living in units awarded social service funding through HRA's Request for Proposals for the Provision of Congregate Supportive Housing EPIN: 09617I0006.

4. Who is eligible to apply for the project-based rental assistance contract?

Applicants for NYC 15/15 Rental Assistance should be owners who are developing supportive housing. Eligible applicants may be nonprofit organizations or partnerships between nonprofit and for-profit entities.

Owner may also be the service provider or may partner with a service provider to deliver on-site services to tenants. Service provider should have applied for and received an award

letter from HRA for the HRA Provision of Congregate Supportive Housing services. An HRA award letter does not guarantee award of NYC 15/15 Rental Assistance.

Owners that are offered a rental assistance contract will be required to register as a vendor by submitting City of NY Substitute W9 forms and current IRS issued EIN verification documentation to HPD.

5. How does an organization apply for the NYC 15/15 Rental Assistance Program?

Owner should submit a Project Description Form in addition to the HRA Provision of Congregate Supportive Housing award letter (together, the “Application Package”) to HPD. If owner and service provider are not related entities, applicant must also submit a description of the relationship with the service provider. Projects are not funded under an HPD Loan Program should include a development budget and evidence of financing commitments with Application Package.

Application Packages should be submitted:

By email to NYC1515@hpd.nyc.gov

Or by mail to
NYC 15/15 Rental Assistance Program
New York City Department of Housing Preservation and Development
100 Gold Street, Room 9C10
New York, NY 10038

6. When should an organization apply for the NYC 15/15 Rental Assistance Program?

Owners may submit Application Package and applicable attachments immediately following award of HRA Provision of Congregate Supportive Housing letter. Application Packages should be submitted at least 6 months prior to construction closing.

7. What is the NYC 15/15 Rental Assistance Program award process?

The application and award process has multiple steps:

- 1) Application Submission** – After service provider has received a HRA Provision of Congregate Supportive Housing award letter, owner submits the completed Application Package (see questions 4 & 5). Applications will be reviewed on a rolling basis.
- 2) Award Letter** – If a project is selected for NYC 15/15 Rental Assistance, HPD will issue an award letter for rental assistance. If a project is not selected for rental assistance, HPD will issue written notice of the decision. Rental assistance would be

provided for up to the number of units specified in the HRA Provision of Congregate Supportive Housing award letter.

- 3) **Agreement to Enter into Rental Assistance Contract (ARAC)** – DTR will offer owners an Agreement to enter into Rental Assistance Contract (ARAC). HPD and the owner will execute the contract prior to construction closing. The ARAC will be effective for the duration the construction period until a RAC is executed.
- 4) **Kick-off Meeting** – Approximately 6 months prior to construction completion, owner should notify HPD about the projected completion date. HPD will coordinate the scheduling of a kick-off meeting to discuss the rent-up process and ongoing program administration.

Following the meeting, the owner will provide DTR with required forms to register the owner for payment and a rent roll (on a HPD provided rent roll template) to set up apartments to be assisted in the system. Other HPD Divisions may have additional required forms that must be completed prior to rent up of the building.

- 5) **Rental Assistance Contract (RAC)** – When building receives a Temporary Certificate of Occupancy (TCO) or Permanent Certificate of Occupancy (PCO), owner should supply required documentation to DTR in order to schedule a Housing Quality Standard (HQS) inspection for assisted units. DTR will issue owner a Rental Assistance Contract (RAC) to be executed by the owner and HPD once the assisted units have passed an HQS inspection.
- 6) **Contract Payments** – Owner can allow the eligible tenant(s) to move into an assisted apartment and sign a lease once the apartment has passed an HQS inspection. Tenant applications must be submitted and processed before contract payments commence. Subsidy payments will begin as of the effective date of the RAC if tenants have moved in and applications are submitted within 30 days of RAC effective date.

As additional households apply to the project and are approved for assistance, their payments will begin retroactive to the 1st or 15th of the month following their move in date provided that their application was submitted within 30 days of move in. If applications are submitted more than 30 days after move in, the subsidy will be effective the next 1st or 15th of the month following their application approval.

8. Do NYC 15/15 Rental Assistance contract apartments have to be rent stabilized?

All apartments receiving NYC 15/15 Rental Assistance must be rent stabilized. Initial legal rent may be registered above Fair Market Rent (FMR) in accordance with HPD loan documents. Owners will be required to register annual increases in the legal rents with the New York State Division of Housing & Community Renewal (DHCR). Failure to do so may prevent an owner from being able to collect future rent increases that the RAC would otherwise allow.

9. Is award of NYC 15/15 Rental Assistance subject to environmental review?

Projects receiving NYC 15/15 Rental Assistance are subject to the City Environmental Quality Review (CEQR) process. As mandated by the State Environmental Quality Review Act, CEQR is the process by which New York City agencies determine what effect, if any, a discretionary action they approve may have upon the environment. CEQR is a disclosure process and not an approval process in and of itself. The CEQR process must be completed prior to execution of the Agreement to enter into Rental Assistance Contract (ARAC).

10. Can NYC 15/15 be combined with any other types of rental assistance?

Apartments assisted with NYC 15/15 Rental Assistance cannot be subsidized by any other rental assistance, including Section 8 or rental subsidy from other service awards (such as HASA or DOHMH).

11. What is the term of a NYC 15/15 Rental Assistance Program contract?

Under the NYC 15/15 program, owners enter into Rental Assistance Contract (RAC) for an initial term of at least fifteen years with one renewal. Renewal may be for up to the initial term of contract.

12. What is the payment standard for a NYC 15/15 Rental Assistance Program contract?

The initial approved contract rent for assisted apartments will be available at up to the Fair Market Rent (FMR). Contract rents cannot exceed the maximum “legal rent” of the apartment.

Monthly rent subsidy payments will be made by HPD directly to property owners on a monthly basis. Tenants will pay 30% of their income towards rent. Tenants will pay their portion of the monthly rent not covered by the subsidy directly to the property owners on a monthly basis. Tenants may only be charged the tenant contribution amount determined by HPD.

Property owners may submit requests for a contract rent increase of 2% in rent once per year. Requests must be made at least 60 calendar days before the proposed effective date of the rent increase.

13. What happens if the annual funding appropriation for the NYC 15/15 Rental Assistance Program is reduced or eliminated?

The NYC 15/15 Rental Assistance Program is subject to the appropriation of funds by the City’s Office of Management and Budget (OMB). If OMB advises HPD that sufficient funds are not available for rental assistance payments, HPD will give notice to impacted owners. HPD may offer: 1) reduction in contract rents; 2) reduction in number of contract units; and/or 3) alteration of contract term. If an impacted owner and HPD cannot agree to contract

alterations within thirty days of such notice, either the owner or HPD may choose to terminate the Rental Assistance Contract (RAC).

14. What is the recertification process for tenants?

HPD will mail tenants an annual recertification package annually. The service provider will receive reports of tenants who have been sent recertification packages to assist with the timely return of the completed documents. HPD must certify tenants to establish subsidy levels.

15. Are tenant required to attend an in-person briefing with HPD prior to receiving NYC 15/15 Rental Assistance?

No. NYC 15/15-assisted tenants may be required to attend an online briefing session to receive subsidy. Tenants will receive a guide explaining their rights and responsibilities as participants in the program.

16. Is tenant still eligible for NYC 15/15 Rental Assistance if they move out of unit?

Rental subsidy is tied to the apartment assisted by NYC 15/15 Rental Assistance, not the individual or household residing in the apartment. If a resident moves out of the assisted apartment, they are no longer eligible for NYC 15/15 Rental Assistance.

While the NYC 15/15 is permanent housing, the service model introduces the concept of "Moving On" with tenants from the beginning. If a tenant is interested in living in a more independent housing situation, the service provider should work with HPD's Division of Special Needs Housing to apply for a Moving On Housing Choice Voucher. The availability of tenant based rental assistance to Move On is based on voucher availability.

17. Do tenants have to participate in supportive services to be eligible for rental assistance?

Services should be offered to all tenants in accordance with the HRA Provision of Congregate Supportive Housing award. Tenant participation in supportive services is not mandatory in order for owner to receive rental assistance payment.