

**Multifamily Disposition and Finance Programs  
 Term Sheet**

<b>Program Description</b>	<p>HPD's Third Party Transfer (TPT) Program and Multifamily Preservation Loan Program (MPLP) designate qualified sponsors to purchase and rehabilitate distressed vacant and occupied multi-family properties in order to improve and preserve housing affordable to low- to moderate-income households.</p> <p>All TPT properties are currently owned by Neighborhood Restore HDFC and MPLP properties are currently owned by the City of New York. All properties were subject to an <i>in rem</i> foreclosure.</p> <p>HPD provides loans using City Capital and/or Federal HOME funds at 1% interest. HPD subsidy is in addition to construction and permanent financing sources provided by, but not limited to, private institutional lenders, New York City Housing Development Corporation (HDC), and Low Income Housing Tax Credits (LIHTC).</p>
<b>Eligible Borrowers</b>	<p>Limited partnerships, corporations, joint ventures, limited liability companies, 501(c)(3) corporations, housing development corporations and individual owners. The program is open to for-profit and non-profit borrowers.</p>
<b>Eligible Uses</b>	<p>Moderate or substantial rehabilitation of multiple dwellings including SROs.</p>
<b>HPD Loan Amount</b>	<ul style="list-style-type: none"> <li>• Maximum HPD subsidized loan amount is up to \$120,000 per unit, depending on rehabilitation needs, current occupancy and affordability targets. Per-Unit subsidies may be reduced for projects utilizing other sources, including the Inclusionary Housing Program, absent broader/deeper affordability or project benefits.</li> </ul>
<b>HPD Loan Terms</b>	<ul style="list-style-type: none"> <li>• Maximum loan term: 30 years.</li> <li>• Interest Rate: Payable 1.0% per annum plus 0.25% servicing fee during construction. HPD may reduce the paid rate to leverage additional private financing. An additional compounding interest rate at no less than the Applicable Federal Rate (AFR) may defer and accrue, with a balloon payment due upon maturity.</li> <li>• Amortization: Balloon may be allowable up to 100% of the HPD loan plus deferred and accrued interest.</li> <li>• Debt Service Coverage: 1.15 on all financing.</li> <li>• Maintenance and Operating Expenses: Underwritten at a level acceptable to HPD.</li> <li>• Reserves: Three months debt service and operating expenses must be capitalized. A \$250 per unit repair and replacement reserve will be from cash flow.</li> <li>• Acquisition: \$2000 per unit excluding super's unit for TPT properties; \$1 per lot for City-owned properties</li> <li>• Developer's Fee: Up to \$10,000 per unit for non-profit developers and sponsors of tenant petition projects; fee adjusted based on percentage of occupied units and building size. For projects utilizing LIHTC, the total developer fee is not to exceed 10% of development costs (excluding developer fee, reserves and syndication/partnership expenses) and 10% of acquisition costs. The total developer fee should be fully deferred at construction loan closing. HPD may require a reduction in developer fee in order to reduce subsidy. All consultant fees must be paid from the developer</li> </ul>

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	<p>fee.</p> <ul style="list-style-type: none"> <li>• Letter of Credit: 10% of hard costs excluding contingency. Payment and Performance bond for 100% of hard costs may be accepted in lieu of Letter of Credit, upon HPD approval.</li> <li>• Federal Funds: Require compliance with Section 3 new hires and Davis Bacon prevailing wages, as applicable. (See NOTE below).</li> </ul>
<b>Equity Requirements</b>	For-profit developers: minimum of 10% of total allowable development costs. Non-profit developers: minimum of 2% of total allowable development costs.
<b>HPD Fees</b>	<ul style="list-style-type: none"> <li>• HPD Commitment Fee of 1% of the portion of the mortgage funded by HPD, with the exception of Federal HOME funds.</li> <li>• HPD Closing Fee of 0.5% of the portion of the mortgage funded by HPD.</li> <li>• Construction signage fee of \$200 per building. Excluding the signage fee, these fees are waived for not-for-profit borrowers.</li> </ul>
<b>Rent Setting</b>	<ul style="list-style-type: none"> <li>• Upon conveyance of City-owned properties, rents for all occupied units must be registered with HCR and are subject to New York State Rent Stabilization Code.</li> <li>• Project may be eligible for rent restructuring to cover debt service and post-rehabilitation property maintenance and operations, to be implemented post-completion.</li> <li>• For occupied units, rents will be projected to increase by rent stabilization allowances during the construction period. If needed, post-completion and upon HPD's issuance of a rent order, rents will be set no higher than a level affordable to households earning between 50% AMI and 60% AMI.</li> <li>• For vacant units, rents shall generally be set in multiple tiers no higher than a level affordable to households earning 130% AMI, unless further restricted based on federal funding sources and/or LIHTC requirements if applicable.</li> </ul>
<b>Regulatory Requirements</b>	<p>Projects will be subject to a minimum 30-year regulatory agreement with the following general requirements:</p> <ul style="list-style-type: none"> <li>• Current and future vacant apartments must be rented to households whose incomes do not exceed 150% of AMI.</li> <li>• Rents may not exceed a level affordable to households earning 130% AMI during the regulatory term.</li> <li>• Following rehabilitation, all units must be registered with HCR and are subject to increases governed by the Rent Stabilization Code.</li> <li>• Vacancy and luxury decontrol are not permitted for the duration of the HPD restriction period.</li> <li>• HPD requires annual submission of a certified rent roll, written certification of tenant incomes, and supporting documentation for rent and income determination pursuant to the regulatory agreement. Federally-funded and LIHTC units will be subject to additional restrictions and monitoring during compliance periods.</li> <li>• An enforcement mortgage for the as-is appraised value, as determined by HPD, less acquisition price is required for City-owned properties.</li> </ul>
<b>Real Estate Tax Benefits</b>	Projects may qualify for UDAAP, §420-c, Article XI, or J-51 real property tax exemption.
<b>Marketing</b>	All projects must be marketed according to HPD and HDC marketing guidelines. The developer must submit a marketing plan for agency review and approval. Where applicable, marketed projects will be required to use HPD's

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	and HDC's lottery process.
<b>Construction Requirements</b>	Projects must meet <a href="#">HPD's construction specifications and design guidelines</a> . All projects must achieve Green Communities Certification, unless otherwise determined by HPD. The Green Communities Criteria and Certification portal is available at <a href="http://www.greencommunitiesonline.org">www.greencommunitiesonline.org</a> .
<b>Fair housing &amp; Accessibility Requirements</b>	Developers are required to comply with all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination. The Developer must also construct the project in compliance with all laws regarding accessibility for people with disabilities, including but not limited to 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.
<b>Application Process</b>	Developers are designated through a Request for Qualifications (RFQ). After designation, developers must submit a project proposal including scope of work, development and operating budgets. To access private financing, developers must apply through one of the participating private lenders listed below. Developers are expected to be able to secure financing and close within 12 months of designation.
<b>Participating Banks</b>	<p><b>Carver Savings Bank:</b> (718) 676-4799  <b>Chase Community Development Group:</b> (212) 552-4059  <b>Citibank:</b> (718) 248-4710  <b>Community Preservation Corporation:</b> (646) 822-9428  <b>Enterprise Community Partners:</b> (212) 284-7158  <b>Low Income Investment Fund:</b> (212) 509-5509  <b>Local Initiatives Support Corporation:</b> (212) 455-1606</p>
<b>HPD Contact</b>	<p><b>Multifamily Disposition and Finance Programs</b>          NYC Department of Housing Preservation and Development          100 Gold Street, Room 9-Z4          New York, NY 10038          (212) 863-7270</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 for funding.*

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.