

## Multifamily Water Assistance Program for Affordable Housing Frequently Asked Questions (updated September 30, 2020)

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### **GENERAL PROGRAM ELIGIBILITY**

#### **1. HOW DO I APPLY?**

The application is available on the HPD [website](#) and the HDC [website](#). For Calendar Year 2021, the application is a web-based form that asks owners /sponsors to submit one application for **each building within a project** (a “project” is defined as all the buildings covered under one executed and recorded Regulatory Agreement).

**MULTIPLE BUILDING PROJECTS:** If there is more than one (1) building in a project, separate applications must be completed for each building within the project. **However, you only need to upload the HPD and/or HDC Regulatory Agreement, HPD/HDC Rent Roll Template and DOF Bills with the first building application of a project.**

#### **2. WHO DO I SEND MY APPLICATION TO?**

The application is automatically submitted to HPD and HDC once you click on the “Submit” button in the online application. Applications will either be sent to HPD or HDC, depending on whether you have an HPD, HDC or Joint HPD/HDC Regulatory Agreement on the project.

In the “Rents and Regulatory Agreement” section, the first question asks “Type of Regulatory Document”. Here is how to determine if your project has an HPD, HDC, or Joint HPD/HDC Regulatory Document:

- **HPD Regulatory Document:** Your project has an executed and recorded HPD Regulatory Agreement, Mitchell Lama Non-Dissolution Rider (appended to your mortgage) or equivalent regulatory document.
- **HDC Regulatory Document:** Your project has an executed and recorded HDC Regulatory Agreement or equivalent regulatory document.
- **Joint HPD and HDC Regulatory Document:** Your project has an executed and recorded Joint HPD/HDC Regulatory Agreement or equivalent regulatory document.

#### **3. WHO CAN I CONTACT WITH ADDITIONAL QUESTIONS ABOUT PROGRAM ELIGIBILITY?**

- **Multi-Family Conservation Program:** To see whether your building meets the Multi-Family Conservation Program criteria, visit the Compliant Multi-Family Conservation Program (MCP) Properties [webpage](#), or for questions about how to comply with the MCP conservation criteria, please contact DEP directly at (718) 595-7000, [customerservice@dep.nyc.gov](mailto:customerservice@dep.nyc.gov), or use the MCP Compliance Tool found [here](#).

- **HPD-Assisted Projects:** For existing buildings with an HPD Regulatory Agreement, Mitchell Lama non-dissolution rider or equivalent regulatory document, contact [AMwater@hpd.nyc.gov](mailto:AMwater@hpd.nyc.gov).
- **HDC-Assisted Projects:** For existing buildings with an HDC Regulatory Agreement, a joint HPD-HDC regulatory agreement or equivalent regulatory document, contact [AMwater@nychdc.com](mailto:AMwater@nychdc.com).

#### 4. WHICH BUILDINGS ARE ELIGIBLE TO APPLY FOR THIS CREDIT?

Any project located in New York City that meets the following criteria is eligible to apply:

- a) Average actual project rents affordable to households earning up to 60% of Area Median Income (AMI). Actual project rents must include any rental assistance received for that unit. Vacant units may not be counted in the average.
- b) Executed and recorded Regulatory Agreement, Mitchell Lama non-dissolution rider or equivalent regulatory document with HPD or HDC, which restricts 100% of the residential units and has a minimum of 15 years remaining from September 29, 2020 or the date of the contract execution, whichever is later. Projects that only have a regulatory agreement from an agency that is not HPD or HDC (i.e. HUD or HCR) are not eligible for the credit.
- 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) is required to be eligible to receive the credit. All buildings billed on a metered basis are eligible.
- d) In good standing with the City (current on DEP and DOF bills). DEP will run a point-in-time check of the project's payment status between February 1, 2021 to February 15, 2021 to determine good standing with DEP.

#### 5. WHAT IS A "PROJECT"?

A project is defined as one or more buildings under one executed and recorded regulatory agreement, Mitchell Lama non-dissolution rider or equivalent document with HPD or HDC.

#### 6. 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, Mitchell Lama rental buildings and cooperatives (City-assisted), and HDPC cooperatives.

#### 7. ARE THERE ANY BUILDING SIZE RESTRICTIONS FOR THE PROGRAM OR PROJECT UNIT CAPS?

Yes, only buildings with 4 or more units are eligible for the credit. A project which contains buildings with more than 4 units 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.

All projects over 4 units are eligible to participate in the Program; however, if a private-site project consists of more than 2,000 units, only the first 2,000 units in a project will receive credits.

**8. ARE THERE LIMITED SPOTS IN THE PROGRAM?**

There are a limited number of units that can benefit from the credit. Projects will be prioritized by lowest to highest collectable rent affordable to households earning up to 60% of AMI. In addition, projects of any unit size above 4 units are eligible to participate in the program, but only the first 2,000 units of a project will be eligible to receive the credit. The agency reserves the right to prioritize high need projects if the demand exceeds the enrollment cap. Only complete applications will be reviewed.

**9. WHAT IS THE DEADLINE TO APPLY?**

The deadline to apply is 11:59 pm on November 10<sup>th</sup>, 2020. Qualifying buildings will be informed about their application status by March 31<sup>st</sup>, 2021.

**10. WHEN WILL BUILDINGS RECEIVE THE CREDIT?**

For buildings billed on a metered rate, the credit would be applied on the next quarterly bill after March 30<sup>th</sup>, 2021. For buildings billed on the MCP or frontage rate, the credit would be applied on their annual bill, sent in June 2021.

**AFFORDABILITY CRITERIA**

**11. WHAT ARE THE AFFORDABILITY ELIGIBILITY CRITERIA?**

**Rent Affordability:** Average collected rents (rentals) or maintenance fees (coops) (including any applicable subsidies, such as Section 8, LINC, etc) for **all buildings (including buildings under 4 units)** in a project must be affordable to households earning up to 60% of AMI. The project can have units with rents higher than 60% of AMI, as long as the average collected rent by the date of the application is affordable to those earning up to 60% of AMI. **The affordability criteria are based on the average rent collected for all buildings under one regulatory agreement; therefore, for an application to be complete, the Applicant must provide ONE rent roll for all of the buildings in the project, even the ones that are under 4 units.** Separate rent rolls for each building should not be submitted and will result in an incomplete application.

The average collected rent AMI is derived and confirmed by the HPD/HDC Rent Roll Template, downloadable via the online application. All project submissions must include the rent roll on the HPD/HDC Rent Roll Template; applications with proprietary rent rolls will be considered incomplete.

**Use Restriction:** Projects must have an executed and recorded regulatory agreement or equivalent document with HPD and/or HDC, which restricts 100% of the residential units and has a minimum of 15 years remaining as of September 29, 2020 or contract execution, whichever is later.

For projects where the end date of the regulatory period is tied to the expiration of the tax benefit, please also submit the Certificate of Eligibility for the tax benefit.

For Mitchell Lama projects with a Non-Dissolution Rider attached to the mortgage, please also submit the Mortgage Note to indicate the end date of the regulatory term.

**12. 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 2020, the AMI for New York City for a family of four is \$113,700. 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 \$68,220 and a maximum affordable monthly rent of \$1,570. 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.

**13. HOW CAN I CALCULATE MY AVERAGE AMI?**

Applicants **must** fill out and submit the HPD/HDC Rent Roll Template in the Multifamily Water Assistance Program Application (this is downloadable from the application). The Template will automatically calculate your AMI based on collected rents (the combination of contract rents charged to tenants **plus** any rental subsidies or vouchers they may receive).

For projects with multiple DEP accounts, the HPD/HDC Rent Roll Template only needs to be submitted with the first building application submission and **MUST** include all of the buildings covered under the project's regulatory agreement.

**14. HOW RECENT DO THE RENT ROLLS HAVE TO BE?**

Rent rolls should reflect the actual building's collectible rents as of the date of application submission. So long as they are still accurate, there is no specific "expiration date."

**15. WHERE CAN I FIND MY RECORDED REGULATORY AGREEMENT?**

A digital copy of the project's regulatory agreement must be uploaded to the application. All documents can be downloaded from the [Automated City Register Information System \(ACRIS\)](#). Buildings can search for their regulatory agreement by borough, 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 a separate application for that project.

**16. 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.

**17. IS A PROJECT PARTICIPATING IN ONE OF HPD'S DIVISION OF PROPERTY DISPOSITION AND FINANCE LOAN PROGRAMS ELIGIBLE TO APPLY FOR THE CREDIT?**

Not until the project's ownership is transferred from Neighborhood Restore to the HDPC and an HPD and/or HDC regulatory agreement with the HDPC is executed and recorded, will the project be to receive financing from the Program.

**18. 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 programs can be found at the HPD website or by contacting [AMwater@hpd.nyc.gov](mailto:AMwater@hpd.nyc.gov). To contact HDC Preservation Finance regarding the Multifamily Water Assistance Program for Affordable Housing, please email [AMwater@nychdc.com](mailto:AMwater@nychdc.com).

**19. 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 document are eligible to apply for the credit. In addition, 100% of the units need to be restricted by an HPD and/or HDC regulatory document in order to be eligible to receive the credit.

**DEP Conservation Criteria**

**20. 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. Buildings billed on the MCP rate must meet the compliance requirements by the date of their application submission to enroll in the discounted water rate.

*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.

**21. WHERE CAN I GO TO LEARN MORE ABOUT THE MCP PROGRAM AND ITS REQUIREMENTS?**

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

**22. 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
	Jul 1, 2015	Jul 31, 2015	\$ 24,115.59	\$

011800014356200107012015000024115590

A D9 W 120 8000143562001 B

NYC WATER BOARD  
PO BOX 11863  
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.
	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 366  
 Water charge 9,311.04  
 Sewer charge 14,804.55

Buildings billed on the MCP rate must meet all conservation requirements to continue to receive the flat water rate and not be charged penalties. Projects billed on a metered rate are not required to meet these conservation criteria before receiving the credit.

**23. HOW CAN I VERIFY IF A BUILDING HAS MET THE MCP REQUIREMENTS?**

Buildings should check the “MCP Building Compliance” list on the Compliant Multifamily Conservation Program (MCP) Properties [webpage](#). Buildings can look up their accounts by borough, block and lot or service address to see whether they are compliant with the conservation requirements. Properties that meet all MCP conservation requirements will be able to print an MCP conservation compliance letter.

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

**24. 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.

**25. ARE BUILDINGS ON DEP METERED WATER AND SEWER BILLING REQUIRED TO MEET ANY CONSERVATION REQUIREMENTS?**

No, they are not.

**GOOD STANDING**

**26. 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 in a payment plan. DEP will be conducting a point-in-time check to a project’s standing with DEP between February 1, 2021 to February 15, 2021. For verification of good standing with DOF, the Applicant must submit the most recent DOF bill(s). If an individual building in the project is not in good standing, then only that building will be ineligible to receive the credit; the other buildings in the project that are in good

standing will receive the credit. 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.

**27. 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 Applicant is actively working with HPD or HDC Asset Management, the Applicant should submit an additional statement with their application explaining the circumstances.

**QUESTIONS ABOUT THE APPLICATION**

**28. WHO CAN COMPLETE THE APPLICATION?**

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

**29. THE APPLICATION ONLY ALLOWS FOR ONE DEP ACCOUNT NUMBER TO BE INPUTTED. WHAT IF A PROJECT HAS MORE THAN ONE DEP ACCOUNT NUMBER ASSOCIATED WITH IT?**

If a project has more than one DEP account number associated with it, then an owner / sponsor must complete the additional application for each additional DEP account number associated with the project. Once an application is submitted, you will be prompted to complete the form again, if necessary.

After the first building application submission, you do not need to complete the Rents and Regulatory Agreement and File Uploads sections again.

**30. WHAT IF THERE ARE MULTIPLE BUILDINGS ASSOCIATED WITH ONE DEP ACCOUNT NUMBER? HOW DO I ADD THE ADDITIONAL BUILDINGS?**

If there are multiple buildings associated with one DEP account number, then include all of the buildings associated with that DEP account number by using commas to separate the addresses and blocks and lots.

See here for an example of how to input multiple buildings associated with one DEP account number:

### Building Information

List the full details for each building that is associated with a single DEP Account Number.

**DEP Account Number\*** (XXXXX-XXXXX-XXX)

  

**Building Street Address\*** (separate additional building addresses by commas)

  

**Borough\***

  

**Block\*** (separate additional blocks by commas)

  

**Lot\*** (separate additional lots by commas)

**31. SHOULD I INPUT THE TOTAL NUMBER OF RESIDENTIAL UNITS ASSOCIATED WITH THE PROJECT OR THE DEP ACCOUNT NUMBER?**

Only input the total number of residential units associated with the DEP account number. For example, if the total project consists of 1,000 units, but one DEP account number associated with the project only consists of 500 units, then only input 500 units. You will need to submit an additional application for any additional DEP account numbers associated with the project.

**32. BECAUSE A PROJECT MUST MEET THE AFFORDABILITY CRITERIA IN ORDER TO QUALIFY, SHOULD I INCLUDE ALL OF THE BUILDINGS ASSOCIATED WITH THE PROJECT IN THE RENT ROLL, OR JUST THE BUILDINGS ASSOCIATED WITH THE DEP ACCOUNT NUMBER?**

You must include all of the buildings associated with the project in one HPD/HDC Rent Roll Template. HPD and HDC are looking to see if the buildings meet the affordability criteria on a project level.

For example, if there are 5 buildings covered under one regulatory agreement, all 5 buildings, including the buildings with less than 4 residential units, need to be included in the HPD/HDC Rent Roll Template.