



NYC™ Department of
Housing Preservation
& Development

REQUEST FOR QUALIFICATIONS

MULTIFAMILY PRESERVATION PROGRAM

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MICHAEL R. BLOOMBERG,
Mayor

ROBERT C. LIEBER,
Deputy Mayor for Economic Development

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Commissioner
Department of Housing Preservation and Development



Multifamily Preservation Program

REQUEST FOR QUALIFICATIONS

The City of New York (the “City”) Department of Housing Preservation and Development (“HPD”) invites Statements of Qualifications from qualified individuals and organizations (“Applicants”) to participate in HPD’s Multifamily Preservation Program (the “Program”). Under the Program, HPD may facilitate or provide financing for the acquisition and/or rehabilitation of financially distressed multifamily buildings (as defined below) and HUD Multifamily Buildings (as defined below) in New York City. Selected Applicants could acquire the buildings directly from the current owners through negotiated purchase, purchase existing mortgages on such buildings and then acquire the buildings through foreclosure or deed in lieu of foreclosure, or purchase the buildings at a foreclosure sale by an existing lender. If the buildings are physically as well as financially distressed, the Selected Applicant would then be eligible for rehabilitation financing. Buildings are eligible for the Program if they are in one of the following two categories: (1) Financially Distressed Buildings are buildings experiencing or facing private mortgage foreclosure, governmental tax or lien foreclosure, or are encumbered by unworkable debt; (2) HUD Multifamily Buildings are buildings encumbered by a federal Department of Housing and Urban Development (“HUD”) mortgage or a mortgage that HUD assigned to the New York City Housing Development Corporation (“HDC”), are under foreclosure by HUD, are encumbered by HUD use restrictions, and/or are receiving Section 8 Project-Based Rental Assistance. Financially Distressed Buildings and HUD Multifamily Buildings collectively are the Program’s Qualified Buildings. The Program’s mission is to maintain long term affordability and ensure the long term physical viability and responsible ownership and management of such properties.

This Request for Qualifications (“RFQ”) has been issued to identify a list of qualified developers (“Qualified Developers”) who meet the Program’s eligibility requirements. Applicants may be individuals and organizations, both not-for-profit and for-profit, who have the experience, financial resources, and capacity required to rehabilitate, maintain, and manage multifamily housing. Responses to this RFQ are merely for the purpose of qualifying developers for the Program and are not applications to receive loans or any assistance from HPD.

In addition to qualifying developers for the Program, this RFQ will assess Applicants for pre-qualification for the New York City Acquisition Fund (the “Acquisition Fund”). The Acquisition Fund will work in coordination with the Program to provide Qualified Developers with financing for the purchase of mortgages or land.¹

Qualified Developers may be eligible for the following:

- Aid from HPD in negotiating the purchase of Qualified Buildings or potentially the purchase of mortgages on Qualified Buildings.
- A letter from HPD and/or the Acquisition Fund to the Qualified Developer, given prior to a foreclosure auction, outlining the possible terms of financing for a particular Qualified Building that HPD and/or the Acquisition Fund would consider, including the maximum amount of acquisition financing and an estimated amount of rehabilitation financing.

¹ The Acquisition Fund is currently expanding its lending programs to permit the purchase of mortgages in addition to buildings and land.

- Eligibility to receive funding from the Acquisition Fund for the acquisition of Qualified Buildings and from HPD or HDC for the rehabilitation of Qualified Buildings, if programmatic and project requirements are satisfied.

\$600 million is available from HPD and HDC for the Program, comprising \$100 million in subsidy from HPD and \$500 million of bond financing from the HDC. HPD and HDC each offer unique financing tools and programs with the mission of creating and preserving affordable housing in New York City. In addition, \$150 million is available from Acquisition Fund to finance the purchase of mortgages or land.

HPD and the Acquisition Fund reserve the right to select from the list of Multifamily Preservation Program Qualified Developers for participation in other related HPD programs.

For more information, contact Arden Sokolow, Executive Director of Distressed Asset Financing Programs, at (212) 863-6196 or via email at sokolowa@hpd.nyc.gov.

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I. INTRODUCTION

HPD is seeking to qualify Applicants for eligibility to participate in HPD's Multifamily Preservation Program (the "Program"). The Program is composed of HDC bond financing and rehabilitation financing through HPD's 8A, Participation Loan, and HUD Multifamily Programs. Funded projects will follow the programmatic guidelines respective to each program. By utilizing the various financing programs, HPD may provide or facilitate financing for the acquisition and/or rehabilitation of Qualified Buildings. Qualified Buildings are multifamily buildings in New York City that are either:

1. Buildings experiencing or facing private mortgage foreclosure, governmental tax or lien foreclosure, or are encumbered by unsupportable debt ("Financially Distressed Buildings").

Financially Distressed Buildings are identified through HPD's Overleveraged Properties Initiative (OPI). OPI is a method by which HPD identifies and monitors multifamily properties showing signs of physical and/or financial distress (<http://www.nyc.gov/html/hpd/html/developers/distressed-asset-financing-prog.shtml>). Financially Distressed Buildings are a vital opportunity to add long term affordable units to New York City's housing stock and ensure the long term physical condition and responsible ownership of such properties. The buildings range in unit size and are typically occupied and need moderate to substantial rehabilitation. Developers who indicate interest in acquiring debt may be chosen to do so for these buildings and if chosen, will be required to pursue title to the buildings through the foreclosure process.

2. Buildings (i) encumbered by a HUD mortgage, (ii) encumbered by a mortgage that HUD had assigned to HDC, (iii) under foreclosure by HUD, (iv) encumbered by HUD use restrictions, and/or (v) receiving Section 8 Project-Based Rental Assistance (collectively, "HUD Multifamily Buildings").

HUD Multifamily Buildings typically range in size from 50-300 units and consist, in total, of approximately 77,000 housing units that represent a critical affordable housing resource for hundreds of thousands of low- and moderate-income New Yorkers. The buildings are typically occupied and receive Section 8 Project-Based Rental Assistance, and are restricted to low-income families, special needs populations and/or the elderly. Most are in need of moderate to substantial rehabilitation.

This RFQ has been issued to determine the eligibility of responding Applicants for the Program and to assess Applicants for pre-qualification for the Acquisition Fund. The result will be a list of qualified developers ("Qualified Developers"). Qualified Developers may be eligible for the following:

- Aid in negotiating the purchase of property or debt (property-backed, mortgage-backed, and collateralized);
- A letter from HPD and/or the Acquisition Fund to the Qualified Developer, given prior to a foreclosure auction, outlining the possible terms of financing for a particular Qualified Building that HPD and/or the Acquisition Fund would consider, including the maximum amount of acquisition financing and an estimated amount of rehabilitation financing;

- Qualified Developer status in applying for Acquisition Fund financing for the acquisition of property or debt;
- Qualified Developer status with HPD and HDC in applying for funding for the rehabilitation of properties.

The Program's goal is to maintain long term affordability and ensure the long term physical viability and responsible ownership and management of such properties.

When a Qualified Building becomes available for acquisition, HPD will refer to the list of Qualified Developers and may select a Qualified Developer who has the necessary experience to acquire and manage the Building. Upon doing so, the selected Qualified Developers may apply to receive loans or support for the acquisition and rehabilitation of the Building and to be the developer and/or long term owner of the Building. It is important to note that not all Applicants deemed qualified will be assigned a Building or receive financing. HPD reserves the right to select from the list of Multifamily Preservation Program Qualified Developers for participation in other related HPD programs.

II. REQUEST FOR QUALIFICATIONS PROCESS

A. Applications

This RFQ seeks Applicants who have the experience and financial and organizational capacity to successfully own and/or manage the Buildings and who share HPD's and the Acquisition Fund's mission to preserve long term affordability. This RFQ will identify Qualified Developers including a subset of entities with the capacity to acquire debt and pursue title through the foreclosure process.

HPD will review applications and identify a list of Qualified Developers. The Program seeks to include both not-for-profit and for-profit participants, all of whom must have the experience, financial resources and capacity required to rehabilitate, maintain, and manage multifamily housing, including Section 8 properties for HUD Multifamily Buildings and Buildings with significant physical and financial distress.

HPD and the Acquisition Fund encourage joint ventures or for-profit and not-for-profit development teams. HPD encourages interested respondents who do not individually have the required qualifications to form joint ventures that will collectively strengthen the team's qualifications.

Applicants must submit their qualifications in accordance with the instructions and forms contained in Section IV. **All Applicants, including those qualified through another HPD RFQ, must submit a full response to this RFQ and meet the minimum criteria set forth in this RFQ.** In order to remain qualified, entities must continue to meet the minimum criteria set forth in this RFQ. Eligible Applicants may be for-profit entities, joint ventures, individuals, sole proprietors, or not-for-profit organizations. To be determined as qualified, an Applicant must have the financial resources and the relevant management, rehabilitation, and/or development experience to successfully complete the Program.

To be considered in the first round of the Program, applications must be submitted no later than August 2, 2010. After the first round of Applicant reviews, applications will be accepted on a rolling basis and will be reviewed quarterly. The application must include all information requested under Section IV of this RFQ for all principals and officers of the Applicant. Upon review, HPD, at its discretion, may notify an Applicant that additional information or clarification is necessary. Such additional information may include the completion of disclosure statements concerning the Applicant and its principals and officers. An Applicant's submission of qualifications will be considered as permission for HPD to make such inquiries concerning the Applicant as HPD deems necessary.

B. Review and Evaluation

HPD will determine if Applicants meet minimum qualification requirements based on the criteria specified in Section III. HPD may disapprove the inclusion of any or all members of the Applicant's team and may require Applicants to substitute other individuals or firms. HPD will notify all Applicants as to whether or not they meet the eligibility requirements for Qualified Developers. Inclusion on the list of Qualified Developers does not ensure that a developer will be selected to receive Multifamily Preservation Program financing or a Building. For a discussion of assignment of financing and/or properties to Qualified Developers, please see Section IV.

III. MINIMUM QUALIFICATION REQUIREMENTS

Applicants must be qualified in each of the following Qualification Criteria in order to be considered Qualified Developers for possible participation in the Program. **All applicants, including those qualified through other HPD RFQs, must submit a full response to this RFQ and meet the minimum criteria set forth in this RFQ.**

A. Residential Development Experience

The Applicant will be evaluated on the extent of its experience with the rehabilitation of housing similar to the Buildings that are involved in the Program, many of which are occupied, multifamily, rent-stabilized dwellings. Such consideration may include but not be limited to assessing the quality, efficiency, and timeliness of completed rehabilitation work through site visits, contacting references and reviewing other information available to HPD. To be qualified under this criterion, an Applicant should demonstrate the capacity to effectively rehabilitate property on a scale commensurate with the Multifamily Preservation Program. Specific Buildings, by the nature of the buildings and occupants, may require particular expertise and action on the part of Qualified Developers for successful management and rehabilitation. These include but are not limited to: quickly stabilize distressed properties; pursue legal action against unlawful tenants; pursue legal action as debt holder, including but not limited to bringing a foreclosure case and understanding bankruptcy proceedings; carry out rehabilitation with tenants in place; provide temporary relocation resources for tenants during the period of construction; manage properties with special needs and/or elderly tenants; provide social and community service linkages; comply with Federal Low Income Tax Credits and HOME regulations; and collect rent subsidies such as Senior Citizens Rent Increase Exemption (SCRIE) or Section 8 assistance.

An Applicant must identify which types of buildings in the Multifamily Preservation Program are of interest in Tab A of the application. An Applicant's experience as listed on Form 2 should represent the completion of construction on **at least two occupied rehabilitation projects** within the past **five years** in properties with a **number of units similar to Buildings in the Multifamily Preservation Program** and including at least **three major systems replacements**. Applicants must demonstrate experience developing or refinancing projects with HUD Section 8 Project-Based Rental Assistance or HPD programs. For for-profit entities, only the experience of the principal members, i.e., equity participants, shall apply towards qualification. Specifically, the experience of general contractors who are not equity participants shall not count towards meeting the qualification criteria. For not-for-profit developers, the experience of top-level management may be considered towards qualification. Applicants applying as joint venture partnerships (for example, developers applying with their general contractors or between two development entities) must form a partnership prior to submission of the RFQ. However, upon review of applications, HPD may recommend a partnership between two entities in which case a partnership established after an application has been submitted is acceptable. HPD reserves the right to deny changes made to the composition of the Applicant entity after qualification.

B. Residential Management and Ownership Experience

To be qualified under this criterion, an Applicant should demonstrate the capacity to manage property in a professional manner on a scale commensurate with the Multifamily Preservation Program. The Applicant must demonstrate experience managing Section 8 projects or other federally-assisted projects, OR the Applicant's management portfolio,

as listed on Form 3, should show that the Applicant has had a **minimum of 100 units** under management at all times during the most recent five years. For for-profit entities, only the experience of the principal members, i.e., equity partners, shall apply towards qualification. Specifically, the experience of managing agents who are not equity participants shall not count towards meeting the qualification criteria. For not-for-profit developers, the experience of top-level management and outside managers may be considered towards qualification. Prior to responding to the RFQ, both for-profit and not-for-profit applicants must identify all Managing Agents, whether outside or internal managers, they would use to manage multifamily properties. HPD reserves the right to request or deny changes of the Managing Agents.

HPD and the Acquisition Fund may consider the extent and quality of the Applicant's management of residential properties by conducting a review of the following in regard to the Applicant's recent portfolio: the physical condition of the properties; the number of Housing Maintenance Code violations; compliance with New York State Division of Housing and Community Renewal ("DHCR") registration; HUD REAC scores on managed properties; the payment record for City taxes, water and sewer charges and any other municipal charges for Applicant's properties; the Applicant's track record and current capacity to provide effective management services in a timely and responsive manner including the handling of tenant complaints; and the Applicant's ability to supervise building employees and maintain appropriate records. HPD may conduct site visits to properties owned and managed by the Applicant, as well as check references, and conduct office visits and tenant interviews.

C. Financial Capacity

HPD and the Acquisition Fund will consider the Applicant's ability to obtain private financing and to provide equity for rehabilitating and developing the Buildings. HPD will evaluate the Applicant's credit history, financial records, and bank and other references.

To be qualified under this criterion an Applicant should demonstrate its financial capacity to meet both the working capital needs of a Building and the anticipated equity requirements for loans on a scale commensurate with the Multifamily Preservation Program. For-profit Applicants' financial capacity as depicted on Form 5 should indicate liquid assets, namely cash and marketable securities, of **at least \$500,000**. Not-for-profit Applicants' financial capacity should indicate liquid assets of **at least \$100,000**. Please note that the equity requirement for specific properties may exceed these minimums. In addition, a Qualified Developer's residential experience and financial capacity will be carefully considered in the case that HPD selects the Qualified Developer for a Qualified Building. Please note that the inability to secure construction financing from an appropriate lender will be grounds for de-designation and selection of a new Qualified Developer.

D. Other HUD Buildings Owned and/or Managed (Only for entities interested in HUD Multifamily Buildings)

HPD and the Acquisition Fund will consider the Applicant's ability to demonstrate good physical and financial status for any HUD multifamily buildings the Applicant owns and/or manages. HPD will evaluate the most recent REAC scores, HUD financial statements and HUD's Active Partners Performance System (APPS). Owning or managing HUD property is not a requirement for qualification under the Program; however, preference may be given to Applicants who can demonstrate successful management of HUD property.

An Applicant who owns or manages HUD property must provide evidence of scores and dates of the past three REAC inspections, showing an **average score at or above 60** with no failing scores, that there were no major findings on the last set of financial statements, and that there are no outstanding flags in Active Partners Performance System (APPS).

E. Municipal Charges

All buildings managed or owned by the Applicant must be current with all New York City real property taxes and water and sewer charges or have entered into and be in compliance with payment agreements for all outstanding taxes and charges.

F. Code Violations

An Applicant may be rejected at any time during the evaluation process if findings of a substantial record of serious Building Code or Housing Maintenance Code violations are made with regard to properties owned or managed by the Applicant or any of its principals or related entities, and such findings have not been adequately addressed.

G. Regulatory Compliance

All buildings managed or owned by the Applicant must be current with all homeless and/or other regulatory compliance stipulated by HPD or other City, State or federal regulatory agencies.

H. Adverse Findings

An Applicant may be rejected at any time during the evaluation process if adverse findings are made with regard to the Applicant or any of its principals or related entities, including, but not limited to, adverse findings with respect to any of the following:

- Past or pending government or private mortgage foreclosure proceedings or arrears with respect to any property owned or managed by the Applicant.
- Past or pending governmental tax or lien foreclosure, substantial tax arrears or bankruptcy or insolvency.
- Past or pending violations of homeless and/or other regulatory compliance.
- Findings of tenant harassment or a pending case of harassment.
- Arson, fraud, bribery, or grand larceny conviction or a pending case.
- Past or pending default on any obligation to, unsatisfied judgment or lien held by, or contract with any governmental agency.
- Past or pending suspension, debarment, or finding of non-responsibility by any government agency.
- A past or pending voluntary or involuntary bankruptcy proceeding.
- A negative history with HPD or any other government agency.

IV. APPLICATION REQUIREMENTS

All Applicants must submit all forms as described below. Submission of an incomplete application may be grounds for disqualification of the Applicant. Applicants are also encouraged to submit a letter stating interest in any particular properties. This information will be taken under consideration in making selection decisions.

HPD also asks that Applicants indicate preferences for building size and neighborhoods in Forms 2 and 3 of the Application. HPD will inform Qualified Developers of the unit ranges for which they pre-qualify.

HPD also asks that Applicants indicate interest in acquiring debt for the purpose of pursuing title in Form 1 of the Application.

PLEASE NOTE THAT EACH COPY OF THE APPLICANT'S QUALIFICATIONS MUST CONTAIN THE FOLLOWING FORMS AND SUPPORTING DOCUMENTATION:

A. Contents of Application

TAB A - Applicant Description

A completed Description Form 1. All Applicants must complete Part 1 of that Form; not-for-profit Applicants must also complete Part 2. In Part 1, Applicants must indicate which building types in the Multifamily Preservation Program are of interest.

TAB B - Residential Development Experience

A completed Residential Development Experience Form, Form 2, for the principal(s) of the Applicant and, if applicable, the contracted agent responsible for rehabilitation. List all projects that have been completed within the last five years or that are in construction, pre-development, or have otherwise been committed, and provide totals for each category.

TAB C - Residential Management and Ownership Experience

A completed Residential Management and Ownership Form, Form 3, must be completed by all officers, partners, shareholders, principals, or other person(s) or business entities that have an equity interest in or receive a pecuniary benefit from or are legally associated to the Applicant, and the managing agent(s) of the Applicant. Associated Business Entities are required to complete the Residential Management and Ownership form in the same manner as the Applicant. Each of these persons and entities are required to list all residential real estate in New York City that since January 1, 2000 they or any immediate family member have owned, managed, held a mortgage, been a mortgagee or vendee in possession, a receiver, an executor, trustee, lessee, or any other person, firm or corporation directly or indirectly in control of a residential dwelling or part thereof, or have been an officer, partner, shareholder, principal, or other person having an equity interest in or receiving a pecuniary benefit from or legally associated to a business entity having such interest in residential real estate. Please note that all listings of buildings must be specifically and clearly associated to the person(s) and/or entities related to the Applicant, the exact nature of that association must be clearly defined, and the duration of that association must be noted as a date range.

Using Form 3, Part 2 list such property by address, borough, block and lot numbers and indicate Applicant's role, the name of the relevant entity, and the dates of such relationship to each property. A comment field is also provided.

TAB D - Assets Statement

An Operating Budget for the current year and the most recent Audited Financial Statement. Each Proposal must contain either:

- A completed **Assets Statement** (Form 4) for at least one Principal of the Developer

OR

- Financial Statements prepared according to Generally Accepted Accounting Principles (GAAP) which provide the same information as Form 6, provided it is not more than one (1) year old.

Publicly-owned companies must submit the latest annual report and Form 10K as well as any Form 10Q submitted after such Form 10K.

TAB E – HUD Property Statement

For Applicants interested in purchasing HUD Multifamily Buildings, a complete HUD Property Statement, Form 5, including all other HUD properties owned and/or managed by Applicant, including the most recent REAC scores for each HUD building owned or managed, documentation that HUD had no major findings on the last set of financial statements the Applicant provided HUD, and evidence that the Applicant has no outstanding flags in HUD's APPS.

TAB F - Applicant's Letter

An Applicant's Letter, Form 6, signed by a principal of the Applicant.

B. Submission Requirements

One fastened original, two fastened copies and one computer disc, preferably in Microsoft Excel, of the Applicant's qualifications, including all documentation requested above, must be submitted in response to this RFQ. (Forms in Microsoft Excel format are available on the HPD website.) The copies may be fastened with either staples, prong paper fasteners, or organized in a three ring binder. The copies of the qualifications must be clearly labeled with tabs as indicated below. The tabs should run down the right hand side of the submission. The copies must be clearly labeled with the name of the Applicant on the cover.

All applications become the property of HPD. HPD and the Acquisition Fund reserve the right to ask for additional information. Submissions will be promptly reviewed by HPD and the Acquisition Fund. Interviews, site visits and/or additional information may be requested. **To be considered in the first round of the Program, applications must be submitted no later than August 2, 2010. After the first round of Applicant reviews, applications will be accepted on a rolling basis and will be reviewed quarterly.** Applications must be delivered **by hand** no later than August 2, 2010 at 5:00pm to:

**Arden Sokolow
Executive Director of Distressed Asset Financing Programs**

**NYC Housing Preservation and Development
100 Gold Street, Room 9S7
New York, NY 10038**

Each application requires a non-refundable fee of one hundred dollars (**\$100.00**) payable to "NYC Department of Housing Preservation and Development." **No cash or personal checks will be accepted.**

V. TERMS AND CONDITIONS

This RFQ is subject to the specific conditions, terms and limitations stated below:

- A. The City is not obligated to pay nor shall in fact pay any costs or losses incurred by any Applicant at any time including the cost of responding to the RFQ.
- B. The City reserves the right to reject at any time any or all submissions and/or withdraw this RFQ in whole or in part, to negotiate with one or more Qualified Developers, and/or undertake projects in the Program on terms other than those set forth herein. The City likewise reserves the right, at any time, to waive compliance with, or change any of the terms and conditions of this RFQ, and to entertain modifications and additions to the applications of Qualified Developers.
- C. The selection of an Applicant will mean only that HPD and/or the Acquisition Fund may commence negotiations with that Applicant regarding a Building in the Program. HPD will send written notification ("Negotiation Letter") to the selected Applicant.
- D. Selection of an Applicant as a Qualified Developer for this Program and commencement of negotiations with a Qualified Developer for a particular Building will not create any rights on the Applicant's part, including without limitation, rights of enforcement, equity, or reimbursement.
- E. This RFQ and any agreement or other documents resulting there from are subject to all applicable laws, rules and regulations promulgated by any Federal, State or municipal authority having jurisdiction over the subject matter thereof, as the same may be amended from time to time.
- F. This RFQ does not represent any obligation or agreement on the part of the City or the Acquisition Fund, which may only be incurred or entered into by a written agreement which has been approved as to form by the City's Law Department and duly executed by the Applicant, the City, and the Acquisition Fund if applicable.
- G. The City and the Acquisition Fund, and the officers, agents and employees thereof, make no representation whatsoever as to the physical condition of the Buildings or their suitability for any specific use.
- H. No transaction will be consummated if any principal of any selected Applicant is in arrears, or in default upon any debt, lease, contract or obligation to the City of New York, including without limitation real estate taxes and any other municipal liens or charges. The City and the Acquisition Fund reserve the right not to review any proposal by any such Applicant.
- I. No commission for brokerage or any other fee or compensation shall be due or payable by the City or the Acquisition Fund, and an Applicant undertaking to indemnify and hold the City and/or the Acquisition Fund harmless from and against any such claim for any such fee or compensation based upon, arising out of, or in connection with any action taken by the Applicant, the selection of the Applicant's submission and invitation to the Applicant to respond to this RFQ, the conditional designation of a Developer pursuant to this RFQ or the sale of the site.
- L. All determinations as to the completeness or compliance of any proposals, or as the eligibility or qualification of any Applicant, will be within the sole discretion of the City and the Acquisition Fund.

- M. The City and the Acquisition Fund advise all Applicants that there is no legal obligation on the part of the City or the Acquisition Fund to issue the RFQ and, that the City and the Acquisition Fund reserve the right to use the proposals submitted pursuant to this RFQ as a basis for negotiation with Applicants as the City and the Acquisition Fund deem appropriate.
- N. This RFQ and any resulting agreement are subject to all applicable laws, rules and regulations promulgated by any Federal, State, or municipal authority having jurisdiction over the subject matter thereof, as the same may be amended from time to time.

VI. CONFLICTS OF INTEREST

The City Charter imposes certain restrictions on post-employment business relationships with the City by former City employees and on business relationships with the City by current City employees. Such individuals should consult Chapter 68 of the City Charter on specific provisions on this issue. Any questions concerning such provisions should be addressed to:

Conflict of Interest Board
2 Lafayette Street
New York, New York 10007
(212) 442-1400

MULTIFAMILY PRESERVATION PROGRAM
REQUEST FOR QUALIFICATIONS
EXHIBIT A FORMS

MULTIFAMILY PRESERVATION PROGRAM
APPLICANT DESCRIPTION

All applicants must complete Form 1, Part 1. Applicants that include a not-for-profit entity must also complete Form 1, Part 2. Please fill out appropriate forms completely.

Name of Applicant: _____

Name of Contact Person: _____

Address: _____

Telephone No: _____ FAX No. _____

Email Address: _____

Submitting application to be qualified as:

Developer Owner Property manager Debt Holder
(Check all that apply)

Applicants that qualified for other HPD RFQs are required to submit a complete response to this RFQ.

INTEREST IN MULTIFAMILY PRESERVATION PROGRAM BUILDINGS:

HUD Multifamily Buildings Financially Distressed Buildings All Buildings in Program
 Interested in Acquiring Debt for Purpose of Pursuing Title

COMPOSITION OF APPLICANT ENTITY:

1. Type of organization (*i.e.* partnership, corporation, limited liability company, joint venture, not-for-profit): _____

2. For corporations, provide the names of the officers and any shareholders owning 10% or more. For partnerships, provide the names of all general partners. For joint ventures, provide the information separately for each entity that comprises the joint venture. State the role that each principal would play in the development of the site. Applicants applying as joint venture/partnerships must form a partnership prior to submission of the RFQ.. HPD reserves the right to deny changes made to the composition of the Applicant entity after qualification.

NAME OF ENTITY # 1: _____ **Percent Interest in Proposed Project:** _____

PRINCIPALS: Name/Position/Title	Home Address	Role*	% Interest in Entity	Social Security No.

NAME OF ENTITY # 2: _____ **Percent Interest in Proposed Project:** _____

PRINCIPALS: Name/Position/Title	Home Address	Role*	% Interest in Entity	Social Security No.

* Role: GP = General/Managing Partner; GC = General Contractor; F = Provides financing, inactive; A = Architect; L = Legal Services; MA = Managing Agent; O = Other (specify)

3. Provide the names, addresses, telephone and FAX numbers of members of the development and management team to the extent that these have been decided; if unknown, enter "N/A". All Applicants *must* identify all Managing Agents they would use to manage properties.

DEVELOPMENT TEAM:

<u>Architect:</u>	<u>Marketing Agent:</u>
<u>General Contractor:</u>	<u>Managing Agent(s):</u>
<u>Legal Counsel:</u>	<u>Consultant:</u>

Are any principals listed on page one of this Form also principals in any of the other entities that comprise the development team listed above? Yes No
If yes, please explain.

4. Has any principal identified above, or any organization in which the principal is or was a general partner, corporate officer, or owned more than 10% of the shares of the corporation, been the subject of any of the following:

- (1) Arson conviction or pending case? Yes No
- (2) Harassment complaint filed by the New York State Division of Rent Control or the New York State Division of Housing and Community Renewal? Yes No
- (3) Had an ownership or management interest in a property that was taken *in rem* by the City or assigned by a judge of Landlord and Tenant Court to a 7A Administrator or receiver? Yes No
- (4) City mortgage foreclosure or currently more than 90 days in arrears on any City loan? Yes No
- (5) Default on any contract obligation or agreement of any kind or nature entered into with the City of New York or one of its agencies? Yes No

MULTIFAMILY PRESERVATION PROGRAM
RESIDENTIAL DEVELOPMENT EXPERIENCE

Name of Applicant: _____

Please answer the following questions with short narratives. Use additional sheets as necessary.

1. Describe the Applicant's experience, if any, as a new owner or in another capacity in the rehabilitation of a distressed property, closing a construction loan and owning the property post- rehabilitation. Include the address, unit count, initial physical condition and occupancy level, the scope of work, time to loan-closing, length of construction period, and current conditions of the building.

2. Describe the Applicant's experience with occupied rehabilitation of a multifamily property which required internal relocation ("checker-boarding") and/or external temporary or permanent relocation. Include the address, a description of the scope of work, how relocation was conducted, whether the units used for relocation were in the Applicant's portfolio. Also describe the Applicant's resources to accommodate temporary and permanent relocation needs at the current time.

3. Please state any preference for properties of a specific type and size (unit range).

4. Please state any preference for properties in a specific area or neighborhood (list Community Board or Council District).

Page____ Use additional sheets as necessary.

**MULTIFAMILY PRESERVATION PROGRAM
RESIDENTIAL MANAGEMENT AND OWNERSHIP EXPERIENCE**

Name of Applicant: _____

1. Describe the Applicant's management experience, if any, intervening with a distressed occupied property and managing the property before, during and after a rehabilitation of the building. Include the address, initial unit count and occupancy status, how the management team established working relationship with tenants, identified and addressed emergency conditions in the property prior to full rehabilitation, and the current status of property.
2. Provide location of all management offices and number and role of staff.
3. What property management certifications and licenses are held by your staff? (For example: RAM or IREM certification, tax credit certification, commercial real estate broker's license, etc.)
4. Please describe any LIHTC and/or HOME compliance coursework management staff has completed.
5. Do any properties managed by the manager or owned by an affiliate of the owner have open Class C NYC Housing Maintenance Code violations or open NYC DOB violations? If so, please explain in detail. Please include instances where you may have purchased or taken over management of a property with open violations.
6. Do any properties managed by the manager or owned by an affiliate of the owner have pending complaints or proceedings with the DHCR's Office of Rent Administration? If so, please explain in detail.
7. Describe the Applicant's experience managing properties which present security conditions requiring successful interaction with law enforcement agencies. Include an address of such a property and how the Applicant notified and worked with law enforcement to ensure the ongoing safety of the residents and current conditions. ADD DHCR language
8. Provide a description of the Applicant's system for supervising ongoing maintenance, responding to tenant complaints, tracking and completing repairs, and whether repairs are conducted by Applicant staff or contracted out.
9. Describe the Applicant's experience managing properties with Section 8 or other federal assistance programs. Include an address of such a property and an agency name contact for such programs.

10. Has the management company or any of its principals been disbarred by HUD or any other government agencies?

11. Describe the Applicant's experience managing properties which house special need and/or elderly tenants. Include the address and how the social service and other special needs of these tenants are identified and addressed including whether services are provided by the Applicant itself or if they are made available through linkages to other providers. Provide an agency name contact for such providers.

12. Please submit a sample Monthly Management Report from the last year for an affordable housing property of your choosing.

Page ____ Use additional sheets as necessary.

MULTIFAMILY PRESERVATION PROGRAM
ASSETS STATEMENT

[Assets Statement must describe financial status within the last twelve months and must be dated and signed.]

Principal or Individual whose assets are described below:

1. Personal Information

Name:

Business Name:

Business Phone:

Residence Address:

City:

State:

Zip Code:

Business Address:

City:

State:

Zip Code:

Position (Title):

Years of Service:

Salary:

Bonus/Commission:

Other Income:

Source of Other Income:

Are you a defendant in any lawsuits or legal action that may impact your financial standing?

If so, please describe:

Do you have any contingent liabilities?

If so, please describe:

2. Statement of Financial Condition

Assets	Dollars (omit cents)	Liabilities	Dollars (omit cents)
Cash On Hand and in Banks		Notes Payable to Banks <i>Secured</i>	
Notes Receivable		Notes Payable to Banks <i>Unsecured</i>	
Mortgages Owned		Notes Payable to Others <i>Secured</i>	
		Notes Payable to Others <i>Unsecured</i>	
Marketable Securities Owned See Schedule A		Debt Balances in Margin	
Real Estate Owned		Accounts with Brokers	
		Mortgages on Real Estate	
Cash Value of Life Insurance		Loans Against Life Insurance	
Other Assets* (Itemize)		Other Liabilities (Itemize)	
Total Assets		Total Liabilities	
		Net Worth	

* Any interest in a closely held business must be documented by providing a current balance sheet for that business and stating the percent of interest held by the applicant holds.

3. Signature Page

For the purpose of procuring and maintaining credit from time to time in any form whatsoever with you, the undersigned hereby represents the above to be a true and accurate Statement signed as of the date herein before set forth and agrees (I) that, if said Statement or any part thereof proves false or misleading in any particular, each and all of the obligation and/or liabilities of the undersigned of every kind to you, whether joint or several, primary or secondary, direct or contingent, shall, at your option, become immediately due and payable all without demand or notice of any kind and (II) that you will be notified promptly in writing of any materially unfavorable changes in the financial conditions herein set forth. Whenever the undersigned may apply to you for credit, and until a substitute Statement may have been submitted to you, this Statement shall have the same force and effect as if delivered at the time such further credit is requested.

Name of Principal: _____

Signature of Individual: _____

Print Name and Title of Individual: _____

Date: _____

MULTIFAMILY PRESERVATION PROGRAM
HUD PROPERTY STATEMENT

Name of Applicant: _____

Please answer the following questions with short narratives. Use additional sheets as necessary.

1. Describe the Applicant's owner, if any, as an owner and/or managing agent of a HUD assisted property. Include the address, initial unit count and occupancy status, how the ownership/management team established working relationship with tenants, identified and addressed any emergency conditions in the property, and the current status of property.

2. Provide location of all HUD properties and role of Applicant.

3. Provide a description of any physical or financial problems for any HUD property the Applicant owns and/or manages. This should include, but are not limited to, low REAC scores (below 70), problematic findings on financial statements provided to HUD, and flags in HUD's Active Partners Performance System (APPS).

Page____Use additional sheets as necessary.

MULTIFAMILY PRESERVATION PROGRAM
HUD PROPERTY STATEMENT

Applicant is required to provide a complete property listing. For Applicants with more than one entity, please provide a separate list for each entity.

The entity or individual whose property is described below: _____

Address (if multiple addresses in one project, please identify all addresses). Please include street number, street, zip, borough, community board, council district, city, if not elsewhere listed):	Borough block and lot	Housing Type (<i>i.e.</i> 1- 4 family homes; multifamily rental; cooperative; condominium; TPT tenant petition co-op):	Total Number of Residential Units	Role and Dates Owned and/or Managed (From Mo/Yr To Mo/Yr):	HUD Program (Program, Agency, contact, and current phone number):	Current REAC Score	Any Findings on Last Set of Financial Statements Provided HUD (Include description of any findings):	Outstanding Flags in APPS (Include date and reason):

Page ____ Use additional sheets as necessary.

MULTIFAMILY PRESERVATION PROGRAM
APPLICANT'S LETTER

Department of Housing Preservation and Development
100 Gold Street, Room 9S7
New York, N.Y. 10038

Attn: Arden Sokolow
Executive Director, Distressed Asset Financing Programs

Re: Multifamily Preservation Program RFQ

Dear Ms. Sokolow:

This letter is being submitted in connection with my application ("Application") submitted in response to the Multifamily Preservation Program Request for Qualifications ("RFQ") issued by the Department of Housing Preservation and Development ("HPD") of the City of New York ("City") and the New York City Acquisition Fund (the "Acquisition Fund") in connection with the Multifamily Preservation Program ("Program").

I understand that selection of a Qualified Developer ("Qualified Developer") under the RFQ will mean only that HPD and/or the Acquisition Fund will commence negotiations with such Qualified Developer regarding the assignment, if any, of financing and/or properties ("Property") under the RFQ to such Qualified Developer and the rehabilitation of any building(s) on the assigned Property, which rehabilitation would take place following transfer of title of the Property to Qualified Developer.

I recognize that any negotiations with HPD and/or the Acquisition Fund will be subject to the following terms and conditions.

1. The commencement of negotiations will not represent any obligation or agreement on the part of the City or the Acquisition Fund, and may only be incurred or entered into by a written agreement which has been: (i) approved as to form by the City's Law Department; (ii) duly executed by the Qualified Developer and the City. The Negotiation Letter will only indicate HPD and/or the Acquisition Fund's intention to commence negotiations which may ultimately lead to the execution of such an agreement.
2. The City is not the owner of the Property and cannot give the Qualified Developer permission to enter upon the Property.
3. The following requirements will have to be satisfied prior to transfer of title of the Property:
 - a. The transfer of title of the Property and tax exemptions to be granted, if any, must be reviewed and approved in accordance with all applicable HPD and City policies and in accordance with the provisions of all applicable local, state and federal laws which may require, among other things, review and/or approval by the City Council and/or Mayor.
 - b. The Grantee must execute legal documents in form and substance acceptable to HPD and in form approved by the City's Law Department.
4. The rehabilitation of the buildings must comply with any applicable Urban Renewal Plan and HPD design requirements.

5. HPD and the Acquisition Fund make no representations whether the City will finance, or whether City funds are available or will be available to finance the rehabilitation of the buildings. In the event a Qualified Developer participates in an HPD Loan Program to finance redevelopment of a Multifamily Preservation Program property, cash equity requirements of the Loan Program, as described in this RFQ, apply.
6. During negotiations, the Qualified Developer must diligently, competently, and expeditiously comply with all requirements communicated to the Qualified Developer by HPD and the Acquisition Fund.
7. HPD, the Acquisition Fund, or the Qualified Developer may terminate negotiations at any time with or without cause. Negotiations will terminate automatically if Qualified Developer does not provide within 120 days from the date of the Negotiation Letter evidence of financing for acquiring the Property and rehabilitating the buildings. Negotiations will also terminate automatically if there are any changes to the principals of the Qualified Developer without HPD and Acquisition Fund approval.
8. If negotiations are terminated by HPD, the Acquisition Fund, or the Qualified Developer, whether with or without cause, or if negotiations terminate automatically, then neither the City nor the Qualified Developer will have any rights against or liabilities to the other.
9. The City is not obligated to pay, nor will it in fact pay, any costs or losses incurred by the Qualified Developer at any time, including, but not limited to, the cost of: (i) any prior actions by the Qualified Developer in order to respond to any selection process; or (ii) any future actions by the Qualified Developer in connection with the negotiations, including, but not limited to, actions to comply with requirements of HPD, the City, or any applicable laws.

Very truly yours,

EXHIBIT B

MULTIFAMILY PRESERVATION PROGRAM POST-SELECTION SUBMISSION REQUIREMENTS

I. Management and Predevelopment Agreement: Selected Qualified Developers will be required to carry out all the duties and provide all information in accordance with HPD's and/or the Acquisition Fund's terms.

II. Rehabilitation Plan: The Selected Qualified Developers must have their architect or rehabilitation specialist and/or engineer develop a rehabilitation plan for the Properties. Such rehabilitation plan will be subject to review and approval by HPD and/or the Acquisition Fund and, if applicable, any prospective construction and/or permanent lender(s) that may be involved with the project. At a minimum, the rehabilitation plan will provide for upgrading the Properties to current housing standards as required by HPD, including removal of all violations of the Housing Maintenance Code and Building Code and remediation of any environmental hazards.

III. Relocation Plan: If rehabilitation of the Properties will necessitate any temporary or permanent relocation, the Selected Qualified Developers will be required to submit detailed relocation plans, in a format to be provided by HPD, including such information as the identities, incomes, household composition of the tenants, the reasons that relocation is required, the locations to which the tenants will be relocated, the staff who will carry out the plan, and an itemized budget detailing the sources and uses of funds required to accomplish the plan. Relocated tenants must be offered their original apartments after rehabilitation is completed.

IV. Financing Plan: The Selected Qualified Developers must secure financing for the rehabilitation of the Properties from a construction lender that meets the approval of HPD and/or the Acquisition Fund and provide equity as required by the construction lender. Properties will be conveyed from HPD and/or the Acquisition Fund to the Selected Qualified Developers only concurrent with a construction loan closing.

HPD may also make available below market rate financing for the Properties under its Participation Loan Program, Supportive Housing Loan Program, and Article 8A Loan Program. Loans under these programs are not as of right, but, in HPD's sole discretion, may be provided where funding is available and where lending requirements are met. Although the HPD Loan Programs have a 10% minimum cash equity requirements for for-profit developers, depending on the extent of the scope of work. HPD may, in its sole discretion, modify the equity requirements for Selected Qualified Developers that are not-for-profit organizations.

Properties are subject to City of New York real property taxes and charges. Real property tax exemptions with respect to Properties transferred under the Program may be available pursuant to Article XI of the Private Housing Finance Law during the period of ownership by a housing development fund company (subject to approval by the City Council), under the "J-51" Program (Administrative Code §11-243), or pursuant to Article 16 of the General Municipal Law (subject to City Council approval).

EXHIBIT B

Properties subject to rent regulation will remain subject to the same laws following transfer of title. HPD may restructure the rents upon completion of rehabilitation in cases where it makes a loan pursuant to a statute that permits restructuring of rents. Pursuant to program and statutory requirements, most rental units will be registered with DHCR upon initial occupancy following completion of rehabilitation.

The utilization of certain types of funds may present additional affordability requirements of a portion of the units and, depending on the funding source, Qualified Developers may be required to comply with additional federal regulations. For example, to the extent that federal HOME funds are used for rehabilitation or operating expenses of any property transferred under the Program, income limits and maximum rents will be subject to Federal requirements for ten to fifteen years depending upon the dwelling unit rehabilitation cost.