

SustainNYC RFP: Addendum 1

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A. Questions and Answers

Enclosed is a summary of questions and answers discussed at the pre-submission conference that took place June 15, 2016. Also included are questions and answers that were sent to the SustainNYC RFP email address.

Community Land Trust

Q: Would HPD consider giving the land to a community land trust?

A: HPD will consider proposals that follow a community land trust model. There is no preference in the RFP for community land trusts, but there is a preference for extended affordability beyond the required 30 year regulatory agreement.

Q: At the informational session for SustainNYC, it was mentioned that there is no specific preference for using a community land trust model, however a preference for "extended affordability" exists. Given the East Harlem Neighborhood Plan recommendation to explore CLT models on future development projects and stated community priorities for permanent affordability, how are proposals with CLT models being encouraged and will HPD work with the final selected development team to evaluate whether a CLT model can be incorporated into this project?

A: As you mention in your question, the RFP has a preference for affordability periods beyond the required 30 year regulatory agreement. As a strategy to achieve long-term affordability, HPD is certainly interested the community land trust model, and proposals with a CLT structure will be scored favorably if they provide a feasible plan for extended affordability. The purpose of the preference is to reward development teams who provide a strategy for achieving long-term affordability in their proposal.

Affordability / Residential Program

Q: What AMI levels will the project need to provide?

A: The RFP does not prescribe a particular mix of AMI levels for the project. However, Proposals must include housing units affordable to a mix of household incomes, and Proposals must be consistent with HPD and HDC term sheets. Additionally, Preference will be given to Proposals that include a significant proportion of units that serve very low and low-income households.

Q: Does HPD have a preference for extended affordability?

A: HPD has a preference for affordability periods beyond the required 30 year regulatory agreement. Proposals must describe how they expect to achieve this extended affordability.

Q: You mentioned that the project must be 100% affordable, what does this mean?

A: All of the housing units in the development must be affordable to households earning up to 165% of AMI. All units must be rent restricted and stabilized. Proposals must also provide housing units affordable to a mix of household incomes, and Preference will be given to Proposals that include a significant proportion of units that serve very low and low-income households.

Q: What is the preferred AMI for a household of 1 to 3?

A: There is no prescribed mix of AMI levels for the Project or preferred AMI level for particular household types or sizes. However, Proposals must include housing units affordable to a mix of household incomes, and Proposals must be consistent with HPD and HDC term sheets. Additionally, Preference will be given to Proposals that include a significant proportion of units that serve very low and low-income households. Please use the link provided earlier in the Addendum to access HPD's term sheets.

Q: Where can we find HPD's Term Sheets?

A: Please follow the link below to access HPD's Term Sheets:

<http://www1.nyc.gov/site/hpd/developers/term-sheets.page>

Passive House

Q: If selected as a finalist, how long will development teams have to perform the required Passive House feasibility study?

A: We estimate that the feasibility study will take about a week. However, we will make sure finalists have adequate time to conduct the feasibility study.

Q: Will the entire building need to be included in the Passive House certification, including the ground-floor retail?

A: The main purpose of a Passive House project is to achieve the highest possible level of energy savings. Of course, energy consumption is not limited to residential uses in a mixed-use building. HPD encourages development teams to design their projects to achieve Passive House certification for the entire building, including the ground floor retail and community facility uses. However, we understand that it is often more challenging to achieve high levels of energy savings in active retail spaces. For example, through the PHIUS certification model, development teams will be able to separate the residential and retail portions of the building and seek certification for each. HPD will only require Passive House certification for the residential portion of the building, but development teams are strongly encourage to consider energy savings and Passive House design for the entire building.

Site Conditions

Q: What was the previous use on the Site?

A: The Site has been used as a baseball field, as well as space for a number of community gardens, for many years. Any additional research will need to be conducted by the Development teams.

Q: What is the status of the two private sites on the block?

A: The Development Site comprises all of Block 1617, except for two private lots. There have been no recent conversations between HPD and the owners of these lots, and the RFP does not discuss these private sites. However, HPD would consider alternative proposals that include a plan for acquiring the private lots and incorporate them into the Development Site. There must also be a baseline proposal that involves the as-of-right Development Site.

Q: Has HPD done any test borings on the Development Site?

A: HPD has not performed any test borings on the Site. Test borings will be performed by the selected development team.

Non-Residential Program / Site Plan

Q: Would HPD consider proposals that include a school or other uses that are not just residential?

A: Yes.

Q: Do the community gardens need to stay in the same place?

A: No, the community gardens may be integrated into the development site at different locations from where they are currently operating. Please refer to Appendix B of the RFP for specific information about the community gardens, including basic requirements and garden preferences. Preference will be given to Proposals that are responsive to the priorities identified by the community gardeners.

Finance

Q: What is the assessed value of the Development Site?

A: The Site is expected to be conveyed to the selected Developer for a nominal price of \$1.00 per tax lot, with the balance of the appraised value in an enforcement note and mortgage payable at the end of a 30 year term.

Q: Is the enforcement note based on a market appraisal?

A: HPD conducts the appraisal for the as-is market value. The mortgage amount will be applied if the project exits from the regulatory agreement.

Q: When will the appraisal conducted?

A: HPD will conduct the appraisal and make it available 6 months prior to construction loan closing.

Q: What is the cost of the land?

A: The Site will be conveyed to the selected development team for \$1 per tax lot at the time of construction loan closing.

Q: What is a regulatory unit?

A: These are the units in an affordable housing development that have rents restricted based on the regulatory agreement.

Q: What is the structure of the mortgage for the project?

A: Each Site is expected to be conveyed to the selected Developer for a nominal price of \$1.00 per tax lot, with the balance of the appraised value in an enforcement note and mortgage payable at the end of a 30 year term. HPD structures enforcement mortgages for a minimum of 30 years paid at the end of the term, which may be forgivable depending on extended affordability.

Q: Is there any tax abatement for this project?

A: There are a number of tax incentive programs administered by HPD that can be accessed when developing affordable housing. Please follow the link below to see a list of the tax incentive programs administered by HPD:

<https://www1.nyc.gov/site/hpd/developers/tax-incentives.page>

Other

Q: What are the alternative proposals that are referenced in the RFP?

A: There are two scenarios in which HPD will review alternative proposals, in addition to a baseline proposal that meets the requirements outlined in the RFP.

1. Proposals should assume an R9 zoning along Madison and Park Avenues to a depth of 100', and an R8A zoning toward the middle of the block. Proposals should also anticipate a commercial overlay change from C1-4 to C2-4 to a depth of 100'. Applicants must submit at least one proposal scenario that complies with the intended rezoning; however HPD will consider other rezoning scenarios that are accompanied by thorough justification for any proposed alternative.
2. Competitive subsidy sources, if proposed, must be included in an alternative financing scenario, separate from the primary non-competitive financing scenario.

Q: Who will be the lead on the ULURP application?

A: HPD will serve as the lead on the ULURP application, and the selected developer will be responsible for providing necessary documentation, such as plans and drawings, to prepare the ULURP application.

Q: If the owners of the private sites submit a proposal, will they have a competitive advantage?

A: No, the owners of the private sites will not have a competitive advantage. The RFP lays out numerous priorities and factors that HPD will consider when evaluating proposals. HPD is interested in selecting the highest-quality and most comprehensive proposal based on the criteria laid out in the RFP. HPD would consider alternative proposals that include a plan for incorporating the private lots into the Development Site, but there must also be a baseline proposal that involves the as-of-right Development Site.

Q: At the informational session for SustainNYC, it was mentioned that this project follows the goal to “affirmatively further fair housing.” What criteria or requirements within the RFP further fair housing goals?

A: The goal of affirmatively furthering fair housing applies to the marketing plan submitted by development teams. We provide demographic data in the RFP as a resource. Development teams should refer to the following link for information about HUD's requirement for Affirmatively Furthering Fair Housing:

https://www.huduser.gov/portal/affht_pt.html

B. Contact Information – Contact Information is provided for those individuals who attended the pre-submission conference and indicated that they are willing to share their contact information. A few meeting attendees indicated that they would like to share their contact information, but did not leave an email address.

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