

Hunter's Point South Parcel C Q&A

Q1. Does HPD have any preference regarding the inclusion of an affordable senior housing component at parcel C? Would affordable senior apartments be exempt from the RFP's 2 bedroom+ requirement?

A1. Senior housing is permitted in response to this RFP, and would not be subject to the 2BR requirement, but it is not given a specific preference. Responses that include senior housing must have a proposal for how rental subsidy would be provided.

Q2. Will HPD consider proposals for 100% affordable senior housing? If so, would we be able to propose a financial scheme that includes financing from HDC, HPD, and/or HCR and other public financing if the development plan adheres to the guidelines of each?

A2. Other public financing would be permitted as part of the proposal, as long as the primary submission does not include competitive sources and all guidelines and regulations for each financing source are adhered to.

Q3. The RFP states that subsidy is available under HPD's Mixed Income Program. According to that term sheet eligible borrowers must be a Housing Development Fund Corp. Can you please confirm whether this eligibility requirement will also apply to developers?

A3. Yes, as with all HPD capital, this eligibility requirement does apply.

Q4. Based on the City's tax map, Parcel C appears as Block 6 / Lot 60, however, according to the Department of Finance's searchable tax roll there is no assessed value associated with this block/lot. In the absence of an AV, what assumption should respondents make regarding the Parcel's real estate taxes?

A4. This matter is under review.

Q5. Is there a requirement (or preference) that the construction for Hunter's Point South Parcel C be (i) union or (ii) according to a "prevailing wage"?

A5. There is not a specific prevailing wage requirement for this project.

Q6. Is ULURP required for this disposition, and if so, at whose expense?

A6. Disposition of the site was approved in the master plan ULURP of 2008

Q7. We are writing to you regarding the files in Appendix H of the RFP. Are these files available in CAD, in particular the site plan?

A7. Yes, these files have now been made available in CAD and can be downloaded from the HPD website where the original RFP was available for download:
<http://www.nyc.gov/html/hpd/html/developers/rfp.shtml>

Q8. The RFP states that "Affordable units must be interspersed with market units without significant differentiation in size and location." Please clarify whether affordable units must also be interspersed throughout a project site. Does HPD have any requirements and/or preference for proposals containing lower income bands?

A8. It is always HPD's preference that units be interspersed throughout the development so as not to create separate areas of a building as affordable or not affordable. However, teams should propose developments that are feasible and will provide for the most affordability with the least subsidy. If doing this reduces the amount of interspersal of affordable units with market units, proposal should provide a supportable rationale.

Q9. The RFP states that proposals must adhere to HPD's Mixed Income Program term sheet. Is that to say that a separate LAMP building (100% affordable) would not be eligible for subsidy because it is not mixed income?

A9. HPD is expecting proposals to provide mixed income housing, as outlined in the ULURP. Teams can propose different structural and financial ways to achieve these goals. The subsidy amount will be proposed by the development team and will only apply to affordable units, which must meet the following criteria:

1. Rents must be affordable to households earning up to 130% of AMI, as adjusted by household size.
2. Household incomes for affordable units may not exceed 160% of AMI, as adjusted by household size.

Keep in mind that teams, among other criteria, will be competing on the total subsidy across the entire development site.

Q10. Does the RFP permit HPD subsidies under the Mixed Income Program term sheet for homeownership, either coop or condo?

A10. While the Mixed Income Term Sheet does not contemplate homeownership, affordable homeownership proposals can be made in response to this RFP. All affordable homeownership units must be permanently affordable. The restricted sales price of the units will be allowed to increase annually by an established appreciation rate; however each unit will be capped at a maximum price to preserve affordability over time. The portion of the Subordinated City Debt attributable to any Home Ownership component of the Project may be repayable from resale or refinancing profits of each unit based on a formula to be determined by HPD.

Additional occupancy restriction expectations and subsidy evaporation/resale, refinance, recapture expectations will apply.

Q11. I did not find a downloadable template pro forma for a homeownership scenario for Parcel C. Will HPD be providing one or should respondents prepare their own?

A11. Please modify the given pro forma to suit your proposal.

Q12. Is there a maximum AMI limit for affordable units?

A12. There are rent requirements and income requirements for affordable units, as follows:

3. Rents must be affordable to households earning up to 130% of AMI, as adjusted by household size.
4. Household incomes for affordable units may not exceed 160% of AMI, as adjusted by household size.

Q13. Is there a minimum AMI requirement for affordable units?

A13. There are no minimum AMI requirements for affordable units.

Q14. Has EDC had dialogue with the various easement holders, in particular LIRR authority?

A14. EDC has spoken with the easement holders at various points in time. Easement holders should be aware of the project, and development teams should contact them for additional information.

Q15. Is there a rear yard requirement in the zoning regulations?

A15. For a description of the rear yard requirements, please refer to the New York City Zoning Resolution Sections 23-40 and 35-50

Q16. To comply with zoning, can you aggregate recesses on all of the streets surrounding the block? Or do the recesses have to meet the requirement for each street?

A16. For a description of the requirements regarding recesses, please refer to the New York City Zoning Resolution Section 125-33(d) and Section 12-10, Aggregate Width of Street Walls.

Q17. Is there a timeline for developing the rest of the sites in the master plan?

A17. There is no proposed timeline at this time.

Q18. Are there any light and air easements for the site?

A18. There are no known light or air easements.

Q19. What is the condition of the vent stack building, particularly the roof? Where does the vent stack release?

A19. The vent stack is a new building, as is the roof. The vent stack appears to release through the roof and the front of the building (on Second Street).

Q20. If you have senior units that are affordable, does that reduce the number of required 2-bedroom units? For example, if you have 600 affordable units, of which 100 are for senior housing, how many, or what percentage of the 600 affordable units must be 2 bedrooms or greater?

A20. Affordable senior housing is exempt from the 2-bedroom requirement. So in the example in the question, you would reduce the number of affordable units by the number of affordable senior units, and then multiply by the 50% requirement. So in this case that would be $600 - 100 = 500 * 50\% = 250$ units required to be 2 bedroom or greater.

Q21. Can we average subsidy between two projects (e.g. buildings/condos)? For example, if we propose affordable units that are not owned by an HDFC, can we average subsidy down so we that might exceed per unit limits on one project, but be below per unit limits on another project so that the average subsidy meets the requirements on the term sheet?

A21. For this project we allowing developers to propose the amount of subsidy, with the expectation that people will be competing to provide the greatest affordability with the least subsidy. There is no need to average out per-unit subsidy across buildings since there is no per-unit subsidy limit. Respondents should provide a rationale for the breakout of affordability and subsidy in the proposal.

Q22. What amount should we assume is contributed to the maintenance and operations of the waterfront park?

A22. Respondents should include \$180,000 per year capitalized in the development budget during construction for the Parks maintenance contribution. Upon construction completion, respondents should include an annual amount of \$260,000 in the operating budget per year for the Parks maintenance contribution with a 3% annual growth rate.