

Dinsmore-Chestnut RFP: Addendum I

RFP issue date: December 21, 2016

Addendum 1 issue date: January 23, 2017

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Contents of the Addendum

A. Questions and Answers – Enclosed is a summary of questions and answers discussed at the two pre-submission conference sessions that took place January 11, 2017. Also included are questions and answers that were sent to the Dinsmore RFP email address. *Please note this section has been revised on January 27, 2017 subsequent to the January 23, 2017 issue date.*

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.

C. Phase I Environmental – A Phase I Environmental Site Assessment prepared for the New York City School Construction Authority in 2015 can be downloaded at: <http://www1.nyc.gov/site/hpd/developers/request-for-proposals/Dinsmore-Chestnut-RFP.page>.

A. Questions and Answers

Enclosed is a summary of questions and answers discussed at the two pre-submission conference sessions that took place January 11, 2017. Also included are questions and answers that were sent to the Dinsmore RFP email address. *Please note this section has been revised on January 27, 2017 subsequent to the January 23, 2017 issue date.*

Zoning, Disposition, and Environmental

Q: Are there any limitations on the amount of excess air rights from the school site on the subject site?

A: As stated in the RFP, the FAR utilized by the school portion will be no greater than 1.60. The remaining FAR will be available for the development of the Site to use within the constraints of the allowable zoning envelope.

Q: Is there any parking required by the RFP for the residential units?

A: There is no parking required by the RFP outside of the applicable zoning regulations.

Q: Will the designated developer have to take this Project through ULURP?

A: The designated Development Team will not have to take the Project through ULURP. The Project and the disposition of the Development Site will require Mayoral approval following a public hearing to be convened by the Mayor's Office of Contract Services.

Q: There is a reference in the environmental section that the boiler flutes have to be 160 feet above grade. Is there flexibility on changing this requirement?

A: If the Proposal includes a building height that is less than 145 feet above grade, the height and/or location requirement for the boiler emission stacks may be modified pursuant to additional stationary source air quality screenings completed in conformance with the latest CEQR Technical Manual guidance. The Developer would be responsible for retaining a reputable environmental consultant to conduct any required detailed analysis above what can be determined using the CEQR boiler emission screenings. Any required detailed analysis would be subject to HPD review and possibly review by DEP to ensure there are no significant adverse impacts resulting from the Proposal.

Q: Considering the site was formerly industrial, are there any remediation requirements such as Phase II testing?

A: Based on the findings of the East New York Rezoning FEIS, a Phase II investigation of soil, groundwater, and soil vapor will be required. Such investigation should not commence at the Development Site without coordination of a testing plan with HPD and the appropriate oversight agency, which would be either the NYC Department of Environmental Protection (DEP) or the Mayor's Office of Environmental Remediation (OER). If the Phase II investigation reveals that any remediation is necessary, the selected developer(s) would be responsible to perform any and all remediation and construction activities in accordance with a site remedy as approved by HPD and either DEP or OER. After completion of remediation, if required, the selected developer(s) will be required to provide a Remedial Closure report in accordance with all requirements of the oversight agencies to serve as proof that remediation has been completed.

Q: Will the site be subdivided prior to disposition?

A: The existing tax lot will be subdivided prior to disposition.

Finance

Q: Is HDC participating and how?

A: Proposals may include HDC financing. Please see <http://www.nychdc.com/pages/Termsheets.html>.

Q: The information on unit distribution has not been updated for the Extremely Low & Low-Income Affordability (ELLA) Program Term Sheet as has been communicated to developers informally. What unit distribution should we assume for the RFP?

A: For Proposals using the HPD ELLA Program Term Sheet, respondents should refer to the HPD Mix and Match unit distribution requirements. As stated in the Mix and Match term sheet, Projects must have a minimum of 15% one-bedroom, 15% two-bedroom, 15% three or more-bedroom units and a maximum of 25% studio units.

Q: Must Proposals provide 61-90% AMI units? Is this a preference?

A: Proposals may provide up to 20% of the total units at 61% to 90% AMI, but are not required to do so. There is no preference given to proposals that include units at 61% to 90% AMI.

Q: May applicants submit proposals based on letters of interest from tax syndicators that are contingent on future tax reform?

A: Proposals will be evaluated based on the financial information and scenario provided within the letter of interest.

Q: Does HPD/HDC anticipate changing the amount of subsidy available given in current change in tax policy that is anticipated?

A: Applicants should refer to the current HPD and HDC term sheets and section VII.C of the RFP for subsidy terms.

Q: Are there any restrictions on the financing that can be proposed? Can we propose competitive financing, and if so, are there other scenarios we have to provide?

A: Proposals must contain a primary financing scenario. This scenario may not include competitive government financing sources such as, but not limited to, HCR or HPD 9% Low Income Housing Tax Credits or any other programs offered by HFA, HCR, or HPD. As-of-right 4% tax credits are not considered competitive. Developers may propose additional subsidy sources. Competitive subsidy sources, if proposed, must be included in an alternative financing scenario, separate from the primary non-competitive financing scenario.

School

Q: What is the timeline for construction for the school and does it coincide with the RFP construction timeline? If so, what coordination will be necessary?

A: The School facility has an anticipated occupancy date of September 2020. The construction timeline may therefore coincide with the proposed construction timeline of the Development Site. The Developer, with HPD's assistance, will be responsible for working with SCA to coordinate planning and construction scheduling.

Q: Will there be any additional agreements required between SCA and the designated developer?

A: Additional agreements between the SCA and the Development Team may be required depending on the Applicant's Proposal.

Q: Could you give us further information on the proposed type of school adjacent to the site and the timing?

A: We anticipate the school will be an approximately 1000-seat building serving pre-K through 8th grade. It will be a Department of Education public school facility with an anticipated occupancy date of September 2020. No site plan or further details regarding design are available at this time.

Development Program

Q: Are community facilities and retail required or is only one of the two required. Is there a preference to have both or either one?

A: The Proposal is required to include commercial and/or community facility uses. Preference will be given to uses that activate the street and meet the needs of the community.

Q: Are there any preferences for providing uses that would increase food access?

A: Preference will be given for providing uses that increase food access, as it is one of the criteria in the Active Design Guidelines.

Q: Is there any guidance on how much supportive housing should be provided on the site?

A: There is no requirement in the RFP to provide supportive housing.

Q: Is there a preference amongst providing senior v. supportive v. affordable housing?

A: There is no preference amongst providing senior, supportive, multi-family affordable housing, or any mix therein. HPD is looking for a financially feasible and competitive proposal that meets the needs of the community.

Requirements

Q: Is there any flexibility on the threshold requirement that the Applicant must have at least one Principal that has successfully one project with at least one hundred and fifty (150) units in the past seven (7) years?

A: We would like to see Development Teams that are capable and experienced, and have the track record that we can rely on to know that these units will be developed. To that end, if you have experience that does not exactly match the criteria, you may put together a summary of your experience and justify that you are an experienced team.

Q: Do HUD Section 3 requirements apply?

A: The applicability of HUD Section 3 requirements is dependent on the sources of funding utilized for the Project. Applicants should refer to relevant statutes and HUD regulations for more information.

Q: Can you confirm if this Project will require any PLA or prevailing wage requirements due to the amount of units you can build on this and its location?

A: Applicable wage requirements are dependent on the sources of funding utilized for the Project.

Q: Could you provide more details on the Neighborhood Retail assumptions and requirements?

A: The Neighborhood Retail requirement will apply for the duration of the regulatory agreement and include an initial minimum five (5) year lease term. For underwriting assumptions, Proposals should assume an annual escalation rate of two percent. Applicants should also assume initial commercial/retail rents that satisfy the requirement for rents to be set at thirty percent below market rate rents. Applicants should briefly explain how they arrived at this rental rate in their financial narrative. Upon HPD review, HPD may request applicants further corroborate the proposed rental rates or modify proposed rents.

Q: Can you provide examples of other projects that have had to comply with the high road retail or neighborhood retail requirements?

A: At this time, we are not able to provide examples of other projects that have had to comply with the High Road Retail and Neighborhood Requirement described in this RFP.

Q: Is the high road retail only triggered if you have a single tenant above 15,000sf?

A: As stated in the RFP, mixed-use projects receiving more than \$1M in “Financial Assistance” (as defined in Executive Order 19) from the City that: (1) are larger than 100K square feet or, in the case of a residential project, contain more than 100 residential units and (2) contain a retail or food service establishment occupying over 15K square feet are subject to Executive Order 19.

Q: Is an entity, interested tenant, or neighborhood partner allowed to be part of multiple development teams? (ANSWER REVISED 1/27/2017)

A: Members of Development Team(s), interested tenants, and/or neighborhood partners/service providers are allowed to participate in multiple Proposals provided they do not have an ownership stake in more than one Proposal. We highly advise that any entity participating in multiple Proposals disclose the extent of their involvement in all Proposals for which they are participating to other members of the Development Teams for such Proposals.

Competitive Selection Criteria

Q: If you are part of a Proposal on another RFP that is already in review, is that a strike against you in this Project?

A: Participation by an entity that is part of the Development Team on a different HPD RFP will have no bearing on how HPD evaluates a Proposal for the Dinsmore-Chestnut RFP.

Q: For this RFP, is special consideration given to how Applicants plan to hire within the Community District?

A: Preference will be given to Applicants who demonstrate a plan for outreach to residents of Community District 5 related to employment opportunities generated by the Project. Local Hiring Plans will be evaluated based on outreach and coordination strategies for providing job training, job placement, and other opportunities for residents of Community District 5.

Q: Is there any consideration given to Minority and Women Owned Business Enterprise (MWBE) participation on the Development Team as principals?

A: While we highly encourage MWBE developers to participate, there is no requirement or competitive criteria giving preference to MWBE participation on the Development Team.

Q: In terms of experience, are any points or special consideration given to co-venturing or sponsorship with locally-based, non-for-profit community development organizations? (ANSWER REVISED 1/27/2017)

A: For this RFP, there are no stated preferences or points awarded for including locally-based, not for profit community development organizations in a Development Team. However, we highly encourage Development Teams to include community-based organizations. To that end, we encourage applicants to describe their team's history in the local community, including affordable housing development, and if applicable, programming and service delivery.

Q: Given that many priorities were identified through HPD's outreach and community visioning workshop, could you provide further details on how Proposals will be evaluated on the competitive selection criteria of responding to community priorities and needs?

A: HPD will be evaluating this component of the program criteria holistically. In doing so, we review how applicants respond to the community priorities outlined in the Community Visioning Workshops Report within their narrative.

Q: The RFP references maximizing floor area; however, building to fourteen stories or 145 feet as permitted by zoning would necessitate a costlier construction technique. Can you provide guidance on what you would prefer.

A: HPD is looking for a feasible and financially competitive Proposal that satisfies the requirements and achieves the goals stated in the RFP. We look for a comprehensive Proposal that is balanced and encourage applicants to propose creative solutions that address such challenges.

Q: In the RFP, sustainable design is discussed. Is there a specific sustainability program that applicants should prioritize?

A: Proposals must achieve Certification through Enterprise Green Communities Criteria. There are no additional sustainability certifications programs required beyond Enterprise Green Communities. Proposal designs will be evaluated on the performance of the building and demonstrated ability to significantly reduce energy and water consumption, and improve air quality and comfort, as well as the effective incorporation of sustainable best management practices and other green infrastructure measures.

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.

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