

NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
REQUEST FOR QUALIFICATIONS
MONITOR OF HOUSING DEVELOPMENT FUND CORPORATION COOPERATIVES

FREQUENTLY ASKED QUESTIONS (FAQS)

Q1. What is the purpose of this RFQ?

- A1. To identify applicants for consideration as Monitors to provide regulatory monitoring services and technical assistance to HDFC cooperatives.

Q2. What HPD programs are involved?

- A2. The Affordable Neighborhood Cooperative Program (ANCP) and Third party Transfer – Tenant Petition Program (TPT-TP) create new co-ops that will require a Monitor.. The Monitors will also work with existing HDFC cooperatives that are already in HPD’s Asset Management Portfolio.

Q3. What are the responsibilities of the Monitor?

- A3. The Monitor will be responsible for working with the HDFC Board and assisting in the financial and regulatory oversight of the HDFC. The Monitor will be responsible for ensuring compliance with the HDFC’s regulatory agreement, including but not limited to: (1) reviewing and approving all Sales, leases, and subleases at the Property; (2) annually reviewing budgets, financial statements, reports of Sales, Board elections and Maintenance increases, with the ability to access HDFC records at any time; (3) reviewing and approving HDFC requests to withdraw funds from Regulated Reserve Accounts; (4) reviewing and approving the HDFC’s annual Training Plan; (5) annually reviewing the Owner Occupancy Certifications; (6) assisting in determining the occurrence of Prohibited Events as defined by the regulatory agreement; and (7) providing routine updates and feedback to HPD regarding the HDFC’s compliance with the regulatory agreement and alert HPD promptly of any non-compliance issues.

Q4. Is the Monitor responsible for collecting documents from shareholders?

- A4. The Monitor does not collect documents directly from the shareholders but instead collects and reviews the following documents from the HDFC board every year:
- Annual budget of income and expenses approved by the Board for the current calendar year;
 - Annual financial statement or compilation prepared by an independent accountant for the prior calendar year;
 - Certification by the Board that both the budget for the prior calendar year and the annual financial statement for the prior calendar year have been distributed to all Shareholders;
 - A list, certified by the Board, of all Shareholders as of the end of the prior calendar year;
 - A list, certified by the Board, of all persons and entities occupying any portion of the Property as of the end of the prior calendar year, the Apartments or other portions of the Property that they occupy, and the monthly Maintenance or rent that they pay;
 - A list, certified by the Board, of all Sales of Shares during the year specifying, with respect to each such Sale, the Apartment to which such Shares are allocated, the name and income of the purchaser, and the Sale Price;

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- A list, certified by the Board, of all leases or subleases of Apartments approved, entered into, or renewed during the year specifying the Apartment, the name and income of the tenant or subtenant, the rent charged to such tenant or subtenant, and the term of the lease or sublease;
- A list, certified by the Board, of all withdrawals from any Regulated Reserve Account during the prior calendar year;
- A certification by the Board of the annual election held during the prior calendar year, with the names and addresses of Board members and officers, and that such certification has been distributed to all Shareholders;
- A certification by the Board that the annual Maintenance increase required by the regulatory agreement was implemented during the prior calendar year;
- Training Report for the prior calendar year;
- Training Plan for the current calendar year; and
- Such other documents and records as HPD, the Manager, or the Monitor shall deem necessary.

Q5. For how long is the Monitor required?

A5. The Monitor will be required for the term of the regulatory agreement. During that time period, the HDFC Board may have the opportunity to change Monitors, however, only with the approval of HPD.

Q6. How long is the regulatory agreement?

A6. An HPD regulatory agreement can be set for a term up to 60 years.

Q7. Is there a maximum number of buildings a Monitor can work with at a certain time?

A7. No. A Monitor can work with as many buildings as they are chosen for as long as they have the organizational and financial capacity.

Q8. Can an applicant be a Property Manager and Monitor of the same building?

A8. No. An applicant cannot be a Property Manager and Monitor of the same building but can be a Property Manager and Monitor of different buildings.

Q9. Who oversees the Monitor?

A9. HPD's Asset Management Division is responsible for ensuring the Monitor is in compliance with the Monitoring Contract.

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Q10. How much is the monitoring fee? When is it paid to the Monitor?

A10. The prospective Monitoring Fee schedule for the monitoring services is attached in the RFQ as Exhibit "A" and would be subject to an annual increase of 3%. The monitoring fee is payable by the HDFC on an annual, quarterly, or monthly basis, per the terms of the Monitoring Contract.

Q11. Can the applicants propose an alternate fee schedule?

A11. Yes. Form 9 in the RFQ gives the applicant the opportunity to provide comments and/or propose an alternative monitoring fee schedule and its rationale. This form is not scored as part of the RFQ.

Q12. Are HDFCs responsible for selecting and engaging certified Monitors?

A12. Yes. The HDFCs will receive the qualified Monitor list and will initiate contact with a chosen Monitor. HPD anticipates that the list will be updated periodically.

Q13. Can an HDFC be self-managed or is third-party management a requirement?

A13. HDFC co-ops created through the ANCP and TPT-TP programs will be required to engage third-party management for the term of the regulatory agreement. For existing HDFC coops, HPD can waive this requirement if the HDFCs can show that they have successfully self-managed. These HDFCs will have to meet the following criteria:

- Must maintain 6 months' maintenance cash in reserve accounts.
 - Cannot owe more than one quarter in DEP or DOF payments.
 - Cannot be behind on any mortgage payments, if applicable.
 - Cannot have HPD or DOB code violations on more than 20% of dwelling units.
 - Must have at least an 85% rate of maintenance and rent collection for the previous year.
 - Must show proof of annual Board elections for past 3 years.
- Must have submitted all documentation required by any applicable regulatory agreement to HPD.

Q14. Is there a deadline for the HDFCs to select a Monitor?

A14. HDFCs created through ANCP or TPT-TP will execute a Monitor contract at co-op conversion.

Q15. Can the HDFC co-op choose to work with a Monitor that is not on HPD's approved list?

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A15. No. The HDFC Board may only select a Monitor approved by the HPD RFQ.

Q16. Do you have to have monitoring experience to apply?

A16. No you do not need monitoring experience to apply. Instructions for Applicants with no Monitoring experience can be found on page 13 of the RFQ.

Q17. Will applicants be scored based on threshold criteria?

A17. Applicants will be scored based on all relevant experience such as monitoring and residential management, provider of technical assistance, and marketing/rent-up experience. Also assessed is statutory and regulatory compliance, municipal charges, and building violations.

Q18. Is there an application fee? If so, how much?

A18. Each application requires a non-refundable fee of one hundred dollars (\$100.00) payable by money order or certified check to "NYC Department of Housing Preservation and Development." For not-for-profit Applicants, the fee is reduced to fifty dollars (\$50.00). No cash or personal checks will be accepted.

Q19. When will applicants receive notification of qualification?

A19. HPD will notify the Applicant in writing whether it is qualified to be placed on the list of Monitors, and if HPD has determined that it is not qualified, it shall state the reasons upon which such determination is based. Notifications can be expected by Summer 2017.

Q20. What if a prospective applicant misses the application deadline to submit or does not qualify for the initial Monitor list?

A20. HPD will review applications on a rolling basis after July 17, 2017 for new applicants who want to be added to the list and for applicants who did not make the initial list and wish to reapply. HPD anticipates that the list will be updated periodically.

Q21. Who is scoring the applicants?

A21. HPD agency personnel will score the applications.

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Q22. How many Monitors will HPD qualify?

A22. HPD will not set a specific number of qualifying Monitors. In terms of scale, there are approximately 150 Tenant Interim Lease buildings that will be rehabbed through ANCP and a new regulatory agreement will require a Monitor. Additionally, HPD's Asset Management team monitors approximately 1,400 existing HDFC co-ops, which will be offered an opportunity to opt-in to a regulatory agreement that will require a Monitor for the duration of the regulatory agreement term.

Q23. Does HPD offer any assistance to applicants who want to apply as a Joint Venture with another applicant?

A23. HPD will not offer any direct assistance for co-applications. HPD did provide a sign-up sheet for applicants at the pre-submission conference held on December 16, 2016 which was shared with applicants on the list. If an applicant was not at the conference and would like to share their information with other applicants, please send an email with your contact information to MonitorRFQ@hpd.nyc.gov.

Q24. Does the RFQ have goals for M/WBEs?

A24. There are no M/WBE goal requirements as a condition of the RFQ. However, M/WBEs are strongly encouraged to apply, and the HDFC may be subject to the Agency's M/WBE Build Up program requirements when it undertakes construction and rehabilitation work.