

St. Ann's Avenue / East 142nd Street RFP Addendum 2
RFP issue date: February 17, 2015
Addendum 2 issue date: May 6, 2015

Contents of the Addendum

- A. Questions and Answers** – Enclosed is a summary of questions and answers that were sent to the St. Ann's email address.

- B. 2015 FMR Derived Area Median Income and 2015 Maintenance and Operating Expense Standards**

A. Questions and Answers

Q1: Can I include the 80% AMI units in the units that receive \$65,000/du in subsidy from HPD and HDC in the ELLA term sheets?

A1: Yes, the 80% AMI units are eligible for subsidy.

Q2: Is the developer's fee calculated on the entire project or only on the portion that is being financed by tax credits?

A2: In regards to HPD's Mix & Match program, the developer's fee can be calculated on the entire project or it may be sized based on the tax credit units.

Q3: If we propose HDC's M2 financing, which includes a 2nd mortgage subsidy in addition to HPD's Mix and Match 2nd mortgage subsidy, is the total amount of subsidy for each program based on the total number of units in a proposed project or will it be split 50/50 along HDC/HPD program financing?

A3: The M2 program and Mix/Match program are separate financing programs and cannot be combined. M2 is both an HPD and HDC program, as is Mix/Match. The amount of subsidy in the Term Sheet is per unit and the same for HPD and HDC. For example, if a term sheet says \$85k per du max, then it's \$85k max per DU from HDC, as well as \$85k max per DU from HPD across all units. However, projects do not automatically receive the maximum. Subsidy assumptions are a competitive factor in the RFP selection process.

Q4: Does HPD expect the project to be constructed on a prevailing wage basis or not?

A4: If funding sources trigger prevailing wage (such as Davis Bacon), then prevailing wage should be assumed. Otherwise, HPD is not assuming prevailing wage for this project.

Q5: HUD recently released the 2015 LIHTC Income and Rent Limits which are effective 3/6/2015. This new guidance reflects NYC AMI for a family of 4 to be \$86,300 instead of \$83,900. Should the final underwriting for the project reflect this change or should we keep using the 2014 income and rent limits?

A5: Please use the 2015 Income and Rent limits found at the end of this Addendum.

Q6: Is it possible to propose a modified LAMP structure by letting rents for 20% of the units float or rise to 80% as the units become available after year 15? Please advise.

A6: No, please use the recent ELLA term sheet available on our website. The LAMP program does not exist anymore.

Q7: The addendum notes that the city will consider proposals with supportive units but that the primary financing should not consider competitive sources. Can you clarify what this means as it pertains to supportive housing? Are contracts from OMH, DOHMH, etc. considered competitive sources?

A7: Service contracts for supportive housing are not considered competitive funding sources.

Q8: This question is regarding the developer's fee allowed under HDC's Mixed Middle financing. Since the project we are proposing has only 25% LIHTC units, is the fee based on the total project or only on that portion that is LIHTC? Does the same apply to the deferred developer's fee paid out of cash flow during permanent financing?

A8: For HDC's M2 program, the developer fee can be calculated on the entire project or it may be sized based on the tax credit units. However, the developer fee will need to be paid by a source other than HDC or HPD financing.

Q9: Does the 10% equity required under HDC's Mixed Middle financing program include equity raised from LIHTC or does this represent the developer's cash equity only?

A9: The 10% equity requirement can include the equity raised from LIHTCs.

Q10: We are putting in an application on St. Ann's and have been approached by another developer to be on their application as the Management company of the development. Is this allowed?

A10: Yes, as long your organization has an ownership stake in only one submitted proposal.

Q11: I'm aware that the preference is for a managing agent to have managed at least 70 units in NYC within the last seven years. My company manages over 10K units in other parts of the country and expects to be managing a project in the city prior to construction completion of the St. Ann's project if chosen. As we'd have NYC management experience before lease up (though not before submission of a proposal) might there be some flexibility around this requirement?

A11: There is no flexibility around this requirement. HPD will only evaluate information that is current at the time of submission.

Q12: The RFP states that the selected developer is responsible for assembling a team including a GC. Is having a GC identified necessary for the proposal?

A12: Yes, having a General Contractor identified is necessary for the proposal.

Q13: Do we need to actually bind the documents together or would a 3 ring binder be sufficient as we did in the past for other proposals?

A13: A 3-ring binder is preferred.

Q14: Will Enterprise Green Communities certification be required as part of the application or once the developer is selected?

A14: The Enterprise Green Communities certification is required once the developer is selected. The Submission in the RFP (Tab I) is to give HPD an understanding of how the team will achieve the certification.

2015 FMR Derived Area Median Income

			Electricity Allowance	Gas Allowance	Total Allowance
86,300	for a family of four	studio	40	17	57
1,481	2 BR FMR	1 BR	41	18	59
30%	Rent Burden	2 BR	42	18	60
		3 BR	55	18	73
		4 BR	56	20	76
		5 BR	68	20	88

As of: **12/12/2014** Based on highest VPS for Elevator Buildings or Walk-Ups

27% of AMI **23,301** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	16,335	408	368	391	351	1	0.70	16,335
1 BR	1.5	17,496	437	396	419	378	2	0.80	18,657
2 BR	3	20,979	524	482	506	464	3	0.90	20,979
3 BR	4.5	24,246	606	551	588	533	4	1.00	23,301
4 BR	6	27,054	676	620	656	600	5	1.08	25,191
5 BR	7.5	29,849	746	678	726	658	6	1.16	27,054
							7	1.24	28,917
							8	1.32	30,780

37% of AMI **31,931** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	22,385	559	519	542	502	1	0.70	22,385
1 BR	1.5	23,976	599	558	581	540	2	0.80	25,567
2 BR	3	28,749	718	676	700	658	3	0.90	28,749
3 BR	4.5	33,226	830	775	812	757	4	1.00	31,931
4 BR	6	37,074	926	870	906	850	5	1.08	34,521
5 BR	7.5	40,904	1,022	954	1,002	934	6	1.16	37,074
							7	1.24	39,627
							8	1.32	42,180

47% of AMI **40,561** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	28,435	710	670	693	653	1	0.70	28,435
1 BR	1.5	30,456	761	720	743	702	2	0.80	32,477
2 BR	3	36,519	912	870	894	852	3	0.90	36,519
3 BR	4.5	42,206	1,055	1,000	1,037	982	4	1.00	40,561
4 BR	6	47,094	1,177	1,121	1,157	1,101	5	1.08	43,851
5 BR	7.5	51,959	1,298	1,230	1,278	1,210	6	1.16	47,094
							7	1.24	50,337
							8	1.32	53,580

57% of AMI **49,191** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	34,485	862	822	845	805	1	0.70	34,485
1 BR	1.5	36,936	923	882	905	864	2	0.80	39,387
2 BR	3	44,289	1,107	1,065	1,089	1,047	3	0.90	44,289
3 BR	4.5	51,186	1,279	1,224	1,261	1,206	4	1.00	49,191
4 BR	6	57,114	1,427	1,371	1,407	1,351	5	1.08	53,181
5 BR	7.5	63,014	1,575	1,507	1,555	1,487	6	1.16	57,114
							7	1.24	61,047
							8	1.32	64,980

80% of AMI **69,050** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	41,450	1,036	996	1,019	979	1	0.70	48,350
1 BR	1.5	51,800	1,295	1,254	1,277	1,236	2	0.80	55,250
2 BR	3	62,150	1,553	1,511	1,535	1,493	3	0.90	62,150
3 BR	4.5	71,825	1,795	1,740	1,777	1,722	4	1.00	69,050
4 BR	6	80,100	2,002	1,946	1,982	1,926	5	1.08	74,600
5 BR	7.5	88,400	2,210	2,142	2,190	2,122	6	1.16	80,100
							7	1.24	85,650
							8	1.32	91,150

100% of AMI **86,300** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	51,800	1,295	1,255	1,278	1,238	1	0.70	60,500
1 BR	1.5	64,800	1,620	1,579	1,602	1,561	2	0.80	69,100
2 BR	3	77,700	1,942	1,900	1,924	1,882	3	0.90	77,700
3 BR	4.5	89,800	2,245	2,190	2,227	2,172	4	1.00	86,300
4 BR	6	100,200	2,505	2,449	2,485	2,429	5	1.08	93,300
5 BR	7.5	110,550	2,763	2,695	2,743	2,675	6	1.16	100,200
							7	1.24	107,100
							8	1.32	114,000

130% of AMI **112,190** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	67,340	1,683	1,643	1,666	1,626	1	0.70	78,650
1 BR	1.5	84,240	2,106	2,065	2,088	2,047	2	0.80	89,830
2 BR	3	101,010	2,525	2,483	2,507	2,465	3	0.90	101,010
3 BR	4.5	116,740	2,918	2,863	2,900	2,845	4	1.00	112,190
4 BR	6	130,260	3,256	3,200	3,236	3,180	5	1.08	121,290
5 BR	7.5	143,715	3,592	3,524	3,572	3,504	6	1.16	130,260
							7	1.24	139,230
							8	1.32	148,200

165% of AMI **142,395** for a family of four

HH size	HH factor	Income Limit	Tenant Pays No Utilities	Tenant Pays Electricity	Tenant Pays Gas	Tenant Pays Gas & Electricity	HH Size	HH Factor	Income Limit
studio	1	85,470	2,136	2,096	2,119	2,079	1	0.70	99,825
1 BR	1.5	106,920	2,673	2,632	2,655	2,614	2	0.80	114,015
2 BR	3	128,205	3,205	3,163	3,187	3,145	3	0.90	128,205
3 BR	4.5	148,170	3,704	3,649	3,686	3,631	4	1.00	142,395
4 BR	6	165,330	4,133	4,077	4,113	4,057	5	1.08	153,945
5 BR	7.5	182,408	4,560	4,492	4,540	4,472	6	1.16	165,330
							7	1.24	176,715
							8	1.32	188,100

New Construction - Maintenance and Operating Expense Standards

For Deals Closing After DECEMBER 2014

	Union Building Staff		Non-Union Building Staff		
ADMINISTRATIVE					
Legal	\$15,000	\$150	\$15,000	\$150	/du
Accounting	\$14,000	\$14,000	\$14,000	\$14,000	/per project
Management Fee	\$66,622	6.00%	\$66,622	6.00%	of ERI
Fire and Liability Insurance	\$60,000	\$600	\$60,000	\$600	/du
*Tax Credit Monitoring	\$7,500	\$75	\$7,500	\$75	/0.75% per Tax Credit rent
UTILITIES					
Heating	\$107,100	\$300	\$107,100	\$300	/rm
Electricity	\$58,605	\$164	\$58,605	\$164	/rm
Water & Sewer	\$97,461	\$273	\$97,461	\$273	/rm
MAINTENANCE					
Supplies/Cleaning/Exterminating	\$35,700	\$100	\$35,700	\$100	/rm
Repairs/Replacement	\$65,000	\$650	\$65,000	\$650	/du
**Super & Maintenance Salaries	\$121,000	\$1,210	\$93,000	\$930	/du
Elevator Maintenance & Repairs	\$13,200	\$6,600	\$13,200	\$6,600	/elev.
Bldg Reserve	\$25,000	\$250	\$25,000	\$250	/du
M&O Before Taxes and Debt Service	\$686,188	\$6,862	\$658,188	\$6,582	/du
		\$1,922		\$1,844	/rm

Notes:

* The Tax Credit Monitoring is 0.75 per Tax Credit Rent capped at 7,500

** Please use the schedule below for super and maintenance salaries

Super & Maintenance Salaries Schedule

1 Staff Member for every 65 units. As permitted by law, additional FT or PT Supers or Porters may satisfy the operational needs of buildings between each 65 unit threshold.

	Union	Non-Union
FT Super	\$69,000	\$53,000
FT Porter	\$52,000	\$40,000

Preservation - Maintenance and Operating Expense Standards
For Deals Closing After December 2014

	Union Building Staff		Non-Union Building Staff		
ADMINISTRATIVE					
Legal	\$25,000	\$250	\$25,000	\$250	/du
Accounting	\$20,000	\$20,000	\$20,000	\$20,000	/per project
Management Fee	\$66,622	6.00%	\$66,622	6.00%	of ERI
Fire and Liability Insurance	\$60,000	\$600	\$60,000	\$600	/du
*Tax Credit Monitoring	\$7,500	\$75	\$7,500	\$75	/0.75% per Tax Credit rent
UTILITIES					
Heating	\$116,025	\$325	\$116,025	\$325	/rm
Electricity	\$71,400	\$200	\$71,400	\$200	/rm
Water & Sewer	\$90,392	\$253	\$90,392	\$253	/rm
MAINTENANCE					
Supplies/Cleaning/Exterminating	\$62,475	\$175	\$62,475	\$175	/rm
Repairs/Replacement	\$110,000	\$1,100	\$110,000	\$1,100	/du
**Super & Maintenance Salaries	\$121,000	\$1,210	\$93,000	\$930	/du
Elevator Maintenance & Repairs	\$13,200	\$6,600	\$13,200	\$6,600	/elev.
Bldg Reserve	\$25,000	\$250	\$25,000	\$250	/du
M&O Before Taxes and Debt Service	\$788,614	\$7,886	\$760,614	\$7,606	/du
		\$2,209		\$2,131	/rm

Notes:

* The Tax Credit Monitoring is 0.75 per Tax Credit Rent capped at 7,500

** Please use the schedule below for super and maintenance salaries

Super & Maintenance Salaries Schedule

1 Staff Member for every 65 units. As permitted by law, additional FT or PT Supers or Porters may satisfy the operational needs of buildings between each 65 unit threshold.

	<u>Union</u>	<u>Non-Union</u>
FT Super	\$69,000	\$53,000
FT Porter	\$55,600	\$40,000