

Clinton/Hell's Kitchen RFP Addendum 3

RFP Issue Date: April 9, 2018

Addendum 1 Issue Date: May 30, 2018

Addendum 2 Issue Date: June 12, 2018

Addendum 3 Issue Date: July 5, 2018

Contents of the Addendum

A. Questions and Answers – Enclosed are questions and answers that were sent to the Clinton/Hell's Kitchen RFP email address.

A. Questions and Answers – Enclosed are questions and answers that were sent to the Clinton/Hell's Kitchen RFP email address.

Q1: If there is an availability of air rights on the MTA building zoning lot, will a fee for the air rights be required?

A1: For the purposes of drafting a response to this RFP, financial proposals need not assume a fee for additional development rights.

Q2: What is the function of the existing NYCT/MTA louvers, intake or exhaust? If the existing NYCT/MTA louvers serve as exhaust, is the exhaust noxious?

A2: The vents are for intake.

Q3: Could you please elaborate on the retail condo for Site A? Specifically, when does the condo need to be sold and who will determine the sale price? Is the sale amount expected to go in as equity and can it be sold after it is sold to the Development Team related entity?

A3: It is expected that the sale of the retail condo will occur after construction is complete and no later than the conversion to permanent financing. It is up to the applicant to determine the anticipated sale price and this will be evaluated by the review team. While HPD cannot advise as to the preferred valuation methodology for the retail condo, the typical industry standards are valuing the condo based on income, cost, or analysis of comparables. HPD will require backup documentation (i.e. derivation of cap rate assumptions, list of comps, market study, etc...) used to determine the valuation of the retail condo.

The anticipated sale of the retail condo can be structured in a variety of ways:

- 1) The cost to develop the retail condo (hard and soft costs) can be included in the overall development budget and the anticipated sale amount of the condo can be a source within the permanent source capital stack.
- 2) The cost to develop the retail condo (hard and soft costs) can be separated out as a stand-alone development budget with its own sources to cover the uses. Any additional sale proceeds above the cost to develop the retail condo should not be profit that goes to the developer but should rather be a source for the residential building.

It will be possible to sell the retail condo again after it is initially sold.

Q4: Form E-4 is not included in the package. Will it be required and if so, can you send the form?

A4: There is no Form E-4 included with the RFP. Commercial management experience can be listed in the respondent's format.

Q5: Will there be a deadline extension for RFP submissions?

A5: No.

Q6: Do you have a prior proposal or example of a successful proposal that can be reviewed to go off of on the Clinton/Hell's Kitchen RFP?

A6: No, HPD does not share past proposals.