

**NEXTGENERATION NYCHA**  
**100% AFFORDABLE HOUSING**  
**DEVELOPMENT SITES**

**REQUEST FOR PROPOSALS**  
**RFP 65435**

Issue Date: June 1, 2017

Pre-Submission Conference: June 19, 2017

Proposal Due Date: August 11, 2017

**Bill de Blasio**

Mayor

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Deputy Mayor for Housing and Economic Development



Department of  
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# EXHIBITS

## EXHIBIT A - NYCHA COMMUNITY VISIONING DOCUMENTS

- Exhibit A-1: Morrisania Air Rights Community Visioning
- Exhibit A-2: Sumner Houses Community Visioning
- Exhibit A-3: Twin Parks West Community Visioning
- Exhibit A-4: Manhattan Community Board 4 Proposal for the Harborview Site<sup>1</sup>

## EXHIBIT B - DEVELOPMENT SITE MAPS

- Exhibit B-1: Morrisania Air Rights Development Site Map
- Exhibit B-2: Sumner Houses Development Site Map
- Exhibit B-3: Twin Parks West Development Site Map
- Exhibit B-4: Harborview Terrace Development Site Map

## EXHIBIT C – QWEB PACKAGES<sup>2</sup>

- Exhibit C-1: Morrisania Air Rights QWEB Package
- Exhibit C-2: Sumner Houses QWEB Package
- Exhibit C-3: Twin Parks West QWEB Package
- Exhibit C-4: Harborview Terrace QWEB Package

## EXHIBIT D – EQUAL OPPORTUNITY REQUIREMENTS

## EXHIBIT E - PROPOSAL FORMS

- Form A-1: Completeness Checklist
- Form A-2: Applicant's Letter
- Form A-3: Proposed Changes to RFQ Development Team
- Form B-1: Project Summary
- Form I-1: NYCHA REES General Hiring Plan
- Form I-2: NYCHA REES Section 3 Hiring Plan
- Form I-3: NYCHA RESS Section 3 Hiring Summary
- Form J: Financing Proposal

## EXHIBIT F – NYCHA DESIGN GUIDELINES OVERLAY

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<sup>1</sup> Community Vision for the Harborview Site was prepared by Manhattan Community Board 4.

<sup>2</sup> QWEB Packages are composed of historic drawings and plans owned by the New York City Housing Authority. Please be advised that the documents found within the Packages have not been reviewed for completeness, accuracy, or reliability of information, and should only be used for the purpose of preparing a response to this RFP.

# I. INTRODUCTION

In May 2014, Mayor de Blasio released [\*Housing New York, A Five Borough, Ten Year Plan\*](#) (“Housing New York”). Housing New York established a goal of building or preserving 200,000 affordable units over ten years. Among the key strategies articulated in Housing New York are objectives to foster diverse, thriving neighborhoods and build new affordable housing for New Yorkers at a range of incomes.

Following Housing New York, in May 2015, the New York City Housing Authority (“NYCHA”) released “[\*NextGeneration NYCHA\*](#),” a 10-year roadmap which builds upon investments the City of New York (“City”) has already made and lays out a new framework to stabilize NYCHA, preserve the crucial affordable housing NYCHA provides for future generations, and deliver long-deserved improvement in quality of life to residents.

One of the strategies outlined in *NextGeneration NYCHA* is for NYCHA to provide underutilized NYCHA-owned land to support the creation of affordable housing units. This strategy will allow NYCHA, in collaboration with the New York City Department of Housing Preservation and Development (“HPD”), to contribute to the creation of 10,000 affordable units over 10 years towards the Mayor’s Housing New York Plan.

In July 2016, NYCHA in collaboration with HPD issued the *Affordable Housing for Next Generation NYCHA Sites: Request for Qualifications #63939* (the “RFQ”), seeking applications from qualified applicants to create a list of pre-qualified developers for the development of affordable housing on various NYCHA-owned properties (the “Development Sites”).

NYCHA and HPD are pleased to release this Request for Proposals (“RFP”) as a step towards achieving these goals, and to help realize the visions set forth in *Housing New York* and *NextGeneration NYCHA*.

NYCHA and HPD invite development teams that have been pre-qualified through the RFQ (“Applicants”) to submit Proposals in response to this RFP for the design, financing, construction and operation of four (4) NYCHA developments (collectively, the “Projects” and each, the “Project”).

## II. SUMMARY

The Projects will be developed on the following NYCHA-owned public housing developments sites (collectively, the “Development Sites” and each a “Development Site”):

Development Site 1:

Morrisania Air Rights, Bronx<sup>3</sup>

Development Site 2:

Sumner Houses, Brooklyn

Development Site 3:

Twin Parks West, Bronx

Development Site 4:

Harborview Terrace, Manhattan

NYCHA has extensively engaged public housing residents of the Development Sites in this RFP. Resident engagement began in December 2016 and will continue through Developer selection, pre-development, construction and leasing. The community priorities and neighborhood goals heard repeatedly in community outreach, engagement, visioning exercises, and canvassing resulted in the NYCHA Community Visioning documents attached as *Exhibit A*.

For each Development Site, NYCHA will convey each Development Site to the selected Applicant through a ninety-nine (99) year ground lease at nominal ground rent of \$1.00 per lot per annum. City, State and/or Federal subsidies may be available and Applicants are responsible for securing all necessary construction and permanent financing. Proposals must comply with all terms and regulatory requirements of any subsidy program that is used.

Applicants must adhere to the requirements of this RFP. NYCHA and HPD will select Developers for the Development Sites based on the Evaluation Criteria detailed within this RFP. Selected Developers are responsible for assembling a Development Team (as defined in Section III: *Definitions*) and for undertaking the design, financing, construction, marketing, and management of the residential units, and commercial and community facility or ancillary space, if applicable.

This RFP does not represent an obligation or agreement on the part of NYCHA or the City. Any obligation or agreement on the part of NYCHA and the City may only be incurred after NYCHA and the City enter into a written agreement with a Developer that has been approved by the NYCHA Board, HPD, and the Corporation Counsel.

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<sup>3</sup> Morrisania Air Rights refers to the name of the NYCHA development containing the vacant lot which will be redeveloped through this RFP. It is not a reference to a transfer of, or a development utilizing, air rights.

A Pre-Submission Conference will be held on **Monday, June 19<sup>th</sup> 12:00 – 2:00 pm at 125 Worth Street, 2<sup>nd</sup> Floor Auditorium, New York, NY 10013**. All pre-qualified Developer Teams will be notified via email during the first week of June on the date, time, and location of the Pre-Submission conference. Applicants intending to submit a Proposal in response to this RFP are encouraged to attend as it will be the only opportunity to ask questions and receive answers in-person regarding this RFP.

Applicants shall submit written questions, via e-mail, to [nextgen.rfp@nycha.nyc.gov](mailto:nextgen.rfp@nycha.nyc.gov) by no later than **4:00 PM on Friday, June 23<sup>rd</sup>** and must include the firm name and the name, title, address, telephone number, fax number, and e-mail address of the Applicant. Please include the subject line "RFP: "Development Site Name" Questions." Responses to all inquiries, including inquiries made at the Pre-Submission Conference, will be collectively provided in an Addendum that will be sent to all registered prospective Applicants after the Pre-Submission Conference.

Proposals must be hand delivered by **Friday, August 11<sup>th</sup> at 4:00 PM** to:

Attn: Meddy Ghabaee; RFP Coordinator  
New York City Housing Authority  
Procurement Department  
90 Church Street, 6th Floor  
New York, NY 10007



### III. DEFINITIONS

For the purpose of this document the terms below are defined as follows:

Applicant

An individual, partnership, limited liability company, corporation, joint venture, or other entity that was pre-qualified through the RFQ.

Area Median Income (AMI)

Area Median Income shall mean the median income levels as modified by household size for the New York metropolitan statistical area as determined by HUD. For 2017, 100% of the AMI is \$95,400 for a family of four, and \$66,800 for an individual, in the New York City Metropolitan Statistical Area.

Authorized NYCHA Resident

A resident who is on the lease of a unit within a NYCHA public housing development. NYCHA's Office of Resident Economic Empowerment and Sustainability (NYCHA REES) will confirm if a candidate is an Authorized NYCHA Resident.

Competitive Financing Sources

Financing sources that are not available to the project as of right.

Developer

The person(s), entity, or entities selected by NYCHA and HPD to commence negotiations regarding the development of the Development Sites offered through this RFP. The entity or entities will provide equity, secure financing, assemble a Development Team, design, develop, build, market, rent up, and manage the Projects. NYCHA and HPD reserve the right to designate one Developer for all Development Sites named in this RFP, or any other combination deemed beneficial for the Projects.

Development Team

The Developer and the professional, technical, and construction entities (e.g. general contractor, architect, engineer, legal counsel, marketing, and managing agents) that will participate in the design, development, construction, marketing, and/or management of the Projects.

Ground Lease

A ground lease between NYCHA and the selected Developer for each Development Site with a minimum term of 99 years.

HDC

New York City Housing Development Corporation

HUD

United States Department of Housing and Urban Development

### Negotiation Letter

The letter sent to the selected Developer(s) by NYCHA and HPD regarding the commencement of negotiations for the development of a Project.

### Principal

An individual, partnership, limited liability company, corporation, or other not-for-profit or for-profit entity that will act as the general partner, officer, or managing member of the Applicant, or any entity, known limited partner, or other member that has at least a 10% ownership interest in the Applicant.

### Project

The development of affordable rental housing units, parking, commercial, community facility and/or accessory recreational space(s) envisioned for the Development Site.

### Proposal

Submission from the Development Team in response to this RFP.

### Proposed Tax Lots

The parcel of land on which to develop the Project(s).

### Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968, as amended [12 U.S.C. 1701u and 24 CFR Part 135], represents HUD's policy to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. Employment preferences under Section 3 are targeted first to Public Housing residents and, secondarily, to other low- and very-low income residents in the metropolitan area.

### Section 18 Disposition Approval

Conveyance of a property interest in a Development Site requires HUD approval under [Section 18 of the United States Housing Act of 1937, as amended](#). HUD has promulgated regulations at 24 C.F.R. Part 970, detailing the administrative steps required for its approval of any demolition/disposition activity affecting covered public housing property.

### Uniform Land Use Review Process ("ULURP")

The process, set forth in the City Charter, prescribing the City's land use review process, including public hearings and several levels of government approvals. Actions requiring ULURP include, among others, changes to the City Map, designation or change of zoning districts, and Special Permits within the New York City Zoning Resolution requiring approval of the City Planning Commission (CPC).

# IV. SITE DESCRIPTIONS AND REQUIREMENTS

The following section contains both general requirements of this RFP, as well as brief descriptions and requirements unique to each Development Site.

## A. General Requirements

General requirements of this RFP include:

- New Building(s) are allowed within the boundaries of Proposed Tax Lots as set forth in *Exhibit B*. Applicants should describe any variation from the Proposed Tax Lots within their Proposals.
- Proposed site improvements may extend beyond the boundaries of the Proposed Tax Lots as set forth in *Exhibit B*, and must comply with the NYCHA Design Guidelines Overlay.
- Street trees are only required along the frontages of the Proposed Tax Lot within Development Sites.
- Proposals must comply with HPD and HDC Term Sheets.
- Proposals can assume tax-exempt bond financing will be available. For further information please refer to [HDC Term Sheets](#).
- Proposals that align with the Community Visioning documents (*Exhibit A*) will be evaluated favorably.

## B. Morrisania Air Rights, Bronx (“Development Site 1”)

The following are descriptions and requirements of proposals for Development Site 1:

- Development Site 1 is a square parcel bounded by East 162nd Street, Courtlandt Avenue, and the Metro North alignment as shown in *Exhibit B-1*.
- Development Site 1 is the entirety of Block 2409, Lot 98;
- Development Site 1 is within Bronx CD 3;
- Development Site 1 currently contains a trash compactor and waste disposal facility. The Development Team will be required to relocate these facilities/uses to either the existing parking lot/trash refuse area at the corner of East 158<sup>th</sup> Street and Morris Avenue, or a different, nearby site with appropriate screening and landscaping; Applicants must assume this relocation within the project budget. Details of the items to-be-relocated can be found in *Exhibit C-1*;
- Development Site 1 is currently zoned R8. No rezoning is anticipated;
- Proposals must utilize all available residential zoning floor area as possible within the constraints of the New York City Zoning Resolution to achieve a maximum of 200 units on the Development Site;
- Proposals must be for an affordable, multi-family building with a supportive housing component;
- Applicants can assume one or more income tiers above 60% of AMI;
- Proposals must include community facility space.

**C. Sumner Houses, Brooklyn (“Development Site 2”)**

The following are descriptions and requirements of proposals for Development Site 2:

- Development Site 2 is a rectangular parcel fronting on Marcus Garvey Boulevard, as shown in *Exhibit B-2*.
- Development Site 2 is a portion of Block 1580, Lot 1;
- Development Site 2 is within Brooklyn CD 3;
- Development Site 2 currently contains open space and utility lines servicing Sumner Houses. Applicants must assume relocation of utility lines within the project budget. Details of the items to-be-relocated can be found in *Exhibit C-2*;
- Development Site 2 is currently zoned R6. No rezoning is anticipated;
- Proposals must include the lesser of approximately 200 residential units or 130,000 square feet of residential zoning floor area on the Development Site;
- Proposals must be for an affordable building for seniors;
- Applicants may propose height and setback modifications; Applicants must demonstrate how any proposed height and setback modifications would benefit the affordable housing development;
- Proposals must include community facility space.

**D. Twin Parks West, Bronx (“Development Site 3”)**

The following are descriptions and requirements of proposals for Development Site 3:

- Development Site 3 is bounded by East 184<sup>th</sup> Street, Webster Avenue, and East 183<sup>rd</sup> Street, as shown in *Exhibit B-3*.
- Development Site 3 consists of Block 3143, Lots 234, 236, and 240.
- Development Site 3 is within Bronx CD 5;
- Lots will be merged to create a new zoning lot for the proposed development;
- Development Site 3 currently contains a NYCHA parking lot;
- Development Site 3 is currently zoned R7-1, and Lots 234, 236, and 240 have a C1-4 commercial overlay. No rezoning is anticipated;
- Applicants can assume the transfer of development rights from NYCHA-owned adjacent Block 3143, Lot 155, along with the floor area generated by the 3 target Lots to achieve a maximum of 200 units on the Development Site;
- Applicants may propose height and setback modifications; Applicants must demonstrate how any proposed height and setback modifications would benefit the affordable housing development;
- Proposals must be for an affordable multi-family building;
- Applicants can assume one or more income tiers above 60% of AMI;
- Proposals must include commercial space.

**E. Harborview Terrace, Manhattan (“Development Site 4”)**

The following are descriptions and requirements of proposals for Development Site 4:

- Development Site 4 is a rectangular parcel bounded by West 55<sup>th</sup> Street, NYCHA’s Harborview Terrace Building, West 56<sup>th</sup> Street, and a six-story commercial building, as shown in *Exhibit B-4*.
- Development Site 4 is a portion of Block 1084, Lot 9;
- Development Site 4 is within Manhattan CD 4;

- Development Site 4 currently contains a NYCHA parking lot. Applicants must assume replacement of 37 parking spaces reserved for NYCHA residents, either on- or off-site, within the project budget;
- Development Site 4 is currently zoned R8, and is within the Special Clinton District;
- Proposals must include a structural system to support construction of the Project above existing rail lines within project scope and budget;
- Development Site 4 is currently in a Large-Scale General Development (“LSGD”), which allows for residential and community facilities; it is anticipated that a modification of the LSGD will be required through ULURP;
- Proposals must include the lesser of approximately 250 residential units or 192,000 square feet of residential zoning floor area on the Development Site;
- Proposals must be for an affordable multi-family building;
- Proposals must include community facility space.

## V. GUIDELINES

Proposals should aspire to design excellence and standards reflecting the City's interest in quality architectural projects. Proposals must conform to *HPD Design Guidelines*, the *NYCHA Design Guidelines Overlay*, the *HPD/2015 Enterprise Green Communities Criteria Certification Overlay* ("HPD Enterprise Green Communities Overlay"), as well as the current New York City Zoning Resolution, the New York City Construction Codes, the New York City Housing Maintenance Code, the Multiple Dwelling Law, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and The Americans with Disabilities Act of 1990. Additionally, Proposals must comply with the critical success factors set forth in the Design for Public Trust's and HPD's [\*Laying the Groundwork: Design Guidelines for Retail & Other Ground-Floor Uses in Affordable Housing Developments\*](#). HPD and NYCHA encourage the development of proposals with active design. Guidelines on these topics are described below.

### A. HPD Design Guidelines

[\*The HPD Design Guidelines for Multifamily New Construction and Senior Housing\*](#) and [\*The HPD Design Guidelines for Supportive Housing\*](#) are a set of design guidelines that apply to all new construction housing projects subject to HPD review and approval. The purpose of the HPD guidelines is to establish minimum criteria for the design of quality housing. The design principles and guidelines foster quality and encourage creative approaches throughout the entire design development process.

These HPD guidelines are not intended to supersede the requirements of any other rules or regulations of any other agency having jurisdiction, in which case the more restrictive will govern. Other agency rules and regulations may include but are not limited to New York City Building Code; Housing Maintenance Code; Zoning Resolution; Local Law 58 Handicap Standards, and particular program requirements. Also, Projects must meet Federal, State, and City environmental laws, including those pertaining to: historic preservation, air, water, and noise quality.

### B. NYCHA Design Guidelines Overlay

NYCHA encourages creative approaches throughout the entire design development process for new developments situated on land leased or disposed of by NYCHA. Architectural design should respond to the local climate, topography, and history of the place; the design should blend, complement, or sensitively contrast with the existing structures. The proposed development should increase pedestrian activity and safety by redesigning walkways, revisiting circulation plans, and considering ways to reintegrate the street grid or urban realm improvements into NYCHA superblocks with ample and appropriate lighting. Site improvements should increase transparency through tools such as signage, increased use of glass or other transparent materials, awnings, or other structures. Landscaping which manages storm water flows and incorporates principles of Crime Prevention through Environmental Design (CPTED) to increase safety and security is encouraged. The NYCHA *guidelines can be found in Exhibit F*.

**C. Construction Waste Management**

In line with OneNYC’s goal of sending zero waste to landfills by 2030, NYCHA and HPD aim to reduce the amount of construction and demolition waste from new developments that is disposed in landfills and incineration facilities through material recovery, reuse, and recycling. New construction and substantial rehabilitation projects must develop and implement a construction and demolition waste management plan that establish waste diversion goals, waste prevention measures, reuse inventory, communication plan, contamination prevention measures, and a facility list for the project. Refer to the New York City Department of Design and Construction’s [Sample C&D Waste Management Plan](#) for reference.

**D. Green Building and Enterprise Green Communities**

The goal of green building is to reduce the negative impact buildings have on the health of the environment. Proposals must achieve [Certification through the Enterprise Green Communities Program](#), which is a comprehensive green building framework for affordable housing that provides cost-effective standards for creating healthy and energy-efficient homes. Enterprise Green Communities offers an online certification process for affordable housing developments built using these criteria.

In addition to the documentation requirements of the Green Communities Program, the designated Developer will be required to periodically provide budgets that identify project costs specifically related to green design, energy efficiency measures and building operations, upon HPD’s and/or NYCHA’s request.

**E. Active Design Guidelines**

The goal of active design is to create a healthy indoor and outdoor environment for occupants through integrated design, best practices and emerging technologies. HPD and NYCHA encourage the development of active design, which uses architectural and urban design strategies to promote public health and increase physical activity in daily life through the [Active Design Guidelines](#).

**F. Design Guidelines for Retail & Other Ground-Floor Uses**

[Laying the Groundwork: Design Guidelines for Retail & Other Ground-Floor Uses in Affordable Housing Developments](#) provides practical recommendations for building ground-floor space that is: functional for retailers, community, and cultural organizations; accessible and convenient for residents and neighbors; and cost-effective for developers.

These guidelines are applicable to a wide range of retail models — such as grocers, pharmacies, and banks; community services such as health clinics, senior centers, and childcare; and cultural and recreational centers — that can meet and evolve with community needs. Proposals must comply with the critical success factors outlined in these guidelines.

# VI. DEVELOPER OBLIGATIONS & REGULATIONS

The selected Developer will be responsible for the following commitments and compliance with regulations applicable to the Project.

## A. Development Team

The Developer will be responsible for assembling a Development Team, including at a minimum, a general contractor(s), architect/planner, marketing agent, and managing agent (if applicable). The Development Team will design, construct, and lease the completed units. Third-party consultants will not be considered members of the Development Team.

## B. Schedule

The Developer will be responsible for arranging timely commencement and completion of the Project; held accountable for the schedules outlined in the Proposal and agreed upon with NYCHA and HPD, and required to submit quarterly reports to NYCHA and HPD regarding Project development, budget, schedule, financing, construction, marketing, leasing (and/or selling), and management, starting within thirty (30) days of Developer selection. Additionally, prior to construction financing closing the Developer will be responsible for hosting project meetings with the Development Team, NYCHA and HPD representatives, and other third parties as required, including issuance of meeting agendas and minutes. All schedule components must be noted in the Applicant's *Tab C*.

## C. Community Outreach

The Developer will participate in required public forums, hearings, and briefings with NYCHA residents, the Community Board, elected officials, City agencies, and other organizations, as needed. The Developer is expected to lead a proactive resident engagement framework by regularly meeting with NYCHA residents and reporting on development activities and community programs.

## D. Design and Construction

The Developer is responsible for obtaining all necessary governmental permits for the construction of the Project. Within six (6) months of selection the Developer must complete a set of schematic site plans, floor plans, and elevations that include any modifications to the original plans included in the Proposal in response to this RFP, as agreed upon by NYCHA, HPD and the Developer, and submit them to NYCHA and HPD for review and approval. Prior to disposition, the Developer must submit a complete set of final site plans, floor plans, elevations, samples of exterior building materials, and detailed specifications to NYCHA and HPD for review and approval. The Developer is responsible for the cost, planning, and site work related to the relocation of underground utilities including rail decking. **The Developer may also be required to perform certain improvements to the existing NYCHA development(s) in connection with the construction of the Project.** The Developer is responsible for submitting final construction documents to NYCHA and HPD, which shall conform to previous review comments and approvals



made by NYCHA and HPD. The Developer is responsible for submitting all required documentation and requests for the subdivision of the Proposed Tax Lot. The Developer is responsible for all documentation and requests for merging zoning lots and documentation to facilitate the transfer of development rights to the Proposed Tax Lot. The Developer will be expected to start construction on the date specified in their development schedule, which shall be within twenty-four (24) months of issuance of a Negotiation Letter to the Developer.

**E. Environmental Documents and Review**

The Developer will be responsible for preparing and submitting an Environmental Assessment Statement (EAS) in accordance with the guidelines contained in the latest edition of City Environmental Quality Review (CEQR) Technical Manual, including an EAS form, graphics and technical assessments, and appendices. The Developer also will be responsible for the National Environmental Policy Act (NEPA) Environmental Assessment (EA) necessary to complete the federal Section 18 disposition application for HUD.

It is anticipated NYCHA will serve as the lead agency for the CEQR environmental review and HPD will serve as the Responsible Entity under 24 CFR Part 58 to certify compliance with NEPA regulations. The Developer will be responsible for retaining a reputable environmental consultant, preparing and submitting all environmental documents, and funding the cost of the studies and analyses required for completion of CEQR and NEPA. If applicable, the CEQR assessment will consider discretionary land use approvals, including the ULURP approvals described below.

The Developer will be solely responsible for any mitigation measures and costs identified as a result of the CEQR and NEPA reviews. The Developer is expected to keep with the Project Schedule as will be proposed in *Tab C*, or thereafter amended and approved by NYCHA and HPD.

In addition, the Developer will be responsible for preparing associated environmental studies which could include, but are not limited to, Phase I and Phase II Environmental Site Assessments (“ESA”), Phase IA and IB archaeological assessments and noise/acoustical studies. The Developer will be responsible for implementing any remedial measures identified in connection with the redevelopment of the Development Sites as determined by NYCHA and HPD or any applicable governmental authority having jurisdiction. NYCHA and HPD do not make any representation or warranty whatsoever regarding the condition of the Development Sites or their suitability for the uses contemplated by this RFP.

**F. Public Land Use Approvals**

Where applicable, NYCHA may be the co-applicant with the Developer for the Developer’s ULURP application, providing assistance to the Developer in preparing the land use application and supporting documentation for the Project. Approval under ULURP is not required for the disposition of NYCHA-owned land but may be required for other types of land use actions.

Disposition of the NYCHA Development Sites is subject to HUD approval pursuant to Section 18 of the United States Housing Act of 1937, as amended, and disposition regulations in 24 CFR Part 970, and all other applicable laws and regulations. The Development Sites will be

subject to lease terms requiring that the Development Sites be developed, operated and maintained in accordance with the purposes outlined herein and upon which HUD's approval of such dispositions will be conditioned. Development Sites may also be subject to other first priority use restrictions or affordability requirements.

Applicants should be advised that their development timeline must take into account the period required for the ULURP application (if necessary) to be certified and approved and the Section 18 application to be prepared and submitted to HUD. NYCHA and HPD design approval, ULURP (including certification, if applicable) and the Section 18 application approval process may take at least one (1) year from commencement of the Negotiation Letter. In addition, the Developer may be required to alter the design Proposal before and during a ULURP process to comply with any request for modifications.

The Developer is responsible for obtaining all required approvals and supporting documentation from railroad parties including but not limited to Amtrak and MTA, Metro North Railroad, or any other transportation authority who may have an interest in the Project.

**G. Financing**

The Developer must secure necessary construction and permanent financing, provide guarantees if required, and meet any other terms and conditions as required by NYCHA and HPD, other lenders, and/or investors. More information is described in the *Financing Information and Conditions* section of this RFP.

**H. Taxes**

The Developer is solely responsible for applying to, and meeting the requirements of, specific tax benefit program(s). The Developer is responsible for paying all transfer and recording taxes associated with Project financing, leasing of the Development Sites, or any required municipal approvals.

**I. Marketing, Sales and/or Leasing**

Marketing and rent-up of the rental, commercial, if applicable, and community facility, if applicable, is the sole responsibility of the Development Team. In carrying out these functions, the Developer must comply with HPD and HDC marketing requirements and NYCHA preferences, which are designed to ensure that the availability of the residential rental units is disseminated as widely and fairly as possible. The [HPD and HDC Marketing Guidelines](#) are applicable to these Projects. The marketing requirements will be part of the Regulatory and Operating Agreement and Ground Lease, as applicable. The marketing of the units will be monitored by HDC/HPD/NYCHA staff to ensure compliance.

Rents of the affordable units projected in the Proposal are to be affordable as described in this RFP and in accordance with regulations stated in applicable term sheets for proposed financing.

The Projects will be subject to the following tenant preferences for the dwelling units:

- NYCHA Preference: NYCHA residents and applicants will have a preference for 25% of the units.

- Other Preferences: HPD, HDC and NYCHA may require additional preferences for the units at the time of lease-up.

**J. Maintenance and Operations**

The Developer is responsible for providing professional property management services, and having all standard asset management systems in-place to qualify income levels pursuant to funding requirements, as well as to submit property management data and operating budgets to NYCHA and HPD, upon request.

The Developer is responsible for professional maintenance services, as well as supporting or facilitating resident programming and community rules that promote health, safety, and quality of life at the Project.

**K. High Road Retail**

The Developer is responsible for ensuring compliance with the NYC High Road Retail ([Executive Order 19](#)) for mixed-use projects receiving more than \$1M in “Financial Assistance” from the City that: (1) are larger than 100,000 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 15,000 square feet. (See Executive Order 19 for the requirements that will apply to recipients of “Financial Assistance” and “Covered Employers” as defined therein. The requirements shall apply for the longer of the term of the “Financial Assistance” or ten years from the later of the date of the commencement of the project or the date the Project commences operations.)

**L. Minority and Women-Owned Business Enterprise (M/WBE) Build-Up Program**

The Developer is responsible for complying with the [M/WBE Build Up Program](#), which is a component of HPD’s Building Opportunity Initiative. Currently, the program requires developers/borrowers to spend at least [a quarter of HPD-supported](#) costs on certified M/WBEs over the course of design and construction of an HPD-subsidized project. A minimum goal of 25% will be required for each project subject to the program. Developers may adopt a goal higher than the minimum goal of 25%.

**M. Historic and Cultural Resources**

The Developer is responsible for any required mitigation of adverse impacts or adverse effects to Historic and Cultural Resources at the Development Site that are determined to be eligible, or are listed, on the National Register of Historic Places as such terms are further explained in The National Historic Preservation Act codified at 54 U.S.C. §§ 100101 et. al. and 36 CFR Part 800, and the New York State Historic Preservation Act of 1980 as codified at New York State Parks, Recreation and Historic Preservation Law Article 14, if applicable. Any substantial changes to cultural or historic resources require consultation with the State Historic Preservation Office (“SHPO”) of the New York State Office of Parks, Recreation and Historic Preservation in accordance with the New York State Historic Preservation Act of 1980 (See *Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law*) in order to explore potential measures that would avoid, minimize or mitigate any adverse impacts or adverse effects to cultural and historic resources as guided by the [Secretary of the Interior’s Standards for Rehabilitation](#).

**N. Fair Housing Requirements**

The Developer is required to comply with all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination.

**O. Davis-Bacon**

The Developer shall comply with Davis-Bacon and the Contract Work Hours and Safety Standards Acts, if applicable, which, currently, are Projects that contain twelve (12) or more units assisted with Federal HOME funds or Projects that contain nine (9) or more units funded with Project Based Vouchers.

**P. Equal Opportunity**

The Developer will be required, along with Development Team, or authorized representatives of the Developer, to attend a class administered by HPD outlining the requirements of Executive Order 50, and to submit Equal Opportunity forms provided by HPD verifying their compliance with the provisions of the Executive Order.

**Q. Section 3 Clause**

The Projects resulting from this RFP will not be required to comply with Section 3 Requirements unless the Projects use financial assistance from HUD.

**R. Hiring of NYCHA Residents**

Pursuant to NYCHA's goal of generating economic opportunities for its residents, Applicants must submit a comprehensive hiring plan for providing training and employment opportunities to NYCHA residents during construction and post construction. If selected, the Developer must collaborate with NYCHA's Office of Resident Economic Empowerment and Sustainability ("NYCHA REES") to finalize an agreed upon hiring plan that is consistent with applicable HUD and NYCHA resident hiring policies. NYCHA REES referral can be included as one source of recruiting qualified NYCHA residents for employment.

The selected Developer shall include a provision in general contractor and subcontractor bids that require NYCHA resident employment training and employment opportunities for qualified NYCHA residents consistent with the above.

**S. HireNYC**

HireNYC will not apply to the Projects described in this RFP. Hiring requirements will be met by working with NYCHA REES.

**T. Rent Stabilization**

Initial rents for the affordable housing units will be established in accordance with the regulatory agreement consistent with the income requirements outlined in this RFP. Prior to initial occupancy all affordable units must be entered into the New York State Rent Stabilization system at rents specified in the regulatory agreement. Units must remain in the system for the duration of the Project or as required by law, but in no case less than the duration of the Ground Lease.

**U. Accessibility**

Construction of the Projects must comply with the accessibility requirements of all applicable laws including, without limitation to the New York City Building Code, the Fair Housing Act, the Americans for Disability Act, and Section 504 of the Rehabilitation Act of 1973.

**V. Division of Human Rights Approval**

The selected Developer must obtain the approval of the New York State Division of Human Rights pursuant to the Section 296.2-a(e) of the New York State Executive Law in order to develop and operate a senior housing project.

**W. Inclusionary Housing**

NYCHA reserves the right to maintain ownership of any and all inclusionary development rights generated from the Development Sites.

# VIII. FINANCING AND UNDERWRITING CONDITIONS

Development Teams must assume the following conditions for structuring the financial components of their proposal:

## A. Site Disposition

Disposition of each Development Site to the Developer will be subject to the following:

- Receipt of HUD approval as required by Section 18 and its implementing regulations.
- Receipt of all public approvals required for disposition of the Development Site pursuant to a Ground Lease and development of the proposed Project on such Development Site, including without limitation, approval by HUD and the NYCHA Board.
- Execution and delivery of the documents necessary to complete the disposition process within a time period specified by NYCHA and HPD.
- The Development Site will be controlled by NYCHA via a Ground Lease in accordance with the terms of the HUD disposition approval, the NYCHA Board authorization, and will be leased in “as-is” condition, including without limitation, all environmental conditions and hazards.
- The simultaneous closing of a bona fide construction loan required to finance the full development of the Development Site.
- Proposals may assume a nominal ground rent of \$1.00 per lot per annum. However, preference will be given to proposals that contemplate an acquisition payment of at least \$20 per buildable square foot to NYCHA at Closing.
- The Developer is responsible for paying all transfer taxes associated with the conveyance of the Development Site to the Developer pursuant to the Ground Lease, and all transfer and recording taxes associated with project financing.
- NYCHA, with the assistance of the Developer, will initiate and pursue an application to HUD seeking approval of the leasing of the Development Site to the Developer pursuant to the Ground Lease. The Developer will furnish, at its own cost and expense, reports and documents including survey, appraisal and environmental assessment reports and studies as required by NYCHA for each of the applications. NYCHA will seek all environmental clearances through HPD, which acts as NYCHA’s Responsible Entity in accord with 24 CFR Part 58.

## B. Developer Fee

The Developer will be eligible to receive a developer fee up to the amount(s) permitted under the applicable term sheet. Total developer fee is not to exceed 15% of improvement costs (excluding developer fee, reserves, and syndication and partnership expenses).

## C. Financing and Subsidy

It is the responsibility of the Developer to obtain construction and permanent financing from lenders in amounts consistent with the Proposal. Developers may use different lenders for construction and permanent financing. Developers may propose as-of-right and competitive

sources of public financing. The amount of the Developer's equity may be determined by the lender(s). The Developer will be required to submit a financing commitment or equivalent letter of intent from a lender indicating willingness to lend an amount for construction financing of the Project within a period of time to be specified in a Negotiation Letter executed upon the selection of the Developer.

#### HPD-HDC Term Sheets

Proposals must comply with all terms of applicable [HPD Term Sheets](#). Proposals that assume HDC bond financing (and subsidy financing, if applicable) must comply with all terms of the applicable [HDC Term Sheet](#). Market comparables must be provided for residential unit rents, and any additional income from commercial space, or other sources.

#### Project-Based Rental Assistance

Development teams that propose the use of project-based rental assistance in accordance with HPD-HDC Term Sheets will be expected to apply to [HPD's Project-Based Voucher \(PBV\) Request for Proposals](#) ("PBV RFP") or other project-based rental assistance competitions. HPD will accept applications to its PBV RFP on a rolling basis and awards will be made four times per year at intervals that will be announced at a later date.

#### Low Income Housing Tax Credits

Due to recent uncertainty within the national LIHTC market, proposals should assume a standard LIHTC raise of \$1.10.

### **D. Lease Renewal, Refinancing, and Recapture Restrictions**

The lease renewal, refinancing and recapture restriction term below apply.

#### Residential Rental Component(s)

The portion of any City debt loaned by HPD, HDC, or NYCHA attributable to any residential rental component of the Project is subject to repayment from refinancing and resale profits, and may be non-evaporating.

#### Community Facility Component(s)

The portion of the City loan attributable to the community facility components of the Project is repayable from refinancing and resale profits, and may be non-evaporating or self-extinguishing.

#### Ground Lease Renewal

Approaching expiration of the Ground Lease term, negotiations may commence for extension of the Ground Lease and its accompanying use restrictions.

### **E. Real Property Taxes and Exemptions**

The Developer is responsible for applying to, and meeting the requirements of, any specific tax benefit program(s). NYCHA and HPD make no representations or warranties as to the continued availability of any such benefits or as to the Project's eligibility to receive any such benefits. The Development Site will be subject to New York City real property taxes and charges. However, tax exemptions, such as those described below, may be available for eligible projects. Specific benefits may vary depending on characteristics of the project. For

details of each program, the Developer is responsible for researching the relevant statute and rules.

The [Article XI tax exemption](#) provides a complete or partial tax exemption from New York City real property taxes for up to 40 years for the new construction or rehabilitation of affordable housing carried out by a Housing Development Fund Company (HDFC). An HDFC is a corporation formed under Article XI of the Private Housing Finance Law to develop and operate low-income housing. The formation of each HDFC which is a sponsor of an HPD project is individually approved by HPD and is subject to City Council approval.

The [420-c tax exemption](#) provides an exemption from New York City real property taxes for up to sixty (60) years for housing financed or previously financed in part with Federal Low Income Housing Tax Credits. In order to be eligible for this tax exemption, at least 70% of the units must be subject to the income and occupancy requirements of Internal Revenue Code Section 42. Projects must be owned or leased for at least thirty (30) years by a corporation, partnership, or limited liability company, of which at least fifty percent (50%) of the controlling interest is held by a charitable organization with 501(c)(3) or (4) tax exempt status whose purposes include the provision of low income housing, or a wholly-owned and wholly-controlled subsidiary of such a charitable organization. HPD must approve the regulatory agreement that imposes tax credit restrictions on the project's dwelling units and may also require a payment in lieu of taxes (PILOT).

The 420-a tax exemption program provides a full exemption from New York City real property taxes for certain property owned by eligible not-for-profit institutions. If the community facility is the only portion of the Project that will receive a 420-a tax exemption, it must be in a separately assessed tax lot from the rest of the Project.

#### **F. Incentive Programs**

The Developer is responsible for pursuing and securing other subsidies related to the Project that may be available, which include but are not limited to:

- Brownfield Redevelopment: [New York City Office of Environmental Remediation](#) provides subsidy and technical assistance for City-supported affordable and supportive housing developments.
- Commercial and Retail Incentives: New York City Economic Development Corporation (NYCEDC)'s [guide to financing and incentives](#).
- Food Retail Expansion to Support Health Program: [The FRESH Program](#) promotes the establishment and retention of neighborhood grocery stores in underserved communities by providing zoning and financial incentives to eligible grocery store operators and developers.
- NYC EDC Capital Access Loan Guaranty Program: The [NYC EDC Capital Access Guaranty Program](#) provides up to a 40 percent guarantee on loans for qualified NYC micro (fewer than 20 employees) and small (21-100) businesses experiencing difficulty in accessing loans.
- NY Healthy Food & Healthy Communities Fund: The [NY Healthy Food & Healthy Communities Fund](#) is a \$30 million statewide program created to provide grants and loans for food markets in underserved communities.



# IX. COMPETITIVE EVALUATION CRITERIA

Proposals will be evaluated and ranked according to the Competitive Evaluation Criteria described below. In evaluating Proposals under these criteria, the combined experience and resources of all Principals of the Applicant will be considered. NYCHA and HPD may request additional information, site visits, interviews, or presentations by the Development Team.

NYCHA obtained resident feedback and priorities for the new developments. A summary of the findings for each Development Site can be found in the NYCHA Community Visioning documents (*see Exhibit A*). Proposals that align with the Community Visioning document (Exhibit A) will be evaluated favorably.

## A. Financial Feasibility of Development Proposal

**Weight 25%**

Financial Scenarios will be evaluated based on the feasibility of the underwriting, including, but not limited to, the reasonableness of estimated development and operating costs, proposed rents and other income, the feasibility and terms of the financing sources, and the ability to support operating expenses, capital costs, and debt service to complete and operate the proposed Project.

Financial Scenarios will also be evaluated based on the ability to maximize affordability levels, how well the range of affordability levels meet the economic needs of households in the community and the City as a whole, and whether they achieve fair housing objectives by promoting community stabilization and diversity.

Rents for residential units and additional income from commercial space, or other sources, must be deemed realistic and substantiated by market comparables.

Financing capacity will be evaluated based on the strength of the Applicant's assets, bank, investor, or other lender references, and current and historical commitments that demonstrate the Applicant's ability to secure financing, meet lender's equity and other lending requirements, provide necessary guarantees, absorb cost overruns, and commence and complete construction of the proposed Project and according to the proposed development schedule.

Preference will be given to proposals that offer NYCHA a shared portion of the developer fee or an acquisition payment of at least \$20 per buildable square foot to NYCHA at Closing.

## B. Quality of Building & Urban Design

**Weight 25%**

Proposals will be evaluated on quality of design, extent to which they demonstrate creativity and insight in their solution to site conditions, relationship to the surrounding NYCHA development, quality of construction, innovative use of materials and construction

technology, sustainability, and potential long-term viability within reasonable cost parameters.

Proposals will also be evaluated on the quality and scope of site improvements within, but not necessarily limited to, the Development Site. Site planning, building arrangement, street wall elevations, massing, interior layouts, building materials, amenities, active design and streetscape treatment will be considered. New street trees, lighting, and other streetscape features should be provided around the Development Site; the design should integrate the new building with the existing NYCHA development and surrounding community; existing trees must be preserved when possible.

**C. Program**

**Weight 25%**

Proposals will be evaluated on design, affordability levels, and amenities and uses accessory to the residential units and tenants.

If applicable, Proposals will be evaluated on the Applicant's ability to develop, lease, and manage the community facility proposed as described in the Community Facility Plan. Within *Form J*, the Community Facility Plan must demonstrate financial feasibility and the overall strategy for managing the community facility space. Preference will be given to Proposals that include Letters of Interest from community facility operators.

If applicable, Proposals will be evaluated on the proposed commercial space as described in the Commercial Plan. The Commercial Plan must demonstrate financial feasibility and include a narrative on the overall strategy for managing the commercial space. Preference will be given to Proposals that include Letters of Interest from commercial operators.

Submissions must demonstrate that the uses contribute to the economic and social vibrancy of the neighborhood, address a neighborhood need, enhance the current inventory of commercial or community uses in the neighborhood, and responds to the goals and priorities recorded in the Community Visioning documents.

**D. Community Development Plan and Experience**

**Weight 25%**

Community development plan and experience will be evaluated as it reflects the Applicant's demonstrated ability to successfully carry out a quality project of this type, size, and complexity in a timely manner. Among the factors that will be considered are:

- Experience developing new construction and/or completing substantial rehabilitation of affordable residential buildings of similar size and scope;
- Experience managing affordable residential buildings of similar size and scope;
- Experience operating projects with commercial or community facility uses in comparable markets, if applicable;
- Strength of NYCHA Resident Hiring Plan;
- Experience successfully designing and implementing a NYCHA resident or similar local hiring plan;
- Experience with community outreach for Project hiring, which may be demonstrated by activities including, but not limited to, training programs, job placement activities, Applicants' own staffing practices, and/or Applicants' contracting practices on the proposed project;

- Demonstrated commitment to long-term and/or deep affordability;
- Demonstrated commitment and successful track record of tangible investments in community and economic development;
- Strength of Community Outreach Plan to create benefits for both public housing residents and the community at large.

# X. SUBMISSION REQUIREMENTS

A separate Proposal must be submitted for each Development Site the Applicant wishes to develop. Proposals that are not complete or are not in conformance with the requirements of this RFP will be eliminated from further consideration. Proposals must contain the forms and supporting documentation described below. Each copy of the Proposal must be tabbed as indicated below. All Proposal Forms can be found in *Exhibit E*.

## A. TAB A – Applicant Information

Each Applicant must submit a *Completeness Checklist (Form A-1)* and *Applicant's Letter (Form A-2)*. If a Development Team or part of a Joint Venture varies from the organizational structure as proposed in the RFQ, Applicants must complete and submit *Proposed Changes to RFQ Development Team (Form A-3)*.

## B. TAB B – Proposal Narrative and Summary

Applicants must include a narrative that describes (in no more than five pages) the Proposal. The narrative must include, at a minimum, the size of the Project, proposed uses, a breakdown of all residential units by type and affordability, the income and rent levels contemplated, the sources and amounts of financing, including any tax exemption assumptions.

The narrative must include a description of relevant development experience of at least the Principal(s) who would manage the Project to demonstrate capacity to deliver the proposed Project based on experiences of similar scale, scope, and project structure. Applicants must highlight their experience working in the proposed Project market, securing similar public approvals as required by the proposed Project, and marketing to target populations for the proposed Project. Applicants are encouraged to provide examples of past projects which make the Development Team uniquely prepared to deliver this RFP proposed project on time, and on budget.

The narrative must describe how the proposal responds to the goals and priorities recorded in the Community Visioning documents and the Development Team's experience with community economic development, such as investments in community programs or services.

In addition, Applicants must complete the *Proposal Summary (Form B)*, and it must be consistent with the rest of the Proposal (e.g. Financing Proposal and Design Narrative).

## C. TAB C – Development Schedule

Applicants must provide a development schedule and phasing plan (if applicable), including benchmarks for commencement and completion of plans and drawings, New York City Department of Buildings plan approval, site preparation, construction commencement and completion, marketing, and occupancy of the Project. If applicable, in order to complete the timeline, assume at least nine months for NYCHA and HPD approvals for pre-development work and preparation of Section 18 disposition application. The proposed Schedule must be realistic and reflective of the scope and scale of the proposed Project.

#### **D. TAB D – Design Narrative**

Applicants must provide a detailed narrative description (in no more than two pages) outlining the proposed concept of the Project and include, among other things, the Applicant's approach to the Project, critical Project issues and problem solving techniques, primary design objectives of the Project intended to meet the standard of design and construction described throughout this RFP, and specific high performance and sustainable design features proposed for each Project. This description must identify:

- A rationale for the design concept chosen for the Project that includes circulation (private and public), new building configuration and lot coverage, heights, orientation and relationship to surroundings, primary building materials, major architectural features, and sustainable design elements.
- Type, location, and total Project square footage (gross and saleable or rentable, including basement(s), if applicable), as well as total square footage breakdown for each use.
- Type, number, and characteristics of the residential units, including unit distribution, number of bedrooms, approximate square footages and amenities.
- Detailed description of construction methods, foundation type(s), and building systems for all new buildings.
- Description and location of all mandatory infrastructure and other public improvements, including public and private open spaces, landscaping, and parking.
- Description of how the proposal complies with all zoning and other legal requirements.

#### **E. TAB E – Architectural Submission**

All plans must be prepared by a registered architect or professional engineer. All materials must be on paper size of 11" by 17" or smaller and must be easily reproducible. The following must be included:

- Zoning / Unit Distribution: a detailed zoning computation and analysis to demonstrate compliance with existing zoning, HPD/HDC Term Sheets, and Building Code information indicating occupancy group and construction classification. Also include apartment count and distribution, and if applicable, retail space and/or community facility space.
- Development Site Plan: Clearly legible site plan indicating all components of the Project and other development within one block of the Development Site. Site plan must include walkways, sidewalks, parking, driveways, building access points, tree locations, plant materials, fences, gates, lighting, easements, and encroachments, with dimensions. Site plan must include a North arrow, actual scale and graphic scale.
- Representative floor plans that show all spaces of the proposed development. Commercial, community facility and/or accessory residential spaces (laundry room, play room, etc.) must be indicated in the floor plans. Typical floors do not need to be repeated.
- Unit Plans: It is not required that design and architectural documents submitted include full apartment layouts on the floor plans. Submissions, however, must show blocked out units and clearly indicate all dimensions and total square footages. Selected unit plans from the building showing greater detail must be provided at 1/8"=1'0 scale. Plans must include a North arrow, actual scale and graphic scale.
- Elevations: All elevations of the buildings at the same scale as the plans. Finishes, construction materials, ceiling heights, and floor elevations (level) must be shown and

labeled on drawings. Perspective drawings/renderings are optional; however, they must not replace required elevations.

- Any other architectural drawings or computer generated modeling, if they provide a better understanding of the development concept or relationship to adjacent NYCHA development.

**F. TAB F - Sustainability Narrative**

Applicants must provide a narrative (in no more than two pages) describing sustainability, active design, and resiliency elements included in their proposal. Applicants must also complete and include the [2015 Enterprise Green Communities Criteria Certification Overlay](#). Applicants must clearly indicate which of the elements are included in their proposal.

**G. TAB G – Community Facility and Commercial Plans (if applicable)**

Proposals must provide a plan for community facility and commercial use, if applicable. Site planning, building arrangement, building systems, interior layouts, building materials, amenities, and streetscape treatment will be considered. Proposals must include a narrative (in no more than two pages) that describes, at a minimum, a management and operations plan, which is feasible and responsive to the community’s and operators’ needs. The Plan must specify use and services to be provided, staffing and/or partners who will provide the services, operating budget and funding sources. A letter or letters of interest from prospective community facility or commercial tenants may be provided. If private financing is proposed, a letter or letters of interest from a private lender or lenders must be included. Applicants must also describe their prior experience operating projects with community facility and commercial uses in comparable markets.

**H. TAB H – Community Outreach Plan**

NYCHA and HPD are committed to transparent resident engagement and community outreach. Applicants will be evaluated on their Community Outreach Plans to communicate with NYCHA residents and leadership, and provision of proposed services to existing NYCHA residents and the community through the new development. The Community Outreach Plan must describe the proposed outreach process, timeline and communication strategy to the community. Applicants will be required to comply with their Community Outreach Plans and will be required to regularly report on their outreach activities.

**I. TAB I - NYCHA Resident Hiring Plan**

Pursuant to NYCHA’s goal of generating economic opportunities for its residents, Applicants must submit NYCHA REES forms and a supplemental narrative (in no more than two pages) for training and hiring Authorized NYCHA Residents. The Plan must include the following:

- *NYCHA REES General Hiring Plan (Form I-1)* or, if applicable, the *Section 3 Hiring Plan (Form I-2)* and *Section 3 Hiring Summary (Form I-3)*;
- A supplemental narrative (in no more than two pages) describing experience with Section 3 or similar hiring programs and the proposed hiring outreach strategy. The narrative can also describe partnerships or collaborations for more effective outreach and training.

**J. TAB J– Financing Narrative and Rental Pro Forma**

Submissions must include a completed *Financing Proposal (Form J)* in both hard copy and on flash drive in Excel format.

#### Rents and AMIs

All Submissions must reflect the rent price affordability calculations (based on AMIs), and utility allowances described in the Form J. In addition to the affordability requirements described throughout this Submission, any subsidy programs that are utilized will determine any additional affordability requirements, as applicable.

#### Superintendent's Unit

Specific information about the superintendent's unit(s) shall be included, as applicable. If the superintendent is not located onsite, a letter explaining alternative provisions for janitorial services that satisfy the Housing Maintenance Code must be included in this tab.

#### Project Budgets

Provide hard cost calculations (including, but not limited to estimated construction costs, overhead, profit, insurance, contingency) with cost/square foot estimates for both gross and net square footage, and provide the basis for such estimates. Provide soft cost calculations, including assumptions for all fees for professional services, financing, and other industry standard and HPD allowable costs. Provide a percentage of total development cost (TDC) for each line item.

#### Tax Exemption Programs

Submissions must indicate which tax exemption program(s) the Project plans to utilize, if any.

#### Financing Narrative

The Financing Narrative must clearly explain (in no more than two pages) the financing structure of the Project, and explicitly identify proposed subsidy/financing programs. If financing sources include HDC bond financing, a credit enhancer acceptable to HDC must be identified in the financing narrative. If Low Income Housing Tax Credit (LIHTC) financing is proposed, the financing narrative must describe the tax credit experience of the development team by outlining recent LIHTC projects in the last seven (7) years, including which syndicators were utilized and the tax credit raise committed to the projects. If the financing scenario proposes competitive financing sources, the financing narrative should explain the feasibility of obtaining the proposed sources and/or describe the Applicant's history of successfully applying for the proposed sources.

#### Regulatory Term

Preference will be given to Proposals that include a viable plan to extend affordability beyond the regulatory restriction period required by the HPD and HDC Term Sheets, for the length of the ground lease.

#### Market Comparables

Submissions must include market comparables in the form of detailed rental listings of at least three properties/projects within a mile of the Site and with similar operations, for all

underwritten income assumptions. Applicants are encouraged to provide letters of interest from proposed tenants of commercial and community facility space.

The plans and costs for ongoing maintenance of open space(s) must be included in the narrative and budget.

**K. TAB K– Financing Letters of Interest**

Submissions must include Letters of Interest as described below.

Private Financing

If private financing is proposed, a letter, or letters of interest, from a private lender or lenders must be included. Letters must be dated no earlier than two (2) months from the date of submission of the Developer’s proposal. Applicants may use different private lenders for construction and permanent financing. The letters must be provided on the lender's letterhead, signed by a representative of the lender, and must state the amount and terms of the financing. The letter(s) must indicate a willingness to provide construction and permanent financing in amounts and with terms consistent with the proposal, and must include the following:

*Construction Loan*

- The amount of financing that the lender would consider based on the lender’s preliminary determination of feasibility, based on expected development costs, operating income/expenses, and associated residential rent levels; and
- The interest rate (fixed or variable), the equity requirement, applicable fees, and other terms under which the lender would provide construction financing.

*Permanent Loan*

- The amount of financing that the lender would consider based on the lender’s preliminary determination of feasibility, based on expected development costs, operating income/expenses, and associated residential rent levels; and
- The interest rate (fixed or variable), the equity requirement, applicable fees, and other terms under which the lender would provide permanent financing; and
- The maximum loan to value ratio and other underwriting criteria, including treatment of rental income, minimum maintenance and operating expenses, and debt service coverage requirements.

Low Income Housing Tax Credit (LIHTC) Syndication

If LIHTC financing is proposed, a syndication letter of interest is NOT required. However, the proposal should include historical letters of interest from LIHTC syndicators for similar projects financed within the past 7 years, if applicable, and the financing narrative should include a description of the development team’s LIHTC experience. Proposals should assume a standard LIHTC raise of \$1.10.

Public Financing

If HDC bond financing is proposed, a letter of interest from HDC is NOT required.

Competitive Public Sources



Any Proposal that includes funding or financing that is awarded on a separate competitive basis must submit historical letters of interest or award letters for similar projects financed within the past 7 years, if applicable.

## **XI. RFP PROCESS**

This RFP is the second part of a two-part process. Applicants who were pre-qualified through the RFQ (step one) are now eligible to apply for this RFP. This section provides a process overview from RFP release to Developer Selection.

### **A. Inquiries**

Applicants shall submit written questions, via e-mail, per instructions in *Section II* of this RFP. Responses to all inquiries will be collectively provided in an addendum that will be posted on NYCHA and HPD's websites and sent to all registered prospective Applicants after the pre-submission conference.

### **B. Time and Place of Submission**

On or before the submission deadline, Applicants must submit a development Proposal in accordance with the instructions in *Section II* of this RFP, as well as in any Addenda that may be issued to the RFP. All submissions become the property of NYCHA and HPD.

Late submissions will not be accepted.

### **C. Format of Proposal**

Each Proposal must consist of one (1) bound original, two (2) bound copies and four (4) flash drives with all Proposal components, with separate folders for each tab as well as the complete submission in one PDF file. All PDFs must be searchable. An authorized representative of the Applicant must sign the original Proposal.

Each Development Site will require a separate Proposal. Each Proposal must be tabbed as indicated below. All Forms associated with the Proposal must follow the format included in this RFP. *Form B-1* (Project Summary Form) and *Form J* (Financing Proposal) must be submitted as Excel files and in original formatting on the flash drive.

### **D. Modifications**

An Applicant may submit a complete modified Proposal to replace all or any sections of a previously submitted Proposal up until the submission deadline. Neither NYCHA nor HPD personnel will insert pages or otherwise modify the Applicant's Proposal. The Applicant has the full responsibility for ensuring that its final Proposal has been submitted in the desired form by the submission deadline. The front cover of a modified Proposal must identify the submission as a modified proposal and include the date on which the modified Proposal is submitted.

Modifications received after the submission deadline due date will not be considered. If NYCHA and HPD determine, upon review of a Proposal, that any items are missing and/or incomplete, NYCHA and HPD, in their sole discretion, by written notification given to the Applicant, may permit the Applicant to provide or clarify such items. Failure to provide complete information in a timely fashion could result in rejection of the Proposal.

**E. RFP Addenda**

NYCHA and HPD reserve the right to amend or withdraw this RFP at any time. In order to be considered, Proposals must conform to any amendments that may be issued to this RFP. Amendments may include, without limitation, any requirements and terms or conditions contained in this RFP. NYCHA and HPD will advise each Applicant of any clarifications or revisions.

If, in NYCHA and HPD's judgment, additional time is required for Applicants to prepare their Proposals, NYCHA and HPD reserve the right to grant an extension of the deadline for submission of a Proposal, and such extension will then be granted to all Applicants.

**F. References and Requests for Further Information**

Submission of a Proposal shall constitute permission from the Applicant for NYCHA and HPD to make such inquiries concerning the Applicant as NYCHA and HPD deem necessary. NYCHA and HPD reserve the right to communicate with any of the Applicants, but NYCHA and HPD are not obligated to do so. NYCHA and HPD may discuss the Proposals of any Applicants concurrently or sequentially, as NYCHA and HPD may determine. No Applicant has any rights against NYCHA and HPD arising from any such invitation to a discussion, or from any negotiations that may arise pursuant to the discussions.

Applicants must comply with all requests for information and, if requested by NYCHA and HPD, appear for presentations or discussions. If any Applicant fails to do so within the time period given (or within any time extension that NYCHA and HPD may grant), NYCHA and HPD may deem this as a failure and act of non-compliance with the RFP, which will permit NYCHA and HPD to select another Applicant or to solicit new Proposals. In furtherance and not in limitation of the foregoing, before a final selection is made, an Applicant may be required to produce more detailed information concerning the professional background of those persons who own and manage such Applicant, a report on the financial background of such Applicant, and information concerning the nature and status of any past or pending threatened charges or actions (including lawsuits, criminal or disciplinary actions, administrative proceedings by any governmental or regulatory agency or bankruptcy action) against such Applicant or any of its partners, directors, officers, employees, shareholders, subsidiaries, or affiliates, as the case may be.

**G. Review**

NYCHA and HPD will evaluate each Proposal and each Applicant according to the Evaluation Criteria, taking into account the information provided in the Proposal, and any other information about the Applicant's performance available to NYCHA and HPD. Proposals that are not complete or do not conform to the requirements of this RFP will be eliminated from further consideration, unless NYCHA and HPD permit the Applicant to correct the omission.

The highest rated Proposal will be chosen. NYCHA and HPD may disapprove the inclusion of any member of an Applicant's Development Team and/or require the selected Applicant to substitute other individuals or firms.

NYCHA and HPD strongly encourage M/WBE and non-profit developers to submit Proposals under this RFP.

**H. Adverse Findings**

An Applicant's Proposal may be rejected at any time during or after the evaluation process if there are any adverse findings regarding the Applicant, any entity or individual associated with the Applicant, or any property owned and/or managed by them. Such adverse findings include, but are not limited to:

- Negative findings by the NYCHA Inspector General's Office or the New York City Department of Investigation;
- Conviction, administrative violation, judicial or administrative finding, pending judicial or administrative case, or pending litigation including without limitation for harassment, arson, fraud, bribery, grand larceny, any felony or crime of dishonesty, or noncompliance with fair housing or anti-discrimination laws, any applicable codes or ordinances, labor laws, or construction laws.
- Defaults or poor performance under any government-assisted program;
- Suspension or debarment by any governmental entity;
- Mortgage arrears, default, or foreclosure proceedings;
- Tax arrears, tax foreclosure or enforcement proceedings, or sale of tax liens; or
- Voluntary or involuntary bankruptcy proceeding.

**I. Material Changes to RFQ Submissions**

Applicants must submit in writing as part of their proposal a description of any material changes to their application to the RFQ by which they were pre-qualified to apply to this RFP. Material changes include but are not limited to updates to current capacity to complete the proposed Project(s), ability to finance the proposed Project(s), and/or any adverse findings not previously stated in the RFQ application. These changes must be captured in *Form A-3*.

**J. Selection**

Selection of a Developer under this RFP means only that NYCHA and HPD will commence negotiations with such Applicant regarding the Proposal for the Development Site.

**K. Negotiation Letter**

Upon selection, HPD and NYCHA will send the Negotiation Letter to the Developer regarding the commencement of negotiations. The Negotiation Letter will set forth certain information regarding the Project and procedures that will form the basis for such negotiation. NYCHA and HPD reserve the right to terminate negotiations with or without cause after the issuance of the Negotiation Letter.

**L. Pre-Development Timetable**

The Negotiation Letter will include a development schedule setting out the major actions and timeframes necessary to start construction within 12 to 24 months from the date of the Negotiation Letter, depending on the Development Site. Failure of the Developer to follow the development schedule may result in the termination of negotiations and the selection of

another Developer. The selected Applicant(s) must begin pre-development work within thirty (30) days of the date of the Negotiation Letter.

NYCHA and the Developer shall complete and execute a comprehensive Development Agreement for the Project. Failure to complete and execute such Development Agreement will provide NYCHA and HPD the unilateral right to terminate all further negotiations with the Developer related to the Project, which if exercised will release NYCHA and HPD from any further obligations or liability to the Developer.

**M. Disclosure**

The selected Developer who receives a Negotiation Letter from NYCHA and HPD must thereafter disclose all previous participation in NYCHA and City-assisted projects. Such entity or entities and all Principals thereof will each be required to submit completed Entity and Individual Disclosure Statements which will be forwarded to the Developer. NYCHA and HPD will provide copies of these forms upon request to any Applicant.

**N. No Obligation**

This RFP does not represent any obligation or agreement whatsoever on the part of NYCHA and HPD. Any obligation or agreement on the part of NYCHA and HPD may only be incurred after NYCHA, HPD and the selected Developer enter into a written agreement approved by the Corporation Counsel, the NYCHA Board, and HUD. NYCHA and HPD may use the Proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as it deems appropriate. NYCHA and HPD may reject at any time any or all Proposals, amend or withdraw this RFP in whole or in part, negotiate with one or more Applicants, and/or negotiate and dispose of the Development Site on terms other than those set forth herein (including to parties other than those responding to this RFP). NYCHA and HPD may also, at any time, waive compliance with, or change any of the terms and conditions of this RFP, entertain modifications or additions to selected Proposals, or withdraw or add an individual Development Site or parcels from or to this RFP.

Selection of an Applicant's Proposal will not create any rights on the Applicant's part, including, without limitation, rights of enforcement, equity or reimbursement, until after the Ground Lease and all other NYCHA and HPD documents are fully executed and approved by HUD, NYCHA Board, and the Corporation Counsel. All determinations as to the completeness or compliance of any Proposals, or as to the eligibility or qualification of any Applicant, will be within the discretion of NYCHA and HPD.

## **XII. CONDITIONS, TERMS AND LIMITATIONS**

THIS RFP IS SUBJECT TO THE SPECIFIC CONDITIONS, TERMS AND LIMITATIONS STATED BELOW:

Proposals submitted shall be deemed to incorporate all of the terms and conditions contained in the RFP. Applicants will be deemed to have consented to such terms by submitting a Proposal in response to this RFP.

The Development Sites will be leased in "as-is" condition. NYCHA, the City, or any of their respective officers, agents, and employees make no representation whatsoever as to the physical condition of the Development Sites or their suitability for any specific use.

The proposed Projects shall conform to, and be subject to, the provisions of the New York City Zoning Resolution, New York City Building Code, and all other applicable laws, regulations and ordinances of all Federal, State, and City authorities having jurisdiction, as the same may be amended from time to time.

Valid permits and approvals, as required by City, State and Federal agencies, shall be obtained by the Developer prior to commencing work.

The commencement of negotiations with a Developer will depend on satisfaction of the documentation and review requirements described in this RFP and will be subject to joint review by NYCHA and HPD. The continuation of negotiations with a Developer may depend on provision of additional documentation required by NYCHA and HPD.

NYCHA will lease the Development Sites pursuant to approval from the NYCHA Board and HUD and all documentation, including but not limited to the Ground Lease shall be in form and substance satisfactory to the NYCHA Board and HUD.

No transaction will be consummated if any Principal of any Developer with whom NYCHA or HPD has commenced negotiations is in arrears, or in default upon any debt, lease, contract or obligation to the City, NYCHA, or HPD, including without limitation, real estate taxes and any other municipal liens or charges. The City and NYCHA reserve the right not to review any Proposal by any such Applicant.

Applicant submitting a Proposal in response to this RFP may be rejected if it or, if the Applicant is a business entity, any of its shareholders, officers, directors, partners or members is determined, in NYCHA's and HPD's sole discretion, to be within a category of persons or entities with whom or which the City or NYCHA will not generally do business. The Developer and its Team and all officers and Principals thereof will be required to complete a background questionnaire and shall be subject to investigation by NYCHA and the City's Department of Investigation. Any designation

may be revoked in the City's or NYCHA's sole discretion in the event any derogatory information is revealed by such investigation.

No commission for brokerage or any other fee or compensation shall be due or payable by the City, NYCHA, or HPD, and the submission of a Proposal will constitute the Applicant's undertaking to indemnify and hold the City, NYCHA and HPD harmless from and against any such claim for any such fee or compensation based upon, arising out of, or in connection with any action taken by the Applicant, the selection of the Applicant's submission and invitation to the Applicant to respond to this RFP, the conditional selection of a Developer pursuant to this RFP.

Neither the City, NYCHA, nor HPD is obligated to pay, nor shall the City, NYCHA or HPD in fact pay any costs or losses incurred by any Applicant at any time, including any costs incurred by the Applicant in connection with the Applicant's response to this RFP.

The selection of an Applicant will mean only that NYCHA and HPD may commence negotiations with that Applicant regarding the development of the Development Site. NYCHA and HPD will send the Negotiation Letter to the selected Applicant. The selected Applicant must begin pre-development work within thirty (30) days of the Negotiation Letter. The selected Applicant will be expected to start construction on the day specified in their Development Schedule; however, the Applicant must expect to commence no later than twenty four (24) months from the date of the Negotiation Letter.

This RFP does not represent any obligation or agreement whatsoever on the part of NYCHA and HPD, which may only be incurred or entered into by written agreement to which NYCHA and HPD are parties, subject to the approvals of the Mayor, the NYCHA Board, NYCHA, HPD, the Corporation Counsel, and HUD. NYCHA is under no legal obligation to lease the Development Sites. NYCHA and HPD may use the Proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as NYCHA and HPD deem appropriate. NYCHA and HPD may reject at any time any or all Proposals, amend or withdraw this RFP in whole or in part, negotiate with one or more Applicants, and/or negotiate and dispose of the Development Sites on terms other than those set forth herein (including to parties other than those responding to this RFP). NYCHA and HPD may also, at any time, waive compliance with, or change any of the terms and conditions of this RFP, entertain modifications or additions to selected Proposals, or withdraw or add individual sites or parcels from or to this RFP.

Selection of an Applicant's Proposal will not create any rights on the Applicant's part, including, without limitation, rights of enforcement, equity or reimbursement, until after the Ground Lease and all other NYCHA and HPD related documents are fully executed (collectively, the "NYCHA Documents") and approved by HUD, NYCHA Board, the Mayor, and the Corporation Counsel. The terms of the NYCHA Documents, shall govern the relationship between NYCHA and the Developer. In the event of any variation between the terms of this RFP and the NYCHA Documents, the terms of the NYCHA Documents will govern.

All determinations as to the completeness or compliance of any Proposals, or as to the eligibility or qualification of any Applicant, will be within the joint discretion of NYCHA and the City.

NYCHA and HPD are separate legal entities and will have separate responsibilities with respect to the Projects. NYCHA is a Public Housing Authority, which was organized and exists as a New York State public benefit corporation. HPD is an agency of the City of New York. NYCHA will be responsible for arranging all leasing permissions and licenses to enter upon the Development Sites, and for ground leasing of the Development Sites. NYCHA and HPD will jointly oversee the actual development process.

This RFP and any agreement resulting there from are subject to all applicable laws, rules and regulations promulgated by any Federal, State, or municipal authority having jurisdiction over the subject matter thereof, as the same may be amended from time to time.

## **XIII. CONFLICTS OF INTEREST**

Current or former employees of the City of New York may respond to this RFP only in accordance with the section(s) of Chapter 68 of the New York City Charter governing conflicts of interest affecting City personnel. Section 2604(b)(7) of the City Charter contains specific prohibitions that exclude enumerated groups of employees from participating in the sales process. In addition, current NYCHA or HPD employees may not respond to this RFP.

Persons in the employ of the City of New York other than NYCHA or HPD employees considering the submission of a Proposal are advised that opinions regarding the propriety of their participating in the Project may be requested from the New York City Conflict of Interests Board. This body is empowered, under Section 2602 of the City Charter, to issue advisory opinions on conflict of interest questions and other matters of ethical consideration. It is not necessary, however, that such an opinion be obtained prior to responding to this RFP.

Former employees of the City of New York or NYCHA are also advised that the City Charter imposes certain restrictions on post-employment business relationships with the City. Such individuals must consult the specific provisions on this issue contained in the City Charter.

The Applicant must not have any organizational conflict of interest, which is defined as a situation in which the nature of the obligations under the NYCHA Documents or with respect to the Project, and the Applicant's organizational, financial, contractual or other interests are such that:

- a) award of the NYCHA Documents may result in an unfair competitive advantage; or
- b) the Applicant's objectivity in performing its obligations under the NYCHA Documents or with respect to the Project may be impaired.

If after award the Applicant discovers an organizational conflict of interest with respect to the NYCHA Documents or the Project, the Applicant shall make an immediate and full disclosure in writing to NYCHA, which shall include a description of the action which the Applicant has taken or intends to take to eliminate or neutralize the conflict. NYCHA may, however, terminate the Projects and the NYCHA Documents if it would be in the best interest of NYCHA.



## **XIV. DISCLAIMER**

NYCHA does not make and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Development Sites including, without limitation, the following:

- a) the value of the Development Sites;
- b) the income to be derived from the Development Sites;
- c) the nature, quality or condition of the Development Sites, including, without limitation, the manner, quality, state of repair or lack of repair of the Development Sites and the water, soil and geology thereof and any drainage from or onto the Development Sites;
- d) the current or future real estate tax liability, assessment or valuation of the Development Sites;
- e) the availability or unavailability or withdrawal or revocation of any benefits or incentives conferred by any federal, state or municipal authorities;
- f) any other matter with respect to the Development Sites; or
- g) the accuracy of any exhibit or information provided relating to the Development Sites.