

NYC Houses Reconstruction Addendum 3

RFQ issue date: May 1, 2013

Addendum 3 issue date: May 20, 2013

Contents of the Addendum

A) Question and Answers – answers are provided to questions submitted in writing and at the Pre-submission Conference on May 14, 2013.

A. Question & Answers

Property Eligibility and Homeowner Engagement

Q1: How many properties are eligible?

A1: The final number of eligible properties is not known at this time. We have used the best information available to determine the approximate scope of the clusters. Please review the RFQ document on page 9 for Table 1. Clusters by Location, Buildings and Housing Type for the number of buildings in each cluster. Applicants must be able to handle the upper bound of the estimated cluster size and also provide an estimate of their ability to take on more units, should the cluster expand

Q2: Who determines property eligibility?

A2: The Housing Recovery Office is contracting for services to manage intake of homeowners and determining eligibility.

Q3: What are the clusters?

A3: See Appendix B in the RFQ document for Cluster Maps and Data Sheets on each cluster. The clusters are also identified in Table 1 on page 9 of the RFQ document.

Q4: Is there a list of addresses in each of the clusters?

A4: No, addresses are not available at this time.

Q5: The different number of housing types on Page 9 for Broad Channel are different from the number of housing types in the Appendix. Which one do we use?

A5: Use the housing types provided Table 1 on Page 9 for all clusters. Appendix B outlines the numerous housing typologies found in each cluster. In order to streamline the design submissions, we combined categories (as shown on page 9 in Table 1) and are requesting Development Teams to provide designs for these categories. The categories include detached homes, attached homes, 3 or 4-unit buildings, and mixed-use buildings.

Q6: The interaction with the eligible property owners is not clear. The RFQ states that the homeowner engagement will begin immediately but does not state how the information will be received, how it will be prioritized and what will be the expectation of engagement.

A6: HRO will generate the list of Eligible Property owners, which will then be given to the selected Developers. The RFQ requires Applicants to propose a Homeowner Engagement Plan to explain how they will contact and communicate with the homeowners, utilizing the information provided by HRO. The goal of this process is for homeowners to be satisfied with the home that will be built for them.

Q7: Will there be sites where demolition is the responsibility of the Developer?

A7: No. At this time, it should be assumed that the City will be responsible for any demolition.

Q8: Who will check the background of the homeowner to ensure it is their property?

A8: The City will make all eligibility determinations.

Q9: If tensions arise between the developer and the homeowner, how will it be resolved?

A9: If disputes with the homeowner cannot be resolved by the development team, HPD staff and the HRO case manager will assist.

Q10: What if homeowners want to put in their own money?

A10: HPD and HRO are finalizing policies on this topic. The City would like to make efforts to accommodate a reasonable level of customization.

Q11: Will there be a cutoff in the number of homeowners?

A11: There will be no pre-determined cutoff in the number of homeowners.

Q12: What will happen with homes which have existing mortgages?

A12: The homeowner and HPD will act as the primary point of contact with mortgagees. HPD will make decisions regarding subordination agreements on a case by case basis.

Q13: Has the eligibility process started for homeowners?

A13: Homeowner registration will begin in June.

Q14: What is the scope of the homeowner outreach?

A14: The goal of this process is for homeowners to be satisfied with the home that will be built for them. Applicants should propose an outreach plan that will achieve this goal.

Q15: What if the homeowner decides to sell their property?

A15: The homeowner decides to sell the property before construction closing, the homeowner and property would no longer be eligible for this program.

Q16: What if the homeowner wants to sell while under construction?

A16: Homeowners will be prohibited from selling their property during the construction period.

Q17: What if homeowners of destroyed homes want to rebuild utilizing CDBG funds independent of this program?

A17: HPD and HRO are finalizing policies on this topic. The City would like to make efforts to accommodate owners who choose to build homes outside this program.

Q18: How many homes are currently occupied?

A18: All homes in this program have been destroyed, demolished, or will be demolished.

Finance

Q1: What is the expectation of the Applicant in terms of "Loan Servicing"?

A1: For the purposes of this RFQ, construction loan servicing refers to maintaining loan funds in a construction account, and the disbursement of loan funds pursuant to on-site construction inspections consistent with contractor requisitions and the budget agreed to at construction loan closing.

Q2: Is Davis-Bacon applicable?

A2: Please see Section III. K. Davis-Bacon on page 15 of the RFQ for a detailed discussion of the applicability of Davis-Bacon. Form G: Development Budget is available for download at <http://www.nyc.gov/html/hpd/html/developers/rfp.shtml>.

Q3: Do we have a cost estimate? How do we cost it out?

A3: While the action plan has cost estimates developers can reference, the City is looking to the industry to provide cost estimates.

Q4: How will we incorporate the number of homes demolished in the financing?

A4: In Form G, we are requesting a typical Development Budget for each typology, not the total number of houses in each cluster.

Q5: Are there caps in place per property for the CDBG financing?

A5: A duplication of benefits analysis will be performed for each property. The total development cost of a home could be 100% funded by CDBG and other benefits such as insurance proceeds, if any.

Q6: Is there an advantage to leveraging funds (i.e. trying to bring in state money, possibly AHC)? Or does doing this not really help the City's bottom line/mission of servicing the most residents and therefore would only add an additional layer?

A6: HPD is open to evaluating proposals that include other funding sources, but it is not a requirement of this RFQ.

Q7: Will the city be requiring GC bonding? If so, what amounts?

A7: The GC will be required to obtain payment and performance bond for the full value of the construction contract of each home.

Q8: Does the GC/Developer need to be out in front of the requisitions (like HUD required in the Neighborhood Stabilization Program (NSP) whereby you got paid on a reimbursement basis) or is it like a normal deal where you requisition for work done and are paid on percentage complete (then those funds are used to pay the subs for their work)?

A8: The City will determine how to manage this process.

Q9: How is the amount of homeowner's insurance proceeds determined and how will it come into play?

A9: The City will manage that process. It will not be the Developer's responsibility to figure it out.

Q10: How will contractors be guaranteed payment?

A10: HPD and the Developer will enter into a funding agreement which will detail the terms of payment.

Q11: Will the program be a replace-in-kind of the previous structure?

A11: That is the general standard that will be applied, though HPD will implement a maximum square footage cap.

Design

Q1: What does the RFQ mean by "resiliency efforts"?

A1: We are referring to flood resilient construction methods

Q2: Do we need to comply with Enterprise Green Communities?

A2: Yes

Q3: Regarding Enterprise Green Communities: For tear downs and rebuilds (new construction) the Sensitive Site Protection (Section 2) may not be achievable due to proximity to wetlands and being within the 100 year flood-plain. This will need to be addressed. Under Section 5 - Energy Efficiency: What version of Energy Star will be used?

A3. Enterprise would issue a waiver to the floodplain criteria. The current version of EnergyStar in effect is V3 for homes.

Q4. Can you clarify the design submission requirements?

A4: Design submissions should include conceptual elevations, a variety of floor plans that would meet site and house size requirements and exterior building materials/palates. Developers should speak to how they plan on addressing the variety of site issues they may encounter as plans are advanced. For example: how could the designed floor plans be expanded from a base plan to allow for repetition of plans, cost-saving efforts that were considered to most cost effectively build the proposed homes and expected duration of build times.

Q5: Will there be HPD Design Review of all units?

A5: HPD Design Review will review models and typologies, but may not review every single site.

Q6: Will homeowners have a say in finishes?

A6: The Homeowner Engagement process will facilitate conversations between the homeowner and the development team to discuss issues relating to the type of house and interior layouts and finishes. We are looking for a balance between time-effective approaches while providing the homeowner a well-designed product that is competitively priced.

Q7: What are the baseline specs? Are there any models and specs for us to reference? How are we supposed to provide designs without knowing specs?

A7: For guidance on quality standards, refer to Enterprise Green Communities and the HPD Design Guidelines for New Construction, located at <http://www.nyc.gov/html/hpd/downloads/pdf/new-constr-guidelines.pdf>

Q8: Will the City require ADA? Isn't there a minimum percentage that needs to comply with ADA? Not possible with single-family homes and elevating it.

A8: ADA does not apply, however the use of Federal funds triggers Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8. See Page 13 of the RFQ for more details on accessibility.

Q9: What are the elevation requirements?

A9: Please see Page 11 of the RFQ for Standards for Flood Resilient Buildings.

Q10: Will proposals have to comply with prior code it was built under or the current code?

A10: Current code will apply.

Q11: What if you can't build a house on one of the small lots with setback requirements?

A11: There may be site specific challenges that will need to be dealt with on a case-by-case basis. We have started to work closely with City Planning to address these types of issues.

Q12: What if it's a connected house and one house needs to be elevated and the other doesn't?

A12: We will have to deal with each challenge on a case-by-case basis.

Q13: Should we put in central air conditioning?

A13: Please look at the predominant character of houses in the neighborhood to determine if central air conditioning should be put in.

Environmental

Q1: Did the City conduct soil testing?

A1: No, the City did not conduct soil testing. The City will conduct a broad Phase I.

Q2: Will the City be conducting the Phase IIs?

A2: We are doing a broad Phase I review of the geography. Some sites might be clean and result in a Type II type of Environmental Review. Other sites may need additional work to satisfy City, State, and/or Federal environmental review requirements. For the purposes of the submission, assume that the Site will be clean.

Q3: What if we are in the middle of construction and the Energy Star standards change and we are no longer in compliance?

A3: The standards that are in effect at the time of the start of construction will be applicable throughout construction.

Inspections and Land Survey

Q1: Who will conduct the land survey for development? Will it be through HPD or Developer?

A1: The Developer should be prepared to do surveys.

Q2: Who is responsible for the utilities and infrastructure?

A2: Utilities and infrastructure for an individual site will be addressed by the developer. If there are utility and infrastructure issues at the neighborhood level, the City will be responsible and may engage the developer.

Timeline

Q1: When will you be designating?

A1: The City is anticipating making selections in July.

Q2: What is the anticipated start date?

A2: There is not specific start date, but we want the timeline to be as aggressive and realistic as possible.

Q3: Is there an expedited DOB process?

A3: Yes, there will be an expedited process for filing applications and plans to DOB. Please refer to page 23 of the RFQ more information.

Q4: Will there be a RFP after the RFQ?

A4: No.

Q5: When does the 24 month clock start for CDBG funds?

A5: The City will likely sign multiple Grant Agreements with HUD each of which will have a 24 month expenditure period. For these projects, the receipt of a permanent Certificate of Occupancy will be considered the end of the construction.

Q6: Can we have an extension on the RFQ submission date?

A6: Yes, Development Teams are permitted to submit up to 4pm on Wednesday, June 12. Development Teams are still permitted to submit materials starting on June 8.

Miscellaneous

Q1: Is there a page limit on the proposal? Can we submit additional information?

A1: No, we are asking teams to provide specific information as concisely as possible. Teams may submit any additional information they feel is relevant to their team and proposal.

Q2: Who is the general contractor contracting to? The Developer or the City or the homeowner?

A2: The construction contract will be between the developer and the general contractor. The City will not be a party to the construction contract. Please refer to page 14 of the RFP for details about financing and project structure.