

**The New York City
Department of Housing Preservation and Development
And
The New York City Housing Authority**

**AFFORDABLE HOUSING FOR
THE BRONX**

REQUEST FOR PROPOSALS

Issue Date: September 7, 2007

Pre-Submission Conference: September 24, 2007

Site Inspection Date: September, 26, 2007

Proposal Due Date: December 7, 2007

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AFFORDABLE HOUSING FOR THE BRONX REQUEST FOR PROPOSALS

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AFFORDABLE HOUSING FOR THE BRONX

I. INTRODUCTION

The New York City Department of Housing Preservation and Development (“HPD” or the “City”) and the New York City Housing Authority (“NYCHA”) invite developers (“Applicants”) to submit proposals to develop any combination of one, two, three or four sites (individually, a “Development Site”, and collectively, the “Development Sites”) located in the Bronx to provide affordable rental and homeownership housing.

These Sites will be the latest in a series of HPD and NYCHA collaborative projects for the development of affordable homeownership and rental housing in New York City. The collaboration is part of the Mayor’s New Housing Marketplace (the “Plan”), a ten-year plan created to respond to the changing needs of the city’s communities by committing to the new construction or rehabilitation of 165,000 homes and apartments from fiscal years 2004 through 2013. The new developments will serve the Plan’s critical goals of creating needed rental and homeownership opportunities for previously underserved populations, maximizing affordability, and, in turn, enhancing HPD’s and NYCHA’s community revitalization efforts.

As shown in **Exhibit A (Affordable Housing for the Bronx RFP Sites)**, the Development Sites are located in four different neighborhoods of the Bronx. The first Development Site (“**Forest Houses Site**”) is located in Community Board 3 on the southwest corner of Tinton Avenue and East 166th Street in the Forest Houses development. The second Development Site (“**Highbridge Gardens Site**”) is located in Community Board 4 fronting on University Avenue and 167th Street near to where those two streets intersect. The third Development Site (“**Soundview Houses Site**”) is in Community Board 9 along the southern boundary of the Soundview Houses, adjacent to the mapped, but as yet, not built Bronx River Avenue. The fourth Development Site (“**University Avenue Consolidation**” or “**UAC**”) is made up of ten (10) soon to be vacant residential buildings in Community Board 5. These buildings will be rehabilitated in two phases, as described in **Section III (A) (4)**. Proposals in response to this RFP, with the exception of Soundview proposals, should comply with the existing zoning regulations (“as-of-right”) for each site.

Requirements for the New Developments are described in **Section III (Project Description and Guidelines)**. Specific details relative to each Development Site, including programming and affordability requirements as well as acquisition prices, can be found in **Section III (A) (Development Sites Descriptions and Property Use)**.

As described in **Section III (F) (Marketing and Preferences)**, twenty-five percent (25%) of the units must be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list. Priority will be given to senior households currently residing in under-occupied units.

All tenants (407 households) residing in the University Avenue cluster of nineteen (19) buildings as of July 1, 2007, will be given priority for the NYCHA set aside of the rental units and, if eligible, priority to purchase a homeownership unit at the 1473-1475 Popham Avenue building. Residents of the respective community boards will have preference for 50% of all remaining units at each new development.

All Development Sites are currently owned by NYCHA and will be conveyed to the selected developer or developers (“Developer(s)”), subject to approval by the United States Department of Housing and Urban Development (“HUD”). Applicants are responsible for assembling a Development Team and undertaking the proposals for design, construction and marketing of the units, as well as other obligations described in **Section III (B) (Obligations of the Selected Developer)**. An Applicant or Applicants will be selected based on an evaluation of their

qualifications, feasibility of their development proposal, development experience, quality of proposed design, and other requirements as noted in **Section V (Developer Selection Criteria)**.

No financial assistance for the redevelopment of the Development Sites will be provided by NYCHA. The redevelopment of the Development Sites will require financing from a combination of private and public sources. Financing for the New Development(s) may be available from bonds issued by the New York City Housing Development Corporation ("HDC"), as well as through City and State subsidy programs. Real estate tax incentives may also be available. Other financing options will be considered. Additional information, including subsidy limits, may be found in **Section III (G) (Financing)**.

This Request for Proposals ("RFP") does not represent any obligation or agreement whatsoever on the part of either HPD or NYCHA. Any obligation or agreement on the part of the City, acting by itself or by and through HPD or NYCHA may only be incurred after the City and NYCHA enter into one or more written agreements approved by the Mayor, the City's Corporation Counsel, NYCHA's Board and the NYCHA Law Department, as applicable. In addition, certain obligations or agreements involving NYCHA's disposition of the Development Sites or other transactional aspects of the development of the Development Sites will require the written approval of HUD.

A pre-submission conference will be held on September 24, 2007, at 11:00 AM at HPD, 100 Gold Street, 3rd Floor Law Library, New York, NY. Every entity wishing to submit a proposal in response to this RFP is encouraged to attend this conference. The Development Sites will be available for inspection on September 26, 2007. Conveyance and construction start are expected to occur in 2008.

Phase I Environmental Site Assessments will be completed for the Development Sites. The executive summaries of the Phase I Environmental Site Assessments will be made available as part of an addendum to this RFP. The executive summaries are for preliminary review only and are not intended to substitute for a review of the entire Phase I Environmental Site Assessments; nor should they be relied upon for any purpose. See **Section III (C) (Disposition)**, for further details.

Proposals are due by hand on December 7, 2007, no later than 4:00 PM. See **Section VI (B) (General Requirements)** for detailed instructions.

II. DEFINITIONS

Area Median Income or AMI

A measure defined by HUD and adjusted for household size for a specific geographic area. For the New York Metropolitan Statistical Area, the AMI for a family of four is \$70,900.

Applicant

A Developer comprised of an individual, a partnership, a limited liability company, a corporation, a joint venture, or such other entity that submits a proposal in response to this RFP.

Developer(s)

Each entity or entities selected by the City and NYCHA to commence negotiations regarding the development of the Development Site(s). The entity or entities will provide equity, secure financing, assemble a Development Team, design, develop, build, market, and manage the Project.

Development Site(s)

The properties to be developed in relation to this RFP, as shown on **Exhibit A (Affordable Housing for the Bronx RFP Sites)**.

Development Team(s)

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

Principal

An individual, partnership, limited liability company, corporation, or other 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 (ten)10% ownership interest in the Applicant.

Project

The development of housing, accessory residential parking, open space, and other uses permitted on each Development Site.

Uniform Land Use Review Procedure or ULURP

The Uniform Land Use Review Procedure (ULURP), as set forth in the City Charter, prescribes 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 disposition of City-owned property.

III. PROJECT DESCRIPTIONS AND GUIDELINES

A. Development Site Descriptions and Property Use

1. Forest Houses

Location:

- Bronx / Block 2640 / Part of Lot 1
- On the block bounded by East 165th and 166th Streets, Trinity Avenue and Tinton Avenue.
- Prior to conveyance the lot will be subdivided to create a separate tax lot.
- Community Board 3

Development Site Area:

Approximately 28,000 square feet. Developers should propose location of the new building and accessory parking on the Development Site. Exact Development Site boundaries are to be determined after designation of the Developer. See **Exhibit A.1** for general site context and approximate dimensions. Selected Developer will be required to provide a site survey.

Current Use: Sitting area with barbecue grills.

Applicants should assume a payment of \$225,000 to NYCHA to replace the sitting area and accessory items.

New Uses: New construction of a mid-rise building with approximately 100 residential rental units and accessory parking.

Twenty-five percent (25%) of the units will be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list. Priority will be given to senior households currently residing in under-occupied units at Forest Houses. See **Section III (F) (Marketing and Preferences)** for further details.

Rent Limits: Rents must be affordable at the following levels:

- At least 60% of all units affordable to households earning below 60% AMI.
- For the remaining units, preference will be given to those Applicants who provide a greater mix of income levels at one or more additional affordability tiers above 60% AMI.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Zoning: Site is currently zoned R6. Applicants are expected to submit an as-of-right proposal.

Acquisition Price:

The acquisition price will be at least \$10,000 for each dwelling unit built on the Development Site, not including the payment for replacing the sitting area (see 'Current Use' above). Preference will be given to applicants who propose a higher acquisition price.

2. Highbridge Gardens

Location:

- Bronx / Block 2527 / Part of Lot 32
- On the block bounded by West 167th Street, University Avenue (Dr. Martin Luther King Junior Boulevard), and Sedgwick Avenue.
- Prior to conveyance, the lot will be subdivided to create a separate zoning lot.
- Community Board 4

Development Site Area:

Approximately 110,000 square feet. Developers should propose location of the new buildings and accessory parking on the Development Site. Exact Development Site boundaries are to be determined after designation of the Developer. See **Exhibit A.2** for general site context and approximate dimensions. Selected Developer will be required to provide a site survey.

Current Use: Vacant land.

New Uses: New construction of two buildings with a total of approximately 200 residential rental units and accessory parking.

Twenty-five percent (25%) of the units will be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list. Priority will be given to senior households currently residing in under-occupied units at Highbridge Gardens. See **Section III (F) (Marketing and Preferences)** for further details.

Developers will be required to provide a community room in one of the proposed buildings and a Resident Service Plan (RSP) with a focus on recreational activities for youth and services for seniors. See **Section III (B) (Obligations of the Selected Developer)** for further details.

Rent Limits: Rents must be affordable at the following levels:

- At least 60% of all units affordable to households earning below 60% AMI.
- For the remaining units, preference will be given to those Applicants who provide a greater mix of income levels at one or more additional affordability tiers above 60% AMI.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Zoning: The site is currently zoned R7-1. Applicants are expected to submit an as-of-right proposal.

Acquisition Price:

The acquisition price will be at least \$10,000 for each dwelling unit built on the Site. Preference will be given to applicants who propose a higher acquisition price.

3. Soundview

Location:

- Bronx / Block 3515 / Part of Lot 1
- On the block bounded by the mapped but not yet built Bronx River Avenue, Lacombe Avenue, Rosedale Avenue and Randall Avenue.
- Prior to conveyance the lot will be subdivided to create a separate tax lot.
- Community Board 9

Development Site Area:

Approximately 145,000 square feet. Developers should propose location of the new buildings and accessory parking on the Development Site. Exact Development Site boundaries are to be determined after designation of the Developer. See **Exhibit A.3** for general site context and approximate dimensions. Selected Developer will be required to provide a site survey.

Current Use:

Parking lot, dumpsters and open space with barbecue grills.

Applicants should assume a payment of \$450,000 to NYCHA to replace parking spaces and accessory items.

New Uses:

New construction of mid-rise buildings with a total of approximately 200 residential rental units, and new construction of approximately eighteen (18) two-family homes (each containing one owner and one rental unit). Accessory parking is to be provided as appropriate for all units. NYCHA residents will have priority to purchase at least six (6) two-family homes.

Twenty-five percent (25%) of the rental units will be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list. Priority will be given to senior households currently residing in under-occupied units at Soundview Houses. See **Section III (F) (Marketing and Preferences)** for further details.

The Developer must provide homeownership and landlord training in connection with the development of the two-family homes. See **Section III (B) (Obligations of the Selected Developer)** for further details.

The Developer will be responsible for the cost of building, adjacent to the site, the new public street (Bronx River Avenue), which will be an extension of Lacombe Avenue. See map attached in Exhibit A.3. The dimensions of the road have been estimated at 1,300 feet in length and 80 feet in width. Applicants should assume that the road construction will include underground utilities, sidewalks, curbs and gutters pursuant to standards specified by the New York City Department of Transportation and the New York City Department of Design and Construction. Applicants should include an estimate of the cost of road construction in the Trade Payment Breakdown (Form 7.8) of their Financing Proposal.

Rent Limits:

Rents must be affordable at the following levels:

- At least 60% of all units affordable to households earning below 60% AMI.
- For the remaining units, preference will be given to those Applicants who provide a greater mix of income levels at one or more additional affordability tiers above 60% AMI.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Sales Limits:

Sales prices for two-family houses must be affordable at the following levels:

- At least six (6) two-family homes must be affordable to households with incomes at or below 80% AMI.
- For remaining units, Applicants may propose one or more additional affordability tiers. Preference will be given to those Applicants who provide additional units at or below 80% AMI, and units at higher tiers.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Zoning:

R5. HPD and NYCHA will assist the Developer in obtaining any necessary approvals including building height of up to eight (8) stories or a maximum of eighty (80) feet and extension of the Bronx River Avenue.

Acquisition Price:

The acquisition price will be at least \$10,000 for each dwelling unit built on the Development Site, not including payment for replacement of parking and accessory uses (see 'Current Use' above). Preference will be given to applicants who propose a higher acquisition price.

4. University Avenue Consolidation

Location:

Located in Community Board 5, the following ten (10) buildings in the University Avenue Consolidation (UAC) are intended for rehabilitation in two phases:

Phase I:

<u>Block and Lot</u>	<u>Address</u>	<u>Units</u>
• Block 2876 / Lot 25	74 West 174 th Street	26
• Block 2877 / Lot 202	1473-1475 Popham Avenue	69
• Block 2878 / Lot 5	1472 Montgomery Avenue	40
• Block 2878 / Lot 23	135 West 175 th Street	39
• Block 2878 / Lot 83	1660 Andrews Avenue	59
• Block 2878 / Lot 169	1705 Andrews Avenue	66

Phase II:

• Block 2876 / Lot 31	65 Featherbed Lane	31
• Block 2878 / Lot 1	1601 University Avenue	36
• Block 2878 / Lot 44	1665 Andrews Avenue and 120 West 176 th Street	59 38

Phase I consists of a total of 299 dwelling units. Phase II consists of a total of 164 dwelling units. See **Exhibit A.4** for a location map of the UAC buildings.

Current Use:

NYCHA-owned residential buildings. All residential units will be vacated prior to conveyance to the Developer.

There are three (3) existing commercial tenants at 1601 University Avenue. Their leases will be assigned to the selected Developer upon closing. Exhibit B (Commercial Tenants Information-1601 University Avenue) includes lessee name, current use of commercial spaces, area, lease terms, and projected revenue.

New Uses:

Moderate rehabilitation of existing buildings with no (or minimal) change in layouts. See **Exhibit A.4.1** for floor plans of typical UAC apartments. Work will be conducted in two phases with conveyance of the second phase subject to satisfactory Developer performance of the first phase and good standing with HPD and NYCHA.

The building located at 1473-1475 Popham Avenue (Block 2877 / Lot 202) will be rehabilitated as an affordable homeownership building (cooperative or condominium). All remaining buildings will be rehabilitated as rental buildings. The Developer must comply with the NYS Attorney General's rules and regulations governing cooperative or condominium apartments.

Twenty-five percent (25%) of the rental units will be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list.

All tenants (407 households) residing in the University Avenue cluster of nineteen (19) buildings as of July 1, 2007, will be given priority for the

NYCHA set aside of the rental units and, if eligible, priority to purchase a homeownership unit at the 1473-1475 Popham Avenue building.

The Developer must provide homeownership and cooperative/condominium training to purchasers. See **Section III (F) (Marketing and Preferences)**.

Applicants must submit applications for both phases of the UAC buildings. Separate financing proposals are required for each phase.

Rent Limits:

Rents in each building must be affordable at the following levels:

- At least 60% of all units affordable to households earning below 60% AMI.
- For the remaining units, preference will be given to those Applicants who provide one or more additional affordability tiers above 60% AMI.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Sales Limits:

Sales prices must be affordable at the following levels:

- At least 15% of the cooperative or condominium units must be affordable to households with incomes at or below 80% AMI.
- Another 15% of the cooperative or condominium units must be affordable to households with incomes at or below 70% AMI.
- For remaining units, Applicants should specify affordability tiers. Preference will be given to those Applicants that provide additional units at or below 80% AMI.
- Financing proposals should incorporate reasonable marketing bands consistent with financing programs utilized.

Each affordability tier proposed should be no less than a ten percentage point interval and must assume a reasonable marketing band.

Zoning:

The Development Site is currently zoned R7-1. Proposals should conform to this zoning as-of-right.

Acquisition Price:

The acquisition price will be at least \$25,000 for each dwelling unit on the Development Site. Preference will be given to applicants who propose a higher acquisition price.

B. Obligations of the Selected Developer

Development Team

The Developer(s) will be responsible for assembling a Development Team (including at least a contractor, planner/architect, and managing agent), securing all necessary construction and permanent financing, and the design, construction, and rent-up of the completed buildings.

Outreach Meetings

After being designated, the Developer(s) must meet with the relevant Tenant Association (from Forest Houses, Highbridge, Soundview or UAC) to discuss and receive feedback on design issues and preferences, as they pertain to the Development Site. NYCHA and HPD will facilitate these meetings.

The Developer(s) will also be required to attend public meetings with the Community Board to present the proposed development. NYCHA and HPD will facilitate these meetings.

Public Approvals

The Developer(s) will be responsible for obtaining all necessary approvals.

Design

The Developer(s) will be responsible for preparing a survey, preliminary site and architectural plans, elevations, cost estimates, engineering and on-site environmental studies, testing and/or remediation as may be required by HPD and NYCHA and by construction lenders.

Pre-Development and Construction Timetables

The Developers(s) will be required to submit final plans and specifications to HPD and NYCHA for review and approval within six (6) months of selection of the Developer(s) and be prepared to commence construction no later than twelve (12) months from the date of a negotiation letter ("Negotiation Letter") jointly issued by HPD and NYCHA. (These deadlines may not apply to UAC Phase II.) The Developer(s) must provide a development schedule and phasing plan, including benchmarks for commencement and completion of plans and drawings, site preparation, construction, marketing, and occupancy of the Project. The Developer of the UAC Development Site must provide this information for both phases. In addition, the Developer(s) must provide ongoing status reports regarding development, financing, construction timetables, marketing, and tenanting.

The maximum pre-development schedule is twelve (12) months from the date of the Negotiation Letter, except in extraordinary circumstances where the Developer may propose longer timetables. The Developer(s) will be held accountable for the schedules outlined in their response to this RFP. With the exception of UAC Phase II, strict timelines and penalties may be imposed in the event that pre-development and build-out exceeds an overall thirty-six (36) month project timeline.

Lot Subdivision

NYCHA will subdivide the land providing for a separate tax lot designation before conveyance to the Developers. For the Soundview Houses site, the Developer will be required to create separate tax lots for the homeownership component of the project.

Replacement of Amenities

- For Forest Houses, Applicants should assume a payment of \$225,000 to NYCHA to replace the sitting area and all accessory items.
- For Soundview Houses, Applicants should assume a payment of \$450,000 to NYCHA to replace parking spaces and accessory items.

Equity and Financing

The Developer(s) must provide an equity contribution in the form of cash and/or payment of pre-development costs, secure private market construction financing and/or other public and private grants and provide any personal guarantees required, and must meet any other terms and conditions required by construction lenders, HPD, and NYCHA. The Developer(s) must pay all transfer taxes and mortgage related taxes, as applicable, associated with the disposition and redevelopment of the Development Site(s).

Subcontracting and Local Employment

When issuing solicitations for subcontractors, the Developer(s) will be required to take affirmative steps to include minority- and woman-owned business enterprises as well as locally based firms and firms with experience in the Bronx. The Developer(s) must, in all solicitations or advertisements for bids for subcontractors placed by or on behalf of the Developer(s), state that all qualified applicants will receive consideration for subcontracts without regard to race, color, religion, sex, national origin, disability, age, handicap, marital status or military service. The Developer(s) should work with NYCHA's Resident Employment Services in providing construction job opportunities to NYCHA residents.

Marketing

The Developer(s) will be required to market the residential units in accordance with HPD and NYCHA requirements. See **Exhibits D.1 and D.2 (Marketing Guidelines)**.

Homeownership and Landlord Training

The Developer will be required to provide outreach regarding the availability of homeownership units to NYCHA residents in the surrounding communities where the homeownership units are located. Developers will also be required to provide home buyer educational services to potential home buyers at Soundview Houses and at UAC. In addition, post-purchase landlord training must be provided to homebuyers at Soundview Houses. As part of the RFP submission for Soundview and UAC, Developers must identify an HPD-approved counseling agency and must indicate how they will insure that the new home buyers purchasing these properties will be prepared for the financial requirements of homeownership. The Developers must describe what homebuyer and landlord education services will be provided, including but not limited to, pre-purchase counseling and training, financial assistance including down payment assistance and post purchase training and support.

Management

The Developer(s) will be responsible for the management of all rental buildings.

Resident Services

It is expected that up to 25% of the tenants in these sites may be very low income households including low income seniors or families with children. These households will be eligible to receive Section 8 rental assistance at Fair Market Rent. The Developer(s) must provide resident services to these residents for a minimum of five (5) years. The Resident Service Plan should have a focus on recreational activities for youth and services for seniors. Resident services will include, but not be limited to, information, referral and assistance in obtaining counseling services, budgeting and financial literacy skills, accessing recreational programs and linkages to appropriate senior services. As part of RFP submission (**Tab M**), Applicants must describe the proposed plan for Resident Services.

C. Disposition

The Development Sites will each be conveyed by NYCHA to Developer(s) subject to HUD approval pursuant to Section 18 of the U.S. Housing Act of 1937, as amended, and disposition regulations in 24 CFR Part 970, and all other applicable laws and regulations. Conveyance of the Development Sites will be subject to covenants 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. Remedies to non-compliance of the covenants include NYCHA exercising its right to recapture the development site(s) conveyed. In addition to reversionary interests in favor of NYCHA, disposition of the Development Sites may be subject to use restrictions, affordability requirements and subordination of the Developer or its lender's interests in the property.

No ULURP action is required in connection with the disposition.

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

The Development Sites will be delivered to the Developers in "as-is" condition, including, without limitation, all environmental conditions and hazards. Executive Summaries of the Phase I Environmental Assessments will be made available as part of an addendum to this RFP. The summaries are for preliminary review only and are not intended to substitute for a review of the entire Phase I Environmental Site Assessments. An appointment to review the Phase I Environmental Assessment Statements may be made by contacting a representative of HPD in the manner indicated in **Section VI (A) (Pre-Submission Information and Inquiries)**. Neither NYCHA nor HPD makes any representation or warranty whatsoever regarding the condition of the property or the suitability of the property for the uses contemplated by this RFP.

D. Tenant Selection Process – Rental Buildings

1. Initial Rent Up

The rent-up of the units to eligible tenants at each Development Site is the sole responsibility of the Developer(s) and is subject to HPD and NYCHA marketing guidelines as described in **Section III (F) (Marketing and Preferences)** below, as well as income eligibility guidelines in **Section III (A) (Development Site Descriptions and Property Use)**.

2. Re-rentals

When any of the units are vacated the Developer(s) shall re-rent such units to other eligible families or individuals according to the income limitations stated in **Section III (A) (Development Site Descriptions and Property Use)**. The rent and income limits referenced above shall apply for the longer of thirty (30) years or as required by funding sources used. Preference for NYCHA referrals and Community District references shall apply at initial rent-up only.

E. Sale Process – Homeownership Units

1. Sale Process

The sale of the homes is the sole responsibility of the Developer(s) and is subject to HPD and NYCHA marketing guidelines as described in **Section III (F) (Marketing and Preferences)** below, as well as income eligibility guidelines in **Section III (A) (Development Site Descriptions and Property Use)**.

2. Eligible Homebuyers

Homebuyers must agree to occupy the unit they purchase as a primary residence for up to fifteen (15) years following the initial purchase of the home. In the case of Soundview, the homebuyer of the two-family home must agree to occupy one unit in the building as

permanent residence. In addition, any resale of the home or unit within fifteen (15) years following the initial purchase of the home from the Developer must be to buyers who will be owner-occupants. Where subsidies are used to enhance Project affordability, there will be income restrictions on some or all of the purchasers. Homebuyers must meet the affordability criteria set forth in **Section III (A)_(Development Site Descriptions and Property Use)** of this RFP and proposed by the Developer in response to the RFP.

3. Downpayment Assistance

Eligible first-time homebuyers may apply for HPD's HomeFirst loan, which provides up to 6% of a home's purchase price to apply toward the down payment or closing cost on a one- to four-family home, condominium, or co-operative in any one of the five boroughs of New York City. To qualify for the HomeFirst loan, a prospective homebuyer must be a first-time homebuyer; complete a homebuyer education course taught by an HPD-approved counseling agency; qualify for a mortgage from a bank and have his/her own savings to contribute to the down payment or closing costs; and meet program income eligibility, which is up to 80% of AMI (currently \$56,700 for a family of four; maximum annual income varies depending on family size). The home purchased must be the homebuyer's primary residence for at least fifteen (15) years for this Project, and the purchase price for the home is not to exceed 95% of the median purchase price for the area (currently \$417,000 for a single-family home – including cooperatives and condominiums).

F. Marketing and Preferences

1. Marketing

Marketing of the rental and sale of the homeownership units to eligible tenants and purchasers is the sole responsibility of the Development Team(s). In carrying out these functions, the Developer(s) must comply with the marketing requirements of HPD and NYCHA including a lottery process designed to ensure that the availability of the rental and homeownership units is disseminated as widely and fairly as possible. The marketing requirements are outlined in **Exhibits D.1 and D.2**.

2. Preferences

Current income-eligible NYCHA residents will have preference for 25% of all rental units at each Development Site. NYCHA may provide Section 8 Tenant-Based Housing Choice Vouchers to eligible NYCHA residents. At Soundview, NYCHA residents will have preference for one-third of the two-family homes. At UAC, former residents will be given the option to return to the rehabilitated buildings during initial rent-up. In all Development Sites, priority will be given to senior household currently residing in under occupied units at each development. NYCHA preference will be given first to NYCHA residents within the relevant community district, then to NYCHA residents in other Bronx developments, followed by residents of NYCHA developments throughout the City. Residents of each relevant community district will have preference for 50% of all remaining units after the NYCHA preference is satisfied.

G. Financing

1. Equity

The amount of the Developer(s)' equity will be determined by the construction lender. Applicants should assume an equity requirement of at least ten percent (10%) of the total development cost of the Development Site.

2. Potential Sources of Financing

It is the responsibility of the Developer(s) to obtain construction and permanent financing, whether by loan(s) or grant(s), and real estate tax abatements and/or exemptions, in amounts consistent with the proposal. Although NYCHA and HPD make no representations or warranties regarding the financing that will be available at the time of construction or that the Development(s) will qualify for any specific type or amount of financing, it is currently anticipated that the re-development of the New Developments may be eligible for allocations of public and private financing as outlined below.

Applicants may propose financing that utilizes HDC's Low-Income Affordable Marketplace Program (LAMP), Mixed-Income Program, or Affordable Co-op Program. Applicants may also propose use of HPD's Mixed-Income Rental Program (MIRP), New York State Affordable Housing Corporation (AHC) funding, or other applicable City, State, or Federal sources of financing, including Low Income Housing Tax Credits (LIHTC). All proposed sources of financing must meet programmatic requirements as described in relevant term sheets.

A letter of interest must be included in the proposal from any source of funds other than HPD, HDC or NYCHA that the Developer(s) anticipate using. Applicants should indicate if they plan to apply for competitive financing and therefore cannot include a letter of interest. **Any proposal that assumes competitive financing must submit an alternate scenario using non-competitive financing sources, and must provide appropriate letters of interest from the alternate sources.**

Within one hundred twenty (120) days of issuance of the Negotiation Letter, the Developer(s) will be required to submit a signed term sheet from a private lender for construction financing for the Development Site. HPD or NYCHA may terminate negotiations with the Developer(s) if the required term sheet is not submitted within one hundred twenty (120) days. Alternatively, the Developer(s) may submit proof of liquid assets necessary to self-finance the Project(s).

3 Self-financing Requirements

If the Developer(s) contribute their own funds towards development instead of obtaining a construction loan from an institutional lender(s) and/or grants sufficient to cover the development costs, the following applies:

a. Construction Loan Servicer

The Developer(s) must identify a construction loan servicer acceptable to HPD and NYCHA.

b. Equity

At the construction loan closing, the Developer(s) must deposit in escrow with the construction loan servicer the full amount of the self-financed portion of the construction loan.

4 Background Reviews

The source(s) of private funding may be subject to HPD's sponsor review and NYCHA Business Entity Questionnaire (BEQ), standard credit references and New York City Inspector-General reviews.

H. Maintenance and Operating Requirements

Maintenance and operation of the Developments must be performed in accordance with a management agreement/management plan and a regulatory agreement, as well as all applicable City and State laws and regulations.

I. Rent Stabilization

Initial rents in the rental buildings will be established in accordance with NYCHA's regulatory agreement consistent with the income requirements outlined in this RFP. Prior to initial occupancy all rental units must be entered into the New York State Rent Stabilization system at rents specified in the NYCHA regulatory agreement. Units must remain in the system for the duration of the Development, but in no case less than thirty (30) years.

J. Building Design and Construction Requirements

At a minimum, proposals must conform to the HPD Design Guidelines for New Construction and Substantial Rehabilitation as stated in **Exhibits C.1 and C.2**, as well as the New York City Zoning Resolution and Building Code and all other applicable laws and regulations, including, but not limited to, the Americans with Disabilities Act. Layout and design for a minimum of 25% of the units must also be "handicapped adaptable". Sustainable design requirements are outlined in **Exhibit F (Form 8)**.

Applicants should review the competitive design criteria described in **Section V (O) (Quality of Design / Planning Objectives)**.

The Developer(s) will be required to submit proposed layouts and elevations to HPD and NYCHA for review and approval, as detailed in **Section VI (C) (Contents of Proposal and Tabbing)**.

K. Real Property Taxes

The Site is subject to New York City Real Property Taxes and charges. However, the tax exemptions described below **may** be available. For details of each program, it is necessary to consult the relevant statute and rules. Applicants should indicate in the Project Narrative which tax exemption program(s), if any, they plan to utilize. It is the responsibility of the Developer to apply for and meet the requirements of the specific tax benefit program(s). **HPD makes no representations or warranties as to the continued availability of these benefits or as to the Development's eligibility to receive these benefits.**

The 421-a partial tax exemption for new multiple dwellings provides an exemption from the New York City Real Property Tax on the increase in assessed valuation resulting from the improvement to the property. The 421-a partial tax exemption allows up to 3 years of construction period exemption, and up to twenty-five (25) years of post-construction exemption, including a gradual phase-in of full taxes over the last four (4) years of the exemption. Projects may include the concurrent conversion, alteration or improvement of a pre-existing building provided that no more than 49% of the floor area of the completed multiple dwelling consists of the pre-existing building. The full amount of New York City Real Property Tax on the assessed valuation of the property in the tax year preceding the tax year in which construction commences must be paid each year. In addition, New York City Real Property Tax must also be paid for any commercial, community facility, or accessory uses that in total exceed 12% of the aggregate floor area of the Project.

The 420-c tax exemption provides an exemption from New York City Real Property Tax for up to sixty (60) years for housing financed or previously financed in part with Federal Low Income Housing Tax Credits. 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 low income housing, or a wholly-owned and wholly-controlled subsidiary of such a charitable organization. HPD must approve a regulatory agreement that requires use as low-income housing and that may require a payment in lieu of taxes.

The J-51 program provides tax exemption and tax abatement benefits for the rehabilitation of multiple dwellings. Eligible projects receive a partial tax exemption from the New York City Real Property Tax on the increase in assessed valuation resulting from the improvement to the property for up to thirty-four (34) years, including a gradual phase-in of full taxes over the last four (4) years of the exemption. The J-51 program also provides an abatement of up to 12 ½% of eligible costs (Certified Reasonable Costs or CRC) each year to reduce the taxes on the property up to a maximum of 150% of the CRC; any unused abatement may be carried forward for up to twenty (20) years. Projects may include new construction resulting from an increase in gross cubic content provided that at least 50% of the floor area of the completed building consists of the pre-existing building that was converted, altered, or improved. A proportionate reduction in the CRC will be made for any increase in the gross cubic content of the building and for any commercial or non-residential space.

L. Fair Housing Requirements

Developers are required to comply with all applicable Federal, State and local laws, orders and regulations prohibiting housing discrimination.

M. Environmental Review Requirements

The Development will be subject to the environmental review requirements of the National Environmental Policy Act (NEPA), as well as New York State and New York City environmental review requirements (SEQRA and CEQR). HPD and NYCHA, as lead agencies, will oversee the preparation and review of these assessments. However, the Developer(s) will be responsible for providing all information and for paying the cost of any studies and analyses required for completion of these assessments, including an Environmental Assessment and, if required by HPD or NYCHA, a Phase II Environmental Assessment. For site access and investigation through soil borings and other means, the Developer(s) will be required to sign a License Agreement with NYCHA and provide evidence of sufficient insurance coverage naming NYCHA as additional insured to the satisfaction of NYCHA Risk Finance Division.

N. Equal Opportunity Requirements

Agreements resulting from this RFP will be subject to the provisions of Executive Order 50 and its implementing regulations as stated in **Exhibit E (Equal Opportunity)**. A representative from the Developer(s) and each entity with which the Developer(s) partner(s) will be required 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 its provisions.

IV. REQUEST FOR PROPOSAL PROCESS

A. Submission

On or before the submission deadline, the Applicant must submit a development proposal in accordance with the instructions and attachments contained in this RFP, as well as in any addenda that may be issued to the RFP. Applicants that submit proposals for more than one Development Site must submit separate and complete proposals for each Development Site.

Proposal Modifications

An Applicant may submit a complete modified proposal to replace all or any sections of a previously submitted proposal up until the proposal submission deadline of December 7, 2007. NYCHA and HPD personnel will not 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 proposal 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 proposal submission deadline due date will not be considered. If HPD determines, upon review of a proposal, that any items are missing and/or incomplete, HPD and NYCHA, 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.

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 that has requested a copy of this RFP of any clarifications or revisions.

If, in HPD or NYCHA's judgment, additional time is required for Applicants to prepare their proposals, HPD and NYCHA 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.

Complete Proposals

Proposals that are not complete or not in conformance with the requirements of this RFP will be eliminated from further consideration. Applicants should note carefully the submission requirements listed below in **Section VI (Submission Requirements)**.

References and Requests for Further Information

Submission of a proposal shall constitute permission from the Applicant for HPD or NYCHA to make such inquiries concerning the Applicant as HPD and NYCHA 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 or 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 or HPD, appear for 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 is 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, pending or 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.

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

B. Review

Each proposal will be reviewed according to the Threshold Requirements detailed in **Section V (A-F) (Threshold Requirements)**. Proposals that fail to meet the Threshold Requirements will not be further evaluated.

Proposals that pass the Threshold Requirements will be evaluated and ranked based on the Competitive Selection Criteria detailed in **Section V (G-R) (Competitive Selection Criteria)**. HPD and NYCHA may request additional information, site visits, interviews, or other presentations by the Development Team(s). HPD and NYCHA 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.

C. Selection

Selection of a Developer or Developers under this RFP means only that HPD and NYCHA will commence negotiations with such Applicant regarding the proposal for the Development Site(s).

Negotiation Letter

Upon such selection, HPD and NYCHA will send the Negotiation Letter to the Developer(s) regarding the commencement of negotiations. This Negotiation Letter will set forth certain information regarding the Development and procedures that will form the basis for such negotiation.

Form 2 (Exhibit F) is an Applicant's Letter that describes this process. Each proposal must include this letter signed on behalf of the Applicant by a Principal. HPD and NYCHA reserve the right to terminate negotiations with or without cause after the issuance of such Negotiation Letter.

Pre-Development Timetable

The Negotiation Letter will include a development schedule setting out the major actions and timeframes necessary to start construction within twelve (12) months from the date of the Letter. Failure of the Developer(s) to follow the development schedule will result in the termination of negotiations and the selection of another Developer or Developers.

The selected Applicant(s) must begin pre-development work within thirty (30) days of the date of the Negotiation Letter, and commence construction no later than twelve (12) months from the date of the Negotiation Letter. The maximum pre-development timetable shall not exceed twelve (12) months from the date of the Negotiation Letter, except in extraordinary circumstances under which HPD and NYCHA determine the Developer(s) may require longer timetables.

Disclosure

The Developer or Developers who receive a Negotiation Letter from HPD and NYCHA must thereafter disclose all previous participation with City-assisted projects. Such entity or entities and all Principals thereof will each be required to submit completed Entity and Individual

Disclosure Statements, including the NYCHA Business Entity Questionnaire, which will be forwarded to the Developer(s). HPD will provide copies of these forms upon request to any Applicant.

No Obligation

This RFP does not represent any obligation or agreement whatsoever on the part of HPD or NYCHA. Any obligation or agreement on the part of HPD or NYCHA may only be incurred after HPD or NYCHA and the Developer(s) enter into a written agreement approved by the Mayor and the Corporation Counsel, and NYCHA's Board, NYCHA's Law Department, and HUD, as might be applicable. HPD and NYCHA may use the proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as they deem appropriate. HPD and NYCHA 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). HPD and NYCHA 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 Development Sites or parcels from or to this RFP.

V. DEVELOPER SELECTION CRITERIA

Each proposal will be evaluated by HPD and NYCHA according to the Threshold Requirements described in **Section V (A-F)**, taking into account the information provided in the proposal, references, and any other information about the Applicant's performance available to HPD and NYCHA. Proposals that are not complete or do not conform to the requirements of this RFP will be eliminated from further consideration.

Proposals that meet all Threshold Requirements, based on both HPD's and NYCHA's judgment and discretion, will be evaluated, rated and ranked according to the Competitive Selection Criteria described in **Section V (G-R)**. HPD and NYCHA may request additional information, site visits, interviews, or presentations by the Development Team(s).

THRESHOLD REQUIREMENTS

A. Completeness of Proposal

The proposal must contain all the documentation required under this section. All required forms must be fully completed and application requirements met at the time of submission. No substitutions for forms will be allowed. Forms may be distributed electronically, upon request. HPD and NYCHA, at their discretion, may notify an Applicant that additional information or clarification is necessary.

B. Conformance with RFP

Proposals must conform to the requirements contained in this RFP, including the affordability requirements outlined in **Section III (A) (Development Site Description and Property Use)**.

C. Feasibility of Development Proposal

The Development financing plan must be feasible. Estimated development costs must be within current industry parameters.

D. Ability to Finance

Applicants must demonstrate adequate financial resources to develop a project of the scope proposed in their submission, as well as to provide the equity contribution stated in each proposal. HPD and NYCHA will evaluate the Applicant's assets, bank or other lender references, and current commitments in order to assess the Applicant's capacity to secure private market construction and permanent financing, meet construction lender's equity requirements, absorb any cost overruns, and commence and complete construction of Applicant's entire development project in a timely manner.

E. Development and Management Experience and Capacity

1. Comparable Development Experience

At least one Principal of the Applicant must have comparable development experience. "Comparable Development Experience" means the successful completion, as an at-risk developer, of at least two residential projects of at least 50 units each and an aggregate of 100 units in New York City within the seven-year period preceding the deadline for the submission of proposals in response to this RFP. For the Forest, Highbridge and Soundview Sites, development experience must include new construction of mid-rise buildings. For Soundview, the Applicant must also have experience in new construction of townhouses (1-4 units). For UAC experience must include substantial rehabilitation of existing buildings. In all cases, experience must include, at a minimum, the coordination

of multiple trades.

2. Comparable Management Experience

At least one Principal of the Applicant or the proposed managing agent must have comparable management experience. "Comparable Management Experience" means the successful management of at least 100 residential units in New York City over the seven-year period ending at the deadline date for the submission of proposals. No changes in managing agent may be made without HPD and NYCHA prior approval. The Principal must have been the manager, or the owner acting through a management entity, to fulfill this qualification.

3. Current Capacity and Timeline

Applicants must be capable of beginning construction within twelve (12) months of issuance of the Negotiation Letter. The Applicant's current workload and other pending project obligations will be considered in assessing its capacity for undertaking the Project proposed by the Applicant within the timeframe prescribed for development.

A proposal will be rejected if there is evidence that the Applicant is over-extended, as indicated by one or more of the following:

- There is poor progress on current projects with HPD, NYCHA, or others;
- The total of all development and/or construction projects underway or in pre-development already fully utilizes the existing financial or administrative capacity/experience of the Applicant; or
- Other information indicating that the Applicant does not have the capacity to begin and complete construction on a timely basis.

F. No Adverse Findings

An Applicant's proposal will be rejected at any time during the evaluation process and thereafter if there are any adverse findings that would prevent NYCHA from conveying the Development Site to the Applicant or any person or entity associated with the Applicant. Such adverse findings include, but are not limited to:

- Negative findings from the Inspector Generals Office
- Arson conviction or pending case;
- Harassment conviction or pending case;
- City, State, Federal or private mortgage arrears, default, or foreclosure proceedings;
- In rem foreclosure; sale of tax lien or substantial tax arrears;
- Fair Housing violations or current litigation;
- Defaults under any Federal, State or City-sponsored program;
- A record of substantial building code violations or litigation against properties owned and/or managed by the Applicant or by any entity or individual that comprises the Applicant;
- Past or pending voluntary or involuntary bankruptcy proceeding; or
- Conviction for fraud, bribery or grand larceny.

COMPETITIVE SELECTION CRITERIA

Proposals that meet the Threshold Requirements stated in **Section V (A-F)**, based on HPD's and NYCHA's judgment and discretion, will be rated and ranked according to the Competitive

Selection Criteria described below. In evaluating proposals under these criteria, the combined experience and resources of all Principals of the Applicant will be considered. HPD and NYCHA may request additional information, site visits, interviews, or other presentations by the Development Team.

G. Previous Development Experience

The Applicant's previous development experience (beyond minimum threshold requirements) will be evaluated as an indicator of its ability to carry out a quality project in a timely manner. Among the factors that will be considered are:

- The quality of construction and design in projects completed or currently being built by the Applicant and/or its Principals;
- The extent of the Applicant's experience, in terms of number, size and scale of projects completed in excess of Threshold Requirements;
- Successful development and sales of two-family homes and cooperative or condominium units apartments, if applicable;
- Applicant's history of delivering projects on time and within budget;
- Previous experience in developing tax credit and/or bond financed projects;
- The effectiveness of the Applicant's rent-up efforts on previous rental projects;
- Previous development experience in the Bronx; and
- A history of including minority- and woman-owned business enterprises as well as locally based firms and firms with experience in the Bronx.

H. Previous Management Experience

The Applicant's previous experience in managing rental housing, either directly or through a managing agent, and the experience of any managing agent proposed to manage the Site applied for, will be evaluated as an indicator of the Applicant's ability to operate and maintain the property to the satisfaction of the tenants, in a financially sustainable manner, and in compliance with all applicable laws. The following factors, among others, will be considered:

- The number of buildings and units currently managed by the Applicant, and those managed by the Applicant over the past seven (7) years;
- The quality of maintenance provided by the Applicant;
- Previous experience in the provision of social services to low-income or special needs populations;
- The effectiveness of tenant relations, measured in part by the number and types of tenant complaints made in regard to property managed by the Applicant;
- Experience in rent-up and management of rental housing for low-income persons, especially Section 8 assisted housing, including track record of compliance with eligibility, record-keeping and reporting requirements of subsidy programs for such tenants.
- Previous management experience in the Bronx; and
- A history of including minority- and woman-owned business enterprises as well as locally based management firms and firms with experience in the Bronx.

I. Least Subsidy

Proposals that require the least City subsidy will be ranked higher. For evaluation purposes, City subsidy shall include all HPD and HDC grants or loans, as determined by HPD and NYCHA.

J. Affordability

Proposals that include Affordability Tiers as described in **Section III A (Development Site Descriptions and Property Use)** will be ranked higher.

K. Unit Count and Distribution

Proposals that include additional, reasonably-sized units will be given preference.

In addition, proposals that provide at least 50% of all units as two-bedrooms or greater will be given preference.

L. Likelihood of Timely Construction Start

The likelihood of the Applicant's accomplishing a timely construction start on the Development will be evaluated based on factors that include the following:

- Applicant's track record of starting projects on time;
- Complexity of proposed financing, number of separate financing sources, and reliance on competitively awarded sources; and
- The financial and other resources that the Applicant will provide to the proposed project.

M. Quality of Resident Services Plan

HPD and NYCHA will evaluate the quality of the Resident Services to be offered to all tenants for at least five years of occupancy. The Resident Service Plan should have a focus on recreational activities for youth and services for seniors. The Plan should describe how tenants will be provided with information on and referral to social service providers. In addition, services should include counseling, job training, financial management training, and recreational activities for youth and services for seniors. In the Resident Services Plan, applicants must include a narrative regarding associated costs and funding. Developers who include a local Not-For-Profit experienced in providing these types of services will be ranked higher.

N. Quality of Homeownership and Landlord Training

The Developer will be required to provide home buyer educational services to potential home buyers at Soundview Houses and at UAC. In addition, post-purchase landlord training must also be provided to homebuyers at Soundview Houses. The training should insure that the new home buyers purchasing these properties will be prepared for the financial requirements of homeownership. Services will include but not be limited to, pre-purchase counseling and training, financial assistance including down payment assistance and post purchase training and support.

O. Quality of Design / Meeting Planning Objectives

HPD and NYCHA will evaluate the quality of the design proposal based upon its responsiveness to design and planning criteria/issues enumerated below and to HPD Design Guidelines stated in **Exhibits D.1** and **D.2**. HPD and NYCHA will evaluate the proposed Development Site plan and the responsiveness of the Project to the context of the neighborhood. Overall quality of housing design and construction will be given paramount consideration. HPD and NYCHA will review street wall elevations and interior layouts as well. Applicants should attempt to design structures that complement and elevate the level of urban design in the neighborhood, and to undertake creative and innovative ways to achieve that product. Applicants are encouraged to use new materials and techniques, a diversity of architectural styles and innovative site planning. HPD and NYCHA will consider building arrangement, character, materials, amenities, and streetscape treatment.

Preference will be given to proposals that:

- Improve the physical appearance of the immediate neighborhoods. Enhancements may include creative design elements (i.e. windows, cornices façade treatments etc.) that will

- add character to the new buildings without disrupting the continuity of the surrounding area;
- Enhance a sense of security by promoting defensible spaces through the street orientation of housing, visibility of public spaces and adequate street lighting;
- Provide trees and landscaping;
- Provide varying parking solutions while limiting the amount of curb cuts along the street to the extent possible;
- Consolidate service areas (parking, loading and garbage) to minimize their impact on public streets and open spaces;
- Provide consistent streetscapes that project a high-quality street environment; and
- Provide special amenities that meet the need of the intended population (i.e. community space, laundry facilities, etc.).

P. Sustainable Design and Development

Applicants are strongly encouraged to incorporate high performance building concepts and technologies in order to enhance overall design and construction, while simultaneously making the building environmentally responsible. For the purposes of this RFP, “sustainable design” describes development principles that demonstrate attention to design and building strategies that maximize energy efficiency and indoor air quality and minimize impacts on the environment. Please see **Exhibit F (Form 8) “HPD New Construction Sustainability Guidelines”** for a list of green design elements that Applicants should consider incorporating in their building designs.

Applicants should try to achieve these goals with no or minimal incremental capital costs.

For background information or guidelines for integrating these energy efficient technologies into residential buildings, Applicants should visit websites that promote and explain them. Tax credits and funding from State and Federal sources are often available to developers who take these initiatives. Some useful sites include but are not limited to:

- New York State Energy Research and Development Authority (NYSERDA) (www.nyserdera.org)
- Energy Star (www.energystar.gov)
- US Green Building Council (USGBC) (www.usgbc.org)
- Partnership for Advancing Technology in Housing (PATH) (www.pathnet.org)
- Enterprise Green Communities (<http://www.greencommunitiesonline.org>)

For information on HPD's energy-efficient specifications for rehabilitations, please refer to HPD's High Efficiency Spec Binder available at: <http://www.nyc.gov/html/hpd/html/architects/energy.shtml>

Q. High Performance Technology and Communications

Preference will be given to those designs that incorporate Smart Building Technology, as described below. For the purposes of this RFP, “smart building” refers to the installation of advanced communication technologies and integrated electronic systems that promote building automation, and the expansion of advanced communications such as high speed internet access. These elements should be described in the Design Narrative(**Tab H**).

For background information or guidelines for integrating these energy efficient technologies into residential buildings, Applicants should visit websites that promote and explain them. Some of the most useful sites are:

- EH Publishing Inc. (www.Electronichouse.com)
- Home Automation & Networking Association (www.hanaonline.org)
- General Electric (GE) Connected Home (www.ge-smart.com/building)

- Smart House Inc. (www.smart-house.com)
- National Association of Home Builders Research Center (www.nahbrc.org)
- One Economy (www.One-Economy.com)

R. Acquisition Price

Preference will be given to Applicants who propose a higher acquisition price than stated in Section III (Project Descriptions and Guidelines) of this RFP.

VI. SUBMISSION REQUIREMENTS

A. Pre-Submission Information and Inquiries

A pre-submission conference will be held on **September 24, 2007**, at 11:00 AM at HPD, 100 Gold Street, 3rd Floor Law Library, New York, NY. All potential Applicants are encouraged to attend this conference.

The Development Sites will be available for inspection on **September, 26, 2007**. Applicants should meet at the Development Sites. For security reasons, it is necessary for all Applicants to move together as a group during the Development Site inspection. Applicants should be prepared to sign waiver of liability forms.

Inquiries regarding this RFP may be directed to Peter Madden, 100 Gold Street, Room 9G-10, New York, NY 10038. Telephone: (212) 863-6992. Fax: (212) 863-5052.

People with disabilities requiring special accommodations to pick up the RFP or to attend/or participate in the pre-submission conference should contact Peter Madden in the manner indicated above.

B. General Requirements

Time and Place of Submission

Proposals must be delivered by hand no later than 4:00 p.m. on December 7, 2007 to:

N.Y.C Department of Housing Preservation and Development
 Office of Development
 Division of Planning and Pipeline Development
 100 Gold Street, Room 9G-10
 New York, NY 10038
 Attention: Peter Madden

Late submissions will not be accepted.

Application Fee

Each submission requires a non-refundable fee of one hundred dollars (\$100.00). This fee must be in the form of a certified check, cashier's check or money order payable to "NYC Department of Finance". No cash or personal checks will be accepted.

Format of Proposal

Each proposal must consist of one (1) bound original and five (5) bound copies. All proposals must be bound in three-ring binders of an appropriate size. Each proposal must also include an electronic copy on disc. **Forms 4, 5, and 7 (Exhibit F) must be submitted as Excel files and in original formatting on disc.**

An authorized representative of the Applicant must sign the original proposal.

Each original and copy must contain a label showing the following information:

- Affordable Housing for the Bronx RFP
- Name of Development Site
- Name of Applicant
- Date of Submission

Each proposal must be tabbed as indicated below. The tabs must run down the right hand side of the proposal. All architectural plans and drawings must be shown on 11" X 17" paper and included in the bound submission. All forms associated with the proposal must follow the format included in this RFP. An electronic version of the forms will be available on request.

Modifications

A proposal may be withdrawn or modified in writing only prior to the proposal due date and time or, if applicable, up until any subsequent due date and time set for the submission of proposals. Modifications received after the proposal due date will not be considered.

All submissions become the property of HPD and NYCHA. Submission of a proposal will be deemed to be permission for HPD and NYCHA to make such inquiries concerning the proposal and the Applicant as they deem necessary. If HPD or NYCHA determines, upon review of a proposal, that any items are missing and/or incomplete, HPD or NYCHA, in its sole discretion, may notify the Applicant to provide such items. Failure to provide complete information in a timely fashion could result in rejection of the proposal.

C. Contents of Proposal and Tabbing

[All Forms can be found in Exhibit F ("Proposal Forms").]

TAB A Applicant's Letter and Completeness Checklist

The Completeness Checklist (Form 1) and Applicant's Letter (Form 2) should be included in this tab.

TAB B Project Narrative

Include a narrative of one or more pages that describes the proposal. The narrative must include, at a minimum, the income and rent levels contemplated, the number and size of units, the average size of units, the sources and amounts of financing, including any tax exemption assumptions, and a brief description of the most relevant development experience of at least the Principal(s) who would manage the project.

TAB C Applicant Description

All Applicants must complete the Applicant Description Form (Form 3). Applicants that include a not-for-profit organization as a Principal of the Developer or a member of the Development Team must also complete the not-for-profit section of the Applicant Description.

If the Applicant is a joint venture, the Principals of each entity that comprises the joint venture must be identified, and a Principal of each entity must sign the Form.

Applicants are encouraged to include a resume in this tab as well as any additional information that would be helpful to HPD or NYCHA in the review process. This information may include information regarding projects that the Applicant has developed in the vicinity of the Development Site or clarification of information provided in the forms included in the proposal.

TAB D Development Experience and Current Workload, Management Experience

The following forms, fully completed, shall be provided by each Principal of the Applicant. If an individual has no experience, this shall be indicated by including a form marked "None". **These forms should be submitted as Excel files in original formatting on disc.**

Residential Development Experience and Current Workload (Form 4)

A separate form shall be provided for each Principal. Care should be taken to provide accurate information about references.

Residential Management Experience (Form 5)

A form shall be provided for a Principal or managing agent proposed to manage the Development.

TAB E Assets Statement

Each proposal must contain a completed Assets Statement (Form 6), for at least one Principal of the Developer. An Audited or Certified Financial Statement prepared according to Generally Accepted Accounting Principals (GAAP) may substitute for Form 6, provided it is not more than one (1) year old. Please note that the total unencumbered assets of the Principal or Principals must be at least equal to the greater of the amount of equity required by the construction lender or proposed in the application.

TAB F Financing Proposal

Financing Proposal (Form 7)

If separate financing is proposed for different portions of the project, Applicants must submit a separate Form 7 for each portion.

Specific information about the superintendent's unit(s) should be included as appropriate in Form 7. 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.

TAB G Letters of Interest for Private and Public Funds

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. 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, and rent levels and/or sales prices; and
- The interest rate, fixed or variable, the equity requirement 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 and rent levels; 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.

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. Applicants may use different private lenders for construction and permanent financing.

Public Financing: If HDC bond financing is proposed, a letter of interest from HDC is NOT required. However, a letter of interest from a credit enhancer acceptable to HDC must be provided.

If the use of public funds from sources other than NYCHA, HPD, or HDC is proposed, a written indication of interest, e.g. a letter of interest, a commitment letter or an award letter, dated no earlier than two (2) months from the date of submission of the Developer's proposal, must be included. Each letter must be on the organization's letterhead and signed by a representative of that organization.

Competitive Sources

- Any proposal that includes funding or financing that is awarded on a separate competitive basis must submit an alternate scenario using non-competitively awarded sources and must provide appropriate letters of interest from those sources.

Tab H Design Narrative

Applicants must provide a detailed narrative description outlining the proposed concept and methodology of the Project and include the Applicant's approach to the Project and urban design. The narrative should identify how the development complies with zoning and other legal requirements. This narrative should also, where applicable, include a detailed description of construction methods, foundation types and building systems, including high performance technology and communications, for all new buildings. Description and location of all mandatory infrastructure and other public improvements should also be included.

TAB I Architectural Submission

Provide the following information on 11" x 17" format or smaller so that it can be easily reproduced:

- Photographs: photos of the Development Site and the Development Site's relation to surrounding buildings, streets and open spaces, at least 3" x 5" in size. Photos must be keyed on the area plan outlined below. The photos should be clear enough to be reproducible.
- Area Plan: a copy of the most recent Sanborn map of the area; indicate vehicular traffic directions and locations of bus stops in a two-block radius.
- Zoning / Statistics: a zoning map for the Development Site, a detailed zoning computation and analysis to demonstrate compliance with existing zoning, and Building Code information indicating occupancy group and construction classification. Also include apartment count and distribution.
- Development Site Plan: clearly legible site plan indicating all components of the Project and other development within one block of the Development Site. It must include walkways, sidewalks, parking, driveways, building access points, tree locations, plant materials, fences, gates, lighting, easements, and encroachments.
- Floor Plans: all floor plans to explain development concept as well as plans for every dwelling type at 1/8" scale. Clearly indicate all rooms, dimensions and square footages. Unit and bedroom dimensions should be computed to the inside of finished surfaces of walls, excluding columns, pipe chases, kitchens, kitchenettes, entryways, and closets. Plans should include a North arrow, actual scale and graphic scale. All units and bedrooms should show a proposed furnishing scheme.

- 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. Color renderings and/or elevations are appreciated but not required.
- Any other architectural drawings such as axonometric, street frontage elevations, perspective or sectional drawings or computer generated modeling, if they provide a better understanding of the development concept.

TAB J Sustainability Elements

Applicants should provide a concise narrative in Tab J describing sustainability elements included in their proposal. Applicants should also include the HPD New Construction Sustainability Guidelines (Form 8) in this tab. Applicants should clearly indicate which of the elements are included in their proposal.

TAB K Design Team Experience

Submit design team's resume, focused on projects in the last ten (10) years and qualifications detailing applicable residential development experience.

TAB L 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 Development.

TAB M Resident Services Plan

HPD and NYCHA will evaluate the quality of the Resident Services to be offered to all tenants for at least five years of occupancy. The Resident Service Plan should have a focus on recreational activities for youth and services for seniors. The Plan should describe how tenants will be provided with information on and referral to social service providers. In addition, services should include counseling, job training, financial management training, and recreational activities for youth and services for seniors. In the Resident Services Plan, applicants must include a narrative regarding associated costs and funding. Developers who include a local Not-For-Profit experienced in providing these types of services will be ranked higher.

TAB N Homeownership and Landlord Training Plan

The Developer will be required to provide home buyer educational services to potential home buyers at Soundview Houses and at UAC. In addition, post-purchase landlord training must also be provided to homebuyers at Soundview Houses. As part of the RFP submission, Developers must identify an HPD-approved counseling agency and must indicate how they will insure that the new home buyers purchasing these properties will be prepared for the financial requirements of homeownership. The Developers must describe what homebuyer and landlord education services will be provided, including but not limited to, pre-purchase counseling and training, financial assistance including down payment assistance and post purchase training and support.

TAB O Subcontracting and Local Employment Plan and Experience

Applicants must provide a narrative describing how they will take affirmative steps to include minority- and woman-owned business enterprises as well as locally based firms and firms with experience in the Bronx. State past experience, if any. The Developer(s) must, in all solicitations or advertisements for bids for subcontractors placed by or on behalf of the Developer(s), state

that all qualified applicants will receive consideration for subcontracts without regard to race, color, religion, sex, national origin, disability, age, handicap, marital status or military service. The Developer(s) should work with NYCHA's Resident Employment Services in providing construction job opportunities to NYCHA residents.

VII. CONDITIONS, TERMS, AND LIMITATIONS

This RFP is subject to the specific conditions, terms and limitations stated below:

The Development Sites are to be disposed of in "as is" condition. NYCHA and HPD make no representation whatsoever as to the physical condition of the Sites, or the structures thereon or their suitability for any specific use.

The Development Sites shall be subject to New York City Real Property Taxes and charges. Tax benefits may be available under the 421-a partial tax exemption program.

The proposed Development shall conform to, and be subject to, the provisions of the Zoning Resolution, 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(s) prior to commencing work.

The conditional selection of the Developer(s) will depend on satisfaction of the additional documentation and review requirements described in this RFP, and will be subjected to the subsequent approval of the Mayor.

The continuation of negotiations with a Developer will depend on satisfaction of the additional documentation and review requirements described in this RFP and will be subject to joint review by HPD and NYCHA. The Development Sites will be conveyed by NYCHA pursuant and subject to the provisions of the Contract of Sale between NYCHA and the Developer and any Land Disposition Agreement ("LDA") required by NYCHA, subject to HUD approval.

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

No commission for brokerage or any other fee or compensation shall be due or payable by the City, HPD or NYCHA, and the submission of a proposal will constitute the Applicant's undertaking to indemnify and hold the City, HPD and NYCHA 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 or the sale of the Development Sites.

Neither the City, HPD nor NYCHA is obligated to pay, nor shall the City, HPD or NYCHA 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.

This RFP does not represent any obligation or agreement whatsoever on the part of the City, HPD or NYCHA, which may only be incurred or entered into by written agreement to which the City, HPD and / or NYCHA are parties, subject to the approvals of HUD, the NYCHA Board, the NYCHA Law Department and / or the New York City Law Department. NYCHA is under no legal obligation to convey the Development Sites through a competitive process. The City, HPD and

NYCHA may use the proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as the City, HPD, and NYCHA deem appropriate. HPD and NYCHA 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). HPD and NYCHA 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 Development 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 approvals of HPD and NYCHA, and until the Deed, the Development Agreement, the Regulatory and Operating Agreement, and all related documents are fully executed and approved. The terms of the Deed, the Development Agreement, and the Regulatory and Operating Agreement (or other agreements) after execution (the "NYCHA Documents"), shall govern the relationship between NYCHA and the Developer(s). In the event of any variance between the terms of this RFP and the Deed or the NYCHA Documents, the terms of the Deed and/or the NYCHA Documents will govern.

The City, HPD and NYCHA reserve the right, in their sole discretion and at any time, to reject at any time any or all proposals, to withdraw the RFP, to 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). The City, HPD and NYCHA likewise reserve the right, at any time, to waive compliance with, or change any of the terms and conditions of this RFP or to entertain modifications or additions to selected proposals. In addition, HPD and NYCHA retain the right to at any time withdraw portions of the Development Sites from this RFP and to add improved or vacant lots to the Development Sites.

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

There is no legal obligation on the part of the City, HPD or NYCHA to use the proposals submitted pursuant to this RFP as a basis for negotiation with Applicants.

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.

NYCHA and HPD are separate legal entities and will have separate responsibilities with respect to the Development. HPD is a department of the City of New York, and NYCHA is a public housing authority, which was organized and exists as a New York public benefit corporation. NYCHA will be responsible for arranging all conveyance permissions and licenses to enter upon the Development Sites, and for Development Site conveyance. HPD and NYCHA will jointly oversee the actual development process.

VIII. CONFLICT OF INTEREST

Current and 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 ethics and 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 HPD or NYCHA employees may not respond to this RFP.

Persons in the employ of the City considering the submission of a proposal are advised that opinions regarding the propriety of their participating in the Development 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 should consult the specific provisions on this issue contained in the City Charter.