

SustainNYC RFP: Addendum 3

RFP issue date: May 23, 2016

Addendum 1 issue date: Thursday, June 23, 2016

Addendum 2 issue date: July 22, 2016

Addendum 3 issue date: August 11, 2016

Contents of the Addendum

A. Questions and Answers – Enclosed is a summary of questions and answers included that were sent to the SustainNYC RFP email address.

A. Questions and Answers

Passive House

Q: The Passive House Institute informed us that upon successful review of the project, they will provide an official letter stating that the partial portion of a mixed use space is built to the PH standard, but will not provide an official certification for the building unless it is certified as a whole. Would this letter be acceptable to HPD should the project team choose to certify with PHI but only on the residential portion of the building?

A: Applicants must pursue certification through either PHI or PHIUS. If either PHI or PHIUS will only provide Passive House certification for the energy performance of the entire building, Applicants must meet the certification requirements of the respective body. HPD will not accept letters from a certification body stating that the residential portion is “built to passive house standards” in lieu of the passive house certification.

Q: Considering this is a passive house project, can we underwrite our maintenance and operations (M&O) assumptions below HDC standards?

A: Applicants should underwrite their M&O assumptions to HDC standards. If the Applicant anticipates M&O savings due to the passive house design of the project, proposals should discuss how these savings will be used.

Q: Are Applicants required to work with PHI or PHIUS toward pre-certification prior to submitting a proposal to the SustainNYC RFP?

A: No. Applicants must discuss their plan for achieving Passive House certification in their Sustainability Narrative within Tab I of their RFP submission. Proposals that are selected as finalists for this RFP through the competitive review process will be required to provide a basic feasibility assessment of their Passive House design. This basic feasibility assessment will be conducted through PHI or PHIUS, depending on which institute the Applicant plans on pursuing certification under.

Community Gardens

Q: For one of the community gardens to be retained at Madison/112th is the garden space identified as Block 1617 and Lots 20, 51, 52, 53 and 54? If not, which lots are included?

A: The community garden located at Madison and 112th has a license agreement with HPD for Lots 51 and 53. The garden currently occupies portions of Lots 51-54. Please see Appendix B of the SustainNYC RFP for details on the community gardens and how to incorporate them into any proposed development.

Q: For the other community garden to be retained at Park/112th is the garden space identified as Block 1617 and Lots 35, 37, 38 and 39? If not, which lots are included?

A: The community garden located at Park and 112th has a license agreement with HPD for Lot 38. The garden currently occupies portions of Lots 38, 39 and 40. Please see Appendix B of the SustainNYC RFP for details on the community gardens and how to incorporate them into any proposed development.

Q: It is understood that two community gardens will remain at the site upon completion; one on the corner of Madison and 112th, encompassing Block 1617 - Lots 20, 51, 52, 53, and 54; the other is at the corner of Park and 112th, encompassing Block 1617 – Lots 37, 38, 39, and 40. Could we instead take similar sized lots on the southern exposure at the corners of the Block 1617, instead?

A: There are **four** existing community gardens that must be integrated into any development proposal and continue to operate permanently under Parks' GreenThumb Program. Please see Appendix B of the RFP for details about these four community gardens, including their current location on the development site and their operating square footage, as well as the square footage according to their license agreement with HPD. At a minimum, proposals must provide each community garden with the square footage outlined in their license agreement.

There is no requirement in the RFP for the four community gardens to remain in the same place. However, proposals must ensure that the basic needs of the community gardens are met. Additionally, preference will be given to Proposals that are responsive to the priorities identified by the community gardeners. These needs and preferences are outlined in Appendix B of the SustainNYC RFP.

RFP Submissions

Q: Is a sole developer entity allowed be a part of submissions on multiple co-development teams?

A: No, a sole developer entity may not have an ownership interest in more than one proposal for the SustainNYC RFP.

Q: In terms of architectural drawings, what is required?

A: Please refer to *Section X.A. – Tab H* of the SustainNYC RFP which outlines the requirements for the architectural portion of a development proposal. This section begins on page 43 of the RFP.

Q: How many copies of our response would you like to receive?

A: Each Proposal must include one (1) bound original, one (1) bound copy and one (1) flash drive with all components of the Proposal. An authorized representative of the Applicant must sign the original proposal.

Q: Form C-2 asks for the home address of directors, officers and key staff. Typically, nonprofits just list their organizations address. Would it be acceptable to just put city/state (i.e. New York, New York, or Brooklyn, New York) to mitigate privacy concerns?

A: It is acceptable to provide the City and State of residence for directors, officers and key staff when filling out Form C-2.

Q: Form C-2 asks for the non-profit's major sources of funding. We have this information, but in a different format. Is it required to enter the information into the format of Form C-2?

A: Please submit this information in the format provided in Form C-2.

Development Site and Zoning

Q: In regard to the two holdout parcels would EDC consider eminent domain if the proposed use was Passive House and affordable in perpetuity?

A: HPD is not considering eminent domain to acquire the two private sites on Block 1617. However, HPD would consider alternative proposals that include a plan for acquiring the private lots and incorporating them into the Development Site (not through eminent domain). There must also be a baseline proposal that involves the as-of-right Development Site.

Q: Can we get a commercial overlay on East 111th and East 112th Streets assuming this would not be retail but instead office space for medical uses, or insurance agencies, etc.?

A: Proposals should only assume the commercial overlays described in the RFP. The anticipated rezoning will include a C2-4 commercial overlay on Madison Ave. and Park Ave. to a depth of 100 feet.

Q: Under the proposed new zoning can the commercial overlay for Madison and Park include three stories?

A: Given the anticipated rezoning to R9 with a C2-4 commercial overlay along Madison and Park Avenues, commercial uses can be included on the first and second stories of a proposed development. Any commercial uses must be located below the residential uses of the building. Please see Article 3, Chapter 2, Section 32-421 of the NYC

Zoning Resolution for further clarification on which floors can be occupied by commercial uses.

Q: Can HPD provide any topographic, utilities survey and/or old historic maps for the SustainNYC Development Site?

A: HPD does not have any topographic, utilities survey and/or old historic maps for the Site.

Financing

Q: If we proposed a limited equity co-op, could we give a shareholder a lease and accept market rent under Section 8 and apply a portion of the Section 8 to the shareholders equity?

A: No.

Q: If we propose Passive House construction and perpetual affordability can we get construction financing and a mortgage from HPD? If so, at what terms?

A: Please use the following link to access HPD's term sheets:

<http://www1.nyc.gov/site/hpd/developers/term-sheets.page>

Q: What is the situation in regard to real estate taxes? Will the site be abated or do we have to show in our maintenance cost real estate taxes? If so how much?

A: Please refer to *Section VII.E.* of the SustainNYC RFP, titled "Real Property Taxes and Exemptions, for information about real estate taxes and abatements. Please use the following link to access more information on potential tax incentives:

<http://www1.nyc.gov/site/hpd/developers/tax-incentives.page>.

Q: Can we get LIHTC for every unit below 80% AMI?

A: LIHTC applies to units being rented to individuals or families whose income is at or less than 60 percent of Area Median Income. Please use the following link to access more information on the LIHTC Program:

<http://www1.nyc.gov/site/hpd/developers/lihtc-qualified-action-plan.page>.

Q: Can we get New Market Tax Credits for our commercial space?

A: New Markets Tax Credits are considered competitive source of financing, as they involve a competitive application process. Applicants that would like to propose the use of NMTCs must submit an alternative financing scenario, in addition to the baseline, non-competitive financing scenario.

AMI Levels and Lease-Up

Q: Will HPD conduct a lottery for the units?

A: Yes.

Q: Can we give a preference to residents of the local Community Board?

A: HPD currently has a 50% preference for residents of the Community District in which the project is located.

Q: If we propose 400 units below 165% of AMI can we go above 165% for additional units?

A: No, all of the units in the project must be affordable up to 165% of AMI.

Environmental

Q: How do the EHNP recommendations relate to what should be included in the response to the RFP? Specifically, will HPD require that these recommendations be incorporated into the environmental review?

A: Preference will be given to Proposals that incorporate community priorities that were identified through the community visioning workshop and outreach, as well as the East Harlem Neighborhood Plan (EHNP), which includes recommendations for public sites.

If feasible, RFP applicants are encouraged to incorporate the recommendations of the EHNP into their proposal, including any environmental review, but it is not required.

Q: If the response needs to address the EHNP recommendations, would this apply to the EAS process beyond what is required by CEQR/SEQRA? What happens if the EAS analysis shows there are no significant adverse impacts and would result in a Negative Declaration?

A: The Developer will be responsible for preparing and submitting an Environmental Assessment Statement (EAS) in accordance with the guidelines contained in the latest edition of City Environmental Quality Review (CEQR) Technical Manual. In response to the SustainNYC RFP, Applicants must submit a proposal for environmental testing and/or remediation. The Developer should select a reputable environmental planning consultant with experience in the preparation of CEQR documents for rezonings.

If feasible, RFP applicants are encouraged to incorporate the recommendations of the EHNP into any environmental review, but it is not required.