

## **Jerome-Anthony Avenue RFP Addendum 2**

RFP Issue Date: December 23, 2019

Pre-submission Conference Date: January 17, 2020

Addendum 1 Issue Date: February 28, 2020

Addendum 2 Issue Date: October 5, 2020

---

### **Contents of the Addendum**

- A. Important Announcements**
- B. Questions and Answers** – Enclosed are answers to questions sent to the RFP email address.
- C. Revised Open Door Financing Proposal Template (Form G)** – attached to the addendum as a Microsoft Excel file.

## A. Important Announcements

### 1. New Submission Deadline

Please note that the submission deadline has been extended to **November 30, 2020 at 4:00 p.m.** Proposals shall be submitted electronically. A third addendum will be released prior to the submission deadline with submission instructions and answers to any additional questions. Please submit questions to be answered in this third addendum by 4:00 p.m. on November 2, 2020.

### 2. RFP Theme

As a result of the COVID-19 pandemic, and in response to the virus' impacts on communities in New York City, HPD has established a Community Health and Wellness theme for this RFP.

Submissions should ensure that the building design encourages health and wellness, for example: opportunities for physical activity, safe access to open space, ample light and air, use of healthy building materials, as well as other design elements found in guidance materials cited in the RFP document.

Submissions should also consider how residential and non-residential programming will fulfill the Community Health and Wellness theme. Exemplar uses might include those that address [core social determinants of health](#), such as:

- access to affordable, healthy and fresh food options, as well as nutrition education programs
- physical and mental health resources that enhance and complement services available at the adjacent Morrisania H+H clinic, including health insurance enrollment.
- workforce development and jobs training
- housing and tenant resources
- educational programming
- connections to public benefits (e.g. SNAP and public assistance enrollment)

### 3. New Requirements

In addition to the Project requirements stated in the RFP document and Addendum 1 (issued in February 2020) please take note of the following new requirement:

#### Internet Access Plan

The COVID-19 pandemic emphasized our reliance on high-speed internet in order to communicate with others, access news and information, and for some, work remotely. However, many New Yorkers, especially those in low-income neighborhoods, do not have access to high-quality internet due to cost or lack of infrastructure. HPD recognizes that its new construction projects can help bridge the internet access divide. To this end, the Jerome-Anthony Avenue RFP has a new Development Program and Community Economic Development threshold requirement for Projects to include an Internet Access Plan:

*Developers shall ensure that all common areas and individual dwelling units are provided with access to the internet via open access infrastructure that is available to any interested internet service provider (ISP). Additionally, developers shall ensure fiber cable internet technology is installed or that the installation process is underway to provide better internet access to individual units and common areas, regardless of whether the building can access a fiber network at the time of construction.*

There is also a Development Program and Economic Development preference criterium:  
*Submissions that actively lower barriers to internet access for the building's residents. Such proposals should explain how residents of the building will be able to access internet through technologies and/or service contracts offered by the building to residents. Respondents should refer to the NYC Principles for Internet Service and Infrastructure outlined in the [City's Internet Master Plan](#) (see figure 4, page 3).*

The Internet Access Plan should be included in Tab J: Development Program in the form of a brief narrative describing the plan for internet infrastructure and resident connectivity in the new building. The strategy should focus on the NYC Principles for Internet Service and Infrastructure outlined in the [City's Internet Master Plan](#) (see Figure 4 on page 3). Respondents should outline upfront and/or ongoing costs associated with the proposed strategy.

## B. Questions and Answers

### Site A Questions

#### *General*

1. In our Development Schedule, what date should we assume for the negotiation letter?

A negotiation letter will be issued shortly after a development team is designated. For the purposes of this RFP submission, respondents may assume a negotiation letter will be issued approximately 8 months after proposal submission.

2. A preference indicated in the RFP is to include a plan for neighborhood improvements and or community programs or services. Are these programs/services in addition to the community facility, or are these included in community facility programming?

Proposed programs and services may be offered by tenants within the physical building (i.e. community facility tenants), and/or unrelated to the building program/tenants.

#### *Site Conditions/Building Design*

1. Is there any information available regarding subsurface conditions? What is underneath the existing parking lot?

No, the designated developer will conduct site surveys, subsurface investigations and other technical work. However, we encourage development teams to conduct their own research regarding site history.

2. Can the existing driveway on Gerard Avenue be utilized by H+H staff to access the parking facility, if a portion of the new parking facility is for their use?

The existing driveway must remain for the sole use of H+H.

3. Do existing curb cuts on site have to remain as-is, or can they be moved to accommodate a different parking entrance?

As per a similar question in the first addendum, curb cuts at the site can be moved, provided they comply with all requirements, including but not limited to the Zoning Resolution.

4. Is it acceptable to assume a residential light and air easement can be provided over the H+H building?

Submissions should not assume easements over the H+H building.

5. What are the uses of the existing H+H rooms that face the southern boundary of the development site on the first, second, and third floors?

This portion of the H+H building is occupied by offices.

- 6. In the first Addendum, it was stated that all windows on the existing H+H building must remain operable. However, these windows are not legally required, in that they are not required by the NYC Building Code to provide natural light and ventilation for the rooms within. As such, would HPD and H+H consider allowing the new building to be built up to the future lot line?**

Please refer to the guidance provided in the first which requires that a 30-foot minimum distance is required between the two buildings.

- 7. Please confirm which edition of the Enterprise Green Communities Guidelines should be used for the RFP submission. Should the EGCC 2015 with HPD overlay as currently used by HPD BLDS be used, or should the newly released EGCC 2020 with NYC overlay be used instead?**

Please use the newly released [EGCC 2020 with NYC overlay guidelines](#).

### ***Parking***

- 1. The RFP states that the developer will control and operate the parking. Can HPD confirm that the developer may contract with a parking operator to do so?**

Yes, the development team may contract with a private parking operator at a future date if designated.

- 2. Please provide a breakdown of the parking schedule for the current H+H staff? Is it 24 hours/7 days per week? If not, what is the daily schedule?**

This information is not available at this time. For the RFP submission, please assume 24/7 use by H+H staff.

- 3. What should the developer assume for parking revenue in underwriting for the completed building? (i.e., overall figure for 85 spaces per year)**

Please refer to the Submission Content and Completeness section of the RFP for underwriting instructions.

- 4. Should proposals assume H+H parking employees and visitors will pay a discounted rate?**

Please refer to the Submission Content and Completeness section of the RFP for guidance on parking rate assumptions for the purposes of project underwriting.

- 5. What do H+H employees / visitors currently pay for parking?**

As of April 2019, the parking rates posted at the parking lot were \$81.54 per month for hospital employees, and \$135.90 for all other parking guests. The hourly rate was \$12.

6. **Should temporary parking strategies plan to accommodate 60 spaces (the number of discounted, H+H staff spaces) or 85 spaces (the total number of spaces in the existing and future parking facility)?**

The temporary parking plan should provide 85 spaces.

7. **For the temporary parking facility, should proposals assume 24-hour operation or daytime use only?**

The temporary parking facility should assume that H+H staff will require parking spaces from 6am to 9pm.

### ***Financing***

1. **For Passive House-designed buildings, has HPD adjusted its Utility Allowances for electric-powered utilities? Since these buildings are significantly more efficient than non-PH structures, the energy usage will be far lower and as a result, the UA for electric usage is far overstated.**

While we recognize that Passive House structures are more energy efficient than non-Passive House structures, please maintain the same utility allowances across all projects.

2. **What are HDC's current 4% tax-exempt bond underwriting rates?**

The short-term rate is currently 2.65%, with an investment rate of 1.4%. The long-term base rate is 4.6% for 30 years, resulting in a permanent interest rate of 5.3% (inclusive of servicing and mortgage insurance premiums).

3. **Should we assume 2% annual escalations on the average parking income of \$100 per space in our model?**

For the RFP submission, teams may assume a 2% annual escalation rate on the average parking income rate of \$100 per space, per month.

4. **The Trade Payments tab in the Form G template for rental projects shows a line item for a "Railroad trench deck (Site B only)". However, there is no rail easement or any reference to train tracks on either site. Please clarify.**

This line item was included in error. Please disregard.

## Site B Questions

**1. The Open Door financing proposal template (Form G) contains some formula errors.**

A new Form G template for Open Door projects has been included in this Addendum and has been uploaded to the RFP webpage.

**2. Appropriate sales prices seem to be far lower than the 2018 Open Door Term Sheet allows, forcing sales prices that exceed market rate. Can you please provide guidance on developing sales prices?**

Sales prices must reflect a minimum of 10% discount to market. All financing proposals must also provide market comparables.

**3. For underwriting purposes, when is the New York State Affordable Housing Corporation's (AHC) Affordable Home Ownership Development Program financing available?**

In the financing proposals, please assume that AHC funds will be made available during the sale of homes/units at permanent conversion to subsidize sales prices.

**4. Can a financing proposal include the use of competitive sources?**

Competitive sources may be included in the financing proposal, but only if they have been secured. In addition, the competitive sources must also be used to offset the amount of requested subsidy, or to provide deeper levels of affordability.

## **C. Revised Form G for Open Door projects**

A Microsoft Excel file has been included for download with this addendum, and uploaded to the RFP webpage.