SHARED EQUITY
REQUEST FOR INFORMATION (RFI)

Issue Date: March 17th, 2021
Submission Deadline: July 9th, 2021
(extended from June 9th, 2021)
I. INTRODUCTION

A. Overview

New York City low-income residents, particularly within communities of color, face significant housing challenges. The limited availability of affordable housing relative to need, rents that outpace wage growth, and significant demographic changes in various neighborhoods, have all contributed to fears of displacement and a distrust of development as part of a broader affordability strategy. The COVID-19 pandemic has exposed long-standing racial disparities across neighborhoods and a national discourse on civil rights and social justice have shed further light on the need for policies and programs that go further to advance racial equity.

To this end, New York City is interested in exploring new models of community wealth building and ownership through Shared Equity (SE). In the 2020 State of the City address, Mayor Bill de Blasio committed to exploring SE models as one approach to addressing housing and economic disparities. Through this Request for Information (RFI), the New York City Department of Housing Preservation and Development (HPD), the New York City Economic Development Corporation (EDC), and the New York City Department of Consumer and Worker Protection Office of Financial Empowerment (DCWP-OFE) are seeking information from entities that practice, finance, support, develop, or research SE models of housing and economic development. The City anticipates releasing a subsequent Request for Expressions of Interest (RFEI) or Request for Proposal (RFP) for SE projects, incorporating information gathered through this RFI.

B. What Is Shared Equity?

For the purposes of this RFI, SE encompasses a range of housing and economic development strategies that create opportunities for extremely low-, very low-, low-, and moderate-income households, and Black, Indigenous, and households of Color in particular, to build wealth and/or participate in sustainable ownership. Specifically, the City is interested in learning about SE strategies that advance one or more of the following goals for low-income and/or marginalized communities:

- Preserving or creating long-term affordability for housing and/or community assets
- Promoting racial and social justice
- Supporting wealth accumulation for individuals and communities
- Addressing housing insecurity and/or promoting equitable development
- Promoting community stability by preventing displacement
- Supporting individual or community resiliency, preparedness, and recovery in the face of environmental, economic, or social shocks and stresses
- Building and sustaining community power and facilitating community-decision making
- Offering alternative forms of sustainable ownership for individuals and communities

C. Past Shared Equity Efforts

The City has engaged in various SE strategies over the years. To date, HPD has facilitated the creation and preservation of thousands of limited equity cooperatives, including cooperatives formed under the Article XI of the Private Housing Finance Law (Housing Development Fund Corporations or HDFCs), as well as homeownership units, mutual housing associations (MHAs), and community land trusts (CLTs).
Examples of SE strategies include HPD’s active support of the growth of new CLTs in the City. Since 2017, HPD has been collaborating with CLTs in the preservation of affordable housing and new homeownership opportunities on City-owned land. Using grant funding from Enterprise Community Partners, the City supported the CLT Learning Exchange, a two-year capacity building program of workshops for community-based organizations on various CLT topics such as financing, governance, and property acquisition. The City, with Enterprise Community Partners, has also provided predevelopment and rehabilitation funding for a number of CLT projects across the five boroughs.

The City has also supported models of SE beyond housing. In 2015, the Mayor and the New York City Council launched the Worker Cooperative Business Development Initiative (WCBDI) in partnership with the New York City Department of Small Business Services (NYC SBS) to promote the creation of new worker cooperatives and grow existing worker cooperatives. At the end of 2020, the City launched Employee Ownership NYC, the nation’s largest municipal initiative for education and technical assistance around employee ownership and conversion.

In addition, DCWP-OFE supports asset and wealth building for low-income individuals and communities through its many financial empowerment programs, public education campaigns, data and research, policy advocacy, and community engagement. Recently, DCWP-OFE released a report, Municipal Policies for Community Wealth Building, which presents a framework for enacting public policy that promotes community wealth building and broad-based ownership across several sectors, including housing, employment, and financial institutions.

To build on these efforts, for the purposes of this RFI, the City is interested in learning about SE strategies apart from conventional CLTs, limited-equity housing cooperatives, MHAs, and other SE models the City is already practicing.

D. Why an RFI?

The City is seeking information on SE models through an RFI in an effort to learn about additional models of SE. This RFI seeks information from a wide range of organizations that have researched or have experience with SE strategies and their implementation and/or financing to help shape potential models and standards of effectuating SE models in New York City.

II. RFI RESPONSES

The City is especially interested in learning about SE models that advance one or more of the goals detailed in Section I-B. To enhance its knowledge of SE, the City is seeking information from respondents to this RFI that have substantive knowledge, experience, or insights related to the structure, operations, financing, benefits, and/or challenges of SE models. The City welcomes responses to the RFI from all interested entities, and encourages responses from Minority- and/or Women-Owned Business Enterprises (M/WBEs). Respondents can include, but are not limited to:

- Community-based organizations
- Municipalities
- Affordable housing or nonprofit developers, cooperatives, or community land trusts
- Academic or research institutions
- Banks, lenders, and philanthropic organizations providing financial support
• Legal counsels, law offices, and/or other legal aid organizations
• Social enterprises or community-owned businesses
• Community Development Corporations (CDCs)
• Community Development Financial Institutions (CDFIs)
• Property managers

Examples of potential SE models include, but are not limited to:

• Renter equity, rent-to-own, or mixed-tenure models
• Neighborhood Stock Ownership Plans (NSOP)
• Neighborhood Affordable Housing Funds/Investment Funds
• Community Investment Trusts (CITs)
• Novel applications of Community Land Trusts (CLTs) or Cooperatives
• Public Land Trusts
• Nonresidential community asset building models
• Green economy models or cooperative energy models
• Land stewardship models and/or land banks
• Municipal or social enterprises

III. RFI SUBMISSION CONTENT

A. Considerations of Shared Equity

I. For Respondents practicing, researching, or involved in a model(s) of SE, please detail any knowledge, skills, and experience in the following areas, specific to SE model(s), as applicable:

• What is the mechanism or structure of the model?
• Where has the model been implemented, if anywhere?
• In what ways does the model achieve one or more of the goals described in Section I-B?
• What are the eligibility requirements for participants in the model, if any?
• How is the model operated/maintained?
• What are the financing and lending structures associated with the model?
• What are the legal or regulatory foundations of the model?
• What does participant engagement look like in the model?
• Are there any educational components/technical assistance involved in the model?
• Has or how would land be acquired for use in the model?
• What land use actions, if any, were or would be involved in the model?
• What are the costs and outcomes associated with the model? How does this compare to other related strategies?
• What are other successes, challenges, or limitations of the model?
• Are there any risks involved in the model?
• Are there any guardrails that are critical to making the model successful?
• What, if anything, needs to be adapted for this model to be successful in New York City?
• How are, or how should, municipalities be involved in this model or SE models more broadly?
• How does the model balance oversight/monitoring and individual/community decision-making?
• How does the model balance wealth building while preserving affordability?
• How does this model impact community members outside of it?
• How does the model, or could SE models more broadly, provide opportunities for community benefits in other disciplines such as sustainability, environmental resiliency, or public health?
• How does the model, or could SE models more broadly, promote racial and social justice?

II. For Respondents who have financed or are interested in financing SE projects, please detail any knowledge, skills, and experience in the following areas, as applicable:

• If financing has been provided for an SE project, please describe the project and financing terms, status of the project, and any relevant outcomes.
• Which models have been considered for financing?
• Are particular SE models more financially feasible than others?
• What is the evaluation criteria for financing or involvement in a particular SE project?
• Are there differences in evaluation criteria for SE projects, relative to more traditional projects?
• What financing terms and/or organizational structures are or would be important to require for an SE project? Are there any guardrails that are necessary to make the financing SE models successful?
• Is there a need for a new lending entity/fund/structure to make SE models more feasible or sustainable? If yes, please describe what an optimal structure would be. If no, please describe what is currently in place that makes SE models feasible and sustainable.

B. Supporting Documentation (optional)

Provide any supporting documentation, including details about precedent projects, as an Appendix to the response.

C. Interviews (optional)

Interested entities should indicate their willingness to connect with the City to discuss their submission and provide additional context.

V. SUBMISSION INSTRUCTIONS

The RFI can be completed online at https://www1.nyc.gov/site/hpd/services-and-information/rfps-rfqs-rfeis.page.