



Rental Assistance Demonstration UPDATE

Topic: RFP Overview and Affordability

March 15, 2016



Why Are We Meeting?

1. Updates from last meeting on RAD
2. What is RAD?
3. Resident Rights and affordability
4. RAD project timeline and the Request for Proposals (RFP)
5. Q&A

Updates from Last Meeting

- **Dominion Due Diligence Group completed the updated Physical Needs Assessment (PNA) in February 2016**
- **Proposal request for RAD Development Partner was released on February 18, 2016**
- **Developer proposals are due April 2016 and selection will take place in Q3 2016**

RAD Program Overview

RAD program goals as part of NextGen NYCHA

- Safeguard **long-term** housing affordability
- **Improve** and **modernize** properties
- **Stabilize** developments by placing them on solid financial footing
- **Safeguard** resident rights
- **Provide** residents with **mobility** option after transition

The benefits include

- **Rehabilitate** Ocean Bay Bayside
- Shift to a **more stable** federal funding source
- Ensure **long term affordability**
- Residents will never be asked to pay more than 30% of household income
- Continue **resident programming** (Tenant Participation Activity funds)
- Choice Mobility

Why Does RAD Work at Ocean Bay (Bayside)?

“Building a Better Bayside”



- **Preserve affordable housing**
 - Ocean Bay (Bayside) Apartments has 1,395 apartments, 24 buildings
 - These buildings are over 50 years old
- **Address significant capital needs at Bayside**
- **Repairs and resiliency for damage caused by Hurricane Sandy**
- **Ensure rights of residents remain in line with public housing residents**

Resident Protections

	Before Conversion: Public Housing	After Conversion: Section 8 RAD Vouchers
<u>Rent</u> : You do not have to pay more than 30% of their household income	✓	✓
Initial Income Eligibility	< 80% of AMI	Existing public housing residents, regardless of income.
Right to Return after rehab complete	✓	✓
Tenant Screening	N/A	No re-screening upon conversion.
Choice Mobility	N/A	You may take vouchers to another unit after 12 months.
<u>TAs & NYCHA Programs</u> : establish/operate Tenant Associations; TPA funds	✓	✓
<u>Grievance Procedures & Eviction Notification</u> : tenants receive 1-month notice, followed by grievance procedures	✓	✓
<u>Lease Renewal</u> : leases are renewed based upon good standing criteria	✓	✓

Highlights of the RFP

- **Choice Mobility**: NYCHA will provide a Choice-Mobility option to residents of Development any time after their first year of occupancy.
- **No Re-screening of Tenants upon Conversion**: At conversion, current households are not subject to rescreening or income eligibility
- **Right to Return**: Tenants will remain in place during the rehabilitation. Any residents that may need to be temporarily relocated during construction will have a right to return to the development once renovations are complete.

Highlights of the RFP

- **Renewal of Lease:** Under RAD, all resident leases must be renewed upon lease expiration, unless good cause exists for not renewing.
- **Phase-in of Tenant Rent Increases:** Residents will continue to pay 30% of their income under RAD, as is the case under public housing. If a tenant is paying less than 30% of their income, rental increases will be phased in over 5 years.
- **Resident Participation and Funding:** Tenant Participation funding will continue under RAD, administered by property management. These funds can be used for resident education, organizing around tenancy issues, and training activities.

Long-Term Affordability

- Under RAD, there is automatic and mandatory renewal of the housing assistance payments contract with HUD
- NYCHA will remain a part of the ownership structure
- Long-term affordability guaranteed through long-term ground lease with NYCHA

What is a Request for Proposals (RFP)?

- Definition: A formal publicly released document outlining a need and inviting businesses to submit plans to fulfill that need
- RFPs are documents used to communicate and request proposals from potential bidders

Why do we need a RFP for Bayside?

- Ocean Bay Bayside RFP is an opportunity to submit proposals for the preservation of existing affordable housing
- To seek a qualified non-profit or private developer to provide major repairs and property management of the Bayside development

Additional items in the RFP

- Renovate apartment interiors/exterior
- Upgrade mechanical systems
- Community center upgrades

Steps in Request for Proposal Process

<u>Project Milestones</u>	<u>DURATION</u>
✓ Data Collection	4 MONTHS
✓ Stakeholder & Resident Engagement	Ongoing
✓ RFP Preparation	3-4 MONTHS
✓ NYCHA Annual Plan - Significant Amendment	3 MONTHS
✓ RFP Release	2 MONTHS
Evaluation of Responses to RFP	3 MONTHS
RAD Conversion HUD Approval	3 MONTHS
Development Team Pre-Development to Closing	6 MONTHS

Criteria for Evaluating Proposals

1. Financial Proposal
2. Development Experience and Capacity
3. Property Management Experience
4. Quality of Proposed Rehabilitation
5. Hiring Plan

How will the developer be selected?

- NYCHA will evaluate and score each proposal
- Scoring will be based on:
 - Long-term preservation and improvement of the Bayside development
 - Similar experience and capacity with affordable rental housing and property management
 - Cost and quality of the proposed capital improvements
 - Experience working with residents in the planning process and during operation
 - Experience providing resident employment opportunities

What will the selected developer do?

- Create a development team
- Work with residents and stakeholders throughout the process
- Work with NYCHA and residents to design the repairs and resiliency plans at Bayside
- Complete renovation at Bayside with residents in place
- Manage the buildings at Bayside

What happens after selection?

- Developer will become a part of the RAD working group sessions.
- Developer will meet with resident associations and establish opportunities for resident participation/feedback
- Developer is required to involve residents in the planning process and give regular updates about the work being performed
- The RFP and Developer Agreement will require residents rights to remain in line with current NYCHA public housing rights

Q & A

Email for RAD: RAD@NYCHA.NYC.GOV

RAD website: <http://on.nyc.gov/rad>

