

Mott-Elizabeth Streets RFP

Nolita, Manhattan



Request for Proposals

Issue Date: Wednesday, September 14th, 2016

Pre-Submission Conference: Thursday, October 6th, 2016

Proposal Submission Deadline: Wednesday, December 14th, 2016



Mayor, Bill de Blasio
Deputy Mayor, Housing and Economic Development, Alicia Glen
Commissioner, NYC Department of Housing Preservation and Development, Vicki Been

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APPENDICES

- A. HPD Design Guidelines for Multifamily New Construction and Senior Housing
- B. Laying the Groundwork Design Guidelines
- C. 2015 Enterprise Green Communities Criteria Certification Overlay for NYC HPD Projects
- D. HPD-HDC Marketing Guidelines
- E. Equal Opportunity
- F. Proposal Forms - Forms are available for download on the website in Word and Excel formats as part of this RFP.

Form A-1: Completeness Checklist

Form A-2: Applicant's Letter

Form B: Proposal Summary

Form C-1: Development Team Information and Applicant Questionnaire

Form C-2: Not-for-Profit Organization Form

Form D-1: Residential Development Experience and Current Workload

Form D-2: Residential Management Experience and Current Workload

Form D-3: Management Questionnaire

Form E: Assets Statement

Form K: Financing Proposal

*The lettering of Forms corresponds to the Submission Tabs in the Proposal. All Tabs do not require a Form to be filled out (see *Section X.A – Submission Information and Requirements - Proposal Content and Tabbing*).

I. INTRODUCTION

In this Request for Proposals (“RFP”), the City of New York (“City”), through its Department of Housing Preservation and Development (“HPD”), invites developers (“Applicants”) to submit development proposals (“Proposals”) for the design and construction of a high-quality and mixed-use affordable housing development for seniors (“Project”) in the Nolita neighborhood of Lower Manhattan.

The Development Site (“Site”) is owned by the City of New York and consists of Block 493, Lot 30, comprising approximately 20,265 square feet in Community District 2 of Manhattan.

The Project must include affordable housing for seniors that both meets the economic needs of the community and furthers fair housing by promoting economically diverse neighborhoods. The Development must also include quality commercial and/or community facility uses, as well publicly-accessible open space.

City-owned properties provide a crucial opportunity to achieve both broad public policy objectives and neighborhood goals. Because city-owned land is scarce and there are many critical uses to which this land could be devoted, difficult choices are required about how to use this scarce resource. We understand that members of the community surrounding this Site have a variety of views about the best uses for the land, and that the open space provided at the site is enjoyed by many in the neighborhood. Given the critical shortage of affordable housing in the neighborhood, and the hardships that so many of our senior citizens face with the high cost of housing, however, this RFP seeks proposals for affordable housing for our seniors, while also requiring developers to use creative design to ensure that significant open space is maintained on the property for community use.

II. RFP INFORMATION AND TIMELINE

A. Applicant Eligibility

Applicants to this RFP may be either for-profit or non-profit corporations that demonstrate the experience and capacity to implement the proposed Project. Applicants may also be partnerships between for-profit or non-profit entities with community development corporations (CDCs) or community based organizations (CBOs) that enhance the overall community development approach of the Project. In addition, M/WBE developers are strongly encouraged to respond to the RFP.

Applicants are responsible for assembling a development team (“Development Team”) that includes members with expertise in senior affordable housing development and management; mixed-use development; and, commercial development and leasing, if applicable. The Development Team will be responsible for undertaking all aspects of development and finance, design and construction, leasing and property management, and other requirements further described in this RFP.

All Applicants must adhere to the requirements of this RFP. HPD will select an Applicant based on an evaluation of the Threshold Requirements and Competitive Selection Criteria detailed in *Section IX. Developer Selection Process*.

B. Inquiries

All communications and inquiries regarding this RFP should be directed in writing to Evan Easterbrooks-Dick at:

E-mail: MottElizRFP@hpd.nyc.gov

All written questions should be submitted by **November 30th, 2016** to be included in the RFP addendum.

C. Pre-Submission Conference

A pre-submission conference will be held on **Thursday, October 6th, 10:00 AM** at HPD, 100 Gold Street, Room 8F-14, New York, NY 10038. The date, time, and location of this pre-submission conference and any updates and/or additional communications regarding this RFP will also be posted on HPD’s website at the following address: <http://www.nyc.gov/html/hpd/html/developers/rfp.shtml>

HPD strongly recommends that interested Applicants attend this pre-submission conference, as this will be the only opportunity to ask questions and receive answers in person regarding the RFP. Responses to all inquiries will be collectively provided at the pre-submission conference and in an addendum, which will be posted on HPD’s website and e-mailed to all registered prospective Applicants after the pre-submission conference.

People with disabilities requiring special accommodations to attend and/or participate in the pre-submission conference should contact Evan Easterbrooks-Dick at the email address provided above.

D. Time and Place of 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. All submissions become the property of HPD.

Proposals must be delivered by hand no later than 4:00 p.m. on **Wednesday, December 14th, 2016** to:

N.Y.C Department of Housing Preservation and Development
Office of Neighborhood Strategies
Division of Predevelopment Planning
100 Gold Street, 9X Area
New York, NY 10038
Attention: Evan Easterbrooks-Dick
Late submissions will not be accepted.

III. DEFINITIONS

Applicant

An individual, partnership, limited liability company, corporation, joint venture, or other entity that submits a Proposal in response to this RFP.

Area Median Income (AMI)

Area Median Income shall mean the median income levels as modified by household size for the New York metropolitan statistical area as determined by the Department of Housing and Urban Development (HUD.) For 2016, 100% of the AMI is \$90,600 for a family of four in the New York Metropolitan Statistical Area and \$63,500 for an individual person.

DCP

The New York City Department of City Planning.

DOB

The New York City Department of Buildings.

Developer

The entity or entities selected by the City to commence negotiations regarding the development of the Site offered through this RFP. The entity or entities will provide equity, secure financing, assemble a Development Team, design, develop, build, market, and manage the Project.

Development Site

The property being offered for development under this RFP.

Development Team

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

HCR

The New York State Division of Housing and Community Renewal.

HDC

The New York City Housing Development Corporation.

HFA

The New York State Housing Finance Agency.

Negotiation Letter

The written notification sent by HPD to the Developer selected under this RFP regarding the commencement of negotiations.

Principal

An individual, partnership, limited liability company, corporation, or other not-for-profit or for-profit 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 10% ownership interest in the Applicant.

Project

The development of affordable senior housing, ground-floor retail and/or community facility uses, and publicly-accessible open space envisioned for the Development Site.

Proposal

Submission from Development Team in response to this RFP.

Senior Housing

Housing for seniors 62 years of age and older.

Subordinated Debt

The amount equal to the sum of:

1. The difference between the cash portion of the purchase price paid at closing and the appraised value of the Development Site, based on an independent appraisal acceptable to HPD; plus
2. The aggregate amount of any City, State, or Federal construction subsidies for the construction of the units less the amount required to be repaid from proceeds from the sale of the units, if applicable; plus
3. Any additional value as reflected by the difference between the homeownership sales prices and the as-built market value of the Site and improvements, if applicable.

Uniform Land Use Review Procedure (ULURP)

The process, set forth in the City Charter, prescribing 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, Special Permits within the New York City Zoning Resolution requiring approval of the City Planning Commission (CPC), and disposition of City-owned property.

IV. THE SITE

DESCRIPTION AND CONTEXT

A. Site Description

The Development Site is located between Mott and Elizabeth Streets in the Nolita neighborhood of Manhattan Community District 2. It consists of Block 493, Lot 30, and is approximately 20,265 square feet in area. The Site is a through lot that fronts on Mott Street to the west and Elizabeth Street to the east. It occupies the middle portion of the block that extends south from Prince Street to Spring Street. The Site is located within a C6-2 zoning district, where the residential equivalent is R8. The Site is also located within the Special Little Italy District. The Special Little Italy District was established in 1977 with the goals of preserving and strengthening the historical cultural character of the community, preserving the vitality of street life, and permitting rehabilitation and new development consistent with the residential character of existing buildings.

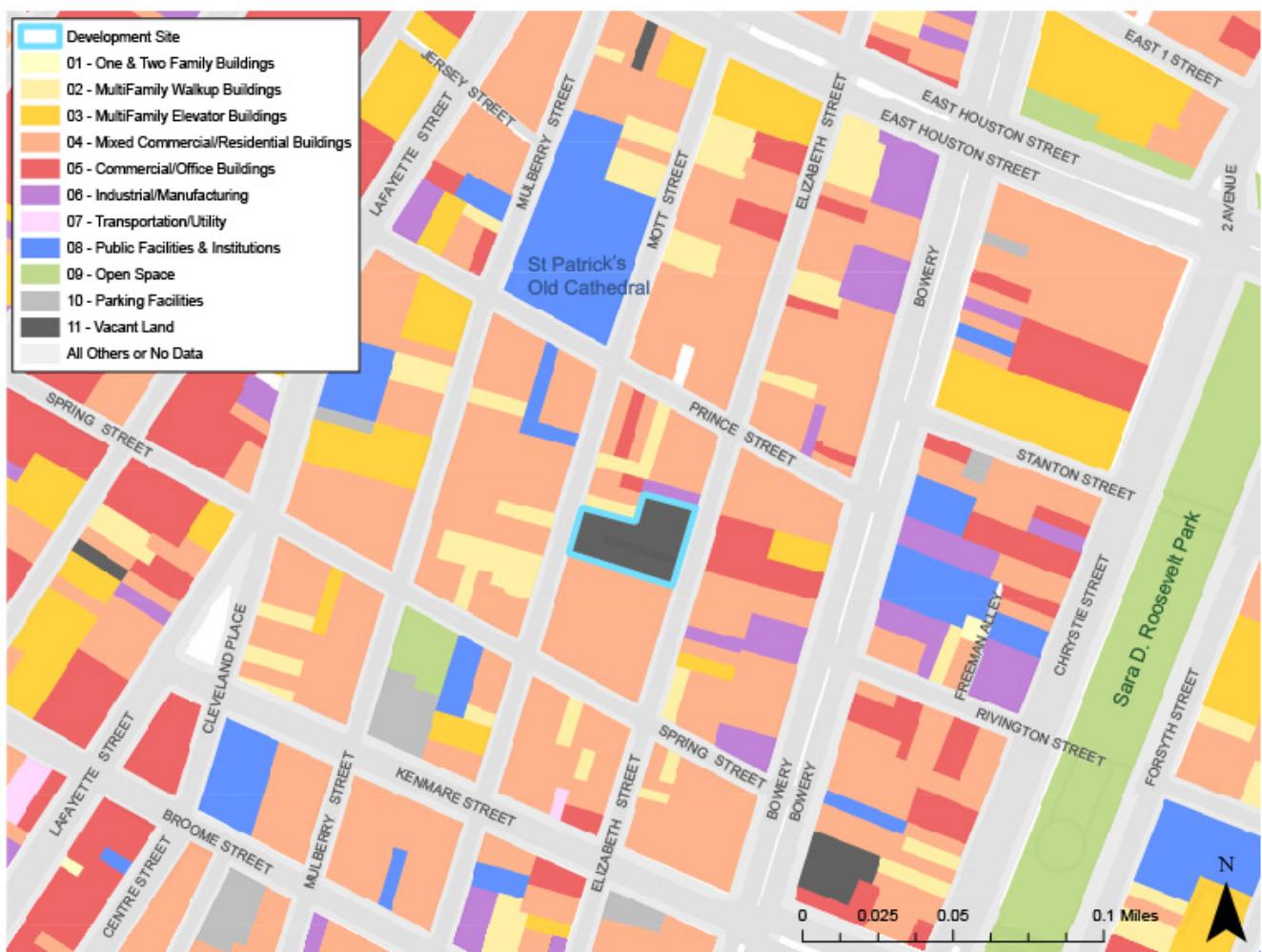




B. Neighborhood and Project Context

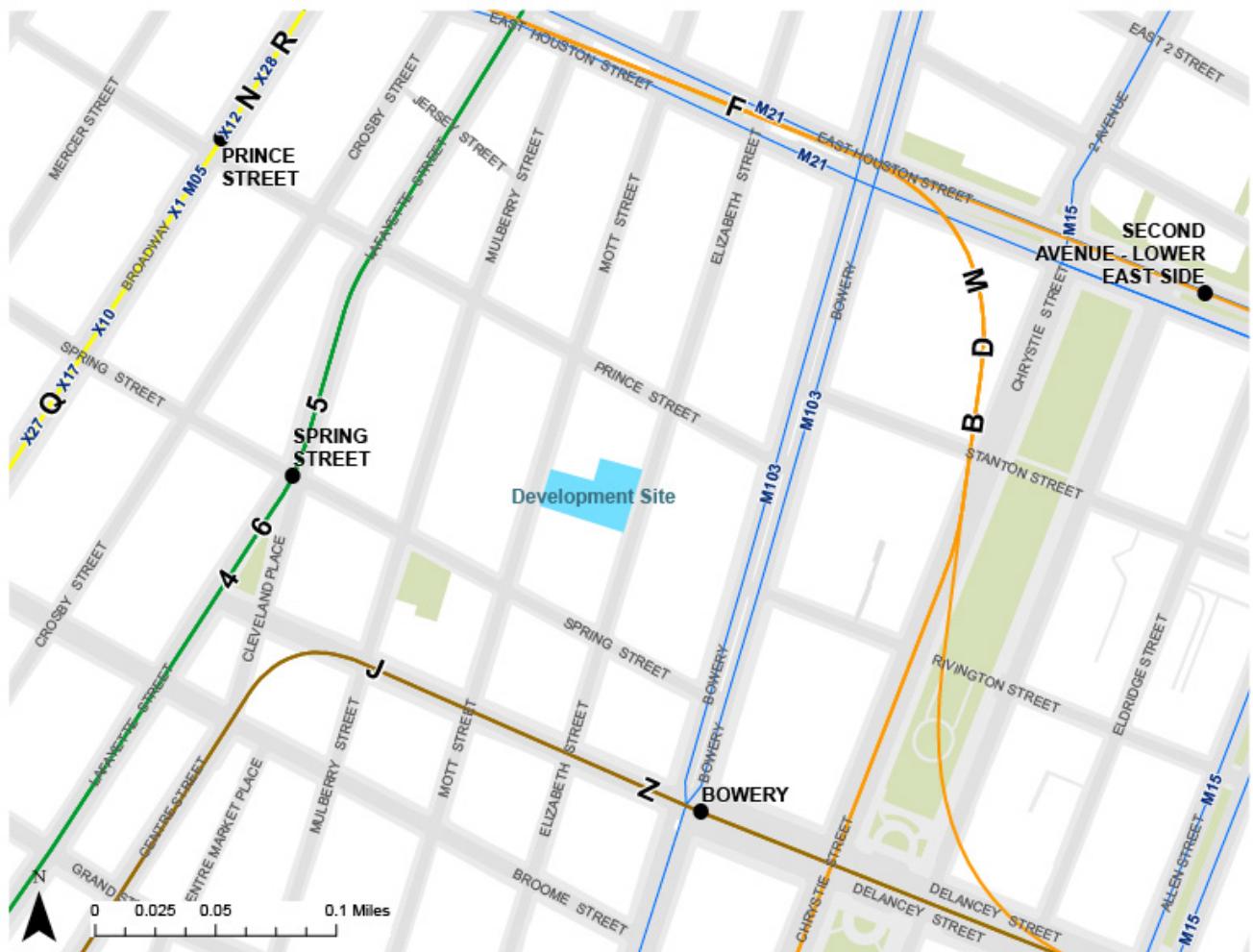
Neighborhood Land Use

The Development Site is located within the Nolita neighborhood of Manhattan, in Community District 2. A typical building in the neighborhood surrounding the Site is a multi-family walk-up apartment with retail on the ground floor. There are many public/cultural institutions and amenities that serve the area, including St. Patrick's Old Cathedral at the corner of Prince and Mott Streets and the New Museum one block to the east on Bowery. Two blocks east of the Development Site is Sara D. Roosevelt Park. Located between Chrystie and Forsyth Streets, this park extends south from Houston Street to Canal Street, and provides a wide variety of recreational activities, gardens and seating areas. The neighborhood is characterized by vibrant streets and extensive retail opportunities, but particularly active are the retail corridors along Broadway to the west, along with Spring Street and Houston Street to the north.



Neighborhood Access

The area is well served by public transportation, including several subway lines. The Spring Street stop on the 6 subway line is three blocks to the west, Bowery Station on the J and Z lines is 2 blocks to the southeast on Delancey Street, and the 2nd Avenue stop on the F line is two blocks to the northeast. A couple of blocks further to the northwest of the Site, the N and R lines stop at Prince Street Station, and the B, D, F and M lines stop at Broadway – Lafayette. The M103 bus line is one block to the east and runs along Bowery.



Neighborhood Demographics

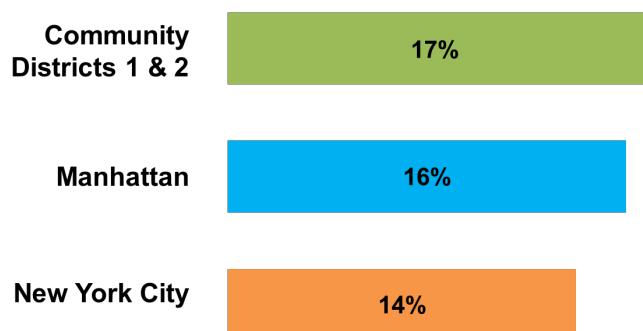
HPD is committed to meet its legal obligations to affirmatively further fair housing throughout New York City neighborhoods. In order to ensure that whatever is built on this site both meets the needs of the community and furthers fair housing objectives, it is important to understand the socioeconomic dynamics of the neighborhood. The neighborhood profile information below highlights the demographic, economic, social and housing characteristics of the community in which the Project is located.

More detailed data can be found through the Department of Health and Mental Hygiene and the Department of City Planning at the following links:

<https://www1.nyc.gov/assets/doh/downloads/pdf/data/2015chp-mn2.pdf>

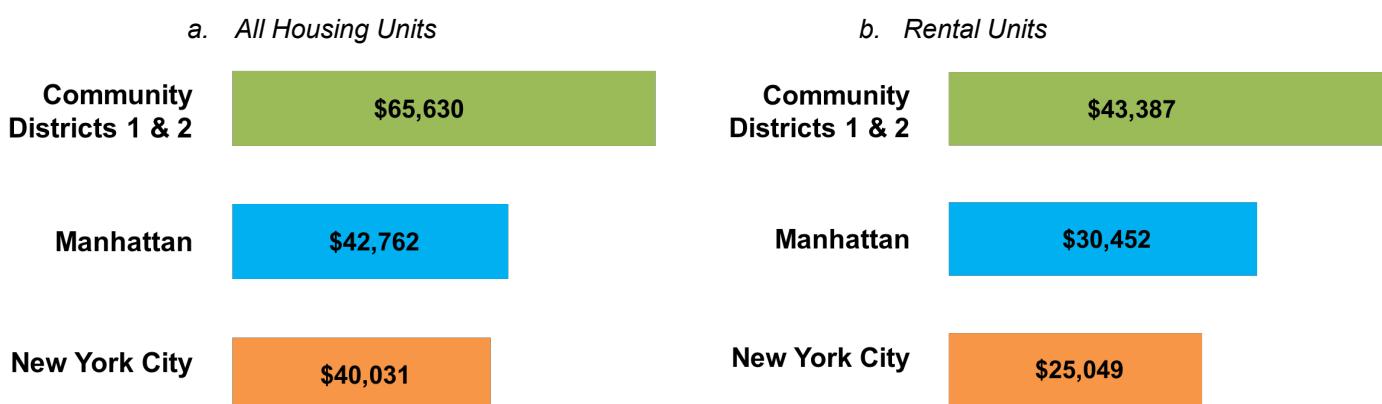
<http://www1.nyc.gov/site/planning/community/community-portal-3.page?cd=mn02>

Percentage of the Population Age 62+



*Based on Sub-Borough Area 301, which approximates NYC Community Districts 1 and 2 but is not coterminous.
Data Source: 2014 NYC Housing and Vacancy Survey

Median Household Income of Households with Seniors



1. Data Source: American Community Survey (ACS) 2010-2014, 5-Year Public Use Microdata Sample (PUMS) Data - Household and Population Data. These estimates are based on survey data and are therefore subject to sampling and non-sampling error.

2. All household incomes are adjusted to reflect 2015 dollars using the native inflation-adjusts variable in ACS and CPI. The variable incorporates an adjustment that annualizes the different rolling reference periods for reported income and an adjustment to inflation-adjust the annualized income to 2014 dollars. The 2014 dollars then are further adjusted to reflect 2015 dollars using CPI (CPI Inflation Factor=2015 dollars/2014 dollars).

3. Records with household income with negative values are excluded.

4. Senior is defined as age 62+.

5. All observations limited to households classified as housing unit.

6. Renter household defined as households rented, or occupied without payment of rent.

7. Owner household defined as households owned with mortgage or loan (include home equity loans), or owned free and clear.

8. ACS is based on 55 Public Use Microdata Areas (PUMAs) that approximate NYC Community Districts but are not coterminous. PUMA 3810 combines Manhattan CD 1 and CD 2.

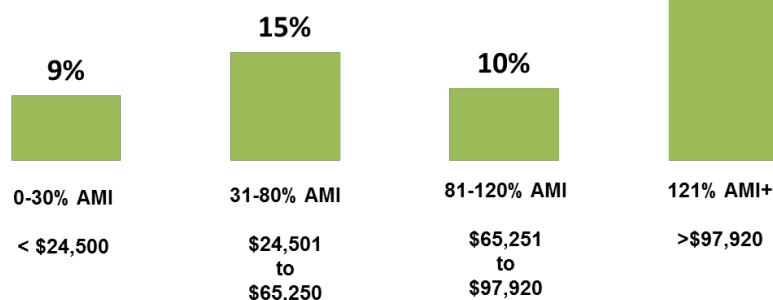
Median Household Income



*Based on Sub-Borough Area 301, which approximates NYC Community Districts 1 and 2 but is not coterminous.
Data Source: 2014 NYC Housing and Vacancy Survey

66%

Renter Household Income by HUD Income Limits

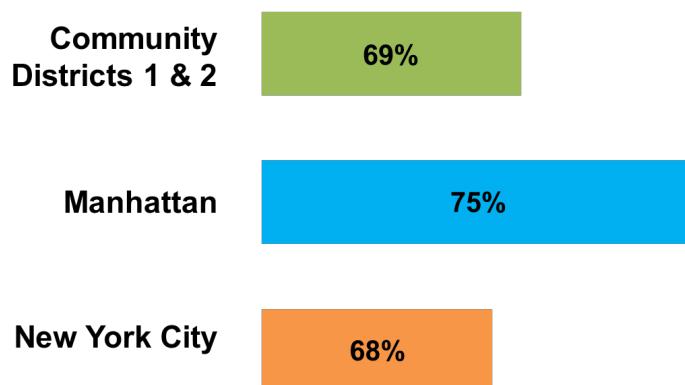


*Based on Sub-Borough Area 301, which approximates NYC Community Districts 1 and 2 but is not coterminous.

*Income levels from 2016 HUD Income Limits

Data Source: 2014 NYC Housing and Vacancy Survey

Percentage of Units that are Renter-Occupied



*Based on Sub-Borough Area 301, which approximates NYC Community Districts 1 and 2 but is not coterminous.
Data Source: 2014 NYC Housing and Vacancy Survey

DEVELOPMENT PROGRAM

GOALS, REQUIREMENTS, GUIDELINES

A. Development Goals

The goal is to develop a mixed-use development for seniors that will expand affordable housing opportunities in the neighborhood, while incorporating significant publicly-accessible open space. To achieve this goal, the submission must include the Requirements outlined in the following section. In addition, Preferences are provided to guide the development program and design, and enhance the quality of RFP Submissions. Proposals that are responsive to these Preferences will be more competitive during the RFP Review stages.

B. Development Program Requirements and Preferences

Residential Component

- Proposals must have affordable housing units for seniors.
- Units must remain in the rent regulation system for the duration of the Project or as required by law, but in no case less than thirty (30) years. Preference will be given to Proposals that include a viable plan to extend affordability beyond the regulatory restriction period. (See *Section X.A. Tab K*).
- Proposals are encouraged to include creative financing scenarios that may include competitive financing sources, such as HCR or HPD 9% Low-Income Housing Tax Credits. Applicants must demonstrate experience in securing competitive financing sources.
- Applicants are prohibited from submitting proposals that assume Project-Based Section 8 Vouchers.
- Proposals must explain how the Project affirmatively furthers fair housing. See http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promoting_fair_housing

Commercial and Community Facility Space, if applicable

- The Project should include ground-floor retail or a mix of retail and community facility uses. Active and vibrant uses are encouraged, and partnerships with local institutions and organizations are welcomed.
- Proposals should use income from ground-floor retail to cross-subsidize affordable housing units and generate deeper affordability levels for the residential portion of the Project.
- Proposals must include a detailed commercial and/or community facility plan that includes a business attraction and retention strategy and a management/operations plan. This plan must discuss the how the proposed retail will cross-subsidize the residential portion of the project and how the ground-floor uses benefit the surrounding community. See *Section X.A. Tab M* for submission requirements.
- Applicants must demonstrate experience in managing retail spaces in mixed-use developments.

- The Developer must finish the space to a level approved by HPD, which will be specified in negotiations between HPD and the Developer.
- The Development Team may propose a partnership with a party responsible for the leasing and management of retail space. The costs and sources to support such an arrangement should be detailed in the Proposal.

Open Space

Currently, the Site is partly operated as a garden space that displays a number of statues provided by an adjacent property owner. HPD recognizes that the space has become an important neighborhood amenity, as community members have come to value the lawns, trees and gardens as beautiful open space. Proposals must incorporate, at a minimum, 5,000 square feet of high-quality, publicly-accessible open space into the Project. Preference will be given to Proposals that maximize the amount of public open space without losing affordable housing units for seniors. This public open space should, to the greatest extent possible, re-create current features such as lawns, trees, walks, and planting and seating areas with a variety of sun and shade conditions, and also to provide for continuation of current educational and recreational programs and events. Preference will be given to creative and thoughtful designs that provide a significant amenity to the surrounding community.

C. Architectural and Site Design

The architectural and urban designs should be exemplary in aesthetic quality, and incorporate environmental and healthy living design features. Preference will be given to Proposals that demonstrate the capacity of designs to reduce water and energy consumption, create possibilities for green infrastructure to manage storm water and heat island impacts, enhance the overall pedestrian and urban experience, increase safety, strengthen neighborhood residential and commercial corridors, and enhance the overall architectural and urban design context of the neighborhood. In addition, Proposals should incorporate active and universal designs aimed at increasing community health, accessibility, and well-being of residents.

Design Requirements

Senior Housing Design Guidelines

Proposals must include design features that serve the needs of the senior population that will be living in the Development. This includes the following design elements:

- Handrails throughout the corridors;
- Emergency pull-cords in bathrooms;
- All bathroom grab bars in-place in units; and
- All apartments designed in accordance with Uniform Federal Accessibility Standards (UFAS).

Additional guidance related to design for seniors can be found in the HPD Design Guidelines for Multifamily New Construction and Senior Housing:

<http://www1.nyc.gov/assets/hpd/downloads/pdf/HPD-Design-Guidelines.pdf>

Enterprise Green Communities

The goal of green building is to reduce the negative impact buildings have on the health of the environment. Proposals must achieve Certification through Enterprise Green Communities Criteria, which is a comprehensive green building framework for affordable housing that provides cost-effective standards for creating healthy and energy-efficient homes. Enterprise Green Communities offers an online certification process for affordable housing developments built using these criteria. All new construction and substantial rehabilitation projects receiving funding from HPD are required to comply with the 2015 New York City Overlay of the Enterprise Green Communities Criteria. The Overlay can be found in *Appendix C*. Detailed instructions on using the HPD Overlay can be found at:

<http://www1.nyc.gov/site/hpd/developers/green-building.page>

In addition to the documentation requirements of the Green Communities Program, the designated Developer may be required, upon HPD's request, to periodically provide budgets that identify project costs specifically related to green design, energy efficiency measures and building operations.

Laying the Groundwork Guidelines

Laying the Groundwork is a set of guidelines for designing efficient, flexible ground-floor space for retail and other ground-floor uses in mixed-use affordable housing developments. The goal of the guidelines is to provide practical recommendations for building ground-floor space that is functional for retailers and community and cultural organizations while able to meet and evolve with community needs. All proposals for this RFP must comply with the critical success factors in the Laying the Groundwork guidelines. Compliance with other aspects of the Guidelines is encouraged. The guidelines can be found in *Appendix F*.

HPD, NYC and Federal Code and Guidelines

The following are required in the design of all Proposals in connection with this RFP. Current, most up to date approved guidelines, regulations, and codes shall apply.

NYC and Federal Requirements

- New York City Zoning Resolution
- New York City Construction Codes
- Multiple Dwelling Law
- Fair Housing Act
- Section 504 of the Rehabilitation Act of 1973 and Accessibility Requirements
- Americans for Disability Act, as applicable

HPD Requirements

- HPD Design Guidelines for Multifamily New Construction and Senior Housing,
<http://www1.nyc.gov/assets/hpd/downloads/pdf/HPD-Design-Guidelines.pdf>
- Enterprise Green Communities Criteria Certification Overlay for NYC HPD Projects,
<http://www1.nyc.gov/site/hpd/Sponsors/green-building.page>

- The 'Critical Success Factors' enumerated in *Laying the Groundwork: Design Guidelines and Other Ground-Floor Uses in Affordable Housing Developments*,
<http://www1.nyc.gov/site/hpd/Sponsors/laying-the-groundwork.page>

Design Preferences

Preference will be given to Proposals that include elements provided in the following design guidelines and resources.

- Active Design Guidelines, <http://centerforactive-design.org/guidelines/>
 - Supplement: Affordable Designs for Affordable Housing
 - Supplement: Promoting Safety
 - Supplement: Shaping the Sidewalk Experience
- Universal Design,
<http://www.nyc.gov/html/ddc/downloads/pdf/udny/udny2.pdf>
- Sustainable Urban Site Design,
<http://www1.nyc.gov/assets/ddc/downloads/Sustainable/sustainable-urban-site-design-manual.pdf>
- NYC Department of Design and Construction Resources,
<http://www1.nyc.gov/site/ddc/resources/publications.page>

V. SCOPE

DEVELOPER OBLIGATIONS

A. Development Team and Project Management

The Developer will be responsible for assembling a Development Team, including, at a minimum, a contractor, architect/planner, marketing agent, managing agent (if applicable). The Development Team will design, construct, and lease the completed units. A consultant will not be considered part of the Development Team.

The Developer is responsible for articulating a clear project management approach to the public/private partnership and the development project with the objective of ensuring transparent information, project governance, smooth negotiations and communications, as well as risk management and quality control. The Developer should discuss any project management systems or tools that will be used, and detail any experience with these methods.

The Developer is responsible for arranging timely commencement and completion of the Project, and will be held accountable for the schedules outlined in the Proposal and agreed upon with HPD. The Developer will be required to submit ongoing status reports regarding Project development, financing, budget, schedule, marketing, leasing, and management.

B. Community Outreach

The Developer will participate in required public forums, hearings, and briefings with the Community Board, elected officials, City agencies, and other organizations, as determined necessary by HPD.

C. Design Requirements and Guidelines

In compliance with the Design Requirements and Guidelines included in this RFP, and within six (6) months of selection, the Developer must complete a set of schematic site plans, floor plans, and elevations that include any modifications to the original plans included in the Proposal in response to this RFP, as agreed upon by HPD and the Developer, and submit them to HPD for review and approval. Prior to disposition, the Developer must submit a complete set of final site plans, floor plans, elevations, samples of exterior building materials, and detailed specifications to HPD for review.

D. Development Program

The Developer is responsible for ensuring that the Development Program Requirements incorporated into the Proposal. To the greatest extent possible, Program Preferences should also be incorporated. (See Section V.B.)

E. Environmental Review

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, including an EAS form, graphics and technical assessments and appendices, as necessary. It is anticipated that HPD will serve as the lead agency for the CEQR review and will oversee the preparation of all CEQR documentation; however, the Developer will be responsible for retaining a reputable environmental consultant, preparing and

submitting all CEQR documents, and funding the cost of the studies and analysis required for completion of CEQR. The CEQR assessment will consider the discretionary ULURP approvals described below. The Developer will be solely responsible for any mitigation measures identified as a result of the CEQR review.

In addition, the Developer will be responsible for preparing associated environmental studies which could include, but are not limited to Phase I and Phase II Environmental Site Assessments (ESA), Phase IA archaeological assessments and noise/acoustical studies. The Developer will be responsible for implementing any remedial measures identified in connection with the redevelopment of the Site as determined by HPD. HPD does not make any representation or warranty whatsoever regarding the condition of the property or the suitability of the property for the uses contemplated by this RFP. The Developer will be solely responsible for providing engineering and institutional controls to allow for the re-use of the Site.

F. Public Land Use Zoning and Approvals

HPD will be the applicant for the Uniform Land Use Review Procedure (ULURP) application, with assistance from the Developer in preparing the supporting documentation for the application. The Project will also require City Council and Mayoral approval. Anticipated land use actions requiring approval under ULURP for development of the Site include the disposition of City-owned property and the designation of the Development Site as an Urban Development Action Area Project.

Applicants should be advised that their development timeline should take into account the period required for the ULURP application to be certified and approved. HPD design approval and ULURP (including certification) may take at least one (1) year from commencement. In addition, the Developer may be required to alter the design Proposal before and during the ULURP process to comply with any request for modifications.

G. Financing

See Section VII: *Financing and Affordability*.

H. Disposition and Disposition Price

Disposition of the Development Site to the Developer will be subject to the following:

- Receipt of all public approvals required for disposition of the Site and development of the proposed Project on such Site, including without limitation, approval by the Mayor.
- Execution and delivery of the documents necessary to complete the disposition process within a time period specified by HPD. These documents include, but are not limited to, a Land Disposition Agreement (“LDA”), as required.
- The Site will be conveyed in accordance with the terms of the LDA to be entered into between the Developer and HPD and will be conveyed in “as-is” condition, including without limitation, all environmental conditions and hazards. The LDA will contain covenants running with the land that require the Developer to develop the Site in accordance with plans and specifications determined and approved by HPD.
- The simultaneous closing of a bona fide construction loan required to finance the full development of the Site.

I. Construction

The Developer is responsible for overseeing the design, bidding, and construction process generally described below:

Bidding and Contracting. The Developer is responsible for managing all phases of the design process to ensure the implementation of integrated design strategies to achieve high performing buildings and sites. The Developer is responsible for ensuring competitive construction pricing and delivery to make certain that the building is deliverable according to the Development Project budget and schedule, which shall be consistent with HPD term sheets and agreements.

The Developer is responsible for procuring and managing the construction of the Project, and ensuring smooth negotiations and contracting with any sub-contractors for the construction and operations of the completed development.

Completion and Close-out. The Developer is responsible for implementing all professional industry standard practices in construction monitoring, construction completion, compiling all warranties and guarantees, any applicable commissioning, and transferring the completed building to property management and maintenance personnel, and coordination with HPD marketing departments as units are completed and ready for leasing or sales.

J. Marketing, Sales/ Leasing

Marketing of the rental and retail units is the sole responsibility of the Development Team. In carrying out these functions, the Developer must comply with HPD and HDC's marketing requirements, which are designed to ensure that the availability of the units is disseminated as widely and fairly as possible. The Development team must also comply with tenant/household preferences included in HPD and HDC's marketing requirements. The rent and/or sales prices of the units projected in the Proposal are to be determined by the Developer in accordance with HPD, as stated in applicable term sheets or otherwise. The marketing of the units will be monitored by HPD staff to ensure compliance with these requirements. The HPD-HDC Marketing Guidelines will be part of the LDA that the Developer will execute. (See *Appendix D*).

The Developer must comply with the applicable term sheet income tiers in connection with developing operating budgets for the Project. The City is committed to widening opportunities for affordable housing for all New Yorkers. Please note that all applicants, regardless of preference, must meet the income, employment, and other eligibility criteria set for each property for which they are applying.

K. Operating Rents – Rent Stabilization

The Developer is responsible for ensuring that initial rents will be established in accordance with the regulatory agreement consistent with the income requirements outlined in this RFP. Prior to initial occupancy all units must be entered into the New York State Rent Stabilization system at rents specified in the regulatory agreement. Units must remain in the system for the duration of the Project or as required by law, but in no case less than thirty (30) years. The Developer may submit a proposal to extend the affordability period for an additional number of years in Tab K – Financing Proposal (See *Section X.A. Tab K*). Preference will be given to Proposals that include an extended affordability period and present a feasible plan.

L. Property Management and Maintenance

The Developer is responsible for providing professional property management services, and having all standard asset management systems in-place to qualify income levels pursuant to funding

requirements, as well as to submit property management data and operating budgets to HPD, upon request.

The Developer is responsible for professional maintenance services, as well as supporting or facilitating resident programming and community rules that promote health, safety, and quality of life at the Project.

M. Local Hiring / HireNYC

Proposals must have a plan for outreach to residents of the Community District within which the proposed project is located related to employment opportunities generated by the proposed project including training programs, job placement activities, Applicants' own staffing practices, and/or Applicants' contracting practices on the proposed project. Proposals will be evaluated on the strength of the plan.

The Developer, General Contractor, and certain Subcontractors will be required to participate in *HireNYC*, a workforce development program which connects the City's real estate development projects to the City's workforce development services. Development partners will be required to enroll with Workforce1 through an on-line system hosted by the Department of Small Business Services, to share job openings in entry-and mid-level construction positions with Workforce 1, and to evaluate candidates that Workforce 1 refers for those openings. For more information about *HireNYC*, go to the following links:

<http://www1.nyc.gov/site/hpd/developers/HireNYC.page>

http://www.nyc.gov/html/sbs/wf1/html/contact/targeted_hiring.shtml

VI. FINANCING AND AFFORDABILITY

GENERAL TERMS

The Site is expected to be conveyed to the selected Developer for a nominal price of \$1.00 per tax lot. In addition, the Developer will deliver an enforcement note and mortgage in the amount equal to the appraised value of the land, which may be payable at maturity. City, State, and/or Federal subsides may be available to enhance housing affordability. Proposals must comply with all the terms of any subsidy programs that are utilized. Applicants are responsible for securing all necessary construction and permanent sources of financing.

A. Financing

It is the responsibility of the Developer to obtain construction and permanent financing from lenders in amounts consistent with the Proposal. Developers may use different lenders for construction and permanent financing. The amount of the Developer's equity will be determined by the lender(s). The Developer will be required to submit a term sheet and letter of intent from a lender indicating willingness to lend an amount for construction financing of the Project within a period of time to be defined in a Negotiation Letter executed upon the selection of the Developer.

Proposals are encouraged to include creative financing scenarios that may include competitive financing sources, such as HCR or HPD 9% Low-Income Housing Tax Credits. However, applicants are prohibited from submitting proposals that assume Project-based Section 8 Vouchers.

Proposals should aim at maximum leverage of private and other public subsidy financing. Proposals will be evaluated based on the leveraging of funding sources and efficiency of proposed financing plans.

The Developer must provide an equity contribution in the form of cash and/or payment of pre-development costs, secure necessary construction and permanent financing, provide guarantees if required, and meet any other terms and conditions as required by HPD, other lenders, and/or investors.

For more information, refer to:

- *Section X.A and Tab L – Financing Letters of Interest* for information on letters of interest from lenders.

B. Transfer Taxes and Disposition Price

The Developer will pay all transfer taxes associated with the conveyance of the Site to the Developer, and all transfer and recording taxes associated with project financing.

Upon conveyance, it is expected that the Developer will pay a nominal disposition price of \$1.00 per lot and will deliver an enforcement note and mortgage in the amount equal to the appraised value of the land, which may be payable at maturity.

C. HPD – HDC Term Sheets

Proposals must comply with the HPD SARA term sheet:

http://www1.nyc.gov/assets/hpd/downloads/pdf/developers/term-sheets/SNH_SARA_Term_Sheet.pdf

Proposals that assume HDC bond financing (and subsidy financing, if applicable) must comply with all terms of the applicable HDC term sheet. Please refer to

<http://www.nychedc.com/pages/Termsheets.html> for further information and program term sheets.

D. Other Funding Programs

Commercial & Retail Incentives

The following retail incentive programs may be available:

- New York City Economic Development Corporation (NYCEDC)'s guide to financing and incentives can be found at:
<http://www.nycedc.com/FinancingIncentives/Pages/FinancingIncentives.aspx>.
- Food Retail Expansion to Support Health (FRESH) Program: promotes the establishment and retention of neighborhood grocery stores in underserved communities by providing zoning and financial incentives to eligible grocery store operators and developers.
- NYC EDC Capital Access Loan Guaranty Program: Provides up to a 40 percent guarantee on loans for qualified NYC micro (under 20 employees) and small (21-100) businesses experiencing difficulty in accessing loans.
- NY Healthy Food & Healthy Communities Fund: A \$30 million statewide program created to provide grants and loans for food markets in underserved communities. Information on this program is available at:
<http://www.liifund.org/products/community-capital/capital-for-healthy-food/new-york-healthy-food-healthy-communities-fund/>
- New Market Tax Credits: The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs).

E. Real Property Taxes and Exemptions

The Development Site will be subject to New York City real property taxes and charges. However, the tax exemptions described below may be available for eligible projects. Specific benefits may vary depending on characteristics of the project. 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 Project's eligibility to receive these benefits.

The Urban Development Action Area Program (“UDAAP”) tax exemption is subject to approval by the City Council. The City Council may grant an exemption from the New York City real property taxes on the buildings/improvements for up to twenty (20) years. If the Council grants the full 20-year exemption, the improvements on the Site would be fully exempt from the New York City real property taxes on the buildings/improvements for the first ten (10) years with a gradual phase-in of full taxes over the remaining ten (10) years (10% per year). The full amount of the New York City real property taxes on the land must be paid each year.

The 420-c tax exemption provides an exemption from New York City real property taxes for up to sixty (60) years for housing financed or previously financed in part with Federal Low Income Housing Tax Credits. In order to be eligible for this tax exemption, at least 70% of the units must be subject to the income and occupancy requirements of Internal Revenue Code Section 42. 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 the provision of low income housing, or a wholly-owned and wholly-controlled subsidiary of such a charitable organization. HPD must approve the regulatory agreement that imposes tax credit restrictions on the project's dwelling units and may also require a payment in lieu of taxes (PILOT.)

The 420-a tax exemption program provides a full exemption from New York City real property taxes for certain property owned by eligible not-for-profit institutions. If the community facility is the only portion of the Project that will receive a 420-a tax exemption, it must be in a separately assessed tax lot from the rest of the Project.

The Article XI tax exemption provides a complete or partial tax exemption from New York City real property taxes for up to 40 years for the new construction or rehabilitation of affordable housing carried out by a Housing Development Fund Company (HDFC). An HDFC is a corporation formed under Article XI of the Private Housing Finance Law to build and operate low-income housing. The formation of each HDFC which is a sponsor of an HPD project is individually approved by HPD.

Please refer to <http://www1.nyc.gov/site/hpd/developers/tax-incentives.page> for further information

F. Resale, Refinancing, and Recapture Restrictions

Residential Rental Component. The portion of the HPD enforcement mortgage attributable to any residential rental component of the Project is subject to repayment from refinancing and resale profits, and is non-evaporating.

Retail/Commercial and Community Facility Components. The portion of the HPD enforcement mortgage attributable to the retail/commercial and community facility components of the Project is repayable from refinancing and resale profits, and is generally non-evaporating and non-extinguishing.

VII. ADDITIONAL REGULATIONS AND REQUIREMENTS

A. Fair Housing Requirements

The Developer is required to comply with all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination.

B. Warranty Coverage

Units must be sold with a warranty that is the same as the housing merchant implied warranty described in Section 777(a) of the New York State General Business Law. The warranty shall be applied to all units, regardless of the number of stories of the building in which they are located, and may not be limited, modified, or excluded by the methods provided for in Section 777(b).

C. Section 3 Clause

The project resulting from this RFP may be subject to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135. If applicable to the project, (i) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of the project must be given to "Section 3 Residents" as such term is defined in 24 CFR 135.5; and (ii) to the greatest extent feasible, contracts for work to be performed in connection with any such project must be awarded to "Section 3 Business Concerns" as such term is defined in 24 CFR part 135.5.

D. HOME funds and Davis-Bacon

Every contract for the construction of housing (rehabilitation of new) that contains 12 or more units assisted with Federal HOME funds will be required to comply with Davis-Bacon and the Contract Work Hours and Safety Standards Acts.

E. Equal Opportunity

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

F. Accessibility

Construction of the project must comply with the accessibility requirements of all applicable laws including, not limited to the New York City Building Code, the Fair Housing Act, the Americans for Disability Act, and Section 504 of the Rehabilitation Act of 1973.

VIII. DEVELOPER SELECTION PROCESS

A. Review

HPD will evaluate each Proposal and each Applicant according to the threshold requirements (“Threshold Requirements”) below, taking into account the information provided in the Proposal, references, and any other available information about the Applicant’s performance. Proposals that are not complete or do not conform to the requirements of this RFP will be eliminated from further consideration, unless HPD permits the Applicant to correct the omission (see subsection B below).

Proposals that meet all Threshold Requirements will be comprehensively evaluated, rated, and ranked according to the competitive selection criteria (“Competitive Selection Criteria”) below. HPD may request additional information, interviews, presentations, or site visits. The selected Applicant will be chosen from among the highest rated and ranked Proposals. HPD 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.

B. Threshold Requirements

Completeness of Proposal

The Applicant must submit a Proposal that contains all documentation required under *Section X. Submission Information and Requirements*. All of the required forms must be fully completed and application requirements met at the time of submission. Upon review, however, HPD, at their discretion, may notify an Applicant that additional information or clarification is necessary.

Comparable Development Experience

The Applicant must have at least one Principal who has had prior development experience, as Principal, by successfully completing new construction of at least one project of comparable size and scope to the one proposed in this RFP. “Comparable Development Experience” is defined as the successful completion of the construction of at least one new construction project of at least seventy (70) senior housing units within the past seven years.

Comparable Management Experience

The Applicant, or the Applicant’s Property Management agent, must have at least one Principal with comparable rental management experience. “Comparable Management Experience” is defined as the successful management of at least seventy (70) residential units in New York City within the past seven (7) years. The Principal must have been the owner and manager, or the owner acting through a management entity, to fulfill this qualification. No changes in managing agent may be made without prior HPD approval.

Current Development Capacity and Development Schedule

Applicants must demonstrate the current capacity to develop, finance, construct, and manage the Project, and pursuant to Obligations of the Selected Developer. (See *Section VI.A*) An Applicant’s current workload and other pending project obligations will be considered in assessing capacity for undertaking the Project proposed by the Applicant within HPD’s proposed timeframe prescribed for the Project.

Applicants must demonstrate a comprehension of the predevelopment, development, construction, and marketing/lease-up phases and requirements of the Project. Schedules should be detailed and

efficient, and demonstrate the capacity to complete the proposed project in timely manner and within the proposed Development Schedule.

Conformance with RFP

Proposed Project must meet all Program Requirements. (See *Section V.B Development Program Requirements and Preferences*).

Ability to Finance

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

Feasibility of Development Proposal

The Applicant must submit a Proposal with a financing plan that is considered feasible and in accordance with HPD financing term sheets and professional industry standards. Proposed total development costs and operating budgets must be within current industry parameters. Proposed income from rents for the residential units, and any additional income from commercial space, or other sources, must be deemed realistic based upon Proposal information and market comparables.

Adverse Findings

An Applicant's Proposal may be rejected at any time during or after the evaluation process if there are any adverse findings regarding the Applicant, any entity or individual associated with the Applicant, or any property owned and/or managed by them. Such adverse findings may include, but are not limited to:

- conviction, administrative violation, judicial or administrative finding, pending judicial or administrative case, or pending litigation for harassment, arson, fraud, bribery, grand larceny, any felony or crime of dishonesty, or noncompliance with fair housing or anti-discrimination laws, any applicable codes or ordinances, labor laws, or construction laws.
- defaults or poor performance under any government-assisted program;
- suspension or debarment by any governmental entity;
- mortgage arrears, default, or foreclosure proceedings;
- tax arrears, tax foreclosure or enforcement proceedings, or sale of tax liens;
- voluntary or involuntary bankruptcy proceeding;
- negative findings by the Department of Investigation;
- non-compliance with Conditions, Terms and Limitations, as stated in the RFP (See *Section XI*); or
- findings regarding Conflicts of Interest, as stated in this RFP. (See *Section XII*).

C. Competitive Selection Criteria

Proposals that satisfy the Threshold Requirements above will be evaluated 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 may request additional information, site visits, interviews, or other presentations by the Development Team.

Development Financing and Affordability

Weight 35%

Financing

Proposals will be evaluated based on the reasonableness of estimated development and operating costs, proposed rents and other income, demonstrated financial condition to complete the Project, the feasibility and terms of the financing sources proposed to finance the Project, and the ability to support operating expenses, capital costs, and debt service. Applicants must include detailed market comparables for all underwritten income assumptions.

Affordability

Proposals will be evaluated on the depth of affordability levels of the residential units in order to meet the economic needs of the target households of the community, and to further fair housing objectives in the neighborhood, based on household Area Median Income (AMI). Proposals must meet the requirements of HPD's SARA term sheet. Proposals will be evaluated on the soundness of the underwriting to achieve long-term affordability beyond the standard regulatory agreement period regarding affordable rent restrictions. Preference will be given to Proposals with a feasible plan for targeting low-income and very low-income households. Preference will be given to proposals that effectively use rental income from ground floor retail uses to subsidize residential units at deeper levels of affordability, as well as financial plans that effectively leverage other public and private funding resources

Program

Weight: 15%

Proposals will be evaluated based on the quality of the overall development program to meet community needs. Proposals will also be evaluated on unit types, as well as amenity spaces and services to meet the needs of the target households. Proposals must include at least 5,000 square feet of publicly-accessible open space, and preference will be given to creative and thoughtful design and programming. Commercial and Community Facilities Plan will be evaluated based on the soundness of tenancy, tenant mix, marketing, management, and lease terms to secure tenancy. Plans should strengthen and preserve commercial corridors and meet community needs (see Section X.A.-Tab M).

Development and Property Management Experience and Capacity

Weight: 20%

Based on the Threshold Requirements, Applicants will be further evaluated and ranked. Previous development and property management experience will be evaluated as it reflects the Applicant's demonstrated ability to successfully carry out a quality project of this type, size, and complexity in a timely manner. The following Applicant Experience factors that will be evaluated:

Development

- Extent of the Applicant's experience, in terms of number, size, type, and scale of projects completed within the last seven (7) years;
- Extent of the Applicant's experience developing and managing residential space and managing and operating retail and/or community facility space within the last (7) years;
- Extent of the Applicant's experience developing and managing senior housing;
- History of delivering quality projects on time and within budget;
- Experience developing urban projects using public and private financing sources;
- Experience developing mixed-use urban projects;
- Experience in public/private partnerships;
- Project management approach and development capacity;

Design and Construction Management or Oversight

- Quality of design and construction in projects completed or currently being built by the Applicant and/or its Principals;

Marketing, Leasing/Sales and Property Management

- Experience developing and implementing affirmative fair housing marketing plans;
- Marketing Plan will be evaluated based on the demonstrated understanding and soundness of the Plan to affirmatively further fair housing (see *Section X.A. Tab N*);
- Experience operating developments with Commercial and/or Community Facility Uses in comparable markets, if applicable.

Community and Economic Development

- Experience in community and economic development;
- 15% of the criteria points in this category will be awarded to Applicants who demonstrate a plan for outreach to residents of the Community District within which the proposed project is located, related to employment opportunities generated by the proposed project;
- Local Hiring Plans will be evaluated based on outreach and coordination strategies for providing job training, job placement, and other opportunities for residents of the Community District. Said outreach may be demonstrated by activities including, but not limited to, training programs, job placement activities, and connection to HireNYC objectives, as well as Applicants' own staffing practices, and/or Applicants' contracting practices on the proposed project. Applicants will be required to comply with their outreach plans and will be required to regularly report on their outreach activities;
- Proposals will be evaluated based on Applicants' demonstration that their programming (such as training programs or job placement activities), their own staffing practices, or their use of M/WBE firms on the proposed project, will help to increase the participation of racial or ethnic minorities and/or women in the construction or management of the Development.

Architecture and Urban Design

Weight: 30%

Proposals will be evaluated on overall quality of urban design and architecture, as well as the Project's contribution to the neighborhood. Proposals will be evaluated based on two critical criteria: *Building and Site Performance*; and *Architecture and Urban Design*. Preferences will be given to Proposals that exceed Design Requirements and incorporate Design Preferences to create a high-quality Project that contributes to the physical, social, and economic character of the neighborhood. (See Section V).

Building and Site Performance

Designs will be evaluated on distribution of unit sizes, quality of unit layouts, efficiencies of building design and floor plans, to meet the needs of the target tenant population, and consistency with the required HPD Design Guidelines. In addition, designs will be evaluated on the other Design Preferences that have been incorporated into the Project, particularly regarding active design, universal design, and healthy homes.

Architecture and Urban Design

Designs will be evaluated on the approach for creating contextual architecture and urban designs that strengthen or enhance existing neighborhood commercial corridors and/or residential areas. Architectural designs will be evaluated based on set-backs, heights, massing, materials, projections and articulations, scale and other architectural elements that build upon existing neighborhood character. Urban designs will be evaluated on demonstrated strategies that create ground floor spaces, sidewalks, circulation patterns, and shared spaces that enhance access, connectivity, safety, and quality of the pedestrian experience.

Proposals will also be evaluated on the design of the publicly-accessible open space on the Development Site.

D. Selection

Selection of a Developer under this RFP means only that HPD will commence negotiations with such Applicant regarding the proposal for the Development Site.

Negotiation Letter

Upon such selection, HPD will send written notification ("Negotiation Letter" or "Letter") to the Developer regarding the commencement of negotiations. This Negotiation Letter will set forth certain information regarding the Project and procedures that will form the basis for such negotiation.

Form A-2 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 reserves 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 12 or 24 months from the date of the Letter, depending on the site. Failure of the Developer to follow the development schedule may result in the termination of negotiations and the selection of another Developer. The selected Applicant(s) must begin pre-development work within thirty (30) days of the date of the Negotiation Letter.

Disclosure

The Developer who receives a Negotiation Letter from HPD 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 which will be forwarded to the Developer. 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. Any obligation or agreement on the part of HPD may only be incurred after HPD and the Developer enter into a written agreement approved by the Mayor and the Corporation Counsel. HPD may use the Proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as it deems appropriate. HPD 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 Site on terms other than those set forth herein (including to parties other than those responding to this RFP). HPD 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 an individual Development Site or parcels from or to this RFP.

IX. SUBMISSION INFORMATION AND REQUIREMENTS

A. Proposal Content and Tabbing

Each Proposal must contain the forms and supporting documentation described below. Each copy of the Proposal must be tabbed as indicated below. Proposals that are incomplete or not in conformance with the requirements of this RFP will be eliminated from further consideration. All Proposal Forms can be found in *Appendix G*.

TAB A – Completeness Checklist and Applicant’s Letter

Each Applicant must submit a **Completeness Checklist** (Form A-1) and **Applicant’s Letter** (Form A-2). The letter must be printed on the Applicant’s letterhead and signed by an authorized representative of the Applicant.

TAB B – Proposal Summary and Project Narrative

Applicants must complete the **Proposal Summary** (Form B). The Proposal Summary must be consistent with the entire Proposal (e.g. Financing Proposal and Design Narrative).

In addition, Applicants must include a narrative of one or more pages that describes the Proposal. The narrative must include, at a minimum, the size of the Project, proposed uses (residential, commercial, parking, open space), a breakdown of all residential units by number, type and affordability, the income and rent levels contemplated, 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 **Development Team Information and Applicant Questionnaire** (Forms C-1). Applicants that include a non-profit organization as a member of the Development Team must also complete the non-profit section of the Applicant Description (Form C-2).

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

Applicants must include a chart or diagram explaining the intended form and structure of any proposed partnership or joint venture. The structure and percentages of ownership and investment must be included.

Applicants must provide resumes of Principals and key staff for daily project management on the Development Team. Applicants are encouraged to provide communications and marketing materials for the firm and project portfolio, and provide a staffing and governance plan indicating which Principals, partners, and staff members would have primary roles and responsibilities for decision-making and daily project management roles for implementing the Project. Organizational charts, schedules, and project budgets should demonstrate the project management approach and capacity to manage complex development projects within a public/private partnership.

TAB D – Development Experience, Management Experience and Current Workload

Each Principal of the Applicant must complete Forms D-1 through D-3. If an individual has no experience, this shall be indicated by including a form marked “None”. Forms D-1 and D-2 should be submitted as Excel files in original formatting on the flash drive.

A separate form shall be provided for each Principal with residential management experience. Care should be taken to provide accurate information about references. In addition, a separate form shall be provided for a Principal or managing agent proposed to manage the Development.

TAB E – Assets Statement

Each Principal of the Applicant must submit audited or reviewed financial statements describing in detail the Principal’s financial status in the two (2) most recent fiscal years preceding the deadline for the submission of Proposals in response to this RFP. Publicly-owned companies must submit the latest annual report and Form 10K as well as any Form 10Q submitted after such Form 10K. As an alternative, the **Assets Statement** in Form E may be used.

TAB F – Development Schedule

Applicants must provide a development schedule and phasing plan (if applicable), including benchmarks for commencement and completion of design and construction drawings, New York City Department of Buildings plan approval, site due diligence and preparation, bidding, financing, construction commencement and completion, marketing and lease-up, and occupancy of the Project. In order to complete the timeline, assume at least one (1) year for HPD approvals for pre-development work and ULURP certification.

TAB G – Design Team Experience & Narrative

Applicants must submit design team’s resume, focused on projects in the last ten (10) years, and qualifications detailing applicable residential and mixed-use development experience.

Applicants must provide a detailed narrative description outlining the proposed architectural and design concept for achieving the vision and goals outlined in this RFP. The design description should include unique elements and strategies for addressing key contextual characteristics of the Site and neighborhood, as well as construction methodologies that make the design, construction and operation of the building more durable, sustainable, and cost efficient.

There should be an additional detailed narrative describing the design of the public open space on the Site. This narrative should outline creative and efficient solutions to the design challenges of incorporating public open space. The narrative should also discuss how the design incorporates features of the garden space currently operating on the Development Site, such as lawns, trees, walks, planting and seating areas with a variety of sun and shade conditions, and educational and recreational programs and events.

Finally, the design narrative is intended to highlight elements of the photos, plans, elevations and renderings, infrastructure and construction, and zoning analysis as part of the Architectural Submission (See *Tab H*).

TAB H – Architectural Submission

All plans must be prepared by a Registered Architect or Professional Engineer. All materials must be on paper size of 11" by 17" or smaller and must be easily reproducible. The following must be included:

Photographs and Area Plan

- Photos: images of the Development Site and the Development Site's relation to surrounding buildings, streets, sidewalks, 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. Applicants are encouraged to submit photos of other neighborhood and community characteristics and conditions that informed the designs.
- 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.
- When discussed in the design narrative (Tab G), this section should highlight the neighborhood character and site conditions that provided direction for design solutions, as well as socio-economic and cultural characteristics and history that informed the design approach.

Site Plan

- Site plan indicating all components of the Project and other development within one block of the Development Site.
- Circulation and open space plan with walkways, sidewalks, garage and parking areas, building entrance/egress points, streetscape improvements, landscapes, outdoor furniture, and plant materials, fences, gates, lighting, easements, and encroachments, with dimensions.
- Layout and programming of public open space, including access points.
- Site plans are to be dimensioned, clearly illustrated, and include setbacks, encroachments, easements, and other relevant site plan conditions and features.
- Plans should include a North arrow, actual scale and graphic scale.
- The design narrative (Tab G) should discuss each of these elements, as well as the programming of open space, connections to neighborhood resources and transportation systems, and unique urban design elements.

Elevations and Renderings

- Elevations: Dimensioned (at the same scale as floor plans) and clearly illustrated elevations of all building facades. Finishes, construction materials, ceiling heights, and floor elevations (level) must be shown and labeled on drawings.
- Renderings: Applicants are encouraged to submit architectural renderings to provide a better understanding of the development concept. Perspective drawings/renderings are optional, and do not replace the submission of required elevations. (Physical models will not be accepted).
- The design narrative (Tab G) should discuss each of these elements, as well as how these design elements relate to the contextual architecture and urban design of the neighborhood, the unique character of materials that provide durability and aesthetic quality, and how the fenestration provides quality light and air, as well as addresses solar gain.

Floor Plans / Unit Plans

- Floor Plans: dimensioned (at the same scale as the elevations) and clearly illustrated typical floor plans. Include floor plans of floors with building amenities and shared spaces. Floors plans and narrative description should indicate unit distribution throughout building.
- Unit Plans: A unit plans for each unit is not required. However, submissions must include dimensioned plans of typical units illustrating total square footage, circulation, bedrooms, living room, dining, kitchen, closets, bathroom(s), and other standard or unique unit features.
- Unit plans must be 1/8"=1'0". Unit and bedroom dimensions should be as illustrated in the HPD Design Guidelines for Multifamily New Construction and Senior Housing.
- Active and Universal Design: Plans should illustrate any active and universal design features.
- The design narrative (Tab G) should discuss each of these elements, as well as the following:
 - Total project square footage, location, and uses. Detail by gross, and net rentable/ saleable, including basements, circulation, mechanical rooms, storage areas.
 - How the typical unit plan accommodates the needs of the target market.
 - How the typical floor plan maximizes efficiencies and creates safe, high quality circulation patterns.

Infrastructure and Construction

- Infrastructure Plan: Dimensioned plan of relevant and known infrastructure features, including, but not limited to easements, encroachments, public utilities, and other conditions that influence the site planning, development, and construction of the Site.
- Green Infrastructure: Dimensioned drawings of sustainable site design features and green infrastructure to manage storm water or other environmental conditions.
- The design narrative (Tab G) should discuss each of these elements, as well as, if applicable, a general discussion of the rationale for the proposed phasing of the development and how this phasing plan is impacted by the requirements for providing infrastructure and other public improvements.

Zoning and Site Due Diligence

- Zoning: Zoning map for the Development Site, and a detailed zoning computation and analysis to demonstrate compliance with, or variance(s) from, existing zoning.
- Building: Building Code analysis and information indicating occupancy group and construction classification.
- FAR: Square footage analysis with detail breakdown of residential, commercial/ community facility, parking, open space, and other components of the development program.
- Building Envelope: mass, height, set-back and other building envelope analyses.
- The design narrative (Tab G) should discuss each of these elements, as well as a planning analysis and site capacity study describing compliance with, or variance from applicable zoning and other legal requirements, as well as any known environmental concerns and how the Applicant intends to address them.

TAB I – Sustainability and Resiliency

Applicants should provide a concise narrative describing sustainability and resiliency elements included in their proposal, as well as address any unique design and construction features that involve resiliency concerns for site and building operations. Applicants should also complete and include the 2015 Enterprise Green Communities Criteria Certification Overlay for NYC HPD Projects (found in Appendix C) in this tab.

TAB J – Environmental Proposal

Applicants must submit a proposal for environmental testing and/or remediation, if applicable. The Developer should select a reputable environmental planning consultant with experience in the preparation of CEQR documents.

TAB K – Financing Proposal

Applicants must submit a completed **Financing Proposal** (Form K) in both hard copy and Excel format. Electronic copies of the forms can be downloaded from the HPD website. If portions of the Project are separately financed, the Applicant should provide separate proposals for each portion.

All proposals must reflect the rent price affordability calculations (based on AMIs), and utility allowances described in Form K. In addition to the minimum affordability requirements described throughout this RFP, any subsidy programs that are utilized will determine additional, if any, required affordability levels.

An estimate of the square footage construction costs using both net and gross square footage must be provided along with the Project budget.

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

In addition to Form K, a narrative description that clearly explains the financing structure of the Project should be included. The narrative must explicitly identify proposed subsidy/financing programs. Proposals are encouraged to include creative financing scenarios that may include competitive financing sources, such as HCR or HPD 9% Low-Income Housing Tax Credits. Applicants must demonstrate experience in securing competitive financing sources.

Units must remain in the rent regulation system for the duration of the Project, but in no case less than thirty (30) years. The Developer may submit a proposal to extend the affordability period for an additional number of years in this Tab. Preference will be given to Proposals with a feasible plan for long-term affordability beyond the regulatory period.

Market comparables, in the form of detailed rental listings of at least three properties/projects within less than a mile of the Site and with similar operations, must be provided. Applicants must provide detailed market comparable for all underwritten income assumptions.

The plans and costs for ongoing maintenance of open space(s) must be included in the narrative and budget.

TAB L – Financing Letters of Interest

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. Applicants may use different private lenders for construction and permanent financing. 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. 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, operating income/expenses, and associated residential rent levels; and
- The interest rate (fixed or variable), the equity requirement, applicable fees, 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, operating income/expenses, and associated residential rent levels; and
- The interest rate (fixed or variable), the equity requirement, applicable fees, and other terms under which the lender would provide permanent financing; 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.

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 and must include underlying credit terms including, as applicable, the amount of the proposed letter of credit, the terms of agreement, applicable fees and any other conditions.

If the use of public funds from sources other than 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.

TAB M – Commercial/Retail and, if applicable, Community Facility Plan & Experience

Proposals must provide a Plan for Commercial use and Community Facility use, if applicable. Site planning, building arrangement, building systems, interior layouts, building materials, amenities, core and shell improvements, tenant improvements, and streetscape treatment will be considered. All Proposals must include a narrative that describes, at a minimum, the business attraction and retention strategy and the management/operations plan. The Plan must specify use and services to be provided, staffing and/or partners who will provide the services, operating budget and funding sources.

A letter or letters of interest from prospective Commercial or Community Facility tenants must be provided. Agreements with community service providers, if applicable, are encouraged. If private financing is proposed, a letter or letters of interest from a private lender or lenders must be included. Developers should also describe their prior experience operating projects with Commercial or Community Facility Uses in comparable markets. Identify the neighborhoods, square footage, and key highlights of the tenant mix.

Market comparables, in the form of detailed rental listings of at least three retail spaces within less than a mile of the Site or a comparable retail location with similar retailer types, must be provided. If the Proposal includes a retailer not currently found in the area, provide estimated rents that can be feasibly achieved at the Site.

TAB N – Marketing Plan

Applicants must provide an affirmative marketing plan for the lease-up and/or sales of all affordable housing units. The marketing plan should include information about the anticipated target markets of the Project; pricing structures and amenities; community outreach strategy; and other relevant information. The strength of the marketing plan to affirmatively further fair housing will be evaluated. See http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh for more information. The marketing plan must comply with the HPD-HDC Marketing Guidelines (*Appendix D*).

TAB O – Local Hiring / *HireNYC*

Applicants must demonstrate a plan for outreach to residents of the Community District within which the proposed project is located related to employment opportunities generated by the proposed project. Said outreach may be demonstrated by activities including, but not limited to, training programs, job placement activities and connection to *HireNYC* objectives, as well as Applicants' own staffing practices, and/or Applicants' contracting practices on the proposed project. Applicants will be required to comply with their outreach plans and will be required to regularly report on their outreach activities.

Tab P – Minority and Women Business Enterprise (M/WBE)

Applicants are encouraged to submit a narrative that demonstrates that their programming (such as training programs or job placement activities), their own staffing practices, or their use of M/WBE firms on the proposed project, will help to increase the participation of racial or ethnic minorities and/or women in the construction or management of the Development.

Tab Q – Trade Secrets

All proposals and other materials submitted to HPD in response to this RFP may be disclosed in accordance with the standards specified in the Freedom of Information Law, Article 6 of the Public Officers Law (FOIL). The entity submitting a Proposal may provide in writing, at the time of submission, in Tab O, a detailed description of the specific information contained in its submission, which it has determined is a trade secret and which, if disclosed, would substantially harm such entity's competitive position. This characterization shall not be determinative, but will be considered by HPD when evaluating the applicability of any exemptions in response to a FOIL request.

B. Proposal Format

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.

Each Proposal must be tabbed as indicated below in *Section A. Proposal Content and Tabbing*. The tabs should run down the right hand side of the bound Proposal document.

All forms associated with the Proposal must follow the format included in this RFP. All Forms included in *Appendix G (Proposal Forms)* will be made available for download on the HPD website. Forms D-1, D-2 and Form K (Financing Proposal) must be submitted as Excel files and in original formatting on the flash drive.

Please keep all aspects of your proposal confidential to your team while the review process is occurring.

C. Proposal Modifications

An Applicant may submit a complete modified Proposal to replace all or any sections of a previously submitted Proposal up until the submission deadline of December 14th, 2016. 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 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 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, in its 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.

D. RFP Addenda

HPD reserves 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. HPD will advise each Applicant of any clarifications or revisions.

If, in HPD's judgment, additional time is required for Applicants to prepare their Proposals, HPD reserves the right to grant an extension of the deadline for submission of a Proposal, and such extension will then be granted to all Applicants.

E. References and Requests for Further Information

Submission of a Proposal shall constitute permission from the Applicant for HPD to make such inquiries concerning the Applicant as HPD deems necessary. HPD reserves the right to communicate with any of the Applicants, but HPD is not obligated to do so. HPD may discuss the Proposals of any Applicants concurrently or sequentially, as HPD may determine. No Applicant has any rights against 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 HPD, appear for presentations or discussions. If any Applicant fails to do so within the time period given (or within any

time extension that HPD may grant), HPD may deem this as a failure and act of non-compliance with the RFP, which will permit 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 may be 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 or pending 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.

X. CONDITIONS, TERMS, AND LIMITATIONS

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

The Site is to be disposed of in its “as is” condition. The City, its officers, agents and employees make no representation whatsoever as to the physical condition of the Site or its suitability for any specific use.

The Site shall be subject to New York City real property taxes and charges. Tax benefits may be available under the UDAAP, 420-c, 420-a, and/or Article XI tax exemption programs.

The proposed Project shall conform to, and be subject to, the provisions of the New York City Zoning Resolution, Building Code, 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 prior to commencing work.

The commencement 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 the subsequent approval of the Mayor.

The City will convey the Site pursuant and subject to the provisions of the LDA. HPD will recommend to the Mayor the acquisition price as stated. Where required, all documentation, including but not limited to the deed and LDA, shall be in form and substance satisfactory to the Mayor and Corporation Counsel. The conveyance will be subject to satisfaction of the applicable provisions of the City Charter and Article 16 of the New York State General Municipal Law.

No transaction will be consummated if any Principal of any selected Developer is in arrears, or in default upon any debt, lease, contract, or obligation to the City of New York, including without limitation, real estate taxes and any other municipal liens or charges. The City reserves the right not to review any Proposal by any such Applicant.

The Developer and any contractor it retains must pass a City background check before closing. No commission for brokerage or any other fee or compensation shall be due or payable by the City, and the submission of a Proposal will constitute the Applicant undertaking to indemnify and hold the City 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 designation of a Developer pursuant to this RFP, or the sale of the Site.

The City is not obligated to pay, nor shall in fact pay, any costs or losses incurred by any Applicant at any time, including the cost of responding to the RFP.

The selection of an Applicant will mean only that HPD may commence negotiations with that Applicant regarding the development of the Development Site. HPD will send the Negotiation Letter to the selected Applicant. The selected Applicant must begin pre-development work within thirty (30) days of the date of the Negotiation Letter. The selected Applicant will be expected to start construction on the date specified in their Development Schedule; however, the Applicant must expect to commence construction no later than twelve (12) months from the date of the Negotiation Letter.

This RFP does not represent any obligation or agreement whatsoever on the part of the City. Any obligation or agreement on the part of the City may only be incurred after the City enters into a written agreement approved by the Mayor and Corporation Counsel. The City is under no legal obligation to convey the Development Site offered through this RFP through a competitive process. The City reserves the right to use the Proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as the City

deems appropriate. HPD 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 Site on terms other than those set forth herein (including to parties other than those responding to this RFP). HPD 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 the Site or portions of the Site from or add individual parcels 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 the City Council, Mayor, and Corporation Counsel, and until the deed, LDA and all related documents are fully executed and approved. The terms of the deed and LDA after execution, shall govern the relationship between the City and the Developer. In the event of any variance between the terms of this RFP and the deed or the LDA, the terms of the deed and/or LDA will govern.

All determinations as to the completeness or compliance of any Proposals, or as to the eligibility or qualification of any Applicant, will be within the sole discretion of the City.

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.

XI. CONFLICTS OF INTEREST

Current and former employees of the City of New York may respond to this RFP only in accordance with Chapter 68 of the New York City Charter governing ethics and conflicts of interest affecting City personnel. Section 2604(c)(7) of the City Charter contains specific prohibitions that exclude enumerated groups of employees from participating in the sales process. In addition, current HPD 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 purchase of City-owned property may be requested from the New York City Conflicts of Interest 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 considerations. 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 are also advised that the City Charter imposes certain restrictions on post-employment and business relationships with the City. Such individuals should consult the specific provisions on this issue contained in the City Charter.