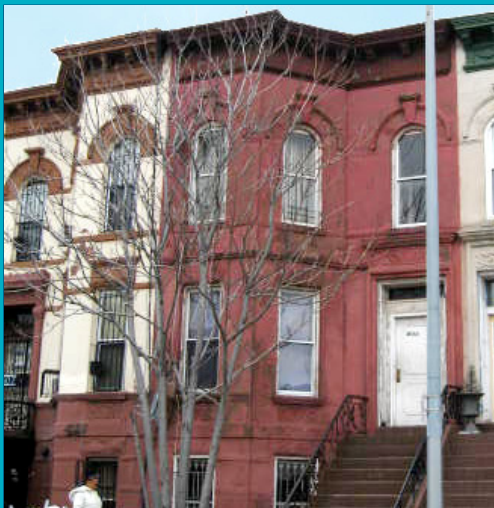


THIRD PARTY TRANSFER PROGRAM



REQUEST FOR QUALIFICATIONS ROUND VIII & IX



Issue Date: Monday
September 13, 2010

**Pre-Submission
Conference:** Tuesday
September 21, 2010
10AM – 12PM

Location: 100 Gold Street
Room 8-P6
New York, NY 10038



**Due Date for
Round VIII & IX
Eligibility:** Friday
October 15, 2010
5PM

NYC Department of
Housing Preservation
& Development

MICHAEL R. BLOOMBERG, *Mayor*
RAFAEL E. CESTERO, *Commissioner*

**THIRD PARTY TRANSFER PROGRAM / SPECIAL PROJECTS – CITY OWNED BUILDING
DISPOSITION**

REQUEST FOR QUALIFICATIONS

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**THIRD PARTY TRANSFER PROGRAM /
SPECIAL PROJECTS – CITY-OWNED BUILDING DISPOSITION**

REQUEST FOR QUALIFICATIONS

I. INTRODUCTION

Third Party Transfer Program (“TPT”)

The City of New York (“City”) enacted legislation (“Local Law 37”) to improve real property tax collection while more effectively preserving and maintaining the City’s residential housing stock. The legislation allows the City, pursuant to a judgment of foreclosure by the court, to transfer title of tax delinquent residential properties directly from the delinquent owners to responsible new owners without the City ever taking title itself. The City mandates that these new owners will remove housing code violations and rehabilitate the properties soon after transfer. As a result, the Third Party Transfer will ensure that such properties do not deteriorate further and that they will be substantially improved under new responsible ownership. The effort, therefore, will preserve and expand the City’s stock of decent and affordable housing, forestall abandonment and stabilize neighborhoods

Tax foreclosures will result in Third Party Transfers only when the owner of a residential property fails to pay real property taxes and other municipal charges within the time allotted under Local Law 37. The Third Party Transfer will extinguish most existing liens and encumbrances on the property, including, but not limited to, all prior mortgages and mechanics’ liens and City liens for real property taxes, water and sewer charges, and emergency repairs (although existing federal liens would remain in place). As a result, most properties conveyed through Third Party Transfers will be free and clear of all liens and encumbrances.

The City is in the process of requesting *in rem* foreclosure judgments in Queens (Queens Action No. 54), (Queens Action No. 55), Manhattan (Action No. 48), Manhattan (Action No. 49) the Bronx (Action No. 50), Bronx (Action No. 51), Staten Island (Action 50), Staten Island (Action 51) and Brooklyn (Action No. 51), Brooklyn (Action No. 52) so that the Third Party Transfer would take place in or around TBD. The properties to be transferred through the Department of Housing Preservation and Development’s (“HPD”) Third Party Transfer Program (“Program”) as a result of these judgments constitute Round VIII and Round IX of the Program (“Round VIII”) (“Round IX”).

This Request for Qualifications (“RFQ”) has been issued to determine the eligibility of responding individuals and organizations (“Applicants”) to take title to tax foreclosed residential properties (“Properties”) through the Program. When Properties become available for transfer, HPD will select transferees from among the Applicants who qualify through this RFQ. It is important to note that not all Applicants deemed qualified will be assigned Properties. HPD reserves the right to select from the list of Third Party Transfer Qualified Developers for participation in other HPD programs.

Special Projects – City-Owned Building Disposition

The RFQ will also be used to determine eligibility of responding individuals and organizations (“Applicant”) to take title to City-owned buildings to be developed in conjunction with Third Party Transfer properties or as stand alone projects.

A. Program Description

The Program consists of four phases: 1) Selection of Qualified Developers, 2) Commencement of Negotiations with Qualified Developers who are selected, 3) Interim Management and Financing Period, and 4) Ownership and Rehabilitation.

1. Selection of Qualified Developers

HPD will review the responses to the RFQ and identify a list of eligible developers (“Qualified Developers”). The Program seeks to include both for-profit and not-for-profit participants that are neighborhood-based or operate citywide, all of whom must have the experience, financial resources and capacity required to maintain, manage and rehabilitate multi-family housing, develop and/or sell one-to-four family homes or develop new construction residential buildings in the case of vacant lots. Demonstrated experience is needed for Qualified Developers to develop and sell one –to-four family homes. Selection of an Applicant under this RFQ means only that HPD has determined that such Applicant meets the requirements set forth in this RFQ to be a Qualified Developer and that HPD may thereafter elect to commence negotiations with such Applicant regarding the transfer and subsequent development of Properties. Inclusion of an Applicant on the list of Qualified Developers under this RFQ does not guarantee selection to receive a Property. If HPD elects to commence negotiations with a selected Qualified Developer (“Selected Qualified Developer”) with respect to a particular Property, HPD may send a letter to the Qualified Developer regarding the commencement of negotiations (“Negotiation Letter”) which will set forth certain information regarding the project, program and procedures that will form the basis of such negotiation. The sending of the Negotiation Letter by HPD signifies, for the purpose of this RFQ, only that HPD is considering assigning the particular Property to the Qualified Developer, and will not create any equitable or legal rights whatsoever on the Qualified Developer’s part with respect to the Property or the proposed third party transfer. Exhibit A contains an Applicant’s Letter that describes this process (Form 9); each proposal must include this letter signed by a principal of Applicant.

2. Selection of Qualified Developers

a. General

Third Party Transfer

Under Local Law 37, after the *in rem* foreclosure judgment has been entered, there is a four month period in which the tax delinquent owners have a chance to redeem their Properties (“Mandatory Redemption Period”). From the conclusion of the Mandatory Redemption Period, HPD has four months (plus a 45 day period for City Council review) to transfer the Properties to a new owner (“Transfer Period”). During the Transfer Period, HPD selects a developer from the list of entities found eligible pursuant to this Third Party Transfer Program

RFQ to redevelop the Properties. HPD submits a list to the City Council enumerating the recommended selected Qualified Developer for each Property.

HPD may group several similar Properties together (“Cluster”) to be managed, rehabilitated (or in the case of vacant lots, to be developed with new construction) and owned by one Qualified Developer as a single redevelopment assemblage or project. In grouping Properties into Clusters, HPD will consider attributes of Properties such as geographic proximity, development product (1-4 unit home, Single Room Occupancy dwelling, multi-family rental building), occupancy status, nature of required rehabilitation (substantial, moderate or new construction), nature of management of the Properties (scale of buildings, special needs tenants) and other characteristics. For each Cluster, HPD will select a Qualified Developer whose qualifications match the specific management and development needs of that cluster. Please see Section IV, “Criteria for Assignment of Properties,” for further information.

Special Projects

HPD may also group one or more City-owned properties together as a stand-alone project or with a Cluster of other TPT properties. In grouping the City-owned Properties into Clusters, HPD will consider attributes of Properties such as geographic proximity, development product (1-4 unit home, Single Room Occupancy dwelling, multi-family rental building), occupancy status, nature of required rehabilitation (substantial, moderate or new construction), nature of management of the Properties (scale of buildings, special needs tenants) and other characteristics. For each Cluster, HPD will select a Qualified Developer whose qualifications match the specific management and development needs of that cluster. Please see Section IV, “Criteria for Assignment of Properties,” for further information.

b. Tenant Ownership (TPT Tenant Petition)

HPD notifies tenants prior to entry of a foreclosure judgment for the property in which they live and advises them that they may pursue potential tenant ownership through the tenant petition process described below. A building must have at least 10 residential units and be at least 50% occupied to qualify to become a tenant petition cooperative. In addition, a cooperative building that was owned by a Housing Development Fund Corporation when the foreclosure proceeding commenced will not be eligible to apply under the tenant petition process.

Tenants of eligible buildings who wish to pursue tenant ownership will have to select a Qualified Developer (“Sponsor”) with whom they want to work towards eventual conversion to tenant ownership. The Sponsor will have to file with HPD a petition signed by at least 80% of the tenants of the Property (“Tenant Petition”). The Sponsor must also file a letter (“Sponsor Letter”) with HPD stating its intention to pursue conversion to tenant ownership and that the Sponsor is prepared to acquire, manage and rehabilitate the Property under the terms of the Program. The Sponsor must furthermore participate in an HPD training class on the sponsorship of Third Party Transfer tenant petition cooperatives prior to being

approved to sponsor tenant petitions. HPD will also consider a Sponsor's organizational and financial capacity, past experience and current HPD pipeline of projects before approval to sponsor tenant petition buildings. Please see Section IV, "Criteria for Assignment of Properties," for further information.

HPD has prepared standard forms for the Sponsor Letter and the Tenant Petition; copies of the Sponsor Letter and the Tenant Petition are contained in Exhibit D. These Tenant Petitions will be considered by HPD in selecting Qualified Developers for receipt of Properties.

The Sponsor must file the Sponsor Letter and the Tenant Petition as described above by the deadline date specified by HPD. For Round VIII & Round IX, the Tenant Petition and Sponsor Letter due date for the properties is expected to be in February 2011. HPD will provide tenants in those buildings with appropriate advance notification of submission due dates and these dates will be posted on the HPD web site (<http://nyc.gov/hpd>) when known.

3. Interim Management and Predevelopment Period

a. General

Third Party Transfer

Properties will initially be transferred to Neighborhood Restore Housing Development Fund Corporation ("Neighborhood Restore"), a not-for-profit corporation. Neighborhood Restore will retain ownership for the period prior to conveyance of the Properties to the Selected Qualified Developers ("Interim Management and Predevelopment Period" or simply "Interim Management"). It is intended that for all Properties, this period will last no longer than twelve months.

During this time, each Selected Qualified Developer and/or their approved Managing Agent will enter into a Management and Predevelopment Agreement ("MPA") with Neighborhood Restore which sets forth the property management and predevelopment responsibilities each Selected Qualified Developer will assume commencing with the date of transfer to Neighborhood Restore. Please see Exhibit B for a Summary of the Terms of the MPA. The Selected Qualified Developers and/or their approved Managing Agents must execute MPAs on or before the date that title is transferred to Neighborhood Restore.

The MPA will require that each Selected Qualified Developer adhere to specific requirements while managing Third Party Transfer properties on behalf of Neighborhood Restore. The items listed below are not inclusive of all obligations under the MPA.

- i. Inspect properties including all residential units to identify conditions that need immediate repairs. Selected Qualified Developer will report in a Building Stabilization Plan the intended course of action to address any required emergency repairs including cost estimates. The plan is due within 30 days after transfer to Neighborhood Restore for review and approval, and all repairs must be made within 90 days.

- ii. Provide an Occupancy Report within 30 days after transfer to Neighborhood Restore detailing existing tenancies, presence of children, and rents per unit.
- iii. Selected Qualified Developers must obtain copies of existing leases, execute renewal and replacement leases on an as needed basis.
- iv. Distribute to tenants annual notices as required by Local Law 1 of 2004 and provide certifications required to Neighborhood Restore
- v. Respond, record, and attend to all tenant complaints and requests with respect to services and facilities.
- vi. Notify Neighborhood Restore immediately of any loss or damage to any portion of properties or any accident or injury at properties.
- vii. Maintain appropriate legal actions and report to Neighborhood Restore on a monthly basis existence and status of all legal actions.
- viii. Obtain income information from tenants.
- ix. Provide Monthly Operating Reports (“MOR’s”) detailing the income collected and expenses incurred for the properties (with appropriate back-up documentation), due no later than the 20th of the month following the month in which the expenses were incurred.

Neighborhood Restore will provide guidance in the preparation and/or submission of the above items. Limited funds from HPD may be available through Neighborhood Restore to address the operating deficits during the Interim Management and Financing Period, but the Selected Qualified Developers must demonstrate that they have working capital sufficient to cover operating deficits for no less than three months after the submission of MORs to Neighborhood Restore. All Selected Qualified Developers, both not-for-profits and for-profits, will be required to initially fund the cluster’s operating account with \$5,000 for the first building plus \$1,000 for each additional building in the cluster, which will be reimbursed at or before the end of the Interim Management and Predevelopment Period. Neighborhood Restore will work with each Selected Qualified Developer to establish annual cluster and building stabilization budgets. In addition to pre-funding the cluster operating account as described above, the Selected Qualified Developers must have sufficient liquid assets to meet the minimum requirements of this RFQ, as outlined in Section III.C.

There will be no rent increases during the Interim Management and Predevelopment Period, except for rent stabilization increases.

Special Projects – City-owned Property Disposition

HPD will net lease the City-owned properties directly to the Qualified Developer at the same time the Qualified Developer enters into a management agreement with Neighborhood Restore for the TPT properties.

- b. Construction Loan Closing

Also during the Interim Management and Predevelopment Period, the Selected Qualified Developers are required to prepare for closing on a construction loan by adhering to the following:

- i. Propose a scope of work which at a minimum will provide for the upgrade of the Properties to current housing standards and removal of all code violations and environmental hazards;
- ii. Prepare a relocation plan detailing relocation needs for each household, both temporary and permanent, if determined to be necessary; and
- iii. In a timely manner, apply to and receive approval for a construction loan by a construction lender acceptable to HPD.

All such plans are subject to HPD approval. Please see Exhibit C.

HPD may make construction funding available through the Third Party Transfer Loan Program. Although the TPT Loan Program both has 10% minimum cash equity requirements for for-profit developers, often a 12%-14% equity contribution is required, particularly when the scope of work is costly. Not-for-profit Selected Qualified Developers will be required to contribute 2% of the total development cost for buildings that are not being sponsored to develop a cooperative and \$1,000 per dwelling unit for buildings that are proceeding along the tenant petition route of cooperative conversion. HPD will require all Selected Qualified Developers to meet applicable program guidelines including marketing requirements as well as HPD approval of scopes of work and layout designs. In addition, projects may be eligible for tax incentive programs.

c. Tenant Petition Process

Tenant Petition buildings will be subject to an interim evaluation period during which time HPD will monitor the building's progress towards co-op conversion. The evaluation period will begin once the building transfers to Neighborhood Restore and end after rehabilitation and permanent loan conversion or at the end of a longer period determined by HPD with prior notice to the Tenants.

The Tenant Petition sponsor is to inform the tenants within 30 days after the building transfers to Neighborhood Restore that they have entered into an interim evaluation period, and are to provide tenants information about the Tenant Petition process. The sponsor must make training available to tenants after the stabilization of the building during Neighborhood Restore's interim ownership.

The interim evaluation period will include milestones that will become the basis for permitting tenant ownership or removing the property from the Tenant Petition process. HPD will regularly evaluate compliance with the milestones, and inform Tenants and the Sponsor of its findings.

HPD may not accept a tenant petition from a cooperative building previously owned by a Housing Development Fund Corporation when the foreclosure proceeding commenced.

HPD may at any time remove a property from the process toward eventual ownership by Tenants based upon its evaluation.

The milestones will include:

- a. Tenant cooperation with Neighborhood Restore and the Sponsor in verifying income, renewing or establishing leases and rents.
- b. At least 80% of tenants must be actively paying rent.
- c. Tenant cooperation with providing income, occupancy information and relocation plans.
- d. Tenant participation in tenant trainings provided by the sponsor.
- e. Any additional factors HPD considers appropriate as long as HPD informs the tenants.

4. Special Projects – Net Lease and Predevelopment Period

a. General

HPD will net lease the City-owned properties directly to the Qualified Developer at the same time the Qualified Developer enters into a management agreement with Neighborhood Restore for the TPT properties.

5. Ownership Transfer and Rehabilitation

After successful compliance with the requirements of the Interim Management and Predevelopment Period, including both the management of the Properties and the procurement of rehabilitation financing as described above, Neighborhood Restore will convey the Properties to the Selected Qualified Developer concurrent with the construction loan closing. A Cluster will generally be conveyed and financed as one site or assemblage. Once title has been transferred to the Selected Qualified Developers, rehabilitation and/or development, lease-up and management of the Properties must commence in accordance with the terms and schedules agreed to by HPD.

Selected Qualified Developers are subject to the following upon conveyance of the properties to them:

- i. Allow lawful tenants residing in the Property at the time of transfer to Neighborhood Restore to return to their original apartment or another unit of equal size, as appropriate to the size of the family unit, following rehabilitation;
- ii. Register rental properties with the State of New York Department of Housing and Community Renewal and comply with all Rent Stabilization requirements;
- iii. Market and sell or rent units in accordance with income guidelines established by HPD marketing guidelines and Regulatory Agreements; and
- iv. Register all multiple dwellings with HPD.

HPD may impose additional restrictions upon the use of the Properties and may require a Selected Qualified Developer to agree to comply with such restrictions. Tenant Petition buildings must sign an HPD Regulatory Agreement at the closing of a construction loan.

B. Description of Properties

Third Party Transfer Clusters are composed typically of partially or fully occupied buildings. A small percentage of properties may be vacant buildings or vacant lots. Physical conditions in the buildings are not uniform. Most buildings will require moderate to substantial rehabilitation. Buildings may range in size from single-family homes to buildings of fifty units or more, and may be completely or partially occupied or vacant. Properties may include single room occupancy (SRO) units, some of which may be occupied by persons with special needs. Properties may also include vacant lots, which are to be developed for use consistent with the Zoning Resolution and other statutory requirements. The Mandatory Redemption Period for Round VIII & IX will begin around September 2010 and it is expected that transfers will occur June 2011 based on when judgment is entered. This date is subject to change.

II. REQUEST FOR QUALIFICATIONS PROCESS

A. Applications

Applicants must submit their qualifications in accordance with the instructions and forms contained in Section V. **All applicants, including those qualified through a previous RFQ, must submit a full response to this RFQ and meet the minimum criteria set forth in this RFQ.** In order to remain qualified, entities must continue to meet the minimum criteria set forth in this RFQ. Eligible Applicants may be for-profit entities, joint ventures, individuals, sole proprietors, or not-for-profit organizations. To become qualified, an Applicant must have the financial resources and the relevant management, rehabilitation, and/or development experience to successfully complete the Program.

To be considered for Properties in Round VIII & IX of the Program, applications must be submitted no later than October 15th 2010.

The application must include all information requested under Section V of this RFQ for all principals and officers of the Applicant. Upon review, HPD, at its discretion, may notify an Applicant that additional information or clarification is necessary. Such additional information may include the completion of disclosure statements concerning the Applicant and its principals and officers. An Applicant's submission of qualifications will be considered as permission for HPD to make such inquiries concerning the Applicant, as HPD deems necessary.

B. Review and Evaluation

HPD will determine if Applicants meet minimum qualification requirements based on the criteria specified in Section III. HPD may disapprove the inclusion of any or all members of the Applicant's team and may require Applicants to substitute other individuals or firms. HPD will notify all Applicants as to whether or not they meet the eligibility requirements for Qualified Developers. Applicants who are deemed Qualified Developers pursuant to this RFQ may also be considered for Properties to be offered in future rounds of the Program. However, inclusion on the list of Qualified Developers

does not ensure that a developer will ever be selected to receive a Property. For a discussion of assignment of properties to Qualified Developers, please see Section IV.

III. MINIMUM QUALIFICATION REQUIREMENTS

Applicants must be qualified in each of the following Qualification Criteria in order to be considered Qualified Developers for possible participation in the Program. **All applicants, including those qualified through a previous RFQ, must submit a full response to this RFQ and meet the minimum criteria set forth in this RFQ. Any incomplete application may be a basis for disqualification.**

A. Residential Development Experience

The Applicant will be evaluated on the extent of its experience with the rehabilitation of housing similar to the Properties that are involved in the Program, most of which are occupied. Such consideration may include but not be limited to assessing the quality, efficiency, and timeliness of completed rehabilitation work through site visits, ability of the Applicant to temporarily relocate tenants during construction, contacting references and reviewing other information available to HPD. For the vacant lot properties, the Applicant will be evaluated on their new construction experience.

To be qualified under this criterion, an Applicant should demonstrate the capacity to effectively rehabilitate property on a scale commensurate with Third Party Transfer Program Clusters. An Applicant's experience as listed on **Form 2** should represent the completion of construction on **at least two substantial rehabilitation projects** within the recent **five years (2005-2010)** totaling at **least twenty units** and including at least **three major systems replacements** as indicated in the development chart. HPD may consider an applicant's experience in buildings totaling less than twenty units when for qualifying developers for TPT properties that are less than twenty units. For for-profit entities, only the experience of the **principal members**, i.e., equity participants, shall apply towards qualification. Specifically, the experience of general contractors who are not equity participants shall not count towards meeting the qualification criteria. For not-for-profit developers, the experience of top-level management may be considered towards qualification.

Applicants applying as Joint-Venture partnerships (for example, developers applying with their general contractors or between two development entities) must form a partnership prior to submission of the RFQ. HPD reserves the right to deny changes made to the composition of the Applicant entity after qualification.

B. Residential Management Experience

HPD may consider the extent and quality of the Applicant's management of residential properties by conducting a review of the following in regard to the applicant's recent portfolio: the physical condition of the properties; the number of Housing Maintenance Code violations; the payment record for City taxes, water and sewer charges and any other municipal charges for Applicant's properties; the Applicant's track record and current capacity to provide effective management services in a timely and responsive manner including the handling of tenant complaints; ability to quickly stabilize

distressed properties; the ability to provide social and community service linkages for special needs tenants; and the Applicant's ability to supervise building employees and maintain appropriate records. HPD may conduct site visits to properties owned and managed by the Applicant, as well as check references, conduct office visits and tenant interviews. Qualification for residential management experience is based on the experience of the Managing Agent.

To be qualified under this criterion, an Applicant should demonstrate the capacity to manage property in a professional manner on a scale commensurate with Third Party Transfer Program Clusters. Applicant's management portfolio, as listed on **Form 3**, should show that Applicant has managed a **minimum of fifty units continuously in New York City** during the recent five years (2005-2010). For for-profit entities, only the experience of the principal members, i.e., equity partners, shall apply towards qualification. Specifically, the experience of managing agents who are not equity participants shall not count towards meeting the qualification criteria. For not-for-profit developers, the experience the managing agent being used may be considered towards qualification. Prior to responding to the RFQ, both for-profit and not-for-profit applicants must identify all Managing Agents, whether outside or internal managers, they would use to manage Third Party Transfer properties. HPD reserves the right to request or deny changes of the Managing Agents. The residential management portion of the RFQ should be completed by the proposed Managing Agent.

HPD will also consider the Applicant's past management performance during interim ownership in the Third Party Transfer Program. This will include working with Neighborhood Restore and compliance with interim management reporting requirements set form in the MPA.

C. Financial Capacity

HPD will consider the Applicant's ability to obtain private financing and to provide equity for rehabilitating/developing the Properties. HPD will evaluate the Applicant's credit history, financial records, bank/lender and other references.

To be qualified under this criterion an Applicant should demonstrate its financial capacity to meet both the working capital needs of a Cluster during Interim Management and the anticipated equity requirements for loans on a scale commensurate with Third Party Transfer Program Clusters. All applicants will be required to submit audited financial statements for 2009. For-profit Applicants' financial capacity as depicted on Form 5 should indicate liquid assets, namely cash and marketable securities, of at least \$250,000. Not-for-profit Applicants' financial capacity should indicate liquid assets of at least \$25,000. Please note that the equity requirement for specific clusters may exceed these minimums. In addition, the inability to secure construction financing from an appropriate lender will be grounds for de-designation and selection of a new Qualified Developer.

It is anticipated that Selected Qualified Developers will have to float at least three months of expenses after submission to NR for reimbursement through the Monthly Operating Reports. All selected developers, both not-for-profits and for-profits, will be required to initially fund the Cluster's operating account with \$5,000 plus \$1,000 for each additional building in the Cluster which will be reimbursed at or before the end of

the Interim Management and Predevelopment Period. In addition to pre-funding the Cluster operating account as described above, the Selected Qualified Developers must have sufficient liquid assets to meet the minimum requirements of this RFQ. Neighborhood Restore and HPD will require updated financial information upon designation of Cluster of Properties.

D. Municipal Charges

All buildings managed or owned by the Applicant must be current with all New York City real property taxes and water and sewer charges or have entered into and is in compliance with payment agreements for all outstanding taxes and charges.

E. Code Violations

An Applicant may be rejected at any time during the evaluation process if findings of a substantial record of serious Building Code or Housing Maintenance Code violations are made with regard to properties owned or managed by the Applicant or any of its principals or related entities and such findings have not been adequately addressed.

F. Adverse Findings

An Applicant may be rejected at any time during the evaluation process if adverse findings are made with regard to the Applicant or any of its principals or related entities, including, but not limited to, adverse findings with respect to any of the following:

- Past or pending government or private mortgage foreclosure proceedings or arrears with respect to any property owned or managed by the Applicant.
- Past or pending governmental tax or lien foreclosure, substantial tax arrears or bankruptcy or insolvency.
- Findings of tenant harassment or a pending case of harassment.
- Arson, fraud, bribery, or grand larceny conviction or a pending case.
- Past or pending default on any obligation to, unsatisfied judgment or lien held by, or contract with any governmental agency.
- Past or pending suspension, debarment, or finding of non-responsibility by any government agency.
- A past or pending voluntary or involuntary bankruptcy proceeding.
- A negative history with HPD or any other government agency.
- A negative history with Neighborhood Restore.

IV. CRITERIA FOR ASSIGNMENT OF PROPERTIES

Once Applicants are deemed Qualified Developers pursuant to the RFQ, a small number will be selected for properties through the Program. The following factors will be considered in the assignment of Properties.

A. Management and Development Characteristics of Properties

Specific Properties or Clusters, by the nature of the buildings and occupants, may require particular skills and expertise on the part of Qualified Developers for successful management and rehabilitation (or in the case of vacant lots, new construction experience). These include but are not limited to the ability to: quickly stabilize distressed properties; correct and certify any code violations; pursue legal action against unlawful tenants; carry out rehabilitation with tenants in place; provide temporary relocation resources for tenants during the period of construction; market 1-4 unit buildings to owner occupants; manage SRO or other properties with special needs tenants; provide social and community service linkages; comply with Federal Low Income Tax Credits and HOME regulations; and collect rent subsidies such as Senior Citizens Rent Increase Exemption (SCRIE) or Section 8. As such, the appropriateness of Qualified Developers for specific Properties or Clusters will include an assessment of expertise in these and/or other areas as determined necessary by HPD.

B. Capacity

The Qualified Developer's current workload and other pending project obligations as can be determined by HPD will be considered in assessing its capacity to carry out the management and rehabilitation and/or development of specific Properties.

C. Ability to Work with Government Agencies

HPD may evaluate the Qualified Developer's demonstrated ability to work successfully with public agencies, meet schedules and comply with special reporting requirements imposed by government funding streams.

D. Distinguishing Attributes

HPD may take into account any distinguishing attributes of the Qualified Developer that further HPD's policy goals and initiatives and/or serve local housing objectives.

E. Updated Property Review

Prior to selecting a Qualified Developer for a Property or Cluster, HPD will conduct an updated review of code violations, arrears in real estate taxes and water and sewer charges, any outstanding housing litigation and up to date building registrations. Should there be any adverse findings, HPD will require that all issues be addressed or a plan to address them that is satisfactory to HPD be implemented prior to the transfer of Third Party Transfer program properties to Neighborhood Restore and the commencement of the Interim Management and Financing period.

F. Neighborhood Preservation Consultant Program

Not-for-profit organizations that have or had a contract with HPD to act as Neighborhood Preservation Consultants within the five years prior to the scheduled transfer of the property to Neighborhood Restore are not eligible to acquire Properties that were covered by such contract.

G. Experience in Securing Financing

HPD will take into consideration whether a Qualified Developer has demonstrated experience in securing construction financing, in assessing its capacity to carry out the predevelopment process and close on financing in a timely manner.

H. Performance in Prior Rounds of Third Party Transfer

HPD in conjunction with Neighborhood Restore, will take into consideration past performance on Third Party Transfer projects when selecting Qualified Developers for Round VIII and IX properties. Such factors will include developer responsiveness to and level of communication with Neighborhood Restore and HPD, timeframe for establishing and completing building stabilization, submission of complete and timely monthly operating reports, and capacity for overall management and oversight of buildings. In addition, failure to close rehabilitation financing within the established timeframe as determined by HPD and the developer will negatively impact consideration for participation in Round VIII and Round IX.

I. Tenant Petition Sponsors ONLY: Cooperative Conversion Experience

HPD will take into consideration if the applicant has demonstrated experience in helping buildings convert into limited equity cooperatives. Types of experience include but are not limited to: preparing or coordinating cooperative trainings, filing legal paperwork, assisting tenants with savings plans, drafting sponsor/tenant agreements, developing functioning tenant associations with written by-laws and monitoring elections and meetings. Two or more of these activities must be explained in **Form 5**.

HPD will also take into consideration the number of tenant petition buildings in a previous tenant petition sponsor's pipeline that have not completed construction and/or converted to limited equity cooperatives. Sponsors with tenant petition projects that have not converted to permanent financing and/or cooperatives from TPT Round 2, 3 or 4 will not be allowed to sponsor tenant petition buildings in Round VIII and Round IX. HPD may consider special circumstances in determining if a sponsor is eligible.

V. APPLICATION REQUIREMENTS

All Applicants must submit all forms as described below. Applicants who were qualified through a previous Third Party Transfer Request for Qualifications are required to submit all forms and meet the minimum criteria set forth in this RFQ to remain qualified. In the event that a previously Qualified Developer has selected a new contracted development team participant such as a new Property Manager, the appropriate forms should be submitted for that entity, and qualification will be subject to the review of the new entity.

NEP, NRP, New Foundations, and Partnership New Homes participants must submit all forms and meet the minimum criteria set forth in the RFQ to be qualified for the Third Party Transfer Program. Submission of an incomplete application may be grounds for disqualification of the Applicant.

Developers are also encouraged to submit a letter stating interest in any properties particular to Round VIII and Round IX. This information will be taken under consideration in making clustering and selection decisions.

PLEASE NOTE THAT EACH COPY OF THE APPLICANT'S QUALIFICATIONS MUST CONTAIN THE FOLLOWING FORMS AND SUPPORTING DOCUMENTATION:

A. Contents of Application

TAB A - Applicant Description & Reference Form

A completed Description Form 1. All Applicants must complete Part 1 of that Form; not-for-profit Applicants must also complete Part 2.

TAB B - Residential Development Experience

A completed Residential Development Experience Form, Form 2 for the principal(s) of the Applicant and, if applicable, the contracted agent responsible for rehabilitation. List all projects that have been completed within the last five years or that are in construction, in pre-development or have otherwise been committed. Also include a reference Letter(s) from a Bank(s) together with a list of all outstanding loans and bank officer contacts.

TAB C - Residential Management Experience

A completed Residential Management Experience Form, Form 3 for the principal or managing agent proposed for the management of the Properties. List all properties that have been managed in the last five years. If any other principal of the Applicant has other management experience that the Applicant wishes to be considered, a separate form should be completed for that principal.

TAB D –Active Pipeline

A completed Active Pipeline Form, Form 4 for the principal(s) of the Applicant and, if applicable, the contracted agent responsible for rehabilitation. List all projects that are in process/in construction and in conversion/construction completion. *Applicants need to list all projects including those that are NOT receiving assistance from HPD and/or affiliated through HPD.*

TAB E –SPONSORS ONLY: Cooperative Conversion Experience

NFP groups interested in assisting tenant petition buildings become limited equity cooperative must complete the Cooperative Conversion Experience Form, Form 5.

TAB F - Principal's Property Listing

A completed Principal's Property Listing, Form 6, for each principal of the Applicant and for any affiliated or subsidiary entities listing all Properties owned within the last three years either directly by the principal or by an organization in which the principal was a corporate officer or general partner or held more than a 10 percent interest.

TAB G - Assets Statement & Audited Financial Statements

An Operating Budget for the current year and the most recent Audited Financial Statement. For-profit Applicants shall also submit a completed Assets Statement, Form 7, for at least one principal.

TAB H - Credit Authorization Form

A completed and signed Credit Authorization, Form 8, for the Applicant and each principal of the Applicant.

TAB I - Bank Reference

A reference Letter(s) from a Bank(s) together with a list of all outstanding loans and bank officer contacts.

TAB J - Applicant's Letter

An Applicant's Letter, Form 9, signed by a principal of the Applicant.

B. Submission Requirements

One fastened original and one fastened copy of the Applicant's qualifications, including all documentation requested as described above, must be submitted in response to this RFQ. The copy may be fastened with either staples, prong paper fasteners, or organized in a three ring binder. The copy of the qualifications must be clearly labeled with tabs as indicated below. The tabs should run down the right hand side of the submission. The copies must be clearly labeled with the name of the Applicant on the cover.

All applications become the property of HPD. HPD reserves the right to ask for additional information. Submissions will be promptly reviewed by HPD. Interviews, site visits and/or additional information may be requested. Applications must be delivered **by hand** no later than October 15, 2010 at 5pm to:

**Jacqueline Alexander
Assistant Commissioner
Division of Property Disposition and Finance
NYC Housing Preservation and Development
100 Gold Street, Room 9-Y3
New York, NY 10038**

Each application requires a non-refundable fee of one hundred dollars (**\$100.00**) in the form of a certified check, cashier's check or money order payable to "NYC Department of Housing Preservation and Development." No cash or personal checks will be accepted. For not-for-profit organization Applicants, the fee is reduced to fifty dollars (**\$50.00**). Entities previously qualified under a Third Party Transfer Program Request for Qualifications are exempt from this fee. **No cash or personal checks will be accepted.**

VI. TERMS AND CONDITIONS

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

- A. Properties transferred under the Program shall conform to, and be subject to, the provisions of the New York City Zoning Resolution, and all other applicable laws, rules, regulations and ordinances of all Federal, State, and City authorities having jurisdiction, as the same may be amended from time to time.
- B. 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 RFQ.

- C. The City reserves the right to reject at any time any or all submissions and/or withdraw this RFQ in whole or in part, to negotiate with one or more Qualified Developers, and/or cause Properties to be transferred on terms other than those set forth herein. The City likewise reserves the right, at any time, to waive compliance with, or change any of the terms and conditions of this RFQ, and to entertain modifications and additions to the applications of Qualified Developers.
- D. Selection of an Applicant as a Qualified Developer for this Program and assignment of a Property to a Qualified Developer will not create any rights on the Applicant's part, including without limitation, rights of enforcement, equity, or reimbursement.
- E. This RFQ and any agreement or other documents resulting therefrom 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.
- F. HPD may select a third party for conveyance of a property pursuant to the Third Party Transfer process or for conveyance of a City-owned building by any method which it determines will best meet the purposes of such process.

VII. CONFLICTS OF INTEREST

The City Charter imposes certain restrictions on post-employment business relationships with the City by former City employees and on business relationships with the City by current City employees. Such individuals should consult Chapter 68 of the City Charter on specific provisions on this issue. Any questions concerning such provisions should be addressed to the Conflict of Interest Board, 2 Lafayette Street, New York, New York 10007, telephone number (212) 442-1400.