

**UNIVERSITY / MACOMBS APARTMENTS RFP
SITES****BRONX**

<u>Block</u>	<u>Lot</u>	<u>Address</u>	<u>Notes</u>
2876	194	1645-55 Macombs Rd.	a/k/a 1647 Macombs Rd. 1655 Macombs Rd. contains a management office at ground level
2878	90	1669-75 University Ave.	entirely residential
2878	15	1615 University Ave.	contains commercial spaces
2878	17	1611 University Ave.	contains commercial spaces
2878	19	1605 University Ave.	vacant lot

**UNIVERSITY / MACOMBS APARTMENTS RFP
HPD REHABILITATION DESIGN GUIDELINES
AND CONSTRUCTION REQUIREMENTS**

HPD will use the following design controls and guidelines in evaluating the quality of the design proposals submitted in response to this RFP. The guidelines focus on particular design and density issues not addressed by the New York City Zoning Resolutions or Building Code. In its evaluation, HPD will consider each proposal’s interior layouts and, if applicable, site planning. Within parameters of the housing market, respondents are encouraged to use new materials and techniques, including high performance technologies, as well as a diversity of architectural styles and innovative site planning which contribute to neighborhood revitalization.

Responsiveness to the design controls and guidelines will be rewarded with higher scoring and ranking in the competitive portion of HPD’s review. The word “must” in a particular guideline indicates that the level of compliance will have a quantitative effect on the scoring and ranking of proposals. The word “should” in a particular guideline indicates that it is advisory. Deviations are acceptable if a superior design is achieved.

HPD recognizes the high cost of construction in New York City, however, it is HPD’s strong belief, based on the experiences of other HPD programs and on the study of private housing development in New York, that high-quality planning, design and construction are good for business. Well-designed housing improves the marketability of that housing and thereby lessens the risks involved in its development. At the same time, housing that fits into its neighborhood and helps stitch that neighborhood together enhances the image and the value of the entire community.

These guidelines are a framework that offers flexibility to respondents in their proposals to create high-quality residential development. HPD’s intent is not to induce all respondents to create a uniform product, but to encourage them to undertake creative and innovative, and perhaps distinctive, ways to achieve that product.

I. UNIT PLANNING

Minimum Space Standards

Minimum required square footage(s) applicable both to rehabilitation and new construction (area room sizes - not including closets and alcoves) must be as shown below. Actual sizes for rehabilitation projects will be determined on a project-by-project basis.

	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>Least Dimension</u>
Living Room/Dining Room	210	210	230	250	11'-0"
Master Bedroom	130	130	130	130	10'-0"
Secondary Bedroom	N/A	110	110	110	9'-4"

Apartment Arrangement - Living room areas should be located at the front or rear of the building to the extent possible in order to maximize natural light and ventilation to these spaces. The location of bedrooms facing the street at the entrance level should be minimized.

The arrangement of rooms and spaces within the dwelling units should provide adequate circulation and functional relationships between rooms. There must be no circulation through bedrooms to other bedrooms or to primary bathrooms. Bathrooms should be near the bedrooms; circulation through the Living Room should be avoided. Bathrooms must not be visible from the Living Room.

Kitchens and Bathrooms - In the kitchen, a minimum of 15 linear feet of cabinets should be provided, which includes appliances. Three bedroom apartments should contain at least one complete bathroom and one half bathroom. Four bedroom apartments should contain two complete bathrooms. Plumbing and ventilation chase should be shared where permissible.

Storage/Amenities - Adequate storage space must be provided, including a coat closet, linen closet, and a closet for each bedroom. Bulk storage (walk-in closet) for the storage of items and equipment should be provided in apartments where possible. At a minimum, washer/dryer and dishwasher space and hook-up should be provided for homeowner units.

II. ARCHITECTURAL FEATURES, URBAN DESIGN AND SITE PLANNING

Rehabilitation - Paving should be provided in rear, side and courtyards. Where appropriate, building entrance gates and steel picket fence at front yards should be provided. Chain link fence at side and rear yards should be provided. Accommodations should be made for street trees and landscaping in front of the site.

Space for refuse/recycling collection should be provided and screened from the sidewalk/street. Provide hose bib connection.

Provide security gates at fire passages with panic hardware to eliminate unauthorized entry to site.

Existing window openings and street facades should not be altered. Preserving existing original architectural details should be a priority, e.g. cornice, stonework, etc.

All common open space should be landscaped and its design should be appropriate for the Development's anticipated population, including but not limited to vehicular common areas.

Vehicular and pedestrian traffic should be separated. In instances where rear group parking is provided, consideration should be given to maximizing private open space for resident use.

Street trees should be planted along street frontages. Screened locations for garbage cans and meters should be provided.

III. CONSTRUCTION REQUIREMENTS

The buildings to be rehabilitated under this Development shall comply with the following construction standards:

- a. All mechanical systems shall have a useful life of 25 – 30 years;
- b. The building envelope shall have a useful life of 15 – 20 years;
- c. All finishes shall be lead free;
- d. The completed buildings shall comply with applicable housing codes and Americans with Disabilities Act Requirements;
- e. All materials and components provided shall equal or exceed the standards for those items described in HPD's Division of Architecture, Construction and Engineering Standard Specifications.

UNIVERSITY / MACOMB APARTMENTS RFP HPD DESIGN GUIDELINES FOR NEW CONSTRUCTION

HPD has outlined a set of design principles and guidelines to foster quality and encourage creative approaches throughout the entire design development process. The design guidelines apply to all new construction housing projects subject to HPD review and approval.

The purpose of these guidelines is to establish minimum criteria for the design of quality housing. These guidelines are not intended to supersede the requirements of any other rules or regulations of any other agency having jurisdiction, in which case the more restrictive will govern.

Other agency rules and regulations may include but are not limited to New York City Building Code; Housing Maintenance Code; Zoning Resolution; Local Law 58 Handicap Standards, and particular program requirements. Also, projects must meet Federal, State, and City environmental laws, including those pertaining to: historic preservation; air, water, and noise quality; flood plain, wetland and coastal zone management; and solid waste management.

Guidelines using the word, must, are mandatory. However, the word, should, is advisory and minor deviations from the guidelines will be allowed if necessary to accommodate a clearly superior design. Substantial deviations from the advisory guidelines may disqualify proposals.

I. SITE PLANNING

A. Relationship to Neighborhood

1. When applicable, the height of a new building should relate to the prevailing heights of the existing buildings in the immediate neighborhood. The street wall and façade materials of any new building should visually and physically harmonize with the immediate neighborhood.
2. The design should be pedestrian friendly and provide architectural elements that generate activity, interest and interaction at the street level, such as stoops, porches, setbacks, bay windows, etc.

B. Outdoor Space

1. A variety of outdoor spaces should be programmed and landscaped for specific uses according to the project's intended population, e.g.
 - If provided, front yards should be appropriately landscaped.
 - toddler play area with matting and safe equipment
 - infrastructure for tenant gardens
 - seating and game tables in the shade
2. Outdoor spaces must be buffered from vehicular service areas.
3. Wherever possible, windows should be located to insure surveillance of public and private outdoor spaces.
4. A secure barrier, such as the building or a steel picket fence (chain link fence is not acceptable along the street), should protect the perimeter of the site. The number of entry points into a building or project site should be minimized.

5. Street trees must be provided along the street frontage as per the NYC department of Parks and Recreation and the NYC Department of Transportation standards.

C. Street Facade/Building Elevation

1. The façade materials of all new buildings should be compatible with the surrounding neighborhood. Brick should be used in neighborhoods with a predominantly brick character.
2. Dimensions and spacing of fenestration should echo neighborhood patterns and maximize daylight into the unit.
3. Color, texture, material, and fenestration should be used to:
 - relate to adjacent buildings
 - define the base, middle, and top of buildings
 - reinforce the human scale at the base level

D. Parking

1. Parking should be shielded from the street and from on-site open spaces. Trees should provide a canopy over the parking areas.
2. If a large number of parking spaces is needed, consideration should be given to parking below grade.
3. Front pad parking should be avoided.

II. BUILDING PLANNING

A. Lobby

1. The lobby should be treated as an attractive and gracious space with materials and furnishings that are attractive, durable, and easy to maintain.
2. The lobby should be undisrupted by other elements, i.e.
 - garbage removal should not pass through the lobby
 - the compactor chute should not open into the lobby
 - janitor's closet and fire stair should not be visible.
3. If a mailroom is provided, it should be located in an area that is visible and accessible from the lobby.
4. Natural light should be maximized, and if possible, a view of the exterior landscaped space should be exploited.
5. The primary vertical circulation/elevator should be visible and accessible from the lobby.
6. The lobby should be visible from the street to insure security. Main residential entry should be clearly articulated and differentiated from commercial/retail entry.
7. Entry from the project's open space, the parking area, and the sidewalk should lead directly into the same lobby.

B. Interior Circulation

1. Public circulation space should be minimized.
2. The interior circulation system should have a minimal number of changes in corridor direction and minimal recesses or offsets.
3. Natural light should be maximized in circulation spaces.

C. Community Spaces

1. A variety of community spaces should be programmed for specific uses and sized accordingly with appropriate finishes and furnishings, e.g.
 - children’s indoor play room with safe and durable play equipment and playful finishes
 - party room or adult lounge with comfortable furniture, T.V., bar/kitchenette, in close proximity to laundry room
 - exercise room with ventilation and natural light
 - common laundry room conveniently located and directly accessible from the public circulation. In 1 to 3 family houses, provide laundry hook-up for the homeowner.
2. All community spaces should receive natural light and have direct physical and visual access to the outdoor recreation space.
3. Appropriate relationships between community spaces should be fostered.

D. Building Services

1. Janitor closets should be provided with slop sinks.
2. Provide vandal/frost-proof hose bibb at front and rear of building.
3. Provide trash chutes, recycling room, and trash compactor in elevator buildings with 30 or more dwelling units.
4. The compactor room should be located for convenient transport of compacted refuse to the outside, minimizing transportation of garbage through the building’s circulation space or across outdoor space.
5. Curb-side storage space for refuse/recycling pick-up should be provided and screened from the sidewalk, street, and building entrance.

III. APARTMENT PLANNING

A. Unit Arrangement

1. There must be no circulation through bedrooms to other bedrooms or to primary bathrooms. Bathrooms should be near the bedrooms. Bathrooms must not open into the Living Room, Dining Room, or Kitchen. Circulation through the Living Room should be avoided.
2. All door placements and wall lengths should accommodate furniture placement.
3. Direct access to private outdoor space should be provided from a living space within the unit, not a bedroom.

B. Minimum Room Sizes

<u>Name of Space</u>	<u>0-BR</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>	<u>Least Dimension</u>
LR	NA	160	160	170	180	11'-0"
LR/DA	NA	210	210	230	250	11'-0"
LR/DA/SA	250	NA	NA	NA	NA	11'-0"
LR/DA/K	NA	270	270	300	330	11'-0"
LR/SA	210	NA	NA	NA	NA	11'-0"
K/DA	100	120	120	140	160	8'-0"
DR	NA	100	100	110	120	8'-0"
BR (primary)	NA	130	130	130	130	10'-0"
BR (secondary)	NA	NA	110	110	110	9'-4"

Abbreviations:

LR	-	Living Room
DR	-	Dining Room
K	-	Kitchen/Kitchenette
BR	-	Bedroom
SA	-	Sleeping Area
0-BR	-	Apartment with no separate bedroom
NA	-	Not applicable

Note: The room area shall be computed to the inside finished surfaces of the walls and partitions, and exclude columns, pipe chases, and closets.

C. Kitchenette/Kitchen

1. Kitchen to Living Room visibility should be maximized by pass-through openings, open counters, and half height partitions.
2. Plumbing and ventilation chase walls should be shared where possible, but not at the expense of the design.
3. Kitchen equipment must consist of a 30" range, refrigerator (14 c.f. min), 24" sink, base cabinets with countertop and wall hung cabinets. In 1 to 3 family homes, provision for dishwasher and hook-ups should be provided for the homeowner.
4. Countertop work surface should be located on both sides of the sink and both sides of the range.
5. The minimum length of countertop work surface (excluding sink and appliances) and cabinet shelving must be as follows:

<u>Apartment Type</u>	<u>Countertop Work Surface</u>	<u>Shelving</u>
0-BR	5 lin. Ft.	30 lin. Ft.
1-BR	6 lin. Ft.	40 lin. Ft.
2-BR	7 lin. Ft.	50 lin. Ft.
3-BR	8 lin. Ft.	55 lin. Ft.
4-BR	8 lin. Ft.	65 lin. Ft.

6. Base cabinets and countertops must be 2'-0" deep. Shelving must be 11^{1/2}" deep.
7. Pantries are desirable, encouraged, and qualify as required shelving.

D. Dining Area

Every dwelling unit must contain a space for dining, which accommodates a table and chairs for the intended maximum number of occupants.

E. Bathrooms

1. Every dwelling unit must contain at least one full bathroom containing a bathtub with showerhead, a sink, and a toilet. Compartmentalizing the bathroom, to enable simultaneous use by more than one person, is encouraged.
2. Three bedroom apartments must have an additional half bathroom containing a sink and a toilet, and possibly a shower.
3. Four bedroom apartments must contain two complete bathrooms.

F. Storage

1. Every dwelling must contain a coat closet that is convenient to the entrance and is at least 2'-0" deep and 3'-0" wide.
2. Every bedroom must contain a clothes closet that is at least 2'-0" deep and 5'-0" wide.
3. Every dwelling unit must contain storage for linens that is at least 1'-6" deep and 2'-0" wide.
4. Additional general storage space, such as a walk-in-closet, should be provided within each dwelling, especially for units with more than 2 bedrooms.

IV. HANDICAPPED/ ELDERLY REQUIREMENTS

In addition to meeting all other applicable laws and regulations, units designed for elderly and/or handicapped persons must meet the following provisions:

A. Lobby seating

In all projects designed for exclusive occupancy by elderly or handicapped persons, adequate sitting space with a view of the street or open space should be provided in the lobby or adjacent lobby of each building.

B. 2 person 0-BR units

Every 0-BR dwelling unit designed for occupancy by elderly or handicapped persons must accommodate two persons sleeping separately.

C. Outdoor space

1. In all projects designed for exclusive occupancy by elderly or handicapped persons, provisions should be made for sitting space for at least 20% of all residents in appropriate outdoor areas.
2. All outdoor space must be programmed and landscaped for specific uses.
3. All outdoor spaces must be buffered from vehicular service areas.

V. SUBMISSION REQUIREMENTS

All plans must be prepared by a Registered Architect or Professional Engineer. The developer or his agent must submit one easily reproduced copy of each of the following:

A. Plans:

Clearly indicate all community spaces on the appropriate floor plan (laundry room, playroom, adult lounge, etc).

- Site plan showing all walks, sidewalks, building access points, driveways, parking areas, play areas with equipment, benches, other exterior furnishings, trees, plant material, and elevations/grades.
- Street level commercial and/or residential lobby/entrance plan
- Typical residential floor plan
- Cellar or basement and roof plan
- Unit plans at 1/8"=1'-0".
- Any other plans needed to explain design concept.

B. Elevations

1. Street front elevations must indicate materials, colors, total building heights, and floor levels.
2. Elevations should show adjacent buildings to demonstrate the new building's compatibility.

C. Project Statistics and Zoning Analysis

1. Complete zoning analysis is required, including allowable and proposed F.A.R; open space requirements; lot area per zoning room or dwelling unit; and parking and dwelling unit count. Zoning analysis must cite all relevant sections of the Zoning Resolution.
2. Show proposed apartment distribution and indicate building code occupancy group, construction group, and construction class.
3. Provide Topographic Survey as needed.

UNIVERSITY / MACOMB APARTMENTS RFP SUMMARY OF TAX BENEFIT PROGRAMS

The four vacant multi-family buildings rehabilitated as part of this Development may be eligible for enriched J-51 tax abatement and exemption benefits and the new 27-unit multiple dwelling may be eligible for a 25-year post-construction 421-a partial tax exemption. It is the responsibility of the selected Developer to apply for and meet the requirements of the specific tax benefit program. NYCHA and HPD make no representations as to the continued availability of these benefits or to the Developers or Developments qualifications therefor.

J-51 Tax Benefits

The J-51 program provides enriched tax benefits for Substantial Rehabilitation projects completed with Substantial Governmental Assistance. Substantial Governmental Assistance includes grants, loans or subsidies under HDC's LAMP Program, federal low-income housing tax credits, Project-based Section 8 and NYCHA subsidies. The project must be part of a program to provide housing for low and moderate-income households having an annual household income no greater than 165% of Area Median Income. The scope of work for each building must include at least four of the systems listed in §5-03(a)(6)(i) of the J-51 Rules (Title 28, Chapter 5 of the Rules of the City of New York).

Enriched J-51 benefits for the rehabilitation portion of this Development would include:

- A 34-year (30 full + 4 phase-out) exemption from taxes on the increase in assessed value resulting from the rehabilitation work.
- Abatement of existing real estate taxes each year for up to 20 years.
 - The abatement is based on 150% of the Certified Reasonable Cost (CRC) of the work. The CRC is the lesser of the total of the allowances for eligible items of work on the Itemized Cost Breakdown Schedule in the J-51 Rules or the actual cost for such work. A proportionate reduction will be made for any increase in the gross cubic content of the building, and for any commercial space or other non-residential space. In general, the CRC is approximately 25% to 60% of the hard construction costs.
 - Up to 12.5% of the CRC may be applied each year to abate the taxes on the property, and any unused abatement may be carried forward for up to 20 years.

Water and sewer charges must be paid in full each year. All dwelling units shall be subject to rent regulation for at least the duration of the benefit period. The tax lots may not receive concurrent real property tax benefits under any other state or local law.

The J-51 Guidebook, application forms and instructions are available on the web at <http://www.nyc.gov/html/hpd/pdf/j51-gb-2001.pdf> and <http://www.nyc.gov/html/hpd/pdf/j51-app-instructions.pdf> or by contacting the J-51 unit, HPD Tax Incentives Program (TIP), at (212) 863-5517.

421-a Tax Benefits

A 25-year post-construction 421-a partial tax exemption is available for new construction projects outside Manhattan or above 110th Street in Manhattan if they meet site eligibility requirements and are completed with Substantial Governmental Assistance. Substantial Governmental Assistance includes grants, loans or subsidies under HDC's LAMP Program, federal low-income housing tax credits, Project-based Section

8 and NYCHA subsidies. The vacant lot, block 2878, lot 19, qualifies as vacant land for the purposes of meeting the site eligibility requirements of 421-a.

The 421-a partial tax exemption benefits for the new construction portion of this Development would include:

- Up to 3 years of construction period benefits.
- A 25-year exemption (21 years full + 4 phase-out) from taxes on the increase in assessed valuation over the Prior Assessed Valuation (PAV). The PAV is the assessed valuation of the property during the tax year preceding the tax year in which construction commences.
- The exemption will decreased if Commercial, Community Facilities and/or Accessory Use space exceeds 12% of the Aggregate Floor Area.
- The mini-tax on the PAV charged at the prevailing tax rate, and water and sewer charges, must be paid in full each year during the benefit period.

All dwelling units will be subject to rent regulation for at least the duration of the benefit period. The multiple dwelling may not receive concurrent real property tax benefits under any other state or local law.

Industrial and Commercial Incentive Program (ICIP)

The receipt of real property tax benefits under the Industrial and Commercial Incentive Program (ICIP) for work performed in commercial space, will not disqualify the site from receiving J-51 or 421-a benefits, provided that the commercial space is in a separately assessed condominium unit on a separate tax lot from the residential portion of the building.

**UNIVERSITY / MACOMBS APARTMENTS RFP
2003 INCOME LIMITS FOR TENANT ELIGIBILITY**

<u>Household Size</u>	<u>Maximum Income at 50% of Area Median</u>	<u>Maximum Income at 80% of Area Median</u>
1	22,000	35,200
2	25,100	40,160
3	28,250	45,200
4	31,400	50,240
5	33,900	54,240
6	36,400	58,240
7	38,950	62,320
8	41,450	66,320

**UNIVERSITY / MACOMB APARTMENTS RFP
APPLICANT'S LETTER**

New York City Department of
Housing Preservation and Development
100 Gold Street
New York, NY 10038

Attn: Aileen C. Gribbin, Assistant Commissioner
Re: University / Macombs Apartments RFP

Dear Ms. Gribbin:

This letter is being submitted in connection with my proposal ("Proposal") submitted in response to the University / Macomb Apartments Request for Proposals ("RFP") issued by the Department of Housing Preservation and Development ("HPD") of the City of New York ("City") in cooperation with the New York City Housing Authority ("NYCHA").

I understand that selection of an Applicant ("Applicant") under the RFP for disposition of a site ("Site") and the development of the project described in the RFP ("Development") will mean only that HPD will commence negotiations with such Applicant regarding the development of the Site.

I recognize that any negotiations with HPD will be subject to the following terms and conditions.

- 1) The commencement of negotiations will not represent any obligation or agreement on the part of the City, which may only be incurred or entered into by a written agreement which has been: (i) approved as to form by the City's Law Department; (ii) approved by the Mayor after a hearing on due notice; and (iii) duly executed by the Applicant and the City. The Negotiation Letter will only indicate HPD's intention to commence negotiations that may ultimately lead to the execution of such an agreement.
- 2) The Applicant will not have permission to enter upon the Site, which permission will only be granted, if at all, in the form of a license agreement duly executed by the Applicant and the City. The execution of any such license agreement, if it occurs, will only indicate that the City has granted permission for the Applicant to enter onto the Site for the limited purposes stated in the scope of work set forth therein, and will not indicate that the City has reached any other agreement with the Applicant regarding the Site, the Development, or the Program.
- 3) The following requirements will have to be satisfied prior to disposition of the Site:
 - a. The disposition of the Site and tax exemptions to be granted, if any, must be reviewed and approved in accordance with all applicable HPD and City policies, which include, but are not limited to, the following:
 - i) The Applicant, any other potential grantee of the Site, and the Applicant's respective principals must successfully undergo background checks concerning their suitability to do business with the City.

- ii) The Site will not be sold to any person or entity which (or to any entity with a principal who): (i) has not fulfilled development responsibilities undertaken in connection with the City or other governmental entities; (ii) is in default on any obligations to the City; (iii) is a former owner of the Site; or (iv) has lost real property to the City in tax or lien enforcement proceedings.
 - iii) The price and other terms for the disposition of the Site and the tax exemption to be provided, if any, will be consistent with applicable City policies.
 - b. The disposition of the Site and tax exemptions to be granted, if any, must be reviewed and approved in accordance with the provisions of all applicable local, State, and Federal laws, which may require, among other things, review and/or approval by the local Community Board, the Borough President, the City Planning Commission, the City Council, and/or the Mayor.
 - c. The grantee must execute legal documents in form and substance acceptable to HPD and in form approved by the City's Law Department.
- 4) During negotiations, the Applicant must diligently, competently, and expeditiously comply with all requirements communicated to the Applicant by HPD.
 - 5) The design of the Development must comply with any applicable Urban Renewal Plan and HPD design requirements.
 - 6) The Negotiation Letter will not constitute a representation or certification by HPD that the Site and the Development comply with the Criteria For Location Of City Facilities ("Fair Share Criteria") established pursuant to Section 203 of the City Charter. The Applicant will be responsible for ensuring compliance with all Fair Share Criteria and for preparing all materials and obtaining all approvals related to such compliance.
 - 7) Either HPD or the Applicant may terminate negotiations at any time with or without cause. Negotiations will terminate automatically if Applicant does not provide within 120 days from the date of the Negotiation Letter evidence of financing for acquiring and rehabilitating the property.
 - 8) If negotiations are terminated by either HPD or the Applicant, whether with or without cause, or if negotiations terminate automatically, then neither the City nor the Applicant will have any rights against or liabilities to the other.
 - 9) The City is not obligated to pay, nor will it in fact pay, any costs or losses incurred by the Applicant at any time, including, but not limited to, the cost of: (i) any prior actions by the Applicant in order to respond to any selection process; or (ii) any future actions by the Applicant in connection with the negotiations, including, but not limited to, actions to comply with requirements of HPD, the City, or any applicable laws.

Very truly yours,

**UNIVERSITY / MACOMBS APARTMENTS RFP
HDC LOW-INCOME AFFORDABLE MARKETPLACE PROGRAM
(LAMP) - UNDERWRITING STANDARDS**

The following states the HDC underwriting standards for the Low-Income Affordable Marketplace Program (LAMP) as it would apply to this Development:

Maximum Incomes: The maximum income during any period that 100% Project-based Section 8 Rental Assistance is in effect is 50% of Area Median Income (\$31,400 for a family of 4.)

Maximum Rents for 2003: It is anticipated that NYCHA will make available 100% Project-based Section 8 Rental Assistance. Accordingly, Developers may assume the following Section 8 Reasonable Rents, subject to HUD approval.

Studios	\$617
1-BR	\$724
2-BR	\$884
3-BR	\$1,049
4-BR	\$1,251

Developers are cautioned that these rates are subject to approval and adjustment by HUD. If Project Based Section 8 is not available and/or expires, the maximum rent levels will be governed by tax credit limits and the subsidy award will be adjusted accordingly.

Construction Loan: HDC bond financing must constitute a minimum of 51% of the Total Development Cost. The borrower must obtain a Letter of Credit from a conventional lender with an investment grade rating equal to at least A-1 or P-1 from Standard & Poor's or Moody's respectively guaranteeing the repayment of HDC's bonds during the Development's construction period. In the event that this financing can be consummated as part of HDC's pooled financing (the "Open Resolution"), a stand-by letter of credit may be permitted. However, for underwriting purposes, a direct-pay letter of credit should be assumed. Alternatively, other forms of credit enhancement such as mortgage insurance may be permitted by HDC.

Minimum Equity: 10%. Equity may include proceeds from sale of tax credits.

Interest Rates: Interest rates will be determined at bond issuance. Current indicative rate is 5.3% on construction financing and 6% on permanent financing.

Term of Permanent Loan: Up to 30 Years.

HDC Financing Fee: .75% of construction loan

Bank Commitment Fee: To be negotiated with LC provider

<u>Estimated Bond Issuance Costs</u> (includes negative arbitrage):	Approximately 3.75% of HDC construction loan
<u>Estimated Letter of Credit</u> <u>2 Year Renewal Fee:</u>	To be negotiated with LC provider
<u>Amortization of First Mortgage:</u>	Fully amortized over term of loan
<u>Maximum Developer's Fee:</u>	15% of total eligible cost
<u>Payment Guaranty:</u>	Not required on Permanent loans
<u>Real Estate tax benefits:</u> exemption on new construction	J-51 benefits for rehabilitated buildings and 421a
<u>Minimum Debt Service Coverage:</u> 1.20 or greater on HDC mortgage	1.15 or greater on all financing
<u>Replacement Reserve:</u>	\$300 DU/Yr.