

**The New York City
Department of Housing Preservation and Development
And
The New York City Housing Authority**

**UNIVERSITY / MACOMBS
APARTMENTS**

REQUEST FOR PROPOSALS

**Issue Date: July 21, 2003
Pre-Submission Conference: July 31, 2003
Site Inspection Date: August 4, 2003
Proposal Due Date: September 22, 2003**

**Michael R. Bloomberg, Mayor
Daniel L. Doctoroff, Deputy Mayor
Dennis M. Walcott, Deputy Mayor**



**Jerilyn Perine, Commissioner
Department of Housing
Preservation and Development**



**Tino Hernandez, Chairman
New York City Housing Authority**

Web Site: WWW.NYC.GOV/HPD

UNIVERSITY / MACOMBS APARTMENTS RFP

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UNIVERSITY / MACOMBS APARTMENTS

REQUEST FOR PROPOSALS

I. INTRODUCTION

The New York City Department of Housing Preservation and Development (“HPD”), in cooperation with the New York City Housing Authority (“NYCHA”), invites developers to submit proposals for development of an affordable rental housing development (“Development”) called University / Macombs Apartments in the Morris Heights area of the Bronx.

University/Macombs Apartments will be the first project to be carried out under a recently initiated collaboration between HPD and NYCHA for the development of affordable rental housing in New York City. It is located in a neighborhood that includes apartment buildings and small homes, many of which have been rehabilitated in recent years, and active commercial enterprises. For both reasons, this Development presents an unusually attractive opportunity for experienced developers/managers of affordable rental housing.

This Development will be developed on property currently owned by NYCHA. The property consists of four vacant multi-family buildings containing a total of 180 dwelling units as well as a vacant lot with the capacity for up to an additional 30 dwelling units. This property will be conveyed by NYCHA to the selected developer (“Developer”) for a nominal sum. The Developer will rehabilitate the existing buildings, construct a new residential building on the vacant lot, and own and manage the completed Development.

The Development will be developed with a combination of private and public financing. It is anticipated that public financing will be available through three sources: the New York City Housing Development Corporation’s (“HDC”) Low- Income Affordable Marketplace Program (“LAMP”), which provides below market rate construction and permanent financing and enables developers to apply for Federal Low- Income Housing Tax Credits on an as-of-right basis; 100% Project-based Section 8 Rental Assistance through NYCHA; and a NYCHA subsidy that provides construction and permanent financing at 0% interest. No additional HDC LAMP subsidy will be provided except for the subsidy specifically outlined in Section IV (F)(2)(b).

HPD and NYCHA assume that maximum amount of Project-based Section 8 rental assistance can be obtained via a waiver from the Department of Housing and Urban Development (“HUD”). Only after proposals are evaluated could any waiver request be sought. Proposals that require the least amount of NYCHA subsidy are preferred.

All the residential units created by this Development will be affordable to households with incomes up to 50% of the Area Median Income. Upon initial occupancy, all apartments must be registered in the Rent Stabilization system, which is monitored by the New York State Department of Housing and Community Renewal.

HPD and NYCHA will jointly select a Developer for the Development through a competitive selection process described in this Request for Proposals (“RFP”). The Developer will be responsible for assembling a development team (including a contractor, architect, managing agent, and social service provider (if required)), identifying a tax credit syndicator, securing financing, and undertaking the design, rehabilitation, new construction, rent-up and management of the completed buildings, as described in Section IV.A. Conveyance and construction start is anticipated to occur in calendar year 2004.

A pre-submission conference will be held on July 31, 2003, at 10:00 a.m., at HPD, 100 Gold Street, Room 1-R, New York, NY. All applicants ("Applicant") are encouraged to attend.

Buildings and vacant lot will be open for inspection on August 4, 2003.

Proposals are due by hand on September 22, 2003 no later than 4:00 p.m. See Section VI. B. ("Submission Due Date") for detailed instructions.

II. SITE DESCRIPTION

The Project is located in the Morris Heights area of the Bronx, in Community District 5. Project addresses, descriptions, and maps are included in Exhibit A ("Site").

III. REQUEST FOR PROPOSAL PROCESS

The RFP process consists of the following stages:

A. 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.

Submission of a proposal shall constitute permission from the Applicant for HPD to make such inquiries concerning the Applicant, as HPD deems necessary. Proposals that are not complete or not in conformance with the requirements of this RFP will be eliminated from further consideration. Applicants should note carefully the submission requirements listed below in Section VI. ("Submission Requirements").

After submission, HPD will not accept additions or changes to the proposals. Upon review, however, HPD, at its discretion, may notify an Applicant that additional information or clarification is necessary and provide a deadline for submission of such information.

HPD, together with NYCHA, may 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.

B. REVIEW AND SELECTION

Each proposal will be reviewed according to the Threshold Requirements detailed in Section V. A. ("Threshold Requirements"). Proposals that fail to meet the Threshold Requirements will not be further evaluated.

Proposals that pass the Threshold Requirements will be evaluated and ranked based on the Competitive Selection Criteria detailed in Section V. B. ("Competitive Selection Criteria").

Selection of an Applicant under this RFP means only that HPD will commence negotiations with such Applicant regarding the proposal for the Development. Upon such selection, HPD will send a letter to the Applicant regarding the commencement of negotiations ("Negotiation Letter"). This Negotiation Letter will set forth certain information regarding the Development and procedures that will form the basis of such negotiation.

Exhibit F (“Applicant’s Letter”) contains an Applicant’s Letter that describes this process. Each proposal must include this letter signed by a principal of the Applicant. HPD reserves the right to terminate negotiations with or without cause after the issuance of such Negotiation Letter.

The Negotiation Letter will include a development schedule setting out the major actions and timeframes necessary to accomplish a construction start in 2004, which schedule will be set forth in a Development agreement to be entered into between the Developer and HPD/NYCHA. Failure of the Developer to follow the development schedule will result in the termination of negotiations and the selection of another Developer.

Any Applicant that receives a Negotiation Letter from HPD must thereafter disclose all previous participation with City-assisted projects. Such entity and all principals thereof will each be required to submit completed Entity and Individual Disclosure Statements which will be forwarded to the Applicant. HPD will provide copies of these forms upon request by any Applicant.

C. DISPOSITION

The buildings and land described in this RFP will be conveyed by NYCHA to the selected developer under Section 18 of the U.S. Housing Act of 1937, as amended, and 24 CFR Part 970. Disposition of the property will be subject to approval by the U.S. Department of Housing and Urban Development (“HUD”) consistent with all applicable law and regulations.

The property will be delivered by NYCHA vacant in “as-is” condition. NYCHA and HPD make no representation or warranty regarding the condition of the property or the suitability of the property for the uses contemplated by this RFP.

IV. PROGRAM GUIDELINES

All proposals must conform to the following program guidelines:

A. DEVELOPER

The Developer is responsible for assembling a development team, including a contractor, architect, tax-credit syndicator, and management company that will design, rehabilitate, rent-up, own, and manage the rental apartments as well as provide social services for tenants as outlined in Section IV. E. of this RFP. The Developer is responsible for obtaining construction and permanent financing and/or appropriate credit enhancement consistent with HDC’s LAMP Program requirements. NYCHA and HPD make no representations or warranties concerning the availability of funding.

B. PROPERTY USE

The buildings must be developed for residential use as rental apartments. Commercial uses shall be retained at street level. Exhibit A (“Sites”) identifies the buildings that contain commercial space. All proposed development must be consistent with existing zoning. Some of the commercial spaces are currently occupied, however NYCHA will deliver the buildings to the selected developer fully vacant.

C. ELIGIBLE TENANTS AND TENANT SELECTION PROCESS

1. Eligible Tenants

In order to be eligible for initial occupancy all tenants must be families or individuals that are eligible for or currently holding Section 8 vouchers from NYCHA. Household

incomes for such tenants must not exceed 50% of the Area Median Income, as such Area Median Income is determined by HUD, for their household size. These income limits are shown in Exhibit E. For continuing occupancy following initial rental, household incomes for such tenants must remain below the level at which the tenant's rent share (30% of the tenant's adjusted gross income) equals or exceeds the contract rent for the apartment up to the NYCHA Section 8 payment standard. If a tenant's income exceeds such level, the Developer is not entitled to receive further Section 8 rent subsidy for that tenant pursuant to the Section 8 Housing Assistance Payments Contract, and the tenant must be terminated from the Section 8 program within 6 months.

There will be three categories of tenants to be housed in this Development:

- a. Ten percent (10%) of the tenants will be homeless families or individuals eligible to receive or currently holding Section 8 vouchers from NYCHA;
- b. Up to twenty-five percent (25%) of the tenants will be former occupants of the buildings included in this Development who wish to return to the Development, and who are eligible to receive or currently holding Section 8 vouchers from NYCHA, this category also includes current tenants of NYCHA owned University Avenue Consolidated development ("UAC") who are eligible to receive Section 8 vouchers from NYCHA;
- c. The remaining number of tenants, at least sixty-five percent (65%), will be other families or individuals eligible to receive or currently holding Section 8 vouchers from NYCHA.

No employees, agents, and employees of agents of the Developer may be offered apartments in the Development.

Units for the three categories of tenants shall be reasonably distributed throughout the Development.

2. Initial Rent-up

The rent-up of the completed units to eligible tenants is the sole responsibility of the Developer. However, as stated in Section IV. (C.)(1.), above, the pool of potential tenants from which the Developer may select will consist entirely of applicants currently receiving or eligible to receive Section 8 vouchers from NYCHA. These applicants will be families or individuals who are either referred to the Development by NYCHA, or who contact the Developer directly without NYCHA referral. All such applicants who are accepted by the Developer, and who obtain all other required NYCHA approvals for completion of Section 8 rental, will be designated by NYCHA as Project-based Section 8 tenants under appropriate contract documents. NYCHA has the right to refer former occupants of the currently vacant buildings and current UAC residents as Section 8 voucher holders.

3. Re-rentals

When units for homeless tenants are vacated, the Developer shall re-rent such units to other homeless families or individuals eligible to receive or currently holding Section 8 vouchers from NYCHA in accordance with Section IV. (C.)(1.), above.

When any other units are vacated, the Developer shall re-rent such units to other families or individuals eligible to receive or currently holding Section 8 vouchers from NYCHA in accordance with Section IV. (C.)(1.), above.

These requirements shall apply for the duration of the Section 8 Housing Assistance Payment (HAP) Contracts, including renewals.

4. Compliance With NYCHA Section 8 Tenant Selection Procedures

The developer must comply with NYCHA's tenant selection procedures for initial rent-up and for re-rentals for the duration of the Section 8 HAP Contracts. This includes, but is not limited to, compliance with tenant eligibility requirements, fair housing requirements, submission of documentation regarding selected tenants to NYCHA, and record-keeping, reporting, and oversight requirements of NYCHA. The selected Developer will work with responsible NYCHA staff in the implementation of the tenant selection for this Development.

The Developer or managing agent may utilize additional screening criteria, beyond the NYCHA eligibility criteria, when selecting tenants provided that any additional screening criteria are consistent with federal Section 8 regulations. The Developer must notify NYCHA of any additional screening criteria to be used for selection of tenants for this Development.

5. Federal Disability Preference

If the cost of the building alterations is 75% or more of the replacement cost of the completed Development, a minimum of 5% of the Development units is required to be made adaptable for disabled persons with mobility impairments, and a minimum of 2% of the Development units, or one unit, whichever is greater, is required to be made adaptable for disabled persons with visual or hearing impairments. The Developer must offer these "Disabled Preference Units" to "Disabled Applicants" (one member of the applicant household must have a mobility, visual, or hearing impairment). NYCHA will identify applicants who qualify as Disabled Applicants under these requirements. The 2% minimum requirement for Disabled Applicants is in furtherance of, and not in limitation to, the eligibility requirements set forth in Section IV (C)(1) above (i.e. the Disabled Applicants must be eligible tenants pursuant to Section IV(C)(1)).

If the Developer requires more Disabled Applicants for rental of all Disabled Preference Units, the Developer shall request more Disabled Applicants from NYCHA. If there are Disabled Preference Units remaining after these procedures have been met, such units may be offered to non-disabled applicants.

D. RENT LEVELS AND INCOME LIMITS

Initial rents shall be set in accordance with the following requirements:

100% Project Based Section 8 rental assistance is anticipated to be available to this Development. Consistent with this, the units must be affordable to households with incomes up to 50% of the Area Median Income ("AMI"). These current income limits are stated in Exhibit E. In addition, the rent levels must be consistent with the Section 8 maximum rent levels to be established by NYCHA ("Reasonable Rents") for this Development, subject to HUD approval. In preparing their proposals Developers should assume the availability of this rental assistance. If, at the time of award of the Development this rental assistance is not available, the Development may be awarded additional subsidy as determined by HDC and NYCHA.

All units must be affordable to eligible tenants, as defined in Section IV. C. 1. In addition, the rent levels must be consistent with Section 8 regulations regarding "rent reasonableness" and the voucher payment standard as determined by NYCHA. In general, NYCHA will accept the "registered rents" established for the Development by the New York State Division of Housing and Community Renewal pursuant to Rent Stabilization guidelines. This includes the percentage

increases authorized for lease renewals at rent stabilized buildings in New York City each year, and also major capital increases or apartment improvement increases authorized to cover specific physical upgrades at the Development.

See Section IV. H. regarding Rent Stabilization requirements.

E. HUD WAIVER REQUESTS

Project-based Section 8 rental assistance is anticipated to be available for up to 100% of the units in this Development through a waiver request, subject to compliance with CFR parts 982 and 983.

HUD places a cap of 25% on the number of dwelling units in any one building that may have project based voucher assistance. However the following types of housing are exempt from this cap: dwelling units specifically for elderly families, disabled families (as defined in 5 CFR 5.403(b)), or families receiving supportive services. If the developer seeks Project-based Section 8 vouchers for more than 25% of the units which are not exempt from this cap, NYCHA will seek a waiver from HUD. NYCHA will submit a request for such a waiver after selection of the developer and the development team. Section 8 Regulations issued by HUD permit Project-based Section 8 vouchers for 100% of the units at a non-elderly development only if the owner is providing specific on-site supportive services, or the waiver is obtained.

NYCHA may also be required to seek a separate regulatory waiver from HUD concerning the acceptability of the Development site relative to poverty concentration levels in the Development's census tract.

F. FINANCING

1. Equity

Applicants should expect considerable pre-development costs. At least seventy-five per cent (75%) of the developer's fee will be deferred. Further, any costs relating to the interior rehabilitation of the commercial units will not be financed in this program.

2. Potential Sources of Financing

Although NYCHA and HPD make no representations or warranties regarding the financing that will be available at the time of construction or that the Development will qualify for any specific type or amount of financing, it is currently anticipated that this Development may be eligible for allocations of public financing from three sources, as follows:

a. 100% Project- Based Section 8 Rental Assistance

This will consist of 10-year renewable contracts with the federal Department of Housing and Urban Development ("HUD") that will provide the difference between 30% of tenant incomes and the lower of the following: (a) the Reasonable Rents in effect each year, or (b) the rent stabilized rents then in effect. This rental assistance will be administered by NYCHA.

b. HDC's Low-Income Affordable Marketplace Program (LAMP)

This Program provides below market rate financing and also enables developers to apply for 4% Federal Low- Income Housing Tax Credits on an as-of- right basis provided that at least 51% of the total Development cost is financed with tax-exempt bonds. HDC Bond funds will be available for construction loan financing provided that a direct-pay letter of

credit guaranteeing the repayment of HDC's bonds is obtained 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. In addition, HDC will provide permanent financing. No additional HDC LAMP subsidy will be made available. The HDC financing will be subject to the underwriting criteria described in Exhibit G. While the proposal selected through this RFP process will be eligible to receive an allocation of tax-exempt HDC bond financing for the Site, it is the responsibility of the selected Developer to meet all HDC requirements to obtain such financing.

The 4% as-of-right tax credits will provide the mechanism for the Developer to raise additional equity. It is the responsibility of the Developer to apply to HPD for tax credits and meet all the HPD requirements to obtain a tax credit allocation.

c. **NYCHA Subsidy**

NYCHA may provide a subsidy in the form of partial construction and permanent loan financing at zero percent (0%) interest for 30 years. The NYCHA subsidy will be available if there is a gap in financing after bond financing and low-income housing tax credits are maximized and will be provided subject to the underwriting criteria set forth in Exhibit G.

3. Other Public Funding Sources

Any proposed use of public funds from sources other than HDC and NYCHA must be evidenced at the time of application by a letter of interest, a commitment letter or an award letter from a government agency or public benefit corporation.

4. Private Funding Sources

Within 120 days of HPD's issuance of a Negotiation Letter, the selected Developer will be required to submit a Form of Credit Enhancement from a private lender acceptable to HPD and HDC. The negotiations with the Developer may be terminated if the required Form of Credit Enhancement is not submitted within 120 days.

5. Mortgage Recording Tax

In calculating development costs, Applicants shall assume payment of the full mortgage recording tax applicable to the private mortgage loan, if any. This requirement applies to for-profit and not-for-profit developers, unless otherwise exempt.

6. Self-financing Requirements

If the developer contributes its own funds towards development instead of obtaining a construction loan from an institutional lender, the following applies:

a. **Construction Loan Servicer**

The Developer must identify a construction loan servicer acceptable to HPD.

b. **Equity**

At the construction loan closing, the Developer must deposit in escrow with the construction loan servicer the full amount of the self-financed portion of the construction loan. During the construction period, these funds will be drawn down before any NYCHA subsidy funds are disbursed.

c. **Background Reviews.**

The source(s) of private funding may be subject to standard credit, reference and New York City Inspector-General reviews.

G. MAINTENANCE AND OPERATING REQUIREMENTS

Maintenance and operation of the buildings must be performed in accordance with all applicable City laws and regulations as well as HUD Housing Quality Standards (HQS). Specific maintenance and operating requirements required for continuation of Section 8 rent subsidy are described in the Section 8 Housing Assistance Payments Contract between the Developer and NYCHA.

H. RENT STABILIZATION

Initial rents will be set by NYCHA consistent with the standards described in this RFP. All units must be entered into the New York State Rent Stabilization system upon initial occupancy following completion of the development. In general, NYCHA will recognize the rent-stabilized rents then in effect.

I. BUILDING DESIGN AND CONSTRUCTION REQUIREMENTS

This Development consists of four existing buildings, with six addresses, as well as one vacant lot. The existing buildings contain a total of 180 apartments, and it is estimated that current zoning would permit the development of up to 30 apartments on the vacant lot.

At a minimum, proposals must conform to the HPD Rehabilitation Design Guidelines stated in Exhibit B, the HPD Design Guidelines for New Construction stated in Exhibit C, the New York City Zoning Resolution, the New York City Building Code and all other applicable laws and regulations. In addition, all materials and components to be provided in connection with the rehabilitation work shall equal or exceed those items described in HPD's Division of Architecture, Construction and Engineering Standard Specifications.

Current layouts should be retained in existing buildings with only minor modifications where necessitated by construction constraints or to ensure that units are functional. This requirement is to meet the objective of maintaining existing unit counts and bedroom distributions as well as to control costs. Please note that the amount of public subsidy required from any source is a competitive selection factor as described in Section V. B. 3.

Portions of the buildings require only a moderate level of rehabilitation as they had been fully rehabilitated in the past. However, some sections of the buildings require more extensive rehabilitation because of fire and water damage. It is the sole responsibility of the Developer to assess the extent and cost of the work required to make these buildings functional in compliance with HPD and other applicable requirements. Please note that the buildings will be opened for inspection on August 4, 2003 as described in Section VIII.

The selected Developers will be required to submit proposed layouts to HPD for review and approval.

Developers are encouraged to use high performance or "green" technology that will promote energy conservation. For information about an incentive program to encourage the use of "Energy Star" lighting and appliances sponsored by the U.S. Environmental Protection Agency ("EPA"), the U.S. Department of Energy and NYSERDA, please contact:

NYSERDA Program – 1(877) 697-8271
New York “Energy Star: Appliances and Lighting Program, c/o Aspen Systems Corporation
233 Spring St., Suite 518
New York, NY 10013
(212) 206-8666 - Fax: (212) 206-8654

J. REAL PROPERTY TAXES

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 multiple dwelling may be eligible for a 25-year post-construction 421-a partial tax exemption. The specific terms of the exemption and abatement benefits are described in Exhibit D (“Summary of Tax Benefit Programs”). Please note that 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 or warranties as to the continued availability of these benefits or as to the Developers or Developments qualifications therefor.

K. DISPOSITION PRICE

The buildings and land included in this Development are to be sold to the Developer at a nominal price subject to HUD approval.

L. PREVAILING WAGE REQUIREMENTS

Developers will be required to comply with Federal Labor Standards provisions pursuant to the Davis-Bacon Act.

M. FAIR HOUSING REQUIREMENTS

Developers are required to comply with all applicable Federal, State and local laws, orders and regulations prohibiting housing discrimination.

N. ENVIRONMENTAL REVIEW REQUIREMENTS

This Development will be subject to the environmental review requirements of the National Environmental Policy Act (NEPA), as well as New York State and New York City environmental review requirements (SEQR and CEQR). HPD, as lead agency, will oversee the preparation and review of these assessments in cooperation with NYCHA. However, the Developer will be responsible for providing all information and for paying the cost of any studies and analyses required for completion of these reviews, including a Phase I Environmental Assessment and, if required by HPD, a Phase II Environmental Assessment.

V. SELECTION CRITERIA

Each proposal will be evaluated according to the Threshold Requirements described in Section V. A. taking into account the information provided in the proposal, references, and any other information about the Applicant’s performance available to HPD. Only proposals that meet all Threshold Requirements will be considered further.

Proposals that meet all Threshold Requirements, based on HPD’s sole judgment and discretion, will be evaluated, rated and ranked according to the Competitive Selection Criteria described in Section V. B.

A. THRESHOLD REQUIREMENTS

1. Completeness of Proposal

The proposal must contain all the documentation required under Section VI. All the required forms must be fully completed and application requirements met at the time of submission. Upon review, however, HPD, at its discretion, may notify an Applicant that additional information or clarification is necessary.

Proposals must cover all the buildings and the vacant lot as described in Exhibit A.

2. Conformance with RFP

Proposals must conform to the requirements contained in this RFP.

3. Feasibility of Development Proposal

The financing plan described in the proposal must be sufficient to provide for the development, rent-up and management of the entire Site. Estimated development costs must be within current industry parameters and reflect the Construction Requirements and Design Guidelines stated in Exhibits C and D. Maintenance and operating costs must be realistic in terms of prevailing costs, and sufficient to provide for effective building maintenance.

4. Ability To Finance

The information contained in the proposal must indicate that the Applicant possesses sufficient liquid assets to make the required equity investment in the Development and meet pre-development and rent-up expenses.

5. Development Experience and Capacity

a. Comparable Development Experience

At least one principal of the Developer must have comparable development experience. "Comparable Development Experience" means the successful completion, as an at-risk developer, of at least two residential rental projects of at least 50 units each and an aggregate of 200 units in New York City within the five year period preceding the deadline for the submission of proposals in response to this RFP. The developments must have consisted of new construction and/or substantial rehabilitation whose scope included, at a minimum, replacement of several major systems, beam replacement, and the coordination of multiple trades.

b. Comparable Management Experience

At least one principal of the Developer or the proposed managing agent must have comparable management experience. "Comparable Management Experience" means the successful management of a total of at least 200 residential units in New York City over the five-year period ending at the deadline date for the submission of proposals. No changes in managing agent may be made without HPD's prior approval. The principal must have been the owner and manager, or the owner acting through a management entity, to fulfill this qualification.

c. Current Capacity

Applicants must be capable of beginning construction in calendar year 2004. The Applicant's current workload and other pending project obligations will be considered in assessing its capacity to carry out the proposed development within this time frame.

A proposal will be rejected if there is evidence that the Applicant is over-extended, as indicated by one or more of the following:

- i. there is poor progress on current projects with HPD or others;
- ii. the total of all development and/or construction projects under way or in predevelopment already fully utilizes the existing financial or administrative capacity/experience of the Applicant; or
- iii. other information indicates that Applicant does not have the capacity to begin and complete construction on a timely basis.

6. No Adverse Findings

An Applicant may be disqualified if there are any adverse findings that would prevent the City from conveying the Site to the Applicant or any person or entity associated with the Applicant. These include, but are not limited to:

- a. arson conviction or pending case;
- b. harassment conviction or pending case;
- c. City, State, Federal or private mortgage foreclosure proceedings or arrears;
- d. in rem foreclosure; sale of tax lien or substantial tax arrears;
- e. defaults under any federal, state or City-sponsored program;
- f. a record of substantial building code violations or litigation against properties owned and/or managed by the Applicant or by any entity or individual that comprises the Applicant; or
- g. past or pending voluntary or involuntary bankruptcy proceeding; or
- h. conviction for fraud, bribery or grand larceny.

B. COMPETITIVE SELECTION CRITERIA

Proposals that meet the Threshold Requirements stated in Section V. A. above will be rated 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.

1. Previous Development Experience

The Applicant's previous development experience will be evaluated as an indicator of its ability to carry out a quality project in a timely manner. Among the factors that will be considered are:

- a. the quality of construction in projects completed or currently being built by the Applicant and/or its principals;

- b. the extent of the Applicant's experience, in terms of number and size of projects completed;
- c. previous experience in developing tax credit and/or bond financed projects; and
- d. the effectiveness of the Applicant's rent-up efforts on previous rental projects.

2. Previous Management Experience

The Applicant's previous experience in managing rental housing, either directly, or through a managing agent, and the experience of any managing agent proposed to manage the Site applied for, will be evaluated as an indicator of the Applicant's ability to operate and maintain the property to the satisfaction of the tenants, in a financially sustainable manner, and in compliance with all applicable laws. These factors, among others, will be considered:

- a. the numbers of buildings and units currently managed by the Applicant, and those managed by the Applicant over the past five years;
- b. the quality of maintenance provided by the Applicant;
- c. the financial stability of the properties managed by the Applicant;
- d. previous experience in the provision of social services to low income or special needs populations;
- e. the effectiveness of tenant relations, measured in part by the number and types of tenant complaints made in regard to property managed by the Applicant; and;
- f. experience in rent-up and management of rental housing for low- income persons, especially Section 8 assisted housing, including track record of compliance with eligibility, record keeping and reporting requirements of subsidy programs for such tenants.

3. Least Subsidy

Proposals that require the least NYCHA subsidy will be ranked highest under this criterion.

4. Likelihood of Early Construction Start

The likelihood of the Applicant's accomplishing an early construction start on the Development will be evaluated based on factors that include the following:

- a. Applicant's track record of delivering projects on time and within budget; and
- b. the financial and other resources that the Applicant will provide to the proposed project.

5. Quality of Design

With respect to the new construction, preference will be given to proposals containing apartments and public spaces that are well laid out, attractive and innovative site plan and facade that is in keeping with and enhances existing buildings and neighborhood. Additional consideration will also be given to any special amenities to be provided in the new or existing buildings. The Design Guidelines stated in Exhibits C and D describe the minimum criteria

HPD will use in evaluating the quality of the design proposals submitted in response to this RFP.

VI. SUBMISSION REQUIREMENTS

Each proposal must consist of one bound original and five bound copies. Only proposals from principals will be considered. All submissions become the property of the City.

Each original and copy must contain a label showing the following information: University / Macombs Apartments RFP, name of Applicant, and date of submission. Each proposal must be tabbed as indicated below. The tabs must run down the right hand side of the proposal. (No spiral binders, ring binders or loose-leaves may be submitted.)

A. CONTENTS OF PROPOSAL AND TABBING

[All Forms can be found in Exhibit H (“Proposal Forms”).]

1. TAB A - Narrative Overview

Include a narrative of one or more pages that describes the proposal. The narrative must include, at a minimum, the income and rent levels contemplated, the number and size of units, the sources and amounts of financing, and a brief description of the most relevant development experience of at least the principal(s) who would manage the project. Applicants are encouraged to include a resume in this tab as well as any additional information that would be helpful to HPD in the review process. This information may include information regarding projects that the Applicant has developed in the vicinity of the Site or clarification of information provided in the HPD forms included in the proposal.

2. TAB B - Applicant Description

All Applicants must complete pages 1-3 of the Applicant Description Form (Form 1). Applicants that include a not-for-profit organization as a principal of the Developer or a member of the development team must also complete pages 4 - 6 of the Applicant Description.

If the Applicant is a joint venture, the principals of each entity that comprises the joint venture must be identified, and a principal of each entity must sign the Form.

3. TAB C - Development Proposal

The following forms, fully completed, shall be included in this Tab:

Financial Proposal, (Form 2); and

Trade Payment Breakdown, (Form 3).

These forms are contained in Exhibit H of this RFP. If the superintendent is not located on Site, a letter explaining alternative provisions for janitorial services that satisfy the Housing Maintenance Code must be included in this Tab.

4. TAB D - Development Experience, Management Experience, Property Listing and Current Workload

The following forms, fully completed, shall be provided by each principal of the Applicant. If an individual has no experience, this shall be indicated by including a form marked "None". See Exhibit H for copies of the required forms.

Residential Development Experience (Form 4):

A separate form shall be provided for each principal. Care should be taken to provide accurate information about references.

Residential Management Experience (Form 5)

A separate form shall be provided for each of the principals as well as for any managing agent proposed to manage the Development.

Individual's Property Listing (Form 6)

A separate form shall be submitted for each principal listing all real property located in New York City currently and previously owned and/or managed during the five-year period preceding the submission deadline date for proposals under this RFP. This list shall include properties owned and managed either directly by the principal or by any organization in which the principal is or was a corporate officer, general partner, or held more than a 10% interest.

Current Workload, (Form 7) (To be provided):

Each principal must list all projects in which he/she is involved that will coincide with the development of the Development.

5. TAB E - Assets Statement

Each proposal must contain a completed Assets Statement, (Form 8), for at least one principal of the Developer. Please note that the total unencumbered assets of the principal or principals must be at least equal to the amount of equity required by the construction lender.

6. TAB F - Letters for Private and Public Funds

Each proposal must include a letter or letters of interest dated no later than two (2) months from the date of submission of the Developer's proposal ("Discussion Purposes Term Sheet") from a private lender or lenders:

If the Development is proposed to be financed without tax exempt bonds and tax credits, provide letter(s) indicating a willingness to provide construction and permanent financing in amounts and with terms consistent with the proposal.

If the Development is to be financed under the LAMP Program, provide a letter indicating the lender's willingness to provide a direct-pay letter of credit equivalent to the bond-financed portion of the construction financing.

The letters must be provided on the lender's letterhead, signed by a representative of the lender, and state the amount and terms of the financing. Applicants may use different private lenders for construction and permanent financing.

The letter(s), as required by the specific type of financing as stated above, must include the following:

- a. Construction Loan
 - i. the amount of financing that the lender would consider based on the lender's preliminary determination of feasibility based on expected development costs, and rent levels and/or sales prices; and

- ii. the interest rate, fixed or variable, the equity requirement and other terms under which the lender would provide construction financing.
- b. Permanent Loan
 - i. the amount of financing that the lender would consider based on the lender's preliminary determination of feasibility, based on expected development costs, rent levels; and
 - ii. 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.

If the use of public funds from sources other than NYCHA or HPD is proposed, a written indication of interest, e.g. a letter of interest, a commitment letter or an award letter, dated no later 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.

7. TAB G - Tax Credit Syndicator Letter

If the Development is to be financed using tax-exempt bonds, provide a letter of interest from a tax credit syndicator indicating the tax credit raise anticipated for the Development.

8. TAB H - Architectural Submission

- a. New Construction
 - i. site plan;
 - ii. elevation;
 - iii. zoning analysis; and
 - iv. proposed layouts for the main floor and typical floor. The floor plans shall be @ 1/8" scale and clearly indicate all room dimensions as well as square footages.
- b. Rehabilitation

Repair plan that addresses each significant building component and states whether it is to be repaired and/or replaced and to what extent. This plan shall cover heating and ventilation; electrical; gas; plumbing; elevators; sprinklers; kitchens and baths, including fixtures, cabinets, and appliances; windows and doors; interior finishes; public spaces; security systems; lead and asbestos; and building envelope.

B. SUBMISSION DUE DATE and FEE

Proposals must be delivered by hand no later than 4:00 p.m. on September 22, 2003 to:

N.Y.C Department of Housing Preservation and Development
 Office of Development
 Division of Housing Finance
 100 Gold Street, Room 9-A
 New York, NY 10038

Late submissions will not be accepted by HPD.

Each submission requires a non-refundable fee of one hundred dollars (\$100.00). This fee must be 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.

VII. PRE-SUBMISSION CONFERENCE

A pre-submission conference will be held on July 31, 2003 at 10:00 a.m. at HPD, 100 Gold Street, Room 1-R, New York, NY. All potential Applicants are encouraged to attend this conference.

VIII. INSPECTION SCHEDULE

The buildings and vacant land will be available for inspection on August 4, 2003 at 10 A.M. The buildings will be open for interior inspection only once. Applicants should meet at the following address: 1611 University Avenue. Applicants must provide their own transportation between buildings. For security reasons, it is necessary for all Applicants to move together as a group during the site inspection. Applicants should bring hard hats and flashlights and be prepared to sign waiver of liability forms.

IX. INQUIRIES

Inquiries regarding this RFP may be directed to Harriet Frank, 100 Gold St. Rm 9-W8, NY, NY 10038, phone (212) 863-6303 fax (212) 863-6407 or to Richard Brown, phone (212) 863-6556 fax (212) 863-6407.

X. CONDITIONS, TERMS AND LIMITATIONS

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

- A.** The Site is to be disposed of in "as is" condition. NYCHA and HPD make no representation whatsoever as to the physical condition of the Site, or the structures thereon or their suitability for any specific use.
- B.** The Site shall be subject to New York City Real Property Taxes and charges. Tax benefits may be available under the J-51 or 421-a tax abatement programs.
- C.** The proposed Development shall conform to, and be subject to, the provisions of the Zoning Resolution, Urban Renewal Plan, if any, 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.
- D.** Valid permits and approvals, as required by City, State and Federal agencies, shall be obtained by the Developer prior to commencing work.
- E.** The continuation 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 joint review by HPD and NYCHA. The Site will be conveyed by NYCHA pursuant and subject to the provisions of the Contract of Sale between NYCHA and the Developer and any Land Disposition Agreement ("LDA") required by NYCHA, subject to HUD approval.

- F.** No transaction will be consummated if any principal of any Developer with whom HPD or NYCHA has commenced negotiations 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.
- G.** No commission for brokerage or any other fee or compensation shall be due or payable by the City or NYCHA, and the submission of a proposal will constitute the Applicant's undertaking to indemnify and hold the City and NYCHA 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.
- H.** The City is not obligated to pay nor shall in fact pay any costs or losses incurred by any Applicant at any time including any costs incurred by the Applicant in connection with the Applicant's response to this RFP.
- I.** This RFP does not represent any obligation or agreement whatsoever on the part of the City or NYCHA, which may only be incurred or entered into by written agreement, subject to HUD approval and/or the New York City Law Department.
- J.** 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 NYCHA, and until the Deed, the Contract of Sale and all related documents are fully executed and approved. The terms of the Deed and the Contract of Sale after execution, shall govern the relationship between NYCHA and the Developer. In the event of any variance between the terms of this RFP and the Deed or the Contract of Sale, the terms of the Deed and/or the Contract of Sale will govern.
- K.** The City reserves the right, in its sole discretion and at any time, to reject at any time any or all proposals, to withdraw the RFP, to negotiate with one or more Applicants, and/or negotiate and dispose of the Site on terms other than those set forth herein (including to parties other than those responding to this RFP). The City likewise reserves the right, at any time, to waive compliance with, or change any of the terms and conditions of this RFP or to entertain modifications or additions to selected proposals. In addition, HPD retains the right to at any time withdraw portions of the Development from this RFP and to add buildings or vacant lots to the Development.
- L.** All determinations as to the completeness or compliance of any proposals, or as the eligibility or qualification of any Applicant, will be within the sole discretion of the City.
- M.** The City advises all Applicants that there is no legal obligation on the part of the City or NYCHA to use the proposals submitted pursuant to this RFP as a basis for negotiation with Applicants as the City deems appropriate.
- N.** This RFP and any agreement 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.

XI. CONFLICT OF INTEREST

Employees of the City of New York and NYCHA may submit offers for the purchase of properties described herein only in accordance with the section(s) of Chapter 68 of the New York City Charter governing ethics and conflicts of interest affecting City personnel. Section 2604(b)(7) of the City Charter contains specific prohibitions that exclude enumerated groups of employees from participating in the sales process. In addition, current HPD or NYCHA employees may not respond to this RFP.

Persons in the employ of the City or NYCHA considering the submission of a proposal for the purchase of property described herein are advised that opinions regarding the propriety of their purchase of City-owned property may be requested from the New York City Conflict of Interests 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 consideration. 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 or NYCHA are also advised that the City Charter imposes certain restrictions on post-employment business relationships with the City. Such individuals should consult the specific provisions on this issue contained in the City Charter.