

Edgemere Community Land Trust RFEI Addendum

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Contents of the Addendum

- A. Questions and Answers** – enclosed are questions and answers that were asked in the pre-submission conference, as well as questions emailed to the Edgemere CLT RFEI email address: EdgemereCLTRFEI@hpd.nyc.gov
- B. Contact Information** – contact information is provided for those who attended the pre-submission conference and indicated their willingness to share their contact information for networking purposes with regards to responding to this RFEI.
- C. Correction to Appendix A: CLT Lots Table** – corrected text for the notes at the bottom of the CLT Lots Table

A. Questions and Answers

Land Disposition

- 1. How is the competitive land disposition process going to be managed in Edgemere? Once a CLT incubator has been selected and resourced by the agency, will that CLT be able to select its own development partners for public land?**

At this stage, Respondents can either submit to the RFEI with an identified development partner or choose to identify a development partner at a later time (during Phase II:). If a Respondent is making a submission without a development partner, the RFEI submission criteria also require that the Respondent propose how they would secure a development partner in the future. If a Respondent Team selects to choose a development partner in the future, this selection would be subject to HPD approval and could involve a subsequent Request for Proposals (RFP) to identify a development partner.

Additionally, at this time, HPD does not have funding resources for the Respondent team in Phase 1: CLT Formation.

- 2. Will the city dispose of the land for 1 dollar - and transfer the ownership to the selected CLT non-profit, and the CLT will then enter into long-term leases with residential or other lessees, OR will there also be ground leases and regulatory agreements with the City (as stated on page 12)?**

The City does not anticipate conveying the properties to the CLT by ground lease. The exact disposition process will be determined after the CLT has been formed and the development plan has been determined. The designated sponsor may be the already incorporated CLT Housing Development Fund Corporation, or a newly-formed CLT Housing Development Fund Corporation that is made up of the CLT, non-profit affiliates, and any additional development partners to facilitate the project. Depending on the structure of the project, the CLT may enter into the ground lease(s) with improvement owners upon conveyance from the City or upon the completion of the project on the properties. If the CLT and/or improvement owner will also be obtaining a real estate tax exemption and/or financing from the City, the CLT, and if applicable, the improvement owner/ground lessee, will be required to enter into a regulatory agreement with the City. The CLT's ground leases will be subordinate to any regulatory agreement and the disposition documents.

- 3. Will the land disposition process be different for non-housing sites?**

The disposition of all sites must be reviewed and approved in accordance with the provisions of all applicable local, state, and federal laws.

- 4. If the designated CLT non-profit chooses not to work with all housing and or/open space sites, will HPD sell or dispose of the remaining sites or reissue another CLT RFEI?**

Respondents should propose a plan that includes all sites in the CLT. HPD may, at its discretion, remove certain sites from the RFEI. At this time, HPD has no plans to reissue a separate RFEI for a CLT in Edgemere. HPD is open to considering the most realistic phasing plan for the CLT development and improvements.

Financing

- 5. What is the incentive for a developer to respond to this RFEI call?**

The core goal of this RFEI is to identify a partner who will form a CLT, although submissions may also include a development partner. At a later phase, the development of housing will be key to the implementation of the CLT's goals. During the development phase, a developer can benefit from construction costs subsidy per unit and a developer fee, per the applicable term sheet. There are also various tax abatements and exemptions available to developers and homeowners.

- 6. Will the CLT developer be required to use the HPD Open Door term sheet, or are there other options?**

The Open Door term sheet is the current program HPD has available to provide financing for the development of new construction affordable homeownership opportunities. The exact funding sources will be determined as the development program is finalized, which will not happen until after Phase I: CLT Formation of the RFEI is complete.

- 7. If the CLT developer can only use the HPD Open Door term sheet, is HPD anticipating options below 80% AMI?**

Per the Open Door term sheet, the program will serve lower affordability tiers under prescribed circumstances, such as where levels of affordability must be deeper to achieve a discount to market.

- 8. The Open Door term sheet says that it will serve lower affordability tiers under prescribed circumstances, such as "where levels of affordability must be deeper to achieve a discount to market." Is that the case here?**

This will be determined after Phase I: CLT Formation of the RFEI is complete as market conditions can change over time.

Land Use and Zoning

9. Would there be a preference for a CLT to purchase those lots and develop multifamily housing on the proposed mixed-use rezoned areas in the land use proposal?

This RFEI does not include lots that are located within the mixed-use rezoning area (proposed R6A / C2-4) and Respondents are not to include them in their submission. The City-owned lots in this area will be included in a future Request for Proposals for multi-family development, which will be open to CLTs, among other types of developers, submissions. The timeline for releasing the multifamily RFP is undetermined at this time.

10. Why aren't the lots that are proposed for future higher density included in this RFEI?

The residential construction across the neighborhood is phased out according to the land use plan referenced in the Resilient Edgemere Community Plan. The infill development and open spaces land stewardship is the first stage in the land use plan framework.

11. Can the CLT lots be rezoned for higher density?

No. The agency is proposing a rezoning to limit residential density in portions of the Edgemere neighborhood in order to limit exposure to the projected flooding impacts of climate change. Of the residential lots included in this RFEI, 42 are under proposed R4-1 zoning, permitting one to two family residential buildings, and 6 are under proposed R3A zoning, permitting one and two family detached buildings. 16 residential lots will not be rezoned and will remain as R4.

12. Do the CLT open lots have to be publicly accessible at all times, or can they be used for commercial (or semi-private) uses?

The lots identified for open spaces uses are not required to be publicly accessible at all times. However, the goal is to serve the interests of the larger community. Additionally, the level of public access to the sites may be dependent on the programs and resources that are utilized to resource them.

13. Will revenue-generating uses such as solar PV canopies/shade structures be allowed on the CLT open lots (perhaps with open recreational, landscape or parking spaces beneath)?

Any non-residential uses or structures on the open space lots must conform with the Urban Renewal Plan and Zoning Resolution at the time of implementation. Under the proposed Urban Renewal Plan, permitted uses include active and passive recreational uses and nature conservation uses will be permitted. Additionally, agricultural uses are allowed as permitted by zoning. Under the Zoning Resolution, solar energy systems are permitted as an accessory use, but would not be permitted as standalone structures.

Community Land Trust

14. I am curious about the ways that HPD is supporting the formation of CLT's, including what the budget will look like for that support.

HPD has been responsible for processing funding allocated by the New York City Council in FYs 20 and 21 to provide operational support for eligible CLT organizations. As part of the FY22 budget, the City Council allocated \$1.5 million to support organizations that work on a neighborhood level to develop and expand the community land trust (CLT) model citywide. Work includes, but is not limited to: tenant organizing; CLT advocacy; technical, legal and financial assistance to establish and build capacity for CLT's, and other CLT-related public education.

CLTs and their partners may receive capital financing from HPD to support affordable housing projects on their land. This funding may be provided through HPD's term sheet programs, such as Open Door.

HPD staff, including the agency's Director of CLT Initiatives, will assist the CLT formed through this RFEI to identify applicable operating and capital funding sources.

15. Are there current operational Community Land Trust Developments?

In NYC, the Cooper Square CLT has owned the land beneath several hundred affordable housing units in the East Village since the 1990s. The East Harlem/El Barrio CLT is facilitating the rehabilitation of four formerly city-owned buildings. The Interboro CLT recently acquired property and is currently working with its development partners and HPD on a number of additional affordable housing projects.

16. Are there technical and legal support for CLTs?

HPD is continuing to work on providing support to CLT groups that are in formation. We'll have more information about HPD's MWBE and Non-Profit Capacity Building Course that will be open to prospective CLTs. We're also looking to see what kind of support the selected Respondent will need and connect them to relevant programs, if applicable.

17. Are there any funding opportunities available to the prospective CLT?

Although we can provide funding in the form of housing subsidy for the development of affordable homeownership, we currently do not have funding tied to this RFEI call for carrying out the proposed implementation plan. Resources permitting, we are willing to work with selected parties to identify other funding sources. See Question #3 for more information on CLT funding.

18. If an HDFC (Housing Development Fund Corporation) cannot own non-housing open land, how will the open land be managed? Will the CLT governance and decision-making structure also apply to the open lots?

The RFEI submission requirements includes a proposed CLT organizational and governance plan. HPD is open to evaluating a range of proposals which center the CLT as a steward of the residential, open spaces, and commercial land. However, it is likely that another legal entity will need to be formed to own the non-residential land. While these may be legally separate entities, they can be affiliated with the CLT as an umbrella organization. An example of such an arrangement can be found in the Dudley Street Neighborhood Initiative in Boston, MA.

Economic and Community Development

19. In order to encourage wealth building, can more commercial use be proposed? Can open space commercial activities be proposed?

The commercial activities are limited to what is permitted in the proposed zoning districts and in accordance with the amended Edgemere Urban Renewal Plan. Per the NYC Zoning Resolution, commercial activities related to urban agriculture are limited to the sale of products produced on the same zoning lot.

20. Is the ultimate goal [of this RFEI initiative] to interact and empower the Edgemere residents?

A key goal of this endeavor is to build capacity and engagement among local community groups and empower residents to engage in self-determination, create and preserve housing affordability, and build community wealth; all while ensuring feasibility of any proposed project. A requirement of any RFEI submission is a proposed community engagement strategy to help form the CLT itself.

21. Is cannabis a viable economic development venture for the CLT?

Any non-residential space on the property owned by the CLT HDPC may only be accessory to the residential space. It is likely that another legal entity will need to be formed to own the non-residential land and/or the commercial activities. While these may be legally separate entities, they can be affiliated with the CLT as an umbrella organization. In addition, the proposed use would have to conform with all requirements of law and any financing partners. Also, respondents should evaluate whether this venture would qualify under the CLT's non-profit purposes.

Other

22. I own vacant land next to the CLT lots, what are my options for this RFEI call?

The focus of this RFEI is to select a Respondent who will carry out the formation of a CLT in Edgemere and, in later phases, carry out the proposed development. If an owner of adjacent vacant land is interested in being a part of this effort, they can partner with

local groups to make a submission to the RFEI or seek to partner with the selected Respondent at a later date in the pre-development process, pending HPD review and approval. This RFEI call is primarily interested in seeing land ownership models that centers community oriented decision-making and development.

23. For those of us who do not live in the area, are there not for profit groups in Edgemere that we may meet with who have expressed an interest in participating in this process? May we know who they are?

There are identified local groups in the Rockaways that have showed interest in responding to the RFEI. Those groups and individuals who have given consent for their contact information to be shared are part of the CLT Networking List, which interested parties can join by emailing EdgemereCLTRFEI@hpd.nyc.gov.

24. Is the Board of Education aware of the potential for an increased student population or does the CLT have to coordinate that process?

The potential for significant adverse impacts related to schools will be analyzed and disclosed as part of the City Environmental Quality Review (CEQR) process. The CLT and development team are not responsible for conducting this analysis for any proposal that is at or below the projected development densities considered in the environmental review for the related land use actions. HPD is preparing an Environmental Impact Statement (EIS) that considers the potential for environmental impacts for the proposed land use actions. A Draft Scope of Work is available to download at www1.nyc.gov/site/hpd/services-and-information/environmental-review.page.

25. Will there be a presence from HPD in the area during this RFEI process?

While HPD does not have plans to establish a physical office in Edgemere, HPD is committed to being an active partner in the CLT's formation efforts, including, as necessary and appropriate, participating in stakeholder meetings and community engagement and outreach. HPD will continue to be available to the selected Respondent and the greater Edgemere community for in-person meetings (health and safety permitting) and via email, phone, teleconference and future engagement related to the Resilient Edgemere Community Planning Initiative.

26. Will the CLT, the future homeowners/renters or open-lot stewardship groups be required to purchase market-rate flood insurance?

Property owners at this location (in a high risk flood zone) with a federally backed mortgage, as well as those who have received federal disaster assistance for flood damage, are required to purchase market-rate flood insurance. HPD strongly encourages all owners of property located in a high risk flood zone to purchase and maintain flood insurance throughout the term of ownership and those properties subject to an HPD regulatory agreement would be required to obtain the minimum federal flood insurance. Typically, CLTs require their lessees to pay the costs of insurance.

27. Will the utilities of the CLT open lots (water, sewer/drainage, electricity) still remain usable - or will they be taken out of service?

Any existing utilities will not be removed, however, the CLT will have to pay for utility providers for utility service at the sites.

28. The RFEI states on p.15: “Proposal should demonstrate that the non-residential components of the proposed conceptual plan have independent funding or revenue-generating sources and are not dependent on housing project sources for financial feasibility.” Can you elaborate on what costs are anticipated for the open lots. For publicly accessible open lots, are there any fixed costs that need to be added to the cost of improvements and maintenance (i.e. insurance, etc...)?

The capital and operational costs for the open space lots will depend on the nature of the proposed uses, improvements and programming.

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C. Correction to Notes in Appendix A: CLT Lots Table

***Sandy Buyout/Acquisition Site:** Several open space and residential parcels were acquired through the Build It Back Acquisition and Buyout Program, a Hurricane Sandy recovery program funded with federal disaster recovery funds. The Acquisition and Buyout lots carry additional restrictions that will be codified in restrictive declarations recorded against the lots. Four of the open space parcels must be maintained as open space in perpetuity, meaning no permanent structures or impervious surfaces are allowed on the lots. Three of the residential parcels must maintain flood insurance in perpetuity and be redeveloped within a specified timeframe as flood-compliant for residential use.

***Proposed Zoning Overlay:** SCRD refers to Special Coastal Risk District, where additional limitations to development are proposed to limit vulnerability to flood risk. For the purpose of these CLT lots, the SCRD is proposed to provide the following additional restrictions based on the proposed underlying zoning district:

- For lots in proposed R3A zoning district (CLT open space lots), the SCRD will prohibit community facilities with overnight sleeping accommodations.
- For lots in proposed R4-1 zoning district (mostly CLT residential lots), the SCRD will prohibit community facilities with overnight sleeping accommodations, permit only one- and two-family detached housing, and, on lots less than 25' in width, permit only single family detached housing.