

## **Preservation Buyer RFQ Pre-Submission Conference Q&A**

**Question:** What is the purpose of the Preservation Buyer RFQ? What does getting on the Qualified Preservation Buyer list do and not do?

**Answer:** The Preservation Buyer RFQ has two purposes:

- The primary purpose is to establish a list of Qualified Preservation Buyers for HPD to direct sellers of affordable properties to use when they are seeking a buyer who will purchase the property and extend affordability. It may also be used to direct outside individuals or organizations, such as city council members and advocacy groups, to when they are interested in identifying a Qualified Preservation Buyer for a building.
- The second purpose is to serve as a first step in qualifying non-profits that wish to receive technical and financial assistance from HPD's Neighborhood Pillars Downpayment Assistance Fund (which will be rolled out in more detail later this year) in acquiring rent stabilized or unregulated properties. Only qualified respondents to the RFQ will have access to these additional resources.

The Preservation Buyer RFQ and the Qualified Preservation Buyer list will not:

- Provide properties for sale from the City.
- Guarantee a Qualified Preservation Buyer the opportunity to acquire any preservation projects.

**Question:** Based on the competitive scoring, will Qualified Preservation Buyers be ranked in the published list?

**Answer:** No, organizations that qualify will not be ranked.

**Question:** Will joint-venture applications be considered?

**Answer:** Yes, multiple organizations can apply together if individual organizations lack the expertise on their own. Additionally, Qualified Preservation Buyers can always choose to partner with other organizations on specific projects in the future, subject to HPD approval.

Nonprofits who are interested in accessing the Neighborhood Pillars down payment assistance fund and related technical assistance must apply without a partner (but may apply multiple times and include a partner in any additional submissions.)

**Question:** How many properties are eligible for sale?

**Answer:** The City is not selling any properties as a part of this RFQ.

**Question:** What does the process look like if an owner of an affordable property wants to sell to a Qualified Preservation Buyer?

**Answer:** The owner may solicit organizations on the Qualified Preservation Buyer list, instead of marketing property or dealing with broker. If HPD is financing the acquisition in any way, the Qualified Preservation Buyer must apply to the appropriate HPD program and seek a soft commitment letter prior to acquisition.

**Question:** Is there going to be a health component targeting communities with health needs as a part of the Neighborhood Pillars initiative?

**Answer:** Organizations are welcome to target the acquisition of properties in communities with health needs.

**Question:** Will HPD take into consideration experience applicants have developing non-residential properties, such as community facilities?

**Answer:** HPD will evaluate organizations primarily on their residential acquisition/preservation/development experience; however applicants are welcome to include any development experience they have in their submission.

**Question:** What is the Neighborhood Pillars initiative?

**Answer:** The Neighborhood Pillars initiative was announced as a part of Housing New York 2.0 that will finance the acquisition and rehabilitation of existing unregulated rent stabilized buildings to protect current tenants and stabilize communities.

As a part of the initiative, HPD will create a Neighborhood Pillars Acquisition/Rehab Loan Program that will have a term sheet available to nonprofit and mission driven affordable housing organizations.

In addition to the upcoming HPD Neighborhood Pillars term sheet, there also will be further financial and technical assistance available to nonprofit organizations only provided through the Neighborhood Pillars Downpayment Assistance Fund managed by a partner nonprofit organization. These aspects of the program will be available later in the year.

Preservation Purchasers may also apply for acquisition financing through the New York Acquisition Fund.

**Question:** If a nonprofit makes it onto the Qualified Preservation Buyer list, are they immediately able to access the technical assistance and down payment assistance available through the Neighborhood Pillars initiative, or is there an additional process they must go through?

**Answer:** There is a 2-step process that a nonprofit must complete in order to have access to the technical and financial assistance that will be available through the downpayment assistance program.

First, the nonprofit must respond to the RFQ and qualify (without a JV partner).

Second, the qualified nonprofit Preservation Buyer must choose a New York City Acquisition Fund originating lender to work with and submit the supplemental documentation identified below in order to be vetted and qualified. The supplemental documentation (as identified in the RFQ) includes:

1. 3-year Cash Flow Projection & Developer Fee Schedule
2. REO Schedule (ownership, occupancy, debt, DSCR, loan maturity dates)
3. Schedule of Contingent Liabilities
4. Schedule of Unsecured debt (source, rate, maturity, conditions for extension, amount outstanding, what's it used for)
5. Recent portfolio work, to include list of all projects completed in the last 5 years including size, budget, sources of financing, whether project (s) were completed on time and on budget, and brief explanation of any unexpected delays and how they were addressed.

The originating lenders for the New York City Acquisition Fund can be found on the fund's website.

**Question:** When should a nonprofit approach a NY Acquisition Fund Originator?

**Answer:** If a nonprofit qualifies as a Preservation Buyer, they should approach a New York City Acquisition Fund Originator to get vetted, as soon as possible after notification. A nonprofit must be on the Qualified Preservation Buyer list to use the Neighborhood Pillars Downpayment Assistance Fund for technical and financial assistance.

**Question:** Is there a separate underwriting process as a part of the acquisition process for an organization looking to acquire a property through the HPD Neighborhood Pillars Acquisition/Rehab Loan Program? Will there be quick feedback?

**Answer:** Yes, there will be HPD staff available to provide feedback on proposed acquisitions for nonprofits and for profit organizations looking at acquiring properties. HPD must provide a soft commitment letter to the Qualified Preservation Buyer prior to the acquisition of any property or HPD may not subsidize the acquisition.

**Question:** How do for profit organizations get involved in the Neighborhood Pillars initiative?

**Answer:** The HPD Neighborhood Pillars Acquisition/Rehab Loan Program term sheet (expected to be released in mid-2018) will be open to nonprofit and for profit organizations. However, for profit organizations are not eligible to access the assistance fund.

**Question:** Are MWBE organizations eligible for technical and downpayment assistance through the Neighborhood Pillars Downpayment Assistance Fund?

**Answer:** No, the technical and downpayment assistance through the Neighborhood Pillars Downpayment Assistance Fund will only be available to nonprofit organizations. MWBE organizations are eligible for financing through the Neighborhood Pillars Acquisition/Rehab Loan Program and to receive favorable terms from the NY Acquisition Fund:  
<http://www.nycacquisitionfund.com/>

**Question:** Is there a cap on financial assistance through Neighborhood Pillars Acquisition/Rehab Loan Program term sheet?

**Answer:** Yes - there will be term sheet maximums set forth in the upcoming term sheet for the Neighborhood Pillars Acquisition/Rehab Loan Program.

**Question:** What will differentiate Neighborhood Pillars Acquisition/Rehab Loan Program from Participation Loan Program (PLP)?

**Answer:** The upcoming Neighborhood Pillars Acquisition/Rehab Loan Program term sheet will look similar to the PLP term sheet but will include higher subsidy maximums and allow for higher acquisition prices. The Neighborhood Pillars Acquisition/Rehab Loan Program term sheet will also have additional regulatory restrictions.

**Question:** Is there a new construction component to the Neighborhood Pillars initiative?

**Answer:** No, the program will be for preservation projects only.