



NEW YORK CITY HOUSING AUTHORITY

PACT ROUND 10 RFEI RELEASE

May 5, 2021

Dear PACT Partners,

Thank you for your continued interest in supporting PACT and NYCHA's efforts to recapitalize and rehabilitate our critically important stock of deeply affordable housing. We are excited to release the next round of sites to receive repairs through NYCHA's **Permanent Affordability Commitment Together (PACT)** program as part of the PACT Round 10 Request for Expressions of Interest (RFEI). Through PACT, we are confident that we will make long-lasting improvements to our residents' homes, health, and quality of life.

With every round of PACT developments, we continue to incorporate feedback from residents and stakeholders to ensure the continued success of the program. We wanted to highlight some of the larger shifts to our approach that are detailed throughout this RFEI, which should inform how you respond and what you prioritize in your proposal:

- 1. Residents First** – Resident engagement is a critical component of a successful PACT conversion. We are asking our partners to submit robust resident and community engagement plans that demonstrate their ability to clearly and consistently share project updates, solicit resident input, and proactively engage with the community, including elected officials. Teams will be expected to use resident feedback to influence the project program and design. Engagement plans should outline creative approaches to reach residents that prioritize health and safety. As such, plans should present a variety of formats and media to reach the widest audience of residents possible, including those with limited access to internet.
- 2. Diversity** – The partners working to rehabilitate NYCHA's campuses must reflect the diversity and strength of New York City, and the communities in which the developments are located. We are looking for partnerships that demonstrate a range of experience, background, and perspective to achieve the best outcomes for our residents. Partner teams are now required to include either an M/WBE or non-profit member as part of their team, and that member must have a meaningful role on the development team (as further specified in the RFEI). Additionally, within the proposed construction and operational plans, teams should plan to hire a diverse range of subcontractors and provide a larger pool of New Yorkers with job opportunities, with a special focus on NYCHA residents.
- 3. Social Services** – A successful community is dependent on repaired physical infrastructure but thrives only when there is a strong network of support for its members. Social services and service coordination should be a priority demonstrated by every team once selected and continued through our long-term management partnership. Teams should be responsive to the needs of the community and propose effective services to support residents and correct decades of disinvestment and inequity – like providing residents with broadband internet and access to credit-building opportunities. Teams should plan to fund services and resident programming at these sites as they would any other critical component of property operations.

4. **Complete Communities and Urban Design** – Every NYCHA campus is a critical part of the urban fabric of New York City. We encourage partners to identify opportunities to create and provide amenities, such as access to: fresh food; health, educational, and cultural facilities; and recreation that will create more complete communities for our residents. In addition, we want to make sure that our campuses encourage connectivity to enrich the lives of residents and the surrounding community. NYCHA has worked closely with the Department of City Planning to provide guidance on enhancing the connectivity between NYCHA and its neighbors. Partners should consider the Connected Communities Guidebook and propose ambitious interventions that make the public realm feel vibrant, safe, accessible, and enjoyable.
5. **Design Excellence** – Quality design is one of the best tools we have to create a fairer city. While addressing the existing capital repair needs of each development is a requirement of the PACT Program, PACT also provides a once-in-a-generation opportunity to modernize and otherwise improve our communities. NYCHA therefore encourages teams to consider design strategies and improvements that go well beyond addressing the basic repair needs. Teams should specifically demonstrate the cost of such improvements so we can accurately evaluate the cost-benefits of each, understanding that resources are limited.
6. **Sustainability** – New York City and its larger ecosystem face grave threats from the challenges posed by climate change. These threats are even more acutely felt in low-income communities. It must be a priority to bring NYCHA into a new era of deep decarbonization and responsible resource management through these rehabilitation projects. We have bolstered our requirements but encourage you to also propose new ideas.

More broadly, we want to reiterate that we appreciate your participation as PACT partners, and that our shared goal of leveraging all available resources to meet the needs of NYCHA residents should be the focus of every proposal. We want to remind everyone that this is first and foremost a partnership with NYCHA. NYCHA will continue to own the land and buildings, administer the Section 8 subsidy and waitlist, and monitor conditions at the developments. Where needed, NYCHA will step in to resolve any issues that may arise between residents and the property management team. NYCHA will play an active ongoing role in these conversions from construction through operation.

Following your review of the RFEI, you can find more information on our PACT Website or ask questions that arise by reaching out to NYCHA at (PACT.Partners@nycha.nyc.gov) or by following the protocol within the RFEI.

We look forward to reviewing your proposals and working in partnership with you through this process.

Sincerely,



Jonathan Gouveia
Executive Vice President, Real Estate Development

REQUEST FOR EXPRESSIONS OF INTEREST

NYCHA PACT Round 10

**NYCHA 2.0 Permanent Affordability Commitment Together (PACT)
Properties in the Bronx, Brooklyn, and Manhattan**

EVENT	DATE	TIME
RFEI Release	May 05, 2021	--
First Pre-Submission Conference	May 18, 2021	10 am
Second Pre-Submission Conference	May 20, 2021	10 am
Questions Due- 1st Round	May 21, 2021	5 pm
Responses Due- 1st Round Questions	May 28, 2021	--
Project Preference Ranking Forms Due	June 2021	--
Project Preference Results Announced	June 2021	--
Virtual Site Visits	June 2021	--
Questions Due- 2nd Round	June 2021	--
Responses Due- 2nd Round	July 2021	--
Submissions Due	September 9, 2021	5 pm

Interested? Want to learn more?



RSVP for a Pre-Submission Conference by scanning the QR code to the left or by clicking on the following link: <http://bit.ly/rsvppact10>

Questions should be submitted via email to PACT.partners@nycha.nyc.gov by the deadlines listed above.



Bill de Blasio, Mayor

Vicki Been, Deputy Mayor for Housing and Economic Development

Gregory Russ, NYCHA Chair & CEO

Vito Mustaciolo, NYCHA General Manager

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- Exhibit F – Housing Stability and Retention Guidance
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- Exhibit H – Applicant Forms
- Exhibit I – Resident Rights in the RAD Notice
- Exhibit J – NYC RAD Roundtable Guiding Principles
- Exhibit K – NYCHA Grievance Procedures
- Exhibit L – Insurance Requirements Guide
- Exhibit M – Enterprise Green Communities
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I. INTRODUCTION

A. NYCHA 2.0 – Permanent Affordability Commitment Together (“PACT”)

In December 2018, the Mayor’s Office and the New York City Housing Authority (“**NYCHA**” or the “**Authority**”) released *NYCHA 2.0*, a comprehensive plan to preserve public housing. This 10-year plan is expected to bring \$24 billion in vital repairs to New York City’s aging public housing and ensure residents have the safe, decent, and affordable homes they deserve.

An important strategy outlined in the NYCHA 2.0 plan is to leverage programs of the U.S. Department of Housing and Urban Development (“**HUD**”) to preserve existing public housing stock via NYCHA’s preservation initiative called “**PACT**” – Permanent Affordability Commitment Together. Under PACT, NYCHA will enter into public-private partnerships that will make major improvements to its public housing developments while preserving long-term affordability and maintaining strong resident rights in line with public housing protections. NYCHA 2.0 established the PACT goal to convert at least 62,000 public housing units to Section 8 by the end of 2028.

PACT calls for the preservation and rehabilitation of public housing developments using multiple methods to convert subsidy to Section 8: (i) HUD’s Rental Assistance Demonstration program (“**RAD**”, as further defined below), (ii) disposition under Section 18 of the U.S. Housing Act of 1937, as amended (“**Section 18**”, as further defined below), and (iii) retention outside of the public housing program pursuant to 2 CFR Part 200 (“Part 200”) for NYCHA’s City & State Developments.¹ To date, NYCHA has leveraged these HUD tools to convert approximately 9,500 units across 49 developments.

In addition to PACT, NYCHA 2.0 proposed the construction of additional housing or other community-serving uses on available NYCHA land when the effort can support NYCHA’s mission to preserve public housing. In select instances where applicable, NYCHA will consider potential new construction components to complement PACT rehabilitations.

The New York City Housing Development Corporation (“**HDC**”), New York City’s municipal Housing Finance Agency, will coordinate or provide senior, and in some cases, subordinate, construction and/or permanent loan financing funded by, but not limited to, taxable or (non-volume cap) tax-exempt bonds issued through HDC’s Multi-Family Housing Bond Resolution (the “**Open Resolution**”) or the newly created Housing Impact Bond Resolution (the “**Impact Resolution**”), a bond resolution created solely to facilitate NYCHA transactions. Below is more detailed information about each conversion mechanism under PACT.

¹ None of the projects in this RFEI will convert to Section 8 through Part 200.

B. Conversion Methods²

Rental Assistance Demonstration (RAD)

RAD is an innovative HUD tool to preserve public housing and address capital needs. Under RAD, public housing authorities like NYCHA convert the funding source that supports a development from public housing subsidy (Section 9) to Section 8 subsidy, enabling NYCHA and its development partners to leverage private debt and equity to complete repairs. Ongoing federal funding levels do not decrease, and in many cases increase. More information about RAD is available at: <https://www.hud.gov/rad/>.

Section 18 and Tenant Protection Vouchers (TPVs)

NYCHA uses the Section 18 disposition process to apply for Tenant Protection Vouchers (“TPVs”). This disposition method allows housing authorities to request higher levels of federal subsidy from HUD. Doing so enables NYCHA and its development partners to leverage more private debt and equity, which better funds repairs in many of NYCHA’s highest-need developments (i.e., those that meet the federal cost obsolescence criteria). More information about Section 18 is available at:

https://www.hud.gov/program_offices/public_indian_housing/centers/sac/demo_dispo.

C. Procurement Overview

In February 2021, NYCHA released Request for Qualifications #[224842](#) (the “RFQ”) for developers, property managers, general contractors, and social service providers (respectively, “**Developer(s)**”, “**Property Manager(s)**”, “**General Contractor(s)**”, and “**Social Service Provider(s)**” as defined in the RFQ) to pre-qualify to partner with NYCHA in converting and rehabbing NYCHA public housing units through the PACT program (such pre-qualified Developers, Property Managers, General Contractors and/or Social Service Providers, collectively, “**Pre-Qualified Partners**”).

In April 2021, NYCHA published a list (the “**Pre-Qualified Partner List**”) of Pre-Qualified Partners, based on responses to the RFQ. The published Pre-Qualified Partner List can be found on NYCHA’s PACT Website: <https://www1.nyc.gov/assets/nycha/downloads/pdf/Q1partner.pdf>. Pre-Qualification RFQs will be re-released each calendar year to allow existing Pre-Qualified Partners to update their information and for new applicants to submit their Pre-Qualification Applications. ***Pre-Qualified Partners must re-apply to each annual Pre-Qualification RFQ with updated materials in order to remain on the Pre-Qualified Partner List.***

NYCHA is seeking proposals (collectively, the “**Proposals**”, each, a “**Proposal**”) in response to this Request for Expressions of Interest (inclusive of all appendices attached hereto, this “**RFEI**”) from teams comprised of Developer(s), General Contractor(s), and Property Manager(s) (each, a “**Project Team**” or “**Applicant**”, and collectively, “**Project Teams**” or “**Applicants**”) for tenant-in-place rehabilitation (and financing thereof), on-going property management, and conversion of

² Limited to conversion methods relevant to this RFEI.

distinct Projects consisting of multiple public housing developments from the public housing program under Section 9 of the U.S. Housing Act of 1937, as amended (the “**Act**”) to a voucher platform under Section 8 of the Act pursuant to RAD and Section 18. Each Project consists of one or more Properties and each Project may utilize one or more conversion mechanisms.

II. DEFINITIONS

All terms, unless defined otherwise in this RFEI, are as defined in the RAD Notice. Terms not defined elsewhere are defined as follows:

Conditional Designation Letter

The agreement NYCHA will enter into with the Designated Project Team upon conditional designation with respect to a Project.

Designated Project Teams

The Applicants selected under this RFEI to enter into negotiations with NYCHA and HDC to undertake one of the Projects that are part of this RFEI.

Eligible Applicants

Applicants who are eligible to submit a Proposal for one, or in select cases, more of the Projects based on the results of the Project Preference Ranking Process.

NYCHA Physical Needs Assessment (“NYCHA PNA”)

A technical report commissioned by NYCHA detailing the physical needs of a public housing development following a HUD-specified methodology. This report analyzes the annual physical needs over twenty (20) years; NYCHA focuses on the five (5) year and twenty (20) year physical needs to inform the appropriate rehabilitation scope of work for all PACT conversions. The 2017 NYCHA PNAs for the Properties are available at:

https://www1.nyc.gov/assets/nycha/downloads/pdf/2017%20PNA_Development.pdf.

A detailed breakout of the 20-year physical needs for each Project based on the NYCHA PNA technical reports is included as Exhibit A.

Obsolescence Report

A HUD approved third-party report detailing the immediate (3-year) capital repair needs of a development’s existing components.

HUD Obsolescence Requirement for Section 18

In order to qualify for obsolescence (“**Obsolescence**”), the cost estimate of addressing the immediate capital repair needs must be equal to or greater than 57.14% of the Total Development Cost (“**TDC**”) for non-elevator buildings, and 62.5% for elevator buildings, subject to further updates from HUD. More information about HUD’s TDC calculations, including procedures HUD uses for establishing TDC limits and procedures for the annual posting of TDC limits on HUD’s

webpages, can be found in PIH Notice 2011-38. See also HUD's TDC Limits Workbook and TDC costs limits from 2020 in Exhibit C, the Underwriting Template and linked below:
https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2020.pdf.

PILOT Agreement

The agreement between the City of New York (the “**City**”) and NYCHA for payment in lieu of taxes (“**PILOT**”) on the Properties.

Principal

An individual, partnership, limited liability company, limited liability partnership, corporation, or other not-for-profit or for-profit entity that will act as the general partner, officer, manager, and/or managing member of the Applicant, or any entity, limited partner, shareholder, or other member that has at least a 10% ownership interest in the Applicant.

Project

The financing, tenant-in-place rehabilitation, property management, and social services delivery in relation to the conversion of units at one or more Properties comprising a Project from administration pursuant to Section 9 of the Act to Section 8 of the Act (as may be implemented through a combination of RAD and Section 18) comprising a single transaction.

Properties

NYCHA’s public housing developments comprising the Projects for the purposes of this RFEI.

Rehabilitation Scope of Work

The Applicant’s proposal to address the capital needs of the Properties.

Rental Assistance Demonstration (“RAD”)

The HUD Rental Assistance Demonstration program authorized by and administered pursuant to the RAD Notice (as defined below), and such other notices and guidance issued by HUD in relation thereto, all as may be amended or superseded from time to time.

For Properties converting through RAD: Section 3.A.2.e.(1) of the Section 18 Notice allows for the following blend of RAD vouchers and Section 18 TPVs. The HUD-published HCC can be found at https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2020.pdf.

Required HCC Threshold	RAD / Section 18 Blend Percent
≥30%	80% RAD / 20% Section 18
≥60%	60% RAD / 40% Section 18
≥90% + in high-cost area*	20% RAD / 80% Section 18

*New York City is included on HUD’s list of high-cost areas.

RAD Capital Needs Assessment (“RAD CNA”)

As required under the RAD Notice, a HUD-approved consultant will conduct a detailed physical inspection of a property to determine critical repair needs, short- and long-term rehabilitation needs, market comparable improvements, energy efficiency, unmet physical accessibility requirements, and environmental concerns, including lead-based paint. Critical repairs are work

that, in HUD's determination, address imminent life, health, and safety threats to residents and must be completed to allow the affected units to be occupied.

RAD Fair Housing and Relocation Notice

HUD Notice H 2016-17, PIH 2016-17 (HA), Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions, found at:

http://www.radresource.net/sources/public/RAD%20Relocation%20Notice_11.10.16.pdf.

RAD Notice

HUD Notice H-2019-09 PIH-2019-23 (HA), Rental Assistance Demonstration – Final Implementation, Revision 4, issued on September 5, 2019, as may further be amended, and found at:

https://www.hud.gov/sites/dfiles/Housing/documents/H-2019-09-PIH-2019-23_RAD_Notice%20Rev4_20190905.pdf.

Section 18

Section 18 of the Housing Act of 1937, as amended, allows for the demolition and disposition of public housing property. HUD has promulgated regulations in 24 C.F.R. Part 970 detailing the administrative steps required for its approval of any demolition or disposition activity affecting covered public housing properties. The Section 18 regulations may be found at:

https://www.hud.gov/sites/documents/DOC_8090.PDF.

Section 18 Notice

HUD Notice PIH 2021-07 (HA), Demolition and/or disposition of public housing property, eligibility for tenant-protection vouchers, and associated requirements, found at:

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-07pihn.pdf>.

III. PROJECT SUMMARY AND PROCESS OVERVIEW

The initial release of this RFEI covers seventeen (17) Properties grouped into three (3) Projects with a combined total of 3,647 units. NYCHA and HDC anticipate conversion of the units to Section 8 through a combination of HUD’s RAD and Section 18 programs. Applicants should refer to the universal Underwriting Guidelines that apply to all Projects, as well as the Rental Pro Forma Template (Exhibit C) specifically tailored to each Project.

A. Projects

Union Avenue Consolidated Project: Eagle Avenue-East 163rd Street, Claremont Parkway-Franklin Avenue, Davidson, South Bronx Area (Site 402), Stebbins Avenue-Hewitt Place, Union Avenue-East 163rd Street, Union Avenue-East 166th Street

Union Avenue Consolidated	Units	5 Yr NYCHA PNA
Eagle Avenue-East 163rd Street	66	\$15,702,984
Claremont Parkway-Franklin Avenue	188	\$19,586,874
Davidson	175	\$24,200,153
South Bronx Area (Site 402)	114	\$37,776,088
Stebbins Avenue-Hewitt Place	120	\$21,387,791
Union Avenue-East 163rd Street	200	\$22,760,409
Union Avenue-East 166th Street	120	\$24,210,105
Total	983	\$165,624,404

Ocean Hill & Stuyvesant Gardens Project: Ocean Hill Apartments, Saratoga Village, Stuyvesant Garden I, Stuyvesant Garden II, Bedford-Stuyvesant Rehab

Ocean Hill + Stuyvesant Gardens	Units	5 Yr NYCHA PNA
Ocean Hill Apartments	238	\$44,370,392
Saratoga Village	125	\$22,518,842
Stuyvesant Garden I	331	\$79,608,452
Stuyvesant Garden II	150	\$14,690,909
Bedford-Stuyvesant Rehab	85	\$15,695,410
Total	929	\$176,884,005

In addition to the comprehensive rehabilitation of the above developments, proposals must consider strategies that reactivate underused land at the following location. Strategies may

contemplate the creation of high-quality open spaces (active and/or passive), community facilities, community-serving retail, and/or affordable housing:

- Stuyvesant Gardens II: Western blockfront along Malcom X. Boulevard between Quincy Street and Gates Avenue, currently being used as a surface parking lot and trash compaction/collection.

Wilson Consolidated Project: Metro North Plaza, White, Wilson

Wilson Consolidated	Units	5 Yr NYCHA PNA
Metro North Plaza	275	\$51,878,787
White	248	\$33,165,743
Wilson	398	\$75,466,216
Total	921	\$160,510,746

Sack Wern & Clason Point Gardens Project: Sack Wern, Clason Point Gardens

Sack Wern & Clason Point Gardens	Units	5 Yr NYCHA PNA
Clason Point Gardens	401	\$109,738,181
Sack Wern	413	\$80,661,454
Total	814	\$190,399,635

In addition to the comprehensive rehabilitation of the above developments, proposals must consider strategies that reactivate underused land at the following location. Resident leaders have expressed an interest in senior affordable housing, in combination with a ground-floor community-serving use(s):

- Clason Point Gardens: Northeast corner of Story Avenue and Noble Avenue, currently being used as a parking lot.

Please refer to Exhibit B for property profiles containing supplemental information for each Property.

B. Section 8 Conversion Process

Blended Section 18-RAD Disposition

Applicants must prepare and submit Proposals assuming a blended “Section 18-RAD Disposition”, with 90% of units converting via Section 18 and 10% of units converting via RAD. NYCHA reserves the right to ask Applicants to underwrite additional scenarios prior to designation.

Properties in this RFEI are expected to meet HUD's Obsolescence requirement for Section 18.³ The 90%/10% Section 18/RAD blend assumption enables (1) the RAD resident protections to be provided to all units in a Project, while also (2) maximizing the higher rent levels available through Section 18 conversions.⁴

Additional HUD Requirements

HUD may require, and NYCHA may pursue, a recalculation of rent levels to meet HUD requirements and maintain the financial strength and long-term stability of each Property in the Projects.

Project Financing

HDC will be the primary underwriter and lender for this Project. HDC will coordinate or provide senior, and in some cases, subordinate, construction and/or permanent loan financing funded by, but not limited to, taxable or (non-volume cap) tax-exempt bonds issued through the Open Resolution and/or the Impact Resolution. Any HDC subordinate loans shall be funded by City capital, if available. NYCHA and HDC welcome creative financial structures, including but not limited to utilizing Historic Tax Credits, PILOT bonds, energy performance related financing, Opportunity Zone funding, as applicable, and 501c3 bonds. NYCHA and HDC will ultimately determine the financing structure after the Designated Project Team is designated.

³ Please note that Properties in future RFEIs may not meet HUD's Obsolescence requirement for Section 18, and will be required to convert via RAD.

⁴ Section 18 rents are underwritten based on the traditional project-based Section 8 formula, up to the payment standard of 110% of Fair Market Rent (as determined by HUD), subject to rent reasonableness.

IV. PROJECT REQUIREMENTS

A. Lead and Mold Requirements

1. HUD Agreement

HUD and NYCHA entered into an Agreement on January 31, 2019 (the “**HUD Agreement**”). The HUD Agreement establishes a framework by which NYCHA will continue to evaluate and make progress towards compliance with federal requirements, including amongst other things, compliance with lead-based paint abatement regulations. During the term of the HUD Agreement, an independent monitor will be in place with access to NYCHA information and personnel and will issue quarterly reports on NYCHA’s compliance with the HUD Agreement. A link to the HUD Agreement is below:

<https://www.hud.gov/sites/dfiles/PA/documents/HUD-NYCHA-Agreement013119.pdf>

2. Lead-Based Paint and Lead Hazards

The Designated Project Team is required to comply with “Lead-Based Paint Procedures for NYCHA’s PACT Projects” as set forth in Exhibit N (the “**PACT Lead Procedures**”), as well as all applicable federal, state, and local laws concerning lead-based paint and lead hazards, including NYC Local Law 1 of 2004 as may be amended, NYC Local Law 31 of 2020 as may be amended and federal regulations per 24 CFR Part 35 and 40 CFR Part 745.

If a Project requires abatement of lead-based paint and lead hazards, Applicants must account for the cost of abatement in the Rehabilitation Scope of Work and may not defer abatement or pay for abatement through replacement reserves. Prior to closing the financing of the Project, after selection of a Designated Project Team, NYCHA will provide the Designated Project Team with existing and ongoing lead-based paint test results and other related information, as available.

NYCHA may amend the PACT Lead Procedures and additional lead-based paint and lead hazard requirements may be imposed by NYCHA.

3. Mold and Leaks

The Designated Project Team is required to comply with the *Mold and Moisture Control Procedures for NYCHA’s PACT Projects* (the “**PACT Mold Procedures**”), as may be updated by NYCHA from time to time (see Exhibit O). The PACT Mold Procedures are intended for consistency with the overarching goals of *Baez v. NYCHA*, No. 13 Civ. 8915, as the same may be amended or modified, and the HUD Agreement. Among other things, the Designated Project Team must conduct comprehensive unit inspections as part of the pre-development process to identify mold and moisture issues, address underlying sources of mold and leaks as a part of the Rehabilitation Scope of Work, and prepare and operate Properties in accordance with an approved Mold Operations and Maintenance Plan (“**Mold O&M Plan**”).

Applicants must account for the cost of addressing underlying sources of mold and leaks in the Rehabilitation Scope of Work and may not defer abatement or pay for abatement through replacement reserves. Prior to closing the financing of the Project, after selection of a Designated Project Team, NYCHA will provide the Designated Project Team with existing mold and leak work orders and other related information, as available. The Designated Project Team will be responsible for ensuring that all mold and leak work orders open at the time of conversion are addressed in a timely manner following the conversion.

NYCHA may amend the PACT Mold Procedures and additional mold and leak requirements may be imposed.

B. General Requirements

1. Resident Rights and Protections

The Designated Project Teams will be required to comply with and operate the Properties in accordance with:

- a. NYCHA's Section 8 PBV tenant protection regulations, as may be updated from time to time;
- b. The RAD resident protections as described in the RAD Notice and listed in Exhibit I;
- c. The New York City RAD Roundtable Guiding Principles as listed in Exhibit J;
- d. NYCHA's grievance procedures as listed in Exhibit K, as may be updated by NYCHA from time to time;
- e. NYCHA's housing retention guidelines as outlined in Exhibit F, as may be updated from time to time; and,
- f. Any new updates that are approved by NYCHA and HUD with respect to the PACT program.

2. Resident & Community Engagement

The Designated Project Teams will be expected to craft and implement a comprehensive "Community Engagement Plan", including, but not limited to, a plan for outreach to residents and elected officials. The Community Engagement Plan will be reviewed by NYCHA and finalized after designation, prior to beginning outreach. The Community Engagement Plan must detail an outreach and reporting structure that will provide residents and elected officials with regular, proactive, and transparent Project updates from designation through to ongoing operations. The goal of the Community Engagement Plan is to ensure residents have ready access to information about the Project, are informed about Project updates, and are provided with ample opportunities to provide feedback on and shape Project plans, including the Rehabilitation Scope of Work, property management approach, Social Services Plan (as defined below), and other investments prior to closing and conversion of the Project. The Community Engagement Plan must also detail how Project Teams will engage with residents and resident leadership following closing and conversion to the Section 8 program.

A preliminary Community Engagement Plan must be included as part of the Applicant's submission (see Section VIII for submission requirements). NYCHA has developed a base set of engagement activities (see Exhibit P) that must be included in the Community Engagement Plan, but Applicants are encouraged to expand upon this guidance with creative strategies and tailor their approach to the needs of each development. In addition, Project Teams must describe a plan for regular engagement and communication with residents and Tenant Association leadership following conversion, including, for example, meeting frequency and strategies for the intake of and response to tenant complaints, making repairs, and resolving lease or other issues.

Project Teams will refine and finalize Community Engagement Plans in coordination with NYCHA following designation. The Designated Project Teams will also participate in required public forums, hearings, and briefings with NYCHA residents, the applicable Community Board(s), elected officials, City Agencies, and other organizations, as needed. The Designated Project Teams will continue to collaborate with NYCHA on implementing and updating the Community Engagement Plan, if necessary, throughout and following the conversion process.

Applicants are encouraged to form partnerships and assemble teams in order to supplement internal capacity. Designated Project Teams will be required to craft and deliver professional, customer service-oriented, and culturally sensitive outreach and communications strategies.

3. Fair Housing Requirements

The Designated Project Teams will be required to comply with the RAD Notice, the RAD Fair Housing and Relocation Notice, and all applicable Federal, State, and local laws, orders, and regulations prohibiting housing discrimination.

4. Minority and Women Business Enterprises and Nonprofit Organizations (“M/WBEs” and “Nonprofits”, respectively)

NYCHA is committed to increasing opportunities for, and strengthening the capacity of, M/WBE and Nonprofit developers to participate in achieving the goals of the PACT program. NYCHA encourages responses from M/WBE and Nonprofit developers that bring enhanced and tangible community development benefits to the proposed Project Team. In particular, M/WBE and Nonprofit developers that have a successful track record of tangible investments in the community where the Property is located will be reviewed favorably.

Each Applicant must include at least one Developer member in their Project Team that (a) is an M/WBE Developer or Nonprofit Developer and (b) has a Meaningful Role (as defined below) within the Project Team.

“**Meaningful Role**” within the Project Team is defined to include, but is not limited to, one or more of the following: (i) at least 30% overall equity ownership in the relevant project ownership entity(ies), (ii) material decision making authority and/or managing member status in the applicable joint venture, (iii) control and authorship of material Development

work components, (iv) fair participation (in NYCHA's and HDC's reasonable judgment) in the waterfall distribution returns to equity, and (v) serving as lead developer on a minimum of 200 units of the Project. These units should be comparable to the whole of the relevant development in size, level of needed repairs and potential income.

Applicants should strive to work with subcontractors to achieve M/WBE hiring goals in line with other City housing programs, including but not limited to programs mandated by HDC and the New York City Department of Housing Preservation and Development (“**HPD**”).

The Designated Project Teams shall state in all solicitations or advertisements for bids for subcontractors, placed by or on behalf of the Designated Project Teams, that all qualified businesses will receive consideration for subcontracts without regard to the race, color, religion, military service, national origin, sex, age, disability, marital status, or sexual orientation of the owners, partners, management, or stockholders of a business. M/WBEs shall be given an equal opportunity by the Designated Project Teams to submit Proposals to such Designated Project Teams for consideration of subcontracting awards in connection with the Project.

Applicants who conform with the requirement described above may include in their Project Team General Contractors or Property Managers who are not on NYCHA's Pre-Qualified List; provided, however, that such Applicants adequately demonstrate, in NYCHA's judgment, such General Contractor's or Property Manager's qualifications (with reference to each of the requirements of NYCHA's RFQ) and justification for including such member in the Project Team as opposed to a General Contractor or Property Manager already on NYCHA's Pre-Qualified List.

5. Schedule

The Designated Project Teams must achieve construction closing on the Project by the timeline established in the Conditional Designation Letter. The Designated Project Teams will be responsible for the timely commencement and completion of the Project, will be held accountable to the schedules outlined in their Proposal and agreed upon with NYCHA, and will be required to submit ongoing construction status reports both during predevelopment and during construction.

6. Completion of Conversion Process

The Designated Project Teams must achieve the RAD and Section 18 milestones in a timely manner as follows:

- a. Lead required resident engagement;
- b. Complete all required studies, reports, surveys, and evaluations necessary (including environmental review) for both receipt of the RAD Conversion Commitment and the Section 18 disposition approval from HUD as applicable and to secure financing;
- c. For the units converting under RAD, develop a RAD Financing Plan that addresses the 20-year capital needs of all Properties in the Project converting through RAD and takes advantage of economies of scale both during rehabilitation and on-going operations;

- d. For the units converting under Section 18, perform pre-HQS inspections and complete any required repairs to satisfy HQS; and,
- e. Satisfying all HUD conditions and conditions in this RFEI for a timely construction closing in accordance with the schedule.

7. Commitment to Entire Project

The Designated Project Teams must commit to rehabilitating and managing all of the Properties in the Project and may not exclude any Properties from the Project.

8. Rehabilitation Scope of Work

PACT requires that all physical needs of the Properties be fully addressed, including but not limited to all work identified in the NYCHA PNA. The NYCHA PNA for each Property is included in detail in the *Scope of Work Template* ("**SOW Template**") (see Exhibit A). Proposals must include a proposed Rehabilitation Scope of Work, as documented fully in both Tab C – *Rehabilitation Proposal* (narrative format) and the Exhibit A SOW Template (itemized format). Applicants may be required to provide additional information to demonstrate that the proposed Rehabilitation Scope of Work fully addresses the needs of the Properties and NYCHA design goals.

Each SOW Template includes the in-kind repair and replacement needs determined by a sampled survey of existing conditions completed for the 2017 NYCHA PNA. Applicants are required to propose quantities, unit costs, and other information as described further in the SOW Template. Proposed quantities may vary from those that are pre-populated in the SOW Template, and Applicants may propose additional SOW items that are not included in the SOW Template.

NYCHA is currently performing further site due diligence and will provide a RAD CNA to the Designated Project Team. NYCHA will also provide an Obsolescence Report to understand if Properties meet the Obsolescence criteria, which may further inform the Rehabilitation Scope of Work in the event that Section 18 disposition is pursued.

The Designated Project Team will be responsible for inspecting every unit of every Property in the Project prior to construction closing to inform the proposed Rehabilitation Scope of Work, and developing the Rehabilitation Scope of Work to be responsive to resident input and inspection results.

The Designated Project Team will be required by NYCHA to update and revise the Rehabilitation Scope of Work throughout pre-development. Prior to financial closing, the Designated Project Team will be required to submit a Rehabilitation Scope of Work in a format suitable to NYCHA and HUD.

9. Tenant-In-Place Rehabilitation

Applicants should assume that the Rehabilitation Scope of Work will be completed with tenants-in-place to minimize disruption to residents' lives, to the extent safe and feasible.

To the extent in-place rehabilitation cannot be accomplished, temporary resident relocation will be the responsibility of the Designated Project Team, including, without limitation, obtaining any necessary service providers to facilitate temporary relocation and covering all associated costs. Any temporary relocation will be within a reasonable proximity to the resident's Property and will be subject to NYCHA's approval and be in accordance with all applicable legal requirements.

The Designated Project Team will be required to submit a tenant protection plan and construction logistics plan that details any temporary resident relocations to address pertinent health issues, especially those of senior residents, that may arise during construction.

10. Design Guidelines

Proposals must conform to the NYCHA Design Guidelines for the Rehabilitation of NYCHA Residential Buildings, the NYCHA Connected Communities Guidebook, the NYCHA Climate Mitigation Road Map, the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended to date, and as the same may be amended (the "**NYC Zoning Resolution**"), the NYC Construction Codes, and all other applicable laws and regulations.

1. The NYCHA Design Guidelines for the Rehabilitation of NYCHA Buildings can be found here: <https://www1.nyc.gov/assets/nycha/downloads/pdf/nycha-design-guidelines.pdf>
2. The NYCHA Connected Communities Guidebook can be found here: <https://www1.nyc.gov/assets/nycha/downloads/pdf/Connected-Communities-Guidebook.pdf>
3. The NYCHA Climate Mitigation Road Map can be found here: <https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-LL97-Whitepaper.pdf>

Consistent with the Connected Communities Guidebook, Applicants must consider strategies that enhance the overall quality of life and provide new amenities and resources for NYCHA residents. For example, Proposals should propose the creation of and/or improvements to existing: open spaces; community centers and community facilities; community-serving retail spaces; and affordable housing.

The Designated Project Team is responsible for submitting final construction documents to NYCHA, which shall conform to previous review comments and approvals made by NYCHA, and will be responsible for obtaining any and all building and/or construction permits or approvals necessary to achieve closing and complete the Project by NYCHA and any lenders.

11. Accessibility

All Proposals must comply with the accessibility requirements of all applicable laws including, without limitation, to the New York City Building Code, the Fair Housing Act, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, and NYCHA's Voluntary Compliance Agreement with HUD concerning accessibility.

12. Site Improvement and Redevelopment Opportunities

The Designated Project Teams will be expected to work closely with residents and other relevant stakeholders in crafting and building consensus around a community vision for any redevelopment opportunity contemplated through the Project. Teams will be expected to host additional charrettes or other community meetings to best understand, and ultimately demonstrate, how a Project will enhance residents' lives. Details of any suggested meetings related to redevelopment should be outlined in the Community Engagement Plan.

Designated Project Teams will closely coordinate with NYCHA to advance any subsequent actions or entitlement processes needed to facilitate the opportunity.

13. Environmental Review

The environmental review process provides a means for public agencies to systematically review proposed discretionary actions for the purpose of identifying the effects those actions may have on the environment. Pursuant to 24 CFR Part 58, HUD environmental review and signoff for NYCHA actions is delegated to a local agency that acts as the "Responsible Entity" for National Environmental Policy Act ("**NEPA**") review. The New York City Department of Housing Preservation and Development ("**HPD**") serves as the Responsible Entity for NYCHA's NEPA environmental reviews. NYCHA is a New York State public-benefit corporation; therefore, NYCHA's disposition action is also subject to State Environmental Quality Review Act ("**SEQRA**"). In addition, the issuance of construction funding from a New York City agency such as HPD or HDC are discretionary actions subject to City Environmental Quality Review ("**CEQR**").

Applicants should be familiar with the environmental review requirements applicable for RAD projects, which can be found at:

<https://files.hudexchange.info/resources/documents/Environmental-Review-Requirements-for-RAD-Transactions.pdf>

14. Historic Preservation

The Designated Project Team is responsible for any required mitigation of adverse impacts or adverse effects to Historic and Cultural Resources that are determined to be eligible, or are listed, on the National Register of Historic Places as such terms are further explained in The National Historic Preservation Act codified at 54 U.S.C. §§ 300101 et. al. and 36 CFR Part 800, and the New York State Historic Preservation Act of 1980 as codified at New York State Parks, Recreation and Historic Preservation Law Article 14, if applicable. Any substantial changes to cultural or historic resources require consultation with the State Historic Preservation Office ("**SHPO**") of the New York State Office of Parks, Recreation and Historic Preservation in accordance with the New York State Historic Preservation Act of 1980 (See Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law) in order to explore potential measures that would avoid, minimize or mitigate any adverse impacts or adverse effects to cultural and historic resources as guided by the Secretary of the Interior's Standards for Rehabilitation.

Furthermore, NYCHA and SHPO have entered into a Programmatic Agreement (“**PA**”) that can be found here: <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/nycha-section-106-programmatic-agreement.pdf>

The Properties in this RFEI were not identified in the PA as National Register Listed or Eligible, and no Historic Artwork at the Properties was identified.

15. Pre-Closing Work

Under current HUD guidance applicable to NYCHA, the units converting through Section 18 in Properties converting through RAD/Section 18 blend pursuant to the Section 18 Notice, and all units in the Section 18 only Properties, cannot be added to a HAP Contract until they pass an HQS inspection. As such, the Designated Project Teams will, in collaboration and cooperation with NYCHA, complete the following pre-closing work related to HQS for these units:

1. Inspect units for HQS compliance; and,
2. Perform needed repair work in units that are out of HQS compliance in accordance with Davis-Bacon and HUD prevailing wage requirements⁵.

The anticipated scope of work for the HQS repairs is not currently available, but Applicants should assume that the cost of this HQS repair work will be between approximately \$3,000-\$5,000 per dwelling unit.

16. Violations

The Designated Project Teams will work with NYCHA to clear all existing health and safety violations as found on City records or municipal searches prior to construction closing. Violations that do not relate to health and safety and which cannot be cleared prior to construction closing must be addressed in the Designated Project Teams’ Rehabilitation Scope of Work.

17. Property Management

The Designated Project Teams must dedicate adequate property management staff to each Property in the Project, ensuring that service levels are not reduced in smaller buildings within the Project. The Designated Project Teams will be responsible for operating and managing the property in accordance with a Property Management Plan to be approved by NYCHA and HDC (the “**Property Management Plan**”), which shall contemplate but not be limited to:

1. The effective and efficient day-to-day operation of each Property;
2. Completing all applicable tasks or actions related to resident conversion from public housing to Section 8 that remain outstanding at construction closing;
3. Meeting obligations for building maintenance, financial liabilities, and income and rental guidelines as defined in federal, state, and municipal regulatory documents;

⁵ With the exception of any units on an existing HAP contract within an LLC I property.

4. Ensuring that the distribution of superintendent units is in line with applicable code and provides adequate coverage for all units in each Property;
5. Managing the buildings to ensure continuous HQS compliance;
6. Promptly responding to maintenance work order requests and resident complaints about the building's physical condition;
7. Working with NYCHA's Leased Housing Department ("LHD") to lease all vacant apartments as they become available from a project-based site-based wait list;
8. Working with LHD to right-size families living in an inappropriate-sized apartment per the Section 8 PBV standards, but based on NYCHA's public housing occupancy standards for existing residents in place at construction closing;
9. Recognizing and working with the legitimate resident organizations at each Property to address issues related to the Property, including the terms and conditions of residents' tenancy (see sections beginning on pg. 132 of the RAD Notice for more information);
10. Including Tenant Participation Activity ("TPA") funds in their maintenance and operation budget at \$25 per occupied unit per year, which shall be directly allocated and funded to the legitimate resident organization at the Properties in the Project in accordance with the RAD Notice;
11. Maintaining detailed rent rolls, financial statements, and other required documents in accordance with NYCHA, HUD, HDC, HPD (if applicable), and/or as may otherwise be required by project financing;
12. Maintaining Section 8 and RAD compliance in accordance with NYCHA, HUD, HDC, and/or as may otherwise be required by project financing;
13. To offer a pathway for tenants to bolster their credit through paying rent as described in Section 22 below; and,
14. Following all guidelines outlined by NYCHA in the grievance procedure and housing stability and retention guidelines. See Exhibits K and F for additional details.

18. Asset Management & Construction Reporting Requirements

The Designated Project Team will be responsible for providing NYCHA and HDC with asset management data and construction period reporting, including but not limited to the reports detailed in the Asset Management and Construction Reporting Requirements (Exhibit Q), plus standard HDC reporting requirements.

19. Resident Stability and Retention Plan

The Designated Project Teams will be expected to create and implement a 'Resident Stability and Retention Plan' that outlines their approach to pro-active communication and outreach that property managers will take to avoid unnecessary evictions. NYCHA's Real Estate Development Department developed a set of resident retention guidelines to ensure proactive processes are in place to protect residents from displacement during the ongoing public health crisis due to COVID-19. The guidelines were created for all PACT development partners and are followed by property management staff at each PACT development. PACT development partners are expected to work directly with residents to respond to their unique circumstances and offer resources based on the household's situation. Development partners should also utilize their on-site social service providers to

conduct outreach and to provide direct assistance. The retention guidelines were created in response to the COVID-19 public health crisis but will now be implemented at all PACT projects moving forward.

The guidelines are outlined in Exhibit F. Project Teams will outline how they will adopt these steps into a standard operating procedure in coordination with NYCHA following designation. Once implemented, Project Teams will provide updates on their outreach and communication efforts through a Legal Proceeding report submitted to the NYCHA Real Estate Asset Management team on a monthly basis.

20. Credit Building

The Property Management entity for each Designated Project Team will be required to operate a credit building program. This program must provide tenants the opportunity to opt in, such that they can build their credit through timely payment of their rent if they so desire. It must be provided in partnership with a credit reporting entity that only includes positive rental payments, made within the month after the payment is due, in its reporting. Further, the Designated Project Teams should plan to incorporate financial literacy services and outreach efforts to educate tenants about the program as part of the scope of services offered or coordinated by its Social Service Provider (as defined herein). Financial literacy services and outreach efforts must be done in partnership with an entity that has a proven track record and/or direct accreditation in financial literacy services related to credit building and financial empowerment. The Designated Project Teams will be expected to work with selected social service providers to develop detailed plans, to implement the foregoing requirements.

21. Rent Arrears and Legal Cases

The Designated Project Teams will purchase one hundred percent of the rent arrears at par from NYCHA at construction closing and assume all existing resident legal cases via substitution of counsel.

22. Existing Community Facilities

Any community center or other community facility space included in the Project must be renovated, maintained, and operated, as applicable, as part of the Project. The Designated Project Teams will be responsible for the upfront capital repairs on such community centers and community facility spaces, bringing such spaces into code compliance and ensuring such spaces are accurately reflected on existing certificates of occupancy, which work should be included in the Rehabilitation Scope of Work.

Any existing community center/facility and/or non-profit leases will be assigned to the Designated Project Team at construction closing. If any providers are operating in a community center/facility space at the Project under an expired lease or no lease, the Designated Project Team must enter into a lease with such operator on a lease template approved by NYCHA and HDC, the final terms of which are also subject to NYCHA and HDC approval. After construction closing and for the duration of the Designated Project Team's involvement in the Project, if there are new community facility and/or non-profits providers that receive public funding for operation at the Project, the Designated Project

Team must offer them a lease on a lease template approved by NYCHA and HDC, the final terms of which are also subject to NYCHA and HDC approval.

23. Retail and Commercial Spaces

Any retail or other commercial tenant space included in the Project must be renovated, maintained, and operated, as applicable, as part of the Project. The Designated Project Teams will be responsible for the upfront capital repairs on the retail and/or commercial spaces, which should be included in the Rehabilitation Scope of Work. Any existing retail and/or commercial leases will be assigned to the Designated Project Teams at construction closing. In advance of signing any new retail and/or commercial lease for vacant or vacated space, the Developer will be responsible for pursuing potential tenants in line with the needs of the resident population. Any lease for a new commercial tenant must be reviewed and approved by NYCHA and HDC. The Designated Project Teams will purchase one hundred percent of any commercial rent arrears at par from NYCHA at construction closing.

24. Shared Infrastructure

NYCHA developments sometimes share common infrastructure for heating and hot water or waste management, for example. The Designated Project Teams will be required to provide unconditional access to NYCHA, its staff, agents, and contractors to any shared infrastructure hosted at the Properties. At NYCHA's sole discretion, the Designated Project Teams may at its sole cost relocate the shared infrastructure to a NYCHA-managed property prior to construction closing.

If applicable, any existing leases for third party-owned solar installations will be transferred to the Designated Project Team at construction closing. The Designated Project Team may buy out the lease according to the terms of the lease where applicable.

25. DEP Green infrastructure

The Designated Project Team will be required to meet certain requirements for non-interference with any pre-existing green infrastructure ("GI") installed by the NYC Department of Environmental Protection. The Designated Project Team will also be required to provide access and otherwise cooperate with any green infrastructure projects that are planned, designed, or in construction at the time of construction closing. NYCHA will provide the location of existing and planned green infrastructure projects. Post-closing, the Designated Project Team will, to the extent required, be responsible for maintaining green infrastructure on-site in alignment with the DEP's Standard [Designs and Guidelines for Green Infrastructure Practices](#).

26. Broadband

Designated Project Teams are required to provide high-quality internet service and install the necessary underlying infrastructure, in line with the NYC Internet Master Plan (January 2020), found here:

https://tech.cityofnewyork.us/wp-content/uploads/2020/01/NYC_IMP_1.7.20_FINAL-2.pdf

Infrastructure: The broadband infrastructure should consist of a wired connection point in each dwelling unit through which each resident can have secured access through a unique profile, with a preferred system capacity of at least 200 Megabits per second (Mbps) upload and download speed, per unit. Service should be provided in common areas and shared spaces providing mobile use throughout the buildings and campus. The network infrastructure must be robust and designed with flexibility to meet current and future demands on the system.

Control: The Project Team must retain ownership of network infrastructure within the building and consider a managed system, wherein a third party internet service provider (ISP) provides customer service, network diagnostics, billing, and other services to the end user.

Level of Service: A level of service of at least 100 Mbps per unit should be fully subsidized for residents at each unit through the property operating budget. Residents should be given the option to enhance their individual level of service at their own cost up to and beyond 200 Mbps.

If an existing provider is in place, PACT Partners will at NYCHA's election either maintain the existing contract or improve the service available. Residents should be given the opportunity to opt out of the updated Broadband service at their election. Any such election should be documented by the Designate Project team.

Proposed Budget: Applicants should assume upfront costs to build out broadband infrastructure of \$1,000 per unit, if required, and \$240 per unit in annual costs to fund broadband on an ongoing basis.

27. Security

Project Teams should create a robust security plan that prioritizes the health and safety of NYCHA residents. Project Teams' operating and management budgets should include a line for security related items (as identified in the Underwriting Template) based on the Project Team's assessment of how much it will require to provide a security plan accomplishing the following goals:

1. Adequate guard coverage;
2. Upgrades to the CCTV infrastructure, where applicable;
3. A mechanism to alert FDNY of any emergency calls from elevator cabs;
4. A communication protocol, or 'tip hotline' for resident outreach, and a means to communicate these concerns directly to the appropriate authority;
5. Support for 'resident watch' efforts, inclusive of (1) funds to support light equipment or other resources for volunteers, as well as (2) continued employment, including comparable wages and benefits, to any resident watch supervisor(s) under NYCHA's employment at the time of conversion;
6. Means for data collection; and,
7. Funding to reimburse NYCHA for the utilization of the existing equipment during the interim conversion period.

The Security Plan should be included as part of the Property Management Plan, in which a schedule should detail the planned transition from NYCHA security (personnel and equipment utilization) to the new system.

28. COVID-19 Health and Safety

For all predevelopment work or active construction work requiring site access and/or resident interaction, Designated Project Team must comply with all COVID-19 related health and safety measures detailed in the NYCHA memorandum provided in Exhibit R: *Guidelines for COVID-19 Reopening*, as may be updated by NYCHA from time to time.

C. Social Service Coordination and Social Service-Related Requirements

NYCHA seeks to improve residents' quality of life not only through extensive physical rehabilitation of the Properties and streamlined property management services, but also through access to social services and resources - such as youth programs and adult education, and/or community amenities - both at the Properties and through resident referrals to off-site organizations and services.

Upon designation, Designated Projects Teams will work directly with NYCHA's Portfolio Planning team to identify and select a social service coordinator along with other social service providers for their site. Specifically, NYCHA will work with Designated Project Teams to:

- a. Select a Social Service Coordinator (defined below) to oversee the creation of the Needs Assessment and Social Services Plan;
- b. Help identify any Existing Providers (defined below) actively serving that community; and,
- c. Identify any additional Pre-Qualified Social Service Provider(s) to be added to the Designated Project Team upon issuing a Conditional Designation Letter, or shortly afterwards.

Within 60 days of designation, NYCHA will require the Designated Project Teams to share their initial approach and timeline for creating the Social Services Plan (the "Social Services Plan"). The final Social Services Plan should not be submitted until a Social Service Coordinator has been added to the Designated Project Team and Project Teams have conducted a Needs Assessment (as defined below) at the Property to determine service and programming needs but must be submitted prior to the HUD RAD Financing Plan submission or Section 18 application.

The Social Services Plan should outline how Designated Project Teams plan to:

1. Assess service, resource, and programming needs at each development. The Social Service Coordinator (as defined below) should assist in this initial needs assessment before finalizing the Social Services Plan,
2. Provide relevant services to residents across all necessary providers and programs through a service coordination model,

3. Preserve the services offered by Existing Provider(s) (as defined below) for the duration of the Existing Service Contract(s) (as defined below),
4. Facilitate access to new social services or community amenities and programming,
5. Propose a budget for the proposed services and programming, and
6. Propose goals and metrics that the Social Service Coordinator can report back to NYCHA on a quarterly basis.

1. Needs Assessments

Designated Project Teams should develop a Needs Assessment to collect resident feedback on service, resource and programming needs via surveys, community meetings, meetings with the TA board and other information-gathering tools (the “Needs Assessment”). Designated Project Teams should utilize the Social Service Coordinator to conduct the Needs Assessment prior to finalizing their Social Services Plan. The information collected in the Needs Assessment should inform the final Social Services Plan and selection of all Social Service Providers. Needs Assessments should aim to collect information on household demographics as well as other programming and services provided in the neighborhood surrounding the Property.

2. Social Service Coordination Role

NYCHA residents currently have access to workforce training, job opportunities, and social service referrals for vulnerable populations as public housing residents. These are services that NYCHA provides through a service coordination model for public housing residents.

The Designated Project Teams should each designate a new social service coordinator (“Social Service Coordinator”) to fulfill the services originally provided by NYCHA at the Property. The Social Service Coordinator will work collaboratively with NYCHA and the Designated Project Team to develop a service coordination model, outlined in the Social Services Plan, that connects residents to services that are available to Section 8 households and any other services or programming identified by residents. The Social Service Coordinator should outline how they will conduct referrals for the Family Self-Sufficiency program within the Social Service Plan, how staff will use NYCHA’s OpportunityConnect portal, and successor systems, to refer tenants to vetted providers that have formal partnerships with NYCHA. Please note: this excludes social service referrals directly to NYCHA for intervention in tenancy, lease enforcement, or related matters. This function should be incorporated within the scope of the property management and social service provider team. NYCHA expects that property management and the social service provider will work together to conduct pro-active outreach around tenancy issues, as outline in Exhibit F.

The Social Service Coordinator should have an on-site presence at the Property and should outline in the Social Services Plan their hours of operation and how they plan to be accessible and available to residents at the Property.

The Social Service Coordinator will be responsible for reporting back to NYCHA and the entire Designated Project Team metrics on all services provided to residents at the Property under their umbrella (either by the Social Service Coordinator directly or

through other providers who work with residents on-site).

3. Preserving Services with Existing Providers

In some cases, there are currently on-site social services providers (“Existing Providers”) at the Properties. Some Existing Providers receive funding through one or more awarded contracts following a competitive procurement process (“Existing Service Contracts”) with New York City Agencies or entities (for example, New York City Health and Hospitals, the New York City Department of Youth and Community Development, the New York City Department of Education, or the New York City Department for the Aging, each a “City Agency”, collectively, “City Agencies”), each with contract terms that include specific performance and insurance requirements. Listed in Exhibit B are the Properties with Existing Providers and Existing Service Contracts, including the name of the provider and City Agency funder, if applicable.

To the extent that there are Existing Providers at the Properties, the Designated Project Teams must work with the Existing Providers and their City Agency funders, if applicable, to ensure that services are not negatively impacted or otherwise interrupted for the duration of the Existing Service Contracts, including any renewal or extension of the contract term. Each Existing Provider will remain in place for the duration of the Existing Service Contract unless the City Agency funder determines that the Existing Provider is not meeting service requirements under the Existing Service Contract or any future renewal contract. In such event, the City Agency funder has the right to assign a new social services provider to the affected Property to assume the Existing Provider’s obligations and rights under the Existing Service Contract, or any future renewal contract.

The Designated Project Team will be expected to execute leases with Existing Providers that reflect the agreed upon and understood terms. If the Designated Project Teams and NYCHA select Existing Providers to join the Project Team as the Social Service Coordinator, the Existing Providers must be engaged to deliver new services in addition to the scope of their Existing Service Contracts. These services will be resident-informed, as described above, and will be negotiated directly with Designated Project Teams and NYCHA.

NYCHA may also have agreements with third party providers or City Agencies to provide programmatic and/or maintenance support to gardens, farms, public art, parks, and other amenities located at the Property. The Designated Project Teams should assume or acknowledge these agreements for the remainder of the term and ensure services are not negatively impacted. Continuations can be renegotiated directly with the third-party partner or City Agency thereafter by the Designated Project Teams. The Designated Project Team and the Social Service Coordinator must participate in hand-off meetings between NYCHA and partner City Agencies and third-party providers with services at the Properties to ensure continuity.

4. New Services

In addition to preserving the services offered by NYCHA partners at the development and the Existing Provider(s) for the duration of the Existing Service Contract(s), the Designated

Project Teams will facilitate access to other social services or community amenities based on resident feedback. This will be coordinated through the Social Service Coordinator role. The Designated Project Teams will survey residents prior to construction closing to identify priority service preferences and delivery gaps. The Designated Project Teams may consider new programs to replace expired Existing Service Contracts based on resident feedback. The Designated Project Teams will then develop and, upon construction closing, execute programs via its Social Services Plan to provide a selection of the identified services to residents.

5. Proposed Budget

Although the Social Service Coordinator will be added to Designated Project Teams, Applicants must submit a general budget and funding proposal to support the ensuing Social Services Plan as part of this RFEI. As detailed herein, and built into Exhibit C: Underwriting Guidelines, Applicants should assume a base case underwriting of (1) a one time, up front Social Service Reserve of \$300 per unit as part of the conversion budget and (2) an additional \$300 per unit in annual costs to fund social services on an ongoing basis, escalating at 3% annually.

6. Reporting Requirements

The final Social Services Plan shall include detailed metrics pertaining to the utilization or participation goals and service outcomes outlined in the Social Services Plan. These metrics will be reported to NYCHA on a quarterly basis and will include a combination of quantifiable and qualitative updates. The Social Service Coordinator should assume the responsibility of submitting these reports and collect information from all providers at the Property.

D. Energy, Health and Sustainability Requirements

1. Sustainability Program

NYCHA is committed to advancing environmental justice in its communities by ensuring that investments in public housing create energy efficient, sustainable, and resilient buildings. The proposed Rehabilitation Scope of Work should meet the requirements and obtain certification through the New York City Overlay to the Enterprise Green Communities Criteria. PACT-specific requirements within the standard are described in Exhibit M. Applicants must submit a draft criteria checklist with their Proposal. Before construction closing, a draft final criteria checklist must be submitted to NYCHA for approval.

2. Electrification Analysis and Long-Term Emissions Reduction Plan

The Designated Project Team will be required to analyze the feasibility of replacing fossil fuel-powered systems such as space heating, water heating, cooking, and laundry with electrified technologies. The analysis must also include a long-term emissions reduction plan that demonstrates an 80% reduction in GHG emissions by 2050. The analysis should include, at a minimum:

- a. Draft scope of work that includes electrification of heat and hot water generation using high-efficiency heat pumps; cooking using induction or electric stoves and provision of air conditioning to each apartment, as well as solar photovoltaics;
- b. Description and capacity of proposed systems being analyzed;
- c. Estimated installation costs;
- d. Costs and estimated annual maintenance and operating costs;
- e. Description of major obstacles to implementation; and,
- f. Conversion from central steam heating plants, such as conversion to hot water distribution with distributed boiler plants and conversion to air source heat pumps for heating and cooling.

3. Local Law 97 (LL97) of 2019

LL97 introduced a schedule for owners of large and medium-sized buildings to significantly reduce their greenhouse gas emissions (“**GHG**”). Buildings owned or operated by NYCHA are exempt from the general reduction schedule and associated financial penalties. However, the law requires NYCHA to make efforts to reduce GHG emissions by 40% by 2030 and 80% by 2050, from a 2005 baseline. Accordingly, the proposed Rehabilitation Scope of Work should achieve the building emissions intensity limit for occupancy group R-2 for calendar years 2030 – 2034. More information on LL97 can be found here:

https://www1.nyc.gov/assets/buildings/local_laws/ll97of2019.pdf

4. Sub-metering

To promote energy conservation and better understand the breakdown in consumption of common area and tenant energy consumption, the Designated Project Team will be responsible for sub-metering all Properties that are currently master-metered. All installed sub-meters should be on a “shadow-meter” basis without billing the tenant.

5. Waste management infrastructure

The Designated Project Team will be required to submit a waste management plan and *PACT Transition – Waste Management Handover Guide*, as outlined in Exhibit G, that comply with the following requirements:

- a. If a Property currently does not receive curbside trash removal from the Department of Sanitation (“DSNY”), the Property may not convert to curbside removal;
- b. If a Property hosts exterior waste equipment used by other developments, the Designated Project Team must continue to provide access to the shared equipment;
- c. If a Property uses shared exterior equipment at a development retained by NYCHA, the Designated Project Team must install and maintain its own exterior equipment; and
- d. Any open 30-yard containers utilized for bulk collection will be converted to an on-site auger compactor with DSNY collection.

6. Reducing Construction and Demolition Waste

In line with OneNYC's goal of sending zero waste to landfills by 2030, NYCHA aims to reduce the amount of construction and demolition ("**C&D**") waste that is disposed in landfills and incineration facilities through material recovery, reuse, and recycling. Building on mandatory requirements for Enterprise Green Communities Criteria item *6.10 Construction Waste Management*, the Designated Project Team will be required to select Option 1 and submit a C&D waste management plan for new construction and rehabilitation work at the Properties that establishes project-specific waste estimates, waste diversion goals, waste prevention measures, reuse inventory, communication plan, contamination prevention measures, and a recycling facility list.

7. Smoke-Free Housing

The Designated Project Team must adopt a smoke-free policy consistent with NYCHA's Smoke-Free Policy. For more information, please visit <https://www1.nyc.gov/site/nycha/residents/smoke-free.page>.

E. Ownership and Control

NYCHA will convey the Projects to Designated Project Teams through a long-term 99 year lease agreement for the land and buildings and other improvements on the Properties (the "Lease"). NYCHA will reserve approval and removal rights as the landlord under the Lease. NYCHA will also require Designated Project Teams to enter into additional agreement(s) to memorialize resident rights, guarantee long-term affordability, and to satisfy any additional NYCHA, HDC and/or HUD requirements.

F. Project Financing and Fee Requirements

NYCHA and HDC will determine and HDC will arrange the financing structure for each Project. Financing for the Projects must incorporate the items below:

1. Underwriting Guidelines and Template

The PACT underwriting guidelines and rental pro forma template are included as Exhibit C. All Proposal submissions must reflect the guidelines, interest rate, amortization, rental assumptions, unit mixes, instructions within the Underwriting Template, and the disposition methods outlined in Exhibit C unless otherwise instructed. Applicants and Designated Project Teams will be required to revise underwriting assumptions as requested by NYCHA and HDC.

2. Proposed Financing Structure

Proposals must include balanced sources and uses. To the extent sources proposed are not fully committed at the time of submission, the Applicant must accept the risk for securing and/or providing replacement funds if needed. The priority for all cash flow

distributions should be first and foremost to meet the capital needs of the respective Project, while minimizing the need for City subsidy.

3. City Subsidy

Proposals that minimize the use of City subsidy, while meeting the full capital needs of the Project, will be reviewed favorably. If City subsidy is requested, the Applicant may be responsible for satisfying additional requirements.

4. No Low-Income Housing Tax Credits (LIHTCs)

Applicants must not propose a financing structure that relies on 4% or 9% LIHTCs.

5. Rent Levels

- a. The **RAD contract rents** must be underwritten based on the applicable 2020 RAD rents as provided in the Underwriting Templates. Note that these rents, released by HUD in 2021 have been adjusted by the appropriate Operating Cost Adjustment Factor (the “OCAF”) and should apply through December 2021. NYCHA may provide revised rental assumptions at any time during the RFEI selection process and after Applicants have been designated.
- b. The **Section 18 contract rents** can be underwritten up to 110% of FMR less applicable utility allowances, subject to rent reasonableness. Please find the applicable reasonable rent levels in the Underwriting Templates.
- c. **“Over-Income”** Households: Since each Project is a combination of RAD and Section 18 conversions, the RAD Notice extends certain RAD Resident Protections to the households converting under Section 18, including that current households cannot be excluded from occupancy at the Properties undergoing conversion based on any rescreening, income eligibility, or income targeting. Current public housing residents in the converting Properties will not be rescreened for admission to the Section 8 program. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit and such unit will be placed on the applicable Section 8 PBV HAP Contract and such over-income household will have the right to remain in an assisted unit at the converting Properties and pay no more than 30% of adjusted gross income as rent.

6. Developer Fee

- a. Applicants should assume that NYCHA receives 50% of the developer fee, if applicable, and preference will be given to Applicants that maximize the ongoing annual cash flow return to NYCHA.
- b. If no City subsidy is required to finance the Project, the developer fee will be limited to 10% of Developer’s proposed total development costs, excluding acquisition, existing debt, developer fee, and reserves, conforming to the requirements of the RAD Notice, as will be specified in the executed Conditional Designation letter (the “CDL Proposal”). Other costs related to tasks that the Designated Project Teams will perform, such as construction management, financial consultation, and other services, shall not exceed an additional 2% of project costs, excluding acquisition, developer fee, and reserves, for total maximum fees of 12% of project costs. The

structure and timing of release of the developer fee will be subject to lender approval.

- c. If City subsidy is required to finance the Project, the developer fee will be paid in increments based on Project milestones. Up to 50% of the developer fee may be paid during the construction period with the balance payable upon permanent loan conversion. Other costs related to tasks that the Designated Project Teams will perform, such as construction management, financial consultation, and other services, shall not exceed an additional 2% of project costs, excluding acquisition, developer fee, and reserves.
 - a. If a Designated Project Team's Developer(s) is or includes a for-profit entity(ies), developer fee will be limited to 5% of the CDL Proposal total development cost excluding acquisition, existing debt, developer fee, and reserves. 50% of the cash equity requirement must remain in the deal.
 - b. If a Designated Project Team's Developer(s) is exclusively a not-for-profit entity(ies), developer fee will be limited to 8% of the CDL Proposal total development costs less existing debt, developer fee, and reserves plus 5% of acquisition. The net developer fee cap is \$10,000 per dwelling unit.

7. Additional HUD Requirements

HUD may require, and NYCHA may pursue, a recalculation of rent levels to meet HUD requirements and maintain the financial strength and long-term stability of each Property.

8. Equity

- a. If no City subsidy is required to finance the Project, Applicant and/or third-party "Preservation" equity equal to at least 5% of the total development cost, less existing debt, developer fee and reserves will be required.

Any third party providing equity to the Applicant ("Third-Party Equity Partner"), which is not a Pre-Qualified Partner, will exclusively be allowed to participate in the ownership structure as a non-controlling/non-managing member. Third-Party Equity Partner(s) must only be involved in a Project to the extent such involvement directly relates to its role as a non-controlling/non-managing member. If an Applicant is considering the inclusion of Third-Party Equity Partner, such Third-Party Equity Partner must be identified as a member of the Project Team, and Applicant's Proposal must include information demonstrating the Third-Party Equity Partner's role in the partnership, a structure chart and a summary of the equity terms, including the proposed investment period and return requirements. Proposals will be viewed favorably in which the investment period of the Third Party Equity Partner is maximized. In cases where Third Party Equity is generated through a federal, state, or local tax credit program, such equity must have a minimum investment period that complies with the applicable tax credit program requirements.

- b. Applicants should describe their ability and willingness to contribute equity into the Project. Proposed equity contributions from the Applicant that are maximized will

be reviewed favorably. In addition, NYCHA may be willing to reduce the amount of cash flow in order to maximize equity contributions from the Applicant.

- c. If City subsidy is required to finance the Project, Applicant and/or third-party “Preservation” equity equal to 10% of total development cost less existing debt, developer fee, and reserves will be required.
- d. If a Designated Project Team’s Developer(s) is or includes a for-profit entity(ies), proposals will be viewed favorably in which their equity contribution is maximized.

9. Performance Bond or Letter of Credit

General Contractors must provide a 100% Payment and Performance Bond or 10% Letter of Credit, acceptable to HUD, NYCHA, HDC, and other lender approval. This must cover the entirety of the final Rehabilitation Scope of Work, made by a credit worthy entity satisfactory to NYCHA and HDC.

10. Guarantees

The Designated Project Teams will be responsible for all financial guarantees and non-recourse carve outs necessary to complete the Project, including, without limitation, those required by HDC, or any other lenders or financing partners. In addition, the Designated Project Teams will be responsible for providing to NYCHA and HDC an environmental indemnification, a completion guaranty and any other applicable guarantees.

11. Opportunity Zone Benefits

It is NYCHA’s current expectation that certain properties in this Round, as detailed in Exhibit B, the Property Profiles, are located within an Opportunity Zone(s). The applicability of Opportunity Zone benefits will be subject to further diligence by and will ultimately be the sole responsibility of the Project Team.

As such, Applicants are required to disclose the value and source of Opportunity Zone equity. Applicants are encouraged to explore heightened equity contributions that result in lower City subsidy and/or budgeted developer fee by taking advantage of the Opportunity Zones legislation. Proposals that waive or defer developer fee because of this value will be evaluated favorably.

12. Acquisition Cost

The “Acquisition Cost” should represent the capitalized net operating income from the first year of stabilized operations (NOI), less the lesser of (1) the Developer Hard Costs, or (2) the HUD Housing Construction Costs (HCC). Assume a 5.25% cap rate. The HUD HCC can be found here: https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2020.pdf.

13. Upfront Acquisition Payment

If funds are available, an upfront acquisition payment to NYCHA should be provided. Proposals with favorable upfront acquisition payments to NYCHA will be viewed favorably. If projects contemplate City subsidy an upfront acquisition payment should not be proposed.

14. Seller Note

To the extent funds are not available to fully compensate NYCHA for the Acquisition Cost, a “Seller Note” representing the Acquisition Cost, less the upfront acquisition payment, any applicable debt, and any applicable payments for arrears is required from the Developer (or its affiliated entity) in favor of NYCHA. The term of the Seller Note shall match the term and rate of the permanent loan.

15. Return to NYCHA

Preference will be given to Applicants that maximize the ongoing annual returns to NYCHA, not to be less than a 50% contribution of annual cash flows. No upfront lease payment or cash acquisition payment to NYCHA will be required when the Project relies on City subsidy. For a Project that does not contemplate City subsidy, a financial return to NYCHA will be reviewed favorably. In addition, NYCHA may be willing to negotiate cash flow split to maximize the equity contribution from the Designated Project Team’s Developer.

16. NYCHA Fees and Costs:

- a. Annual Administrative Fee: The greater of \$100,000 or \$100 per dwelling unit shall be provided to NYCHA for certain property management services to cover the costs of compliance, asset management, and accounting, subject to annual 2% escalations.
- b. Utility Management Fee: All utilities, excluding electricity, will be transferred to Owner’s account at closing. NYCHA will continue to hold the electricity account for the Project at Developer’s election. The Developer will be responsible for the following:
 1. A fee to NYCHA of \$30 per unit per year, with a 3% annual increase in the 1st quarter of each calendar year starting after the first full year of operations. This fee is to compensate NYCHA for its role as the electricity administrator and is to be paid in quarterly increments (the “Utility Management Fee”). Each discrete Commercial and/or Community Facility space(s) should each be included and viewed as one respective unit for the purposes of this calculation;
 2. A quarterly payment covering all electricity costs incurred that quarter to be paid to NYCHA (the “Utility Payment”);
 3. A reserve (the “Utility Management Reserve”) that should be initially sized off of (1) a half year (two quarter) average of the trailing year’s electricity costs plus (2) a half year (two quarters) of Utility Management Fees, which is to be funded in full at closing. Quarterly, the Utility Management Reserve will be drawn down by NYCHA and replenished by the Utility Payments and Utility Management Fee. This reserve can be a component of the total Operating Reserve.

To maintain NYCHA’s rates, these bills must be paid promptly on a quarterly basis.

- c. Section 8 Transition Fee: Applicants must propose a one-time Section 8 Transition Fee of at least \$100 per public housing unit to cover the programmatic expenses associated with the transition of these units to Section 8, including on-site property management transition, back office conversion tasks, and HQS inspections.
- d. Predevelopment Costs: NYCHA must be repaid for any and all predevelopment expenses, including, but not limited to, fees for retaining outside legal counsel, environmental consultants, obsolescence reports, any required repairs, resident technical assistance or services, and appraisers.
- e. Existing Debt and Bonds: NYCHA must be repaid for all outstanding balances on expended and capitalized bond proceeds and debt as detailed in Exhibit C, the Underwriting Templates.

17. NYCHA Purchase Option

NYCHA will require that NYCHA have a purchase option on the Designated Project Team's leasehold interest in the Properties and any member's equity interest in the Project Team entity. NYCHA will provide the terms of the purchase option. For the avoidance of doubt, such purchase option will be in addition to NYCHA's right to remove any or all members of the Designated Project Team at any time due to failure to comply with the terms of the agreements or meet the standards for performance required thereunder.

18. Residential Property Taxes

Tax benefits will be available through a negotiated Payment In Lieu of Taxes ("PILOT") agreement between NYCHA and the City. Applicants should assume that \$0 in PILOT payments are due as long as the Properties serve households (exclusive of existing residents in place at closing) with incomes at or below 80% of AMI, subject to any PILOT payments that may be imposed for community facility or commercial tenants. Commercial units will be subject to standard applicable real estate taxes.

19. Taxes and Fees

The Designated Project Team will be solely responsible for paying all transfer and recordation taxes and fees associated with Project financing, leasing, or other conveyance of the Properties or any required federal, state, or municipal approvals. The Designated Project Team is responsible for payment of all predevelopment cost(s) and meeting any other terms and conditions as required by HUD, NYCHA, HDC, other lenders, and/or investors.

20. Future Refinancing

NYCHA and HDC approval is required for any refinancing or restructuring of permanent debt.

21. Capital Needs

At a minimum, Applicants must propose a rehabilitation scope of work that covers the 20-year capital needs of the Properties as determined by the NYCHA PNA, further detailed within the SOW Template. Eligible Applicants may be required to complete additional forms for NYCHA and HDC review and approval prior to selection to ensure that proposed Rehabilitation Scopes of Work meet both the 20-year capital need as defined by the RAD

CNA, Obsolescence Report, as well as to demonstrate that the 20-year NYCHA PNA is addressed. Designated Project Teams will be required to complete additional forms and templates to be provided by NYCHA prior to financial closing.

Additionally, Applicants must ensure that the proposed Rehabilitation Scope of Work meets or exceeds the 60% HCC requirements in the RAD/Section 18 blend underwriting scenario, or in any Section 18 underwriting scenario, at least 62.5% for elevator buildings, or 57.14% for walk up buildings, of the HUD-published TDC threshold.

22. Developer Return Requirements

NYCHA understands that sources and uses will shift between the time of Proposals and construction closing. To help ensure consistency, Applicants must state their minimum return requirements, including cash developer fee and cash flow split over time. Applicants must specify their return requirements in the Proposal as it relates to equity contributed.

23. Tenant Participation Activities (TPA) Funding

Per the RAD Notice, Applicants must account for an annual resident participation fee of \$25 per occupied unit in their management and operations budget. In some cases, NYCHA may have unused TPA funds that it will transfer to the Designated Project Teams at construction closing.

24. Resident Technical Assistance

At least \$50,000 per project and an additional \$40 per unit shall be made available to residents upon designation for technical assistance and other services needed to ensure residents can meaningfully participate in planning and engagement processes associated with the Project. The Designated Project Team will work with NYCHA and resident leadership to develop a budget and scope of work for these funds, but Applicants are encouraged to include strategies for effectively using these funds as part of their Community Engagement Plan. The Designated Project Team will be responsible for overseeing and tracking the use of funds, as well as contracting with outside organizations, where needed, and making payments directly. Eligible activities may include hiring community-based organizations to support outreach and education efforts; planning, architecture, or urban design firms to vet project proposals; financial consultants to assess redevelopment potential; tenant organizers or advocates to support tenant organizing and leadership development and training; and/or attorneys to provide legal advice.

25. Tenant Legal Assistance

The Designated Project Teams will be responsible for providing residents with free legal services in connection with the Project in order ensure a smooth transition to the Section 8 program, including legal consultation on the new Section 8 leases residents will be required to sign prior to closing. NYCHA will coordinate with the Designated Project Teams to select legal services provider(s), but the Designated Project Team will be responsible for entering into a contract (and funding) outlining the provision of services from the legal services provider.

26. Social Service Provision Budget

See Section (IV)(C) for detail on the required Social Service Reserve and annual funding requirements, also detailed within the Underwriting Template.

G. Project Labor and Employment Provisions

1. Davis-Bacon prevailing wage requirements

The Davis-Bacon prevailing wage requirements (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) will apply to the Work that qualifies as “Development” as set forth in the RAD Notice. Per Section 1.4.A.14 of the RAD Notice, “‘Development,’ as applied to work subject to Davis-Bacon requirements on Section 8 projects, encompasses work that constitutes remodeling that alters the nature or type of housing units in a PBV or PBRA project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, and is initiated within 18 months of the Housing Assistance Payment (HAP) Contract.” The only exception to this requirement relates to work on units within properties within the LLC I portfolio, where there is an existing HAP contract from a previous conversion to Section 8 (NYCHA’s Mixed-Finance transaction).

2. Wage standard for building service employees

NYCHA has adopted the wage standard of 80% of prevailing wage, including supplemental benefits, for building service employees on PACT projects post-closing. As such, initial compensation and benefits shall be set at 80% of the prevailing wage schedule for building service workers per the City of New York Office of the Comptroller (the “Prevailing Wage Schedule”) at the time of closing and shall be adjusted in future years according to contract renewal negotiations, which adjustments shall use as a floor 80% of the Prevailing Wage Schedule in effect at the time of such adjustments.

3. Labor relations

Proposals from Applicants that demonstrate experience in harmonious and successful labor relations and/or a lack of negative labor issues, including in operation/property management, will be reviewed favorably.

4. Section 3 of the Housing and Urban Development Act of 1968 (“Section 3”)

Section 3 of the Housing and Urban Development Act of 1968 12 U.S.C. 1701u and 24 CFR Part 75 represents HUD’s policy to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons. Employment preferences under Section 3 are targeted to low- and very low-income (a) residents of public housing or Section 8 assisted housing (RAD requirement), (b) workers within the service area or the neighborhood of the project, and (c) YouthBuild participants, or workers employed by a Section 3 business concern. Section 3 applies to the Work as identified in the RAD scope of work. Section 3 business

concern must meet one of the following criteria in the last 6 months: (i) It is at least 51 percent owned by low- or very low-income persons; (ii) Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or (iii) It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing. Proposals from Project Teams with a demonstrated record of, and/or especially thoughtful plans for, providing robust Section 3 opportunities will be viewed favorably.

The Section 3 guidance is subject to change at any point in time at the discretion of HUD and/or NYCHA.

5. Resident Hiring, Training and Economic Opportunities

Pursuant to NYCHA's goal of generating economic opportunities for its residents, Applicants must submit a plan for providing training and employment to NYCHA residents during construction and the long-term operation of the Properties. Applicant shall sponsor and train NYCHA residents for construction, property management, and social service employment opportunities consistent with HUD Section 3 and NYCHA requirements.

Applicant shall submit to NYCHA a "Resident Hiring and Training Plan" that details the provision of training and employment opportunities to residents during construction and the long-term operation of the Properties. Exhibit E 'Section 3 Hiring Plan' should be completed and submitted with your proposal.

The Designated Project Teams shall collaborate with NYCHA's Resident Economic Empowerment and Sustainability Department ("REES") to finalize an agreed upon training and hiring plan (the "Hiring Plan") that is consistent with applicable HUD Section 3 and NYCHA requirements. REES provides training opportunities and manages partnerships with external workforce development and vocational training providers that can serve as a referral source. REES referrals can be included as one source of recruiting qualified NYCHA residents for employment.

The Designated Project Teams shall include a provision in its subcontractor bids that requires training and employment opportunities for qualified NYCHA residents consistent with this paragraph. Proposals with a comprehensive training plan and higher number of new hires of NYCHA residents and low-income individuals at higher wages will be viewed favorably.

6. Compliance

Between the construction closing and construction completion, the Designated Project Teams will report all recruitment and hiring activities, compliance with Davis Bacon, and compliance with Section 3 to NYCHA, on forms reasonably acceptable to NYCHA, on a monthly basis. Following the construction completion, the Designated Project Teams will continue to report all recruitment and hiring activities and compliance with Davis Bacon and Section 3 to NYCHA on a monthly basis.

7. NYCHA Staff Redeployment

The Designated Project Teams must ensure that NYCHA property management staff assigned to the Properties prior to conversion are provided the opportunity to apply for positions with the new property management company and given a right of first refusal for new positions for which they are qualified. Any staff members who do not elect to remain at the Properties after conversion may be, if desired, redeployed to other NYCHA public housing developments at construction closing.

H. Other Provisions

1. Affordability Requirements

The Properties must be operated as affordable housing for the duration of the Lease with new occupancy post-closing restricted to households earning 60% of AMI and below, or as otherwise outlined in the HDC Regulatory Agreement. Affordability requirements will be memorialized in certain recordable documents that will encumber the Properties, including an HDC Regulatory Agreement, a NYCHA Regulatory Agreement, a RAD Use Agreement for units converting to project-based voucher assistance under RAD, a Declaration of Restrictive Covenants and Use Agreement for units converting to project-based voucher assistance under Section 18.

2. Establishment and Administration of Wait List

NYCHA will maintain a site-based waitlist of Section 8 applicants for units as they become vacant upon and after conversion. The site-based wait list will be created and managed in accordance with NYCHA's Section 8 Administrative Plan.

3. Mandatory Insurance Coverage

The Designated Project Teams must adhere to all requirements included in NYCHA's Insurance Requirements Guide attached hereto as Exhibit L. An insurance quote should be reflected in the Applicant's financial proposal. Designated Project Teams must also satisfy all HDC and other lender insurance requirements.

4. Development Rights/Carve-Outs

NYCHA will retain all existing, ongoing, and future development rights at the Properties not required for existing improvements at the Properties or the new construction sites. These include, but are not limited to, development rights created in the future pursuant to any rezoning of any portion of the Properties or created under the transaction or by the addition of parcels to the zoning lot as further set forth in the Lease or other Project documents, all of which rights will remain vested in NYCHA and the use of which is in NYCHA's sole and absolute discretion. The Applicants or the Designated Project Team will have no approval rights over NYCHA's use of such development rights. NYCHA will inform Applicants if it elects to sell any development rights prior to closing this Project.

In addition, NYCHA reserves the right to carve out from the Properties certain unimproved or non-residential parcels of land that it may use for future development. The area to be leased to Designated Project Team will generally consist of the entirety of the Properties, but NYCHA will reserve the right through Project documents to recapture parcels in the

future at its sole and absolute discretion that: 1) do not compromise the functioning of the Properties as Section 8 housing, 2) do not affect compliance of the Properties as relates to the NYC Zoning Resolution, NYC Building Codes, Multiple Dwelling Law, or otherwise address proposed non-compliances, 3) do not adversely affect the property finances by reducing the debt services coverage ratio to below financing requirements due to lost revenue from parking or otherwise, 4) compensate the PACT Component for the depreciated value of improvements made to the parcels through the PACT program and throughout the duration of the lease, and 5) do not impact the new construction sites.

The Designated Project Team will not have a right of first refusal on any future development outside of the new construction sites at the Properties, though NYCHA, at its sole and absolute discretion, could determine that it is beneficial for the Designated Project Team to be involved in future development. Parcels will be recaptured at no cost to NYCHA other than for coverage of reasonable legal costs and depreciated value of improvements as previously described. The Designated Project Team and its lenders agree to cooperate fully with NYCHA on the recaptures. Prior to conducting predevelopment work, including ordering appraisals and surveys, the Designated Project Team will confirm the anticipated dimensions of the recaptured area.

5. Site Improvement and Redevelopment Opportunities

Proposals should consider improvements to non-residential and otherwise underutilized spaces. Improvements can range from upgrades to landscaping and open space elements to the new construction of affordable housing, new community facility or commercial spaces, or a mix thereof. Proposals should respond to community and resident needs as documented by NYCHA or other relevant local planning reports. Additional information will be provided to Applicants following project preference results. When new construction is contemplated, Proposals should include analysis of available development rights and/or descriptions of necessary land use or zoning actions to facilitate new development. Proposals should consider the replacement or relocation of existing on-site assets, including, for example, parking spaces, trash compactors, equipment/supply storage, and play equipment.

All site improvement and redevelopment proposals will be further vetted and refined in collaboration with residents following designation. Where relevant, in their Proposal Applicants should consider how they will solicit feedback and further refine project plans with residents as part of their Community Engagement Plan.

V. PROCUREMENT PROCESS

A. Procurement Structure

As indicated in the RFQs, Applicants will be selected for Projects based on their ability to undertake the required capital repairs and on-going operations at the Properties while committing to support robust social services. Applicants will be expected to effectively engage residents in pre-development and visioning exercises. Pre-Qualified Partners are responsible for forming a Project Team consisting of Developer(s), Property Manager(s), and General Contractor(s) and submitting a Proposal to obtain financing for the transaction, complete the required tenant-in-place rehabilitation, manage the Properties, and support a Social Service Provider in compliance with this RFEI and other NYCHA specifications, the Applicant's Proposal, and each Project's applicable financing requirements. NYCHA and HDC acknowledge that the Project Team will also consist of other professional, technical, and construction entities (e.g. equity investor, architect, engineer, community planning professional, and legal counsel) not included in the Pre-Qualified Partner List. As described, NYCHA will assign a Social Service Provider or Existing Provider to a Project Team after designation.

Following a competitive review of the Competitive Selection Criteria (as defined and described in Section VI), Applicants will be designated to commence negotiations with NYCHA ("Designated Project Team") for a particular project.

To address NYCHA's high and unique capital needs at its public housing campuses, NYCHA reserves the right to change any part of a Project and Project Team as it deems appropriate. For example (but without limitation), NYCHA can cancel solicitations, remove members of a Project Team, and add new members to a Project Team from the Pre-Qualified Partner List or otherwise, as well as remove or add properties to the Project. After designation, NYCHA will work with Designated Project Teams to identify an appropriate Social Service Provider or multiple providers to be added to each Designated Project Team who will be responsible for providing robust social services to residents. Applicants therefore should not include a Social Service Provider in their Project Team but must abide by the Underwriting Guidelines in Exhibit C in terms of budgeting for the provision of social services.

Project Preference Ranking Form

Prior to submitting a Proposal, interested Pre-Qualified Partners are required to form a Project Team, as described above, and, as an Applicant, rank each Project in order of interest by completing the web-based Project Preference Ranking Form (the "Ranking Form") located at <https://eshare.nycha.info/sites/pact10/> a date to be announced in June 2021. Project Teams may consist of one entity per category (e.g., Developer, Property Manager, and General Contractor), or joint ventures comprised of multiple Pre-Qualified Partners per category.

Each Project Team must include at least one Developer member within the Project Team that (i) is an M/WBE Developer and/or a Nonprofit and (ii) has a Meaningful Role.

As described above, Applicants should not include a Social Service Provider in their Project Team before submitting the Ranking Form, as NYCHA will work with Designated Project Teams to identify appropriate Social Service Provider(s) to be added to each Designated Project Teams after designation. For the purpose of preparing, submitting, and processing the Ranking Form, the Developer entity(ies) will be considered the lead applicant of the Project Team (the “Lead Applicant”) and will serve as the point of contact with NYCHA throughout the RFEI process. If the Project Team consists of a joint venture between more than one Developer, please indicate in the Proposal which Developer will serve as the Lead Applicant, together with contact name, email, and phone number. Applicants may email pact.partners@nycha.nyc.gov if there are any issues completing the Ranking Form.

Pre-Qualified Developers **may only be part of one (1)** Project Team when preparing and submitting a Ranking Form, regardless of whether they are submitting a Ranking Form individually or as part of a joint venture. Pre-Qualified Property Managers and General Contractors may be part of more than one Project Team and may be included in multiple Ranking Form submissions.

Project Preference Ranking and Submitting Proposals

NYCHA will send a notification indicating the date by which each Applicant must complete the Ranking Form with their ranked preferences (the “Project Preference Ranking Process”). As described above, Pre-Qualified Developers may not be part of more than one (1) Project Team and may not be included on more than one (1) Ranking Form submission. Each Applicant must rank at least three (3) projects. After the Project Preference Ranking Process has been completed by NYCHA, Applicants eligible to prepare and submit a Proposal for each of the Projects will be notified. There will be a maximum of three Applicants eligible to prepare and submit a Proposal for each of the Projects. NYCHA and HDC cannot guarantee that every Applicant will become eligible to prepare and submit a Proposal for at least one (1) of their top three (3) ranked Projects (such Applicants, “Eligible Applicant(s)”).

NYCHA will then notify Eligible Applicants will be notified by email of the Project(s) they are eligible to submit a Proposal (the “Notification Email”). Eligible Applicants are required, through the Lead Applicant of the relevant Project Team, to respond to the Notification Email within **one (1) week** after the date the Notification Email is sent and state their intent for each Project for which they are eligible by stating one of the following responses for each Project (“Applicant Response Email”):

1. The Eligible Applicant will prepare and submit a Proposal for the Project;
2. The Eligible Applicant will enter into a joint venture with another Eligible Applicant that was selected to prepare a Proposal for the same Project. Both Eligible Applicants intending to combine their Project Teams must notify NYCHA of this intent by responding to their respective Notification Emails; or
3. The Applicant does not intend to prepare or submit a Proposal for the one or all of the Project(s) and is formally withdrawing their eligibility to prepare a Proposal for such Project(s). Applicants may withdraw their eligibility from one (1) or more Projects and retain their eligibility to prepare and submit a Proposal for any other Project(s) for which they are eligible.

Upon receipt of Applicant Response Emails, NYCHA and HDC may elect to continue the Project Preference Ranking and send additional Notification Emails to Applicants.

Changes to Project Teams after Applicant Response Email

Eligible Applicants are permitted to change, add, or remove Pre-Qualified Partners to/from their Project Team after sending their Applicant Response Email. Applicants who were determined to be eligible for more than one (1) Project may change, add, or remove Pre-Qualified Partners for each Project, resulting in different Project Teams for each Project they are eligible. In all instances, the Applicant must retain the Lead Applicant that submitted the Ranking Form. NYCHA requests that any changes to the Project Team after an Applicant Response Email is sent be finalized no later than June 2021 and that the Applicant notify NYCHA of the change as soon as possible by emailing pact.partners@nycha.nyc.gov.

B. Pre-Submission Conference and Site Visits



Two general pre-submission webinars will be held on **May 18 & 20, 2021 at 10am** via Zoom. To access the details for the event, Pre-Qualified Partners should register for the Pre-Submission Conference by clicking the following link: <http://bit.ly/rsvppact10>. Partners can also register for the Pre-Submission Conference using the QR code to the left. Partners can also address any issues completing the registration form to the following email address: PACT.partners@nycha.nyc.gov. The Pre-Submission Conference will be a reiteration of the information included in this RFEI, and responses to all questions raised will be posted and available for all Pre-Qualified Partners to review at the PACT Procurement Site.

NYCHA is assessing the correct way in the current environment to provide further site information, and may make the Properties available for either virtual site visits for the Project Teams invited to submit proposals **in June, 2021** on the to be designated days (“Site Visits”). Further detail on this will be provided in future updates to the Project Teams eligible to submit proposals. NYCHA may elect to hold the Site Visits at an earlier or later date. Applicants will be notified of the RSVP process for Site Visits after they have responded to after Site Visits after they have responded to the Notification Email. All persons wishing to conduct interior building inspections must do so at their own risk and only if explicitly approved by NYCHA. Applicants are not to contact NYCHA Property Management staff to obtain additional information about the Property or to schedule their own inspections without the expressed consent of NYCHA’s Real Estate Development Department. Any and all inspections that do occur, as approved by NYCHA, must take all necessary precautions to prioritize the health and safety of NYCHA residents from COVID-19. Any additional questions Applicants have regarding a specific Property should be submitted at <https://eshare.nycha.info/sites/pact10/>

In the event of site access, prior to entering the Properties, all persons must sign a release of liability form that NYCHA staff will provide at the Properties during the scheduled site visit times. By signing the requisite release of liability, the inspecting person agrees to release NYCHA of liability for any harm and/or damage occurring during, or because of, the inspection of any or all the Properties, and agrees to hold NYCHA harmless for such harm and/or damage.

C. Questions

All initial questions from Pre-Qualified Partners for this RFEI will be due by **May 21, 2021 at 5 p.m.** Please submit questions by completing the form located at <https://eshare.nycha.info/sites/pact10/>. Responses to questions from Pre-Qualified Partners will be distributed to the Pre-Qualified Partners List no later than **May 28, 2021**. NYCHA will allow a second window for questions, for which all questions must be submitted by a to be announced date in June 2021. Responses will be distributed to the Pre-Qualified Partners List no later than a to be announced date in early July 2021. Responses may also be posted to the website on an ongoing basis.

Pre-Qualified Partners may alternatively submit questions to pact.partners@nycha.nyc.gov if there are issues completing the webform.

D. Submission Due Date

NYCHA will send a notification indicating the due date for the Project Preference Ranking Form. Eligible Applicants will then be notified by email of the Project(s) they are eligible to submit a Proposal. Eligible Applicants are required, through the Lead Applicant of the relevant Project Team, to respond to the Notification Email within **one (1) week** after the date the Notification Email is sent and state their intent for each Project for which they are eligible per the aforementioned instructions. After responding to the Notification Email, Eligible Applicants will be provided with further instructions for preparing and submitting Proposals and scheduling Site Visits. The Proposal(s) must be submitted electronically via NYCHA's Sharepoint site per the provided instructions no later than **5:00 p.m. on September 9, 2021** (the "Deadline Date").

No Proposals will be accepted after 5:00 PM on the Deadline Date unless the Deadline Date is extended by NYCHA for all Applicants. NYCHA reserves the right to reject any or all Proposals received under this RFEI.

E. Development Information

NYCHA may provide supplemental materials and data to Applicants to facilitate the development of Project Preference Ranking Forms and subsequent Proposals. RFEI Exhibits and any additional information will be accessed at <https://eshare.nycha.info/sites/pact10/> unless otherwise instructed through a notice to Applicants. Subsequent to Project Preference Ranking Process, NYCHA may elect to utilize an alternative method of distributing Property information to Eligible Applicants.

VI. APPLICANT SELECTION CRITERIA & PROCESS

A. Review

After determining which Applicants will be eligible to submit a Proposal for each Project based on Project Preference Ranking Forms, NYCHA will evaluate each Proposal according to the threshold requirements below (“Threshold Requirements”), considering the information provided in the Proposal, references, and any other information about the Applicant’s past performance available to NYCHA through the Pre-Qualification process. Proposals that are not complete or do not conform to the requirements of this RFEI will be deemed non-responsive and eliminated from further consideration, unless NYCHA permits the Applicant to correct the omission (see subsection B below).

Proposals that meet all Threshold Requirements will be comprehensively evaluated, rated, and ranked according to the competitive selection criteria below (“Competitive Selection Criteria”). NYCHA and HDC may request additional information, interviews, presentations, or site visits in their sole discretion. The Designated Project Teams will be chosen from among the Proposals that best conform to the criteria detailed herein. NYCHA may disapprove the inclusion of any member of an Applicant’s Project Team and/or require the Designated Project Teams to substitute other individuals or firms. It is an intention of this RFEI to provide opportunity to a broad and diverse selection PACT Partners. As part of the review process, NYCHA will evaluate the extent to which the designation of the Project Team would expand the number and variety of Developers, Contractors, and Property Managers with direct experience delivering rehabilitation projects. To this end, Project Teams that do not include Partners selected on PACT rounds closely preceding the issuance of sites per this RFEI will be viewed favorably.

Additionally, NYCHA and HDC will involve resident leaders in the evaluation and selection of Project Teams who submit Proposals in response to this RFEI. Resident leaders will form a “Resident Review Committee” who will be trained and given access to all Proposal materials (with the exception of personally identifiable information and personal asset/financial statements, which will be redacted). Residents who participate on the Review Committee will also sign a Confidentiality and Conflict of Interest Agreement.

B. Threshold Requirements

1. **Completeness of Proposal**

The Proposal must contain all documentation required under “Submission Requirements” below. All of the required forms must be fully completed, and application requirements met at the time of submission. Upon review, however, NYCHA, at its discretion, may notify an Applicant that additional information or clarification is necessary and ask the Applicant to submit such information in a timely manner as determined by NYCHA.

2. **Conformance with RFEI**

Proposal must meet all minimum requirements outlined in this RFEI.

3. Ability to Finance

Applicants must demonstrate adequate financial resources to undertake the Project as described in their Proposal. NYCHA will evaluate the Applicant's assets, and bank or other lender references, to determine the Applicant's capacity to meet NYCHA's, HDC's, and other lender's equity and guaranty requirements, absorb any cost overruns, and commence and complete rehabilitation of the entire Project in a timely manner.

If an Applicant is given an opportunity to cure a deficiency in meeting one or more of the Threshold Requirements listed above, but does not respond to NYCHA's request for such cure, or if the Applicant's response does not sufficiently address the deficiency(ies), the Applicant's Proposal will not be reviewed under the Competitive Selection Criteria.

C. Competitive Selection Criteria

Proposals that satisfy the Threshold Requirements above will be evaluated, 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 and proposed Project Team will be considered.

Development Experience and Capacity*

** The Applicant will be reviewed based on materials that were previously submitting as part of the Pre-Qualification RFQ. Applicants wishing to submit supplemental materials for projects completed since applying to become a Pre-Qualified Partner may elect to do so as described in Section VII (2)(4) of this RFEI.*

Factors to be considered include, but are not limited to, the following:

1. Applicant's financial capacity to undertake the Project;
2. Quality of construction and design in projects completed or currently under construction by the Project Team and/or its Principals;
3. Extent of the Project Team's experience, in terms of number, size, type, and complexity of rehabilitation projects within the last five (5) years;
4. Extent of the Project Team's experience with high-performance and deep energy retrofit projects, specifically with multifamily buildings – including passive house, Net Zero, and HVAC system conversions with tenants in-place;
5. Successful and timely completion of tenant-in-place rehabilitation projects of similar size, type, and complexity;
6. Experience with securing affordable housing financing;
7. Experience with developing and/or preserving affordable housing projects in partnership with public agencies;
8. Experience with engaging resident, community, and municipal stakeholders.
9. Applicants are encouraged to form partnerships and assemble teams in order to supplement internal capacity;
10. Experience with similar large-scale affordable, RAD, or Section 8 developments;
11. Experience in harmonious and successful labor relations and lack of negative labor issues;

12. Note on design experience;
13. Current workload (including active projects in predevelopment with NYCHA), staff capacity, and other pending project obligations and their potential impact on the ability of the Project Team to complete the Project within the prescribed timeframe; and,
14. Proven track record of delivering high quality projects on time and within budget.

Property Management Experience and Plan*

** The Applicant will be reviewed based on materials that were previously submitting as part of the Pre-Qualification RFQ. Applicants wishing to submit supplemental materials for additional management experience since applying to become a Pre-Qualified may elect to do so as described in Section VII (2)(4) of this RFEI.*

Factors to be considered include, but are not limited to, the following:

1. Experience managing tenant-in-place rehabilitation, including experience with temporary resident relocation associated with lead based paint or mold abatements;
2. Experience managing similarly sized affordable housing properties, including seniors, supportive services, and Section 8 PBV projects;
3. Experience managing public housing, mixed-finance public housing, and/or RAD projects, including demonstrated compliance with applicable regulations not limited to the New York City Housing Maintenance Code, and HUD's HQS;
4. Experience in harmonious and successful labor relations and lack of negative labor issues;
5. Experience managing and providing social services;
6. Experience managing community facility spaces, as applicable;
7. Experience managing commercial spaces, as applicable;
8. Experience managing affordable housing in New York City and/or relevant comparable markets;
9. Experience in harmonious and successful labor relations and lack of negative labor issues;
10. Quality of proposed tenant transition in the Property Management Plan, including how rightsizing, HQS compliance and security issues are addressed;
11. Quality of proposed resident protection plan for the proposed tenant-in-place rehab, including tenant grievances; and,
12. Strength and quality of the responses to the Management Questionnaire and overall approach to resident-centered, customer-service oriented Property Management.

Financial Proposal

Factors to be considered include, but are not limited to, the following:

1. Meeting all capital needs of the relevant Project;
2. Minimizing reliance on City and other public subsidies;
3. Adherence to the terms outlined in the PACT Underwriting Guidelines and RFEI requirements, including assumed 50% split of Developer Fee and ongoing Cash Flow;
4. Reasonableness of estimated rehabilitation and operating costs, including the construction costs of the proposed Rehabilitation Scope of Work;
5. Cost containment, efficiency, and risk of financing;
6. Proposed equity contributions; and,
7. Return to NYCHA, including proposed lease payments and fees.

Quality of Proposed Rehabilitation

Factors to be considered include, but are not limited to, the following:

1. Satisfactory demonstration that the proposed Rehabilitation Scope of Work fully addresses the 20-year capital needs of the Properties, meets the sustainability requirements as proposed herein, and demonstrates a commitment to perform work on every residential unit in a safe and timely manner;
2. The extent to which the proposed Rehabilitation Scope of Work includes additional improvements to the Properties beyond meeting the required 20-year capital needs, such as improved safety and security improvements, site improvements, and additional residential amenities;
3. The extent to which such proposed Rehabilitation Scope of Work is feasible, expeditious, and cost efficient;
4. The level of detail provided on the proposed finishes and treatments, any proposed modifications to circulation and lobbies, improved amenities; and the quality of building materials proposed;
5. The proposed Rehabilitation Scope of Work should identify and propose site improvements that adhere to the principles and spirit of the Connected Communities Guidebook;
6. The proposed Rehabilitation Scope of Work will be evaluated on the quality of any new construction, building size and scale, elevations, interior layouts, building materials, amenities, active design, quality of construction, innovative use of materials and construction technology, and sustainability, as applicable;
7. The proposed Rehabilitation Scope of Work will also be evaluated on the quality and scope of site improvements. site planning, building arrangements, relationship to the surrounding NYCHA development, and streetscape treatment will be considered. Safety and security as it relates to site planning will also be considered, as applicable; and,
8. The proposed Rehabilitation Scope of Work should identify improvements to both community facility and commercial spaces, as applicable.

Community Engagement Plan

Factors to be considered include, but are not limited to, the following:

1. Strength and quality of the proposed Community Engagement Plan, including demonstrated experience with community planning and tenant outreach and engagement;
2. Familiarity with NYCHA tenant issues and concerns regarding PACT;
3. The extent to which the proposed Community Engagement Plan incorporates best practices and creative ideas to ensure a multi-faceted, broad, and inclusive strategy; and,
4. The extent to which the proposed Community Engagement Plan considers alternative forms of engagement and processes and protocols to ensure the health and safety of NYCHA residents, NYCHA staff, and Project Partner staff (i.e., with the goal of minimizing exposure to COVID-19).

Section 3 Hiring Plan

Factors to be considered include, but are not limited to, the following:

1. Hiring plans will be evaluated on the strength and quality of the proposed hiring plan and feasibility of the goals and implementation procedures within the plan;
2. Proposers should demonstrate understanding of the Section 3 program and program requirements;
3. Proposers should demonstrate experience with training and hiring NYCHA and local low-income residents under Section 3 and otherwise
4. Proposer should demonstrate a willingness to partner with REES;
5. The extent to which the proposed Hiring Plan considers other economic opportunities for NYCHA residents.

D. Selection

Selection of an Applicant under this RFEI means only that NYCHA will commence negotiations with such Applicant regarding the Proposal for the Project. This RFEI does not represent an obligation or agreement on the part of NYCHA.

1. Conditional Designation Letter

Upon such selection, NYCHA will send written notification (“Conditional Designation Letter” or “Letter”) to the Designated Project Teams regarding the commencement of negotiations.

NYCHA reserves the right to negotiate with one or more Applicants (including simultaneously), to modify the scope of the Proposal, and to terminate negotiations with or without cause after the issuance of such Conditional Designation Letter. As described, upon execution the terms of this Letter will represent the CDL Proposal.

2. Predevelopment Timetable

The Conditional Designation Letter will include a development schedule setting out the major milestones and timeframes necessary to start construction (“Development Schedule”). Failure of the Designated Project Teams to follow the Development Schedule may result in the termination of negotiations and the selection of another Applicant to be the Designated Project Teams. The Designated Project Teams will be expected to commence predevelopment work upon execution of the Conditional Designation Letter, which will further detail the specific milestones.

3. Disclosure

Any Designated Project Teams who receives a Conditional Designation Letter from NYCHA must disclose all previous participation in NYCHA and City-assisted projects. All entities of the Designated Project Teams and Principals thereof will each be required to submit completed Entity and Individual Disclosure Statements, forms of which will be forwarded by NYCHA and/or HDC to the Designated Project Teams. NYCHA and/or HDC, who will be handling this component of the PACT process, will provide copies of these forms upon request to any Applicant. They can also be accessed here:

<https://www.nychdc.com/develop>.

4. Proposal Versions

Residents will be participating in the review process, and as such we would like you to submit two versions of your Proposals: (a) a full Proposal as detailed within this RFEI and (b) a redacted Proposal that has redacted key personal/financial information for your members that we can share with resident leadership as part of a Resident Review Committee.

VII. SUBMISSION REQUIREMENTS

A. Project Preference Ranking Form

Interested Applicants are required to form Project Teams and rank each Project in order of interest by completing the web-based Project Preference Ranking Form located at the PACT Procurement Site here () no later than a to be announced date in June 2021. Applicants will receive a confirmation email notifying them that their submission was received. If the confirmation shows that a submission was made in error, or if any assistance is needed, please email pact.partners@nycha.nyc.gov.

For the purpose of submitting a Ranking Form, an Applicant's Project Team must consist of at least one Developer, one Property Management Company, and one General Contractor, although Applicants may include multiple entities for each category in their Project Team. The Developer entity (or Developer entities if a joint venture with more than one managing member has been formed) on the Project Team will be considered the Lead Applicant. The Lead Applicant will be the primary point of contact when processing the Ranking Form submissions and determining which Project(s) an Applicant is eligible to submit a Proposal for. Developer entities intending to form joint ventures should prepare and submit one Ranking Form per joint venture. Please provide any additional details about proposed joint ventures such as percentage ownership, or any other pertinent information about the proposed Project Team, in the provided text box on the web-form.

Pre-Qualified Developers may only be part of one Project Team for the purpose of submitting a Ranking Form, and Developers will not be allowed to be part of multiple Proposal submissions for the same Project. Pre-Qualified Property Management Companies and General Contractors may be part of more than one Project Team per Project and may be involved in multiple Proposals for the same Project.

Project Preference Ranking Process and Notification

Each Applicant that has completed the Ranking Form will have their ranked choices reviewed and processed to determine for which Project(s) they will be eligible to submit a Proposal. There will be a maximum of three Applicants eligible to prepare and submit a Proposal for each of the Projects. Applicants will receive a Notification Email detailing the Project(s) they are eligible to submit a Proposal for no later than a to be announced date in June 2021. Eligible Applicants are required to respond to the Notification Email within one week notifying NYCHA of their intentions,

as dictated within this RFEI. Eligible Applicants will have until September 9, 2021 to submit their Proposals.

Proposal Submission

Eligible Applicants must submit all forms and supporting documentation as described below in order for their Proposal(s) to be considered by NYCHA. Applicants eligible to submit a Proposal as a result of Project Preference Ranking Process will be notified of additional submission instructions after they have responded to the Notification Email. **Applicants must submit a full Proposal as detailed within this RFEI, as well as a version with redacted key personal / financial information for your members that will be shared with resident leadership as part of a Resident Review Committee.** NYCHA will utilize the Lead Applicant contact information provided in the Ranking Form to communicate additional submission instructions to the Applicant. All submissions become the property of NYCHA.

Proposals must be submitted to NYCHA electronically through NYCHA's SharePoint system by **September 9, 2021 at 5 p.m.** NYCHA will provide all Applicants with access to the appropriate folder in advance of submission. Due to health and safety concerns related to COVID-19, NYCHA will not be accepting physical submissions, if this poses a challenge for your organization, NYCHA will work with the Applicant on an appropriate alternative.

The Proposal should be submitted in a single PDF document combining all contents of their submission in the order described below. The PDF document must be single paged, no two-page spreads, and formatted as letter sized pages (8.5 inches x 11 inches). The maximum file size for a single document submission is 100MB but resolution should be at least 300 dpi. If the full Proposal is larger than this, please segment your electronic submissions into smaller components to comply with this limit. Portions of the Proposal such as the proposed Rehabilitation Scope of Work and rental pro forma should be included in the single PDF file as well as submitted as a standalone Excel file to facilitate review. The Proposals must contain a cover page showing the following information: **NYCHA PACT Partners Round 10 RFEI**, name of each entity in the Project Team, contact information for the Applicant's primary point of contact, and date of submission. Each Proposal must be tabbed as indicated below.

As part of its Proposal, the Applicant must complete and submit the following forms under the appropriate tab per the below. These forms can be found in Exhibit H. In light of the electronic-only release of this RFEI, submissions may be signed by electronic signature, which shall have the same force and effect as an original signature.:

Exhibit H

- Form 1: Applicant's Letter
- Form 2: Applicant Description

Please note that an Applicant's private equity partners who have at least a 10% ownership interest in the Applicant are required to submit the same documentation as the Applicant, as applicable.

B. Contents of Proposal and Tabbing

1. TAB A – Narrative Overview (Maximum 15 pages)

The Applicant must provide a narrative that describes their Proposal. The Applicant's narrative must summarize the Rehabilitation Scope of Work, and Property Management Plan for the Properties, and how these plans will comply with the requirements of this RFEI. In doing so, the Applicant must demonstrate its understanding of the requirements hereunder and its commitment to complete and operate the Project in accordance with the requirements of this RFEI.

In addition to a full description of the Applicant's Proposal, the narrative must include an overview of an asset rehabilitation and management plan that details:

- a. budgeting and schedule for the proposed Rehabilitation Scope of Work;
- b. a Property Management Plan outlining the specific methods that will be used to address elevator outages, mold, lead paint abatement, pest management, and heating outages;
- c. plans to reduce and control operating costs;
- d. resident engagement and transition plans;
- e. Project-Based Section 8 compliance plans;
- f. training and hiring plans for NYCHA residents;
- g. proposed budget/funding for social services plan, to be devised after designation.

Applicants are encouraged to include any information that would be helpful to NYCHA and/or HDC in the review process, such as projects that the Applicant has developed in the vicinity of the Properties or clarification of information provided in the NYCHA forms included in the Proposal. This narrative must include an anticipated date for executing final Project documents at a construction closing.

2. TAB B – Applicant Description (Maximum 10 pages)

The Applicant must complete and include **Exhibit H** in Tab B. 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 Exhibit H Form 2.

The Applicant must identify all firms included on the Project Team and their roles. The Applicant must provide a staffing plan indicating which Principals and staff members would have primary responsibilities for implementing the Project and their roles in the day-to-day management of the Project. For each team member, the Applicant must provide the lead contact person, title, telephone number, email address, and physical address of the office from which services will be provided. If not already submitted during the Pre-Qualification RFQ, The Applicant must provide brief profiles of the team members' Principals, supporting associates, and staff to be primarily assigned to the Project. This information must specify each team member's role, existing workload, and previous experience with similar projects, but should be as brief as possible. The description provided herein should demonstrate the extent to which a Project Team member has a Meaning Role on the Project Team, to the extent applicable.

The Applicant must include a chart or diagram explaining the intended form and structure of, and proposed partnership or joint venture for, the Project Team, including Principals. The structure and percentages of ownership and investment must be included.

3. TAB C – Rehabilitation Proposal

The Applicant must submit its proposed Rehabilitation Scope of Work. The proposed Rehabilitation Scope of Work must include a narrative describing the proposed rehabilitation scope in addition to completing the relevant tabs in the Scope of Work Template provided as Exhibit A, which consists of an itemized breakdown of work to be completed at the Properties. Applicants must complete the Scope of Work Template in the format provided per the Instructions Tab in Exhibit A. The Proposed Rehabilitation Scope must address all items identified in Exhibit A. Applicants may propose changes to the quantities and work types identified in Exhibit A and must provide a justification and explanation for any proposed changes per the Instructions Tab in Exhibit A. Upon receipt and instruction from NYCHA, Applicants will be required to ensure that the totality of work to be performed at the Property as identified in the RAD CNA and Obsolescence Report is entered into their Exhibit A submission per the Instructions Tab as Additional Scope Items. The Applicant must provide an explanation for the source of its construction cost estimates in their narrative proposal. Applicants should include a copy of the Scope of Work Template in the combined PDF as well as submit a standalone Excel file as part of their submission.

Additionally, the Rehabilitation Proposal shall include a narrative as to the feasibility of the Rehabilitation Scope of Work and how it will improve the lives of residents. Specifically, the narrative must address the factors identified in “Competitive Selection Criteria” with respect to the quality of the Applicant’s Proposed Rehabilitation Scope of Work and must include a predevelopment and construction schedule covering all project milestones. The Proposed Rehabilitation Scope of Work should contemplate any historic preservation and known lead-abatement work that may be required. The Proposed Rehabilitation Scope of Work must clearly state how the Applicant will address issues related to building elevators, mold, pests, and heating systems through rehabilitation and ongoing maintenance.

At a minimum, Proposals must address the following scope sections and subsections in the narrative and provide corresponding values in the Scope of Work Template. Pending team designation, these narrative sections and correlated scope items will be periodically updated to reflect project compliance. Scope narrative sections shall include:

Overview

1. Sites & Grounds: i. Amenities (Exterior: i.e. Playgrounds, Gardens, Outdoor athletic facilities); ii. Landscape & Hardscape; iii. Irrigation, Drainage, & Stormwater
2. Apartments: i. Kitchens; ii. Bathrooms; iii. Living Space; iv. Bedroom
3. Buildings: i. Facades; ii. Roofs; ii. Structural
4. Common Space (Interior): i. Community facilities (Existing and proposed); ii. Amenities (Laundry, etc.); iii. Entrance, Lobbies, Circulation; iv. FF&E; v. Commercial space (where applicable)
5. Systems: i. Heating & Cooling; ii. Domestic Hot Water; iii. Electrical; iv. Plumbing; vi. Ventilation; vii. Elevators
6. Health & Safety: i. Lead abatement; ii. Mold remediation; iii. Asbestos abatement; iv. Hazardous Materials (Site); v. Integrated pest management; vi. Waste management

7. Energy & Sustainability: i. Sustainability Overview; ii. Envelope; iii. Systems; iv. Electrification; v. On-Site Generation; vi. Local Law Compliance (LL:97,94/92,87,84,33); v. Certification; vii. Sub-metering; viii. Benchmarking
8. Accessibility: i. Code compliance; ii. Universal Design Guidelines; iii. Aging-in-place

4. TAB D – Development Experience, Management Experience, and Current Workload (Maximum 10 Pages)

The Authority will utilize materials submitted as part of the Pre-Qualification process to assess an Applicant's Residential Development and Management Experience. Entities part of the proposed Project Team that have completed additional affordable housing development projects or added units to their management portfolio since applying to become a Pre-Qualified Partner may submit supplemental material.

Current Workload

Each Principal of the Pre-Qualified Developer, Pre-Qualified General Contractor, and Pre-Qualified Property Management Company of the proposed Project Team must list all projects in which s/he/they is involved that will coincide with the timing of the construction closing on and rehabilitation and operation of the Project.

Furthermore, Applicants must include responses to the Management Questionnaire (Exhibit D) and, as noted in the questionnaire, a written narrative that explains Applicants' approach to property management as it relates customer service, operations, and communications to residents.

The Applicant may also submit any additional information related to the Proposal that the Applicant wishes to include but that has not been specifically requested in this RFEI. This section of the Proposal may include articles, pre-printed brochures, and other material not specifically prepared for the Proposal in response to this RFEI, but that the Applicant believes will help NYCHA evaluate the Applicant's qualifications and Proposal. All materials must be in a format that can be included under Tab D. Applicants must also disclose all previous participation in NYCHA and City-assisted projects. This information should be included as an Exhibit in an Appendix.

5. TAB E – Community Engagement Plan (Maximum 10 Pages)

Applicants must prepare a comprehensive Community Engagement Plan that describes an approach, timeline, and strategies for communicating and engaging with residents and Tenant Association leadership both during the predevelopment process and following conversion. The Plan should also include a description of any staff, budget, or other resources that will be dedicated to support community engagement efforts.

Community engagement and participation is expected to shape project plans, including the Rehabilitation Scope of Work, property management approach, Social Services Plan, and other investments. See Exhibit P for further guidance on engaging with

residents during the predevelopment period. Applicants are expected to expand upon this guidance with creative strategies and tailor their approach to the needs of each development.

In addition, Applicants must describe a plan for regular engagement and communication with residents and Tenant Association leadership following conversion, including, for example, meeting frequency and tactics for soliciting tenant complaints and resolving issues.

Applicants are encouraged to form partnerships and assemble teams in order to supplement internal capacity. Project Teams will be required to craft and deliver professional, customer service-oriented, and culturally sensitive outreach and communications strategies.

6. TAB F – Financial Proposal

Applicants must include a rental pro forma (in the provided format in Exhibit C) and submit a detailed written financing narrative, which demonstrates compliance with this RFEI and explains the proposed funding sources and overall approach.

7. TAB G – Assets and Financial Statements*

**The Authority will utilize materials submitted as part of the Pre-Qualification process to assess an Applicant's Assets and Financial Statements. Entities part of the Project Team with material changes may submit supplemental material explaining significant any changes, otherwise Applicants may consider TAB E not applicable.*

8. TAB H – Site Improvement and Redevelopment Plans (if Applicable)

Applicants must provide a Site Improvements and Redevelopment Narrative (up to three pages) outlining the Applicant's approach to site planning and redevelopment, critical issues and problem-solving techniques, primary design objectives intended to meet the standard of design and construction described throughout this RFEI and specific high performance and sustainable design features. This description must identify:

- 1. A rationale for any new building design and site improvements that includes circulation (private and public), new building configuration and lot coverage, heights, orientation and relationship to surroundings, primary building materials or surface materials, major architectural features, and sustainable design elements.*
- 2. A description of predevelopment and construction schedule covering all project milestones and relationship to the major milestones of the PACT rehabilitation.*
- 3. Type, location, and total square footage (gross and saleable or rentable, including basement(s), if applicable), as well as total square footage breakdown for each use.*
- 4. Type, number, and characteristics of the residential units, including unit distribution, number of bedrooms, approximate square footages and amenities.*
- 5. Detailed description of construction methods, foundation type(s), and building systems for all new buildings.*

6. *Description and location of all mandatory infrastructure and other public improvements, including public and private open spaces, landscaping, and parking. Description of how the new development complies with all zoning and other legal requirements.*

Applicants must also provide a Design Team Experience Description that shows examples of projects of similar scale and scope and qualifications detailing applicable development experience.

Further Applicants must include an Architectural Submission on paper size of 11" by 17" or smaller. All plans must be prepared by a Registered Architect or Professional Engineer and must be easily reproducible. The following must be included:

1. **Photographs:** Provide photos of the proposed new development sites and the development sites' relation to surrounding buildings, streets and open spaces, at least 3" x 5" in size. Photos must be keyed on the area plan outlined below. The photos should be clear enough to be reproducible.
2. **Zoning / Unit Distribution:** Provide a zoning map for the area including the new development sites, a detailed zoning computation and analysis to demonstrate compliance with existing zoning, and Building Code information indicating occupancy group and construction classification. The computation should also include apartment count and distribution, and community facility space. If zoning compliance is not met by the proposal, please explain and provide any proposed land use actions needed to execute the New Construction.
3. **Development Site Plan:** Provide a clearly legible site plan indicating all components of the new development and other development within one block of the proposed New Construction Sites. It must include walkways, sidewalks, parking, driveways, building access points, tree locations, plant materials, fences, gates, lighting, easements, and encroachments, with dimensions.
4. **Typical and Atypical Floor Plans:** It is not required that design and architectural documents submitted include full apartment layouts for the floor plans. Submissions, however, must show blocked out units and clearly indicate all dimensions and total square footages. Community spaces (laundry room, play room, etc.) should be indicated in the floor plans. Unit plans must be 1/8"=1'0". Unit and bedroom dimensions should be computed to the inside of finished surfaces of walls, excluding columns, pipe chases, kitchens, kitchenettes, entryways, and closets. Basic furniture lay-out should be illustrated for each apartment type. Plans should include a North arrow, actual scale and graphic scale.
5. **Community Facility Plan:** Provide a ground-floor plan depicting community facility areas and clearly indicate dimensions, square footage, structural columns, ceiling heights, storage space, utility outlets, and bathrooms. Clearly indicate access points, storage space, and bathrooms.
6. **Parking Plan:** If applicable, provide plan depicting parking areas and clearly indicating dimensions, square footage, structural columns, access points, and ceiling heights.
7. **Elevations:** Provide all elevations of the buildings at the same scale as the plans. Finishes, construction materials, ceiling heights, and floor elevations (level) must be

shown and labeled on drawings. Perspective drawings/renderings are optional; however, they must not replace required elevations. Color renderings and/or elevations are appreciated but not required.

8. **Architectural Drawings:** Provide any other architectural drawings such as axonometric, street frontage elevations, perspective or sectional drawings or computer generated modeling, if they provide a better understanding of the development concept or relationship to adjacent NYCHA development.

VIII. CONDITIONS, TERMS, AND LIMITATIONS

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

1. Proposals submitted shall be deemed to incorporate all of the terms and conditions contained in this RFEI. Applicants will be deemed to have consented to such terms by submitting a Proposal in response to this RFEI.
2. The Properties will be leased in “as-is” condition and NYCHA requires the Designated Project Teams to assume the obligation to remediate any environmental contamination, cure any violations, correct any certificates of occupancy, indemnify NYCHA for any claims that may be made against them in the future, and release NYCHA from any claims that the Designated Project Teams or their affiliates may have in the future arising out of the condition of the Properties. NYCHA, or any of its respective officers, agents, and employees, make no representation whatsoever as to the physical condition of the Properties or their suitability for any specific use. All due diligence is the responsibility of the Applicants and Applicants are urged to satisfy themselves with respect to the condition of the Properties, the information contained herein, and all limitations or other arrangements affecting the Properties. NYCHA will not be responsible for any injury or damage arising out of or occurring during any visit to the Properties.
3. The proposed Project shall conform to, and be subject to, the provisions of the New York City Zoning Resolution, the New York City Building Code, 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.
4. Valid permits and approvals, as required by City, State, and Federal agencies, shall be obtained by the Designated Project Teams prior to commencing work.
5. The commencement of negotiations with an Applicant will depend on satisfaction of the documentation and review requirements described in this RFEI and will be subject to review by NYCHA. The continuation of negotiations with an Applicant may depend on the Applicant’s provision of additional documentation as required by NYCHA.

6. NYCHA will lease the Properties pursuant to approval from HUD, and all documentation, including, but not limited to, the Lease, shall be in form and substance satisfactory to NYCHA, HDC, and HUD.
7. An Applicant submitting a Proposal in response to this RFEI may be rejected if it or, if the Applicant is a business entity, any of its Principals is determined, in NYCHA's sole discretion, to be within a category of persons or entities with whom or which the City, HDC, or NYCHA will not generally do business. The Applicant and all officers and Principals thereof will be required to complete a background questionnaire and shall be subject to sponsor review and investigation by HDC, and the New York City Department of Investigation. Any designation may be revoked in NYCHA's sole discretion in the event any derogatory information is revealed by such investigation.
8. No commission for brokerage or any other fee or compensation shall be due or payable by NYCHA, and the submission of a Proposal will constitute the Applicant's undertaking to indemnify and hold 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 RFEI, or the conditional selection of an Applicant pursuant to this RFEI.
9. The Applicant will not engage in any scheme or practice that seeks to solicit, pay, or receive as payment, or to deliver to anyone, any sum or thing of value (including, without limitation, the performance of any service) that may constitute or be construed as a bribe, kick-back, or other inducement that in any manner may prejudice NYCHA's interests or compromise the duty owed by anyone to NYCHA.
10. NYCHA is not obligated to pay, nor shall NYCHA 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 RFEI.
11. The Designated Project Teams, and in the event that the Designated Project Teams is a joint venture, each member of that joint venture, jointly and severally, shall forever defend, indemnify, and hold harmless NYCHA and its directors, members, principals, officers, agents, representatives, affiliates, and employees from and against any and all obligations, liabilities, claims, demands, penalties, fines, settlements, damages, costs, expenses, and judgments of whatever kind or nature, known or unknown, contingent or otherwise arising from the Project, including, without limitation, personal or bodily injury (including death) of or to any person or persons, including, without limitation, from or related to the presence, release, storage, transportation, or disposal of hazardous materials, or any damage to property of any nature.
12. No member of, or delegate to, the Congress of the United States or the New York State or City government, or resident commissioner, shall be permitted by the Applicant to share in any part of the Project or in any benefit that may arise from the Project.
13. NYCHA, HUD or any other federal, state or local agency providing funds to NYCHA, the New York City Comptroller, the New York City Department of Investigation, and the Comptroller

General of the United States shall have the right to perform an audit of the Designated Project Teams' finances and the books and records related to its performance under the Project, including, without limitation, the financial arrangement with anyone that the Designated Project Teams may delegate to discharge any part of its obligations with respect to the Project.

14. The selection of an Applicant will mean only that NYCHA may commence negotiations with that Applicant regarding its Proposal for the Project. NYCHA will send the Conditional Designation Letter to the Designated Project Teams. The Designated Project Teams must begin predevelopment work upon execution of the Conditional Designation Letter. The Designated Project Teams will be expected to start construction on the day specified in the Development Schedule contained in the Conditional Designation Letter. However, the Designated Project Teams must commence construction no later than the sooner of thirty (30) days after construction closing or twelve (12) months from the date of the Conditional Designation Letter. NYCHA may terminate further negotiations with the Designated Project Teams if it fails to meet such deadlines, and if such termination occurs, the Designated Project Teams has no claims against NYCHA for any damages or rights of enforcement.
15. NYCHA is under no legal obligation to lease the Properties. NYCHA may use the Proposals submitted pursuant to this RFEI as a basis for negotiations with Applicants as NYCHA deems appropriate. NYCHA may reject at any time any or all Proposals; may amend, modify or withdraw this RFEI in whole or in part; may negotiate with one or more Applicants; and/or may negotiate and lease the Properties on terms other than those set forth herein (including to parties other than those responding to this RFEI). NYCHA may also, at any time, waive compliance with, or change any other terms and conditions of, this RFEI; entertain modifications or additions to selected Proposals; or withdraw or add individual Properties or parcels from or to this RFEI if in NYCHA's judgment it is in the best interests of NYCHA to do so.
16. 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, such rights only being created after the approvals of HUD and NYCHA, and the Lease and all related documents (the "NYCHA Documents") are fully approved and executed. Until such approvals and execution of the NYCHA Documents, NYCHA may terminate negotiations with the Designated Project Teams at any time without incurring any obligations to the Designated Project Teams.
17. In the event of any variance between the terms of this RFEI and the NYCHA Documents, the terms of the NYCHA Documents will govern.
18. All determinations as to the completeness or compliance of any Proposals, or as to the eligibility or qualifications of any Applicant, will be within the sole discretion of NYCHA.
19. All Proposals and other materials submitted to NYCHA in response to this RFEI may be disclosed in accordance with the standards specified in the Freedom of Information Law, Article 6 of the Public Officers Law ("FOIL"). The Applicant submitting a Proposal must designate those portions of the Proposal that it believes are exempt from FOIL. This

characterization shall not be determinative but will be considered by NYCHA when evaluating the applicability of any exemptions in response to a FOIL request.

IX. CONFLICTS OF INTEREST

Current or former employees of the City of New York may respond to this RFEI only in accordance with the section(s) of Chapter 68 of the New York City Charter governing 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 NYCHA employees may not respond to this RFEI.

Persons in the employ of the City considering the submission of a Proposal in response to this RFEI are advised that opinions regarding the propriety of their participation in the Project may be requested from the New York City Conflicts of Interest 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 RFEI.

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.

If, after award, the Designated Project Teams discovers an organizational conflict of interest with respect to the NYCHA Documents or the Project, the Designated Project Teams shall make an immediate and full disclosure in writing to NYCHA, which shall include a description of the action that the Applicant has taken or intends to take to eliminate or neutralize the conflict. NYCHA may, however, terminate negotiations with the Designated Project Teams if it would be in the best interest of NYCHA to do so.

X. CONFIDENTIALITY

Certain information that NYCHA may furnish in connection with this RFEI may be labeled as confidential and must be treated as proprietary information of NYCHA by each recipient of this RFEI. By the Applicant's receipt of this RFEI, the Applicant agrees not to (a) disclose any part or all of such confidential information furnished to the Applicant pursuant to this RFEI to any party, including, without limitation, any law firm or any corporate or government office, except to the extent essential to the preparation of the Proposal, and to secure from any party to whom a disclosure is made under this provision a confidentiality agreement, executed prior to any such disclosure, in which the recipient agrees to keep confidential and to not disclose any such confidential information to any other party (a "Confidentiality Agreement"), and (b) use such information for any purpose other than to prepare a response to this RFEI. Such Confidentiality Agreement must name NYCHA as an intended third-party beneficiary with the right to enforce all remedies in an event of any such breach or unauthorized disclosures.

The Applicant must clearly designate in its Proposal those portions of the Proposal, if any, that the Applicant believes are trade secrets or are maintained for the regulation of commercial enterprise that, if disclosed, would cause substantial injury to the competitive position of the Applicant. To the extent the law permits (i.e. Section 89 of the New York State Public Officers Law), NYCHA will use reasonable efforts to hold the designated portions of the Proposal in confidence but such characterizations are not determinative when NYCHA is evaluating the applicability of any exemptions in response to a FOIL request.

NYCHA reserves the right to share any or all components of the Applicant's response to this RFEI (including, without limitation, for training purposes) with NYCHA residents.

XI. INVESTIGATIONS AND TERMINATION

All Applicants agree and the Designated Project Teams agrees to fully and faithfully cooperate with any investigation, audit or any inquiry by any governmental authority or agency that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of NYCHA with respect to the Project, submitted Proposal, NYCHA Documents, or person dealing with NYCHA that is the subject of the investigation, audit or inquiry.

1. If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, contract, lease or license entered into with NYCHA, the City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or
2. If any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of NYCHA, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, contract, lease or license entered into with NYCHA, the City, the State, or any political subdivision thereof or any local development corporation within the City, then:

NYCHA has the right to terminate or cancel the NYCHA Documents or withdraw any conditional designation or reject any Proposal that the refusal(s) to testify concerns or to take other appropriate action, without NYCHA incurring any penalty or damages on account of such cancellation or termination.

In addition, NYCHA, may in its sole discretion terminate the NYCHA Documents or withdraw any conditional designation or reject any Proposal in the event the Applicant or Designated Project Teams fails to promptly report in writing to the Commissioner of the Department of Investigation of the City of New York any solicitation of money, goods, requests for future employment, or other benefit or thing of value, by or on behalf of any employee of NYCHA or other person, firm, corporation or entity for any purpose that may be related to the procurement under this RFEI, or affecting the performance of the Project to be done pursuant to this RFEI.

XII. NEW YORK LAW

The NYCHA Documents shall in all respects be governed and construed in accordance with the laws of the State of New York. Any and all proceedings relating to the NYCHA Documents must be maintained in the state courts sitting in the City and County of New York, which courts have exclusive jurisdiction for such purpose; provided, however, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, or any other causes establishing federal jurisdiction, so that it is to or may be brought in the United States District Court, it shall be brought in the United States District Court having jurisdiction in the City and County of New York.

XIII. DISCLAIMER

NYCHA does not make and specifically negates and disclaims any representations, warranties, promises, covenants, contracts or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Properties including, without limitation, the following: (a) the value of the Properties; (b) the income to be derived from the Properties; (c) the nature, quality or condition of the Properties, including, without limitation, the manner, quality, state of repair or lack of repair of the Properties and the water, soil and geology thereof and any drainage from or onto the Properties; (d) the conformity of the Properties to any plans or specifications therefor; (e) the compliance of or by the Properties or their operation with any legal requirements including, without limitation, the Americans with Disabilities Act; any zoning rules, regulations, plans or resolutions; any applicable federal, state or local landmark designations; any loft board control, rent control, rent stabilization and/or any other rent regulation or requirements; and any rules and regulations promulgated under or in connection with any of the foregoing; (f) the habitability, merchantability or fitness for a particular purpose of the Properties; (g) the current or future real estate tax liability, assessment or valuation of the Properties; (h) the availability or unavailability or withdrawal or revocation of any benefits or incentives conferred by any federal, state or municipal authorities; (i) the fact that all or a portion of the Properties may be located on or near a flood plain or an earthquake fault line; (j) any other matter with respect to the Properties; or (k) the accuracy of any exhibit or information provided relating to the Properties.