

NYCHA University / Macombs Apartments II RFP

Addendum No. 1

August 21, 2003

Financing

This is to clarify the financing assumptions that Applicants shall make in preparing their proposals. The following should be reviewed in relation to Sections IV.F, Financing, VI.A.3, Development Proposal, and Exhibit G, the HDC 100% LAMP Program sections of the RFP.

A. Basic Proposal:

As stated in the RFP, it is anticipated that 100% project- based Section 8 Housing Assistance will be available for this project. We therefore require that **all** proposals include a financing plan that assumes 100% project-based Section 8 and uses the current Section 8 Reasonable Rents stated in Exhibit G of the RFP.

B. Alternative Proposal:

If the Applicant believes that the project would be feasible with no NYCHA subsidy and less than 100% Project-based Section 8 Housing Assistance, the proposal may include an alternative financing plan for consideration. In that case, the proposal shall comply with the following requirements:

1. Submission Requirements:

- a. The basic financial proposal and the alternative proposal shall both be included in
TAB C of the proposal and be clearly labeled. There shall be a separate Form 2 for each option.
- b. The narrative overview in TAB A shall also describe the assumptions on which the
alternative proposal is based, including sources and terms of financing, the rent and affordability levels, and any other pertinent factors.
- c. TAB F shall also include letters from prospective lenders under the
alternative option
with terms and information consistent with its assumptions.

2. Tenant Selection and Income Limits:

- a. Ten per cent (10%) of the units shall be reserved for occupancy by
homeless families
and individuals referred by NYCHA; these individuals will be pre-qualified for or currently hold NYCHA Section 8 Vouchers.
- b. Up to 25% of the units shall be reserved for occupancy by former
residents of these

buildings or of NYCHA's University Avenue Consolidated Development ("UAC"). These residents will also be pre-qualified or currently hold NYCHA Section 8 Vouchers.

- c. The remainder of the units shall be affordable to families whose incomes do not exceed 60% of Area Median Income (AMI) with the tenants paying no more than 30% of their incomes for rent.

3. Underwriting Considerations

- a. If HDC financing under the 100% LAMP Program is contemplated in this proposal, the rents assumed shall be consistent with tax-credit rents. The units to be made available to NYCHA Section 8 Voucher holders may be underwritten based on Section 8 Reasonable Rents if the borrower obtains credit enhancement from a third-party willing to insure the project on this basis.
- b. If the project would be financed entirely without federal subsidy, such as project-based Section 8 and a NYCHA loan, Davis-Bacon wage rates will not apply.

Selection Criteria: Comparable Development Experience

The definition of comparable development experience stated in Section V.A.5.a., page 11 of the RFP is hereby amended as follows:

“Comparable Development Experience” means the successful completion, as an at-risk developer, of at least two residential rental projects at least 50 units each and an aggregate of 200 housing units in New York City within the seven year period preceding the deadline for the submission of proposals in response to this RFP. Newly built or substantially rehabilitated homeownership units may be counted in meeting the 200 aggregate number of units developed within this time period.

Submission Requirements

A. Section VI.A.5, Assets Statement, of the RFP is clarified as applied to not-for-profit applicants.

Not-for-profit organizations are not required to submit assets statements of any individuals. However, they shall provide, in TAB E of the proposal, copies of the most recent IRS Form 990, Return of Organization Exempt From Income Tax, submitted for the applicant entity as well as for the parent organization, if other than the applicant. In addition, they shall provide a brief statement of the source(s) of pre-development costs and equity to be provided for the project. Please note that the pre-development costs for this project are anticipated to be substantial and that no pre-development loans will be provided.

B. The last paragraph of Section VI.A.5 is hereby deleted. Applicants shall list all projects that are in construction or pre-development on Form 4, Development Experience. Form 7 is the Assets Statement to be submitted by for-profit applicants.

Building Inspection

The buildings will again be available for inspection on Wednesday, September 3, 2003 from 10:00 A.M. to 12:00 PM and from 1:00 PM to 4:00 PM. Interested applicants may inspect any of the buildings included in this project during those time periods.

Applicants should bring hard hats and flashlights and be prepared to sign waiver of liability forms.

Proposal Forms

Please note that the forms to be included in the proposal have now been added to HPD's website in Word and Excel format so that they can be downloaded and utilized to prepare the proposal.

Inquiries

Please direct all inquiries to Harriet Frank, 100 Gold Street, Room 9-W-8, NY, NY 10038, phone (212) 863-6303, fax (212) 863-6407, or Richard Brown, phone (212) 863-6556, fax (212) 863-6407.