

Monitor of HDFC Cooperatives RFQ

May 21, 2024

Pre-Submission Conference

NYC[™]
Department of
Housing Preservation
& Development

Coop Monitor RFQ Pre-Submission Conference Agenda

1. RFQ Overview
2. Coop Monitor Responsibilities
3. RFQ Review Process and Criteria
4. Submission Instructions
5. FAQs
6. Questions and Answers

RFQ Overview

This Request for Qualifications (“RFQ”) is being issued by the New York City Department of Housing Preservation and Development (“HPD”) to identify Applicants that can provide regulatory monitoring services, technical assistance, and marketing services to new, HPD-financed HDFC co-ops, or existing HDFC co-ops seeking financial assistance from HPD.

By releasing this RFQ, HPD seeks to:

- 1) to identify qualified Monitors with whom HDFC cooperatives may work,**
- 2) update the responsibilities of existing qualified Monitors to include providing ongoing marketing and other services in accordance with the HDFC co-op's Regulatory Agreement and HPD's Marketing Handbook,**
- 3) facilitate trainings for current and prospective co-op shareholders.**

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Description of Programs

Affordable Neighborhood Cooperative Program (“ANCP”)

Third Party Transfer-Tenant Petition Program (“TPT-TP”)

Open Door Program

Community Land Trusts (“CLTs”)

Existing HDFC Cooperatives with new Regulatory Agreements

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Description of Programs

Affordable Neighborhood Cooperative Program (“ANCP”)

- Under ANCP, HPD leverages public-private partnerships to rehabilitate buildings that remain under HPD ownership via the Tenant Interim Lease Program (“TIL”) and convert them into resident-owned HDFC cooperatives. More information can be found at: [Affordable Neighborhood Cooperative Program Term Sheet \(nyc.gov\)](#)

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Description of Programs

Third Party Transfer-Tenant Petition Program (“TPT-TP”)

- Under the Third-Party Transfer Program, the City of New York, pursuant to a judgment of foreclosure, transfers title of tax delinquent residential properties from delinquent owners to Neighborhood Restore Housing Development Fund Corporation (“Neighborhood Restore”), a not-for-profit organization that works in collaboration with HPD in overseeing the management and rehabilitation of these properties. More information can be found at: [Multifamily Disposition and Finance Programs Term Sheet \(nyc.gov\)](#)

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Description of Programs

Open Door Program

- HPD's Open Door program funds the new construction of cooperative and condominium buildings that are affordable to moderate- and middle-income families. Where dictated by lot size, the program may also fund the construction of new one- to three-family homes. Upon construction complete, the Borrower will sell the ownership units to households who agree to occupy their units for the length of the regulatory period. More information can be found at: [Open Door Term Sheet \(nyc.gov\)](https://www.nyc.gov/open-door-term-sheet)

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Description of Programs

Community Land Trusts (“CLTs”)

- Community Land Trusts that work with HPD are nonprofits that own and steward land to create public benefit in the form of permanently affordable housing. CLTs may use land they acquire to support the creation of new HDFC co-ops, or existing co-ops may elect to transfer their property to CLTs. In both scenarios, the co-op will enter into a long-term ground lease (typically for terms of 99 years or more) with the CLT. The CLT and co-op will jointly enter into a Regulatory Agreement with HPD, which will require the CLT to provide the co-op with monitoring services.

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Description of Programs

Existing HDFC Cooperatives with new Regulatory Agreements

- In addition to new co-ops that may be formed pursuant to the foregoing programs, HPD's Division of Asset Management ("APM") oversees over 1,000 HDFC cooperatives. All HDFC co-ops that are in HPD's Asset Management's portfolio benefit from reduced property taxes. However, these HDFC cooperatives may receive further residential real estate tax benefits and financial assistance from HPD in the form of a loan provided they enter into new Regulatory Agreements requiring, among other things, co-op monitoring services.

Coop Monitor Responsibilities

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Coop Monitor Responsibilities

- 1. Assist the board in understanding and complying with the requirements laid out in the Regulatory Agreement, along with other applicable HPD requirements**

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1. Assist the board in understanding and complying with the requirements laid out in the Regulatory Agreement, along with other applicable HPD requirements
2. Provide training and technical assistance to HDFC cooperatives

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Coop Monitor Responsibilities

1. Assist the board in understanding and complying with the requirements laid out in the Regulatory Agreement, along with other applicable HPD requirements
2. Provide training and technical assistance to HDFC cooperatives
3. Attain and maintain status as a “Qualified Marketing Agent” with HPD

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4. **Determination of Sales of Shares**

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2. Provide training and technical assistance to HDFC cooperatives
3. Attain and maintain status as a “Qualified Marketing Agent” with HPD
4. Determination of Sales of Shares
5. Determination of proposed lease of an Apartment by the HDFC to a tenant

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5. Determination of proposed lease of an Apartment by the HDFC to a tenant
6. Determination of proposed sublease of an Apartment by a Shareholder

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5. Determination of proposed lease of an Apartment by the HDFC to a tenant
6. Determination of proposed sublease of an Apartment by a Shareholder
7. Assist HDFC with leasing commercial or community facility spaces

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5. Determination of proposed lease of an Apartment by the HDFC to a tenant
6. Determination of proposed sublease of an Apartment by a Shareholder
7. Assist HDFC with leasing commercial or community facility spaces
8. Review and evaluate documentation, to be submitted by the HDFC to the Monitor and to HPD Asset Management annually

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections

10. Review annual Shareholder Owner Occupancy Certifications

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Coop Monitor Responsibilities, Continued

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10. Review annual Shareholder Owner Occupancy Certifications

11. Review requests from the HDFC to withdraw funds from any Regulated Reserve Account

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections

10. Review annual Shareholder Owner Occupancy Certifications

11. Review requests from the HDFC to withdraw funds from any Regulated Reserve Account

12. Assist HPD in determining the occurrence of Prohibited Events

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections
10. Review annual Shareholder Owner Occupancy Certifications
11. Review requests from the HDFC to withdraw funds from any Regulated Reserve Account
12. Assist HPD in determining the occurrence of Prohibited Events
- 13. Ensure the manager of the property is assisting residents with any necessary applications or recertifications for Section 8**

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections
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11. Review requests from the HDFC to withdraw funds from any Regulated Reserve Account
12. Assist HPD in determining the occurrence of Prohibited Events
13. Ensure the manager of the property is assisting residents with any necessary applications or recertifications for Section 8
- 14. Assist the HDFC with financial planning, including determining annual maintenance increases in accordance with Regulatory Agreement**

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Coop Monitor Responsibilities, Continued

9. Monitor annual Board elections
10. Review annual Shareholder Owner Occupancy Certifications
11. Review requests from the HDFC to withdraw funds from any Regulated Reserve Account
12. Assist HPD in determining the occurrence of Prohibited Events
13. Ensure the manager of the property is assisting residents with any necessary applications or recertifications for Section 8
14. Assist the HDFC with financial planning, including determining annual maintenance increases in accordance with Regulatory Agreement
- 15. Provide routine updates and feedback to HPD regarding the HDFC's compliance with the Regulatory Agreement**

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Coop Monitor Responsibilities

Updated Requirement: Attaining and maintaining status as a “Qualified Marketing Agent” with HPD

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- Ensures that Monitors are equipped to oversee ongoing marketing needs for coops

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Updated Requirement: Attaining and maintaining status as a “Qualified Marketing Agent” with HPD

- Ensures that Monitors are equipped to oversee ongoing marketing needs for coops
- Reduces duplicative work: Coop Monitors currently verify income eligibility of new buyers under current standard HDFC Coop Regulatory Agreement

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- Reduces duplicative work: Coop Monitors currently verify income eligibility of new buyers under current standard HDFC Coop Regulatory Agreement
- Eliminates need for Shareholders to find their own brokers

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- Reduces duplicative work: Coop Monitors currently verify income eligibility of new buyers under current standard HDFC Coop Regulatory Agreement
- Eliminates need for Shareholders to find their own brokers
- **Furtheres Fair Housing goals through enabling coops to comply with requirements that resales go through Housing Connect**

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- Reduces duplicative work: Coop Monitors currently verify income eligibility of new buyers under current standard HDFC Coop Regulatory Agreement
- Eliminates need for Shareholders to find their own brokers
- Furthers Fair Housing goals through enabling coops to comply with requirements that resales go through Housing Connect
- Monitors may perform the marketing work themselves or may subcontract it to a third party

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- Monitors may perform the marketing work themselves or may subcontract it to a third party

RFQ Review Process and Evaluation Criteria

Submission Instructions

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Important Dates

Issue Date: Friday, April 19, 2024

Pre-Submission Conference: Tuesday, May 21, 2024

Deadline for Initial Questions: Monday, June 3, 2024

Submission Deadline (Round 1): Wednesday, July 31, 2024

Rolling submissions accepted thereafter; annual review.

FAQs

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Coop Monitor Responsibilities

Why is HPD requiring that new homeownership units and resale units go through Housing Connect?

- Ensures that all interested applicants have equal opportunity and access to apply to a limited number of publicly financed, affordable homeownership opportunities
- Enables HPD to better ensure that sales and resales of homeownership units comply with requirements laid out in the governing regulatory agreement, promoting long-term affordability for future generations of homebuyers
- By promoting equitable access and opportunity to homeownership for all New Yorkers, HPD aims to fulfill its federal obligation under the Fair Housing Act to affirmatively further fair housing

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Coop Monitor Responsibilities

Which HPD projects are subject to the requirements to go through Housing Connect on initial sale and resale?

- Homes in projects with **HPD regulatory agreements signed after 2019** likely include a requirement that all homeownership units be marketed through Housing Connect
- The current standard HDFC Cooperative Regulatory Agreement includes this requirement, so projects receiving new HPD financing or tax exemptions will be subject to the requirement
- For buildings with HPD regulatory agreements that were signed prior to 2019 or with regulatory agreements that do not include the requirement, only the requirements included in the regulatory agreement are applicable

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Coop Monitor Responsibilities

Do Shareholders have to use their Monitor as a Marketing Agent?

- Shareholders are not required to use their Monitor (or the Monitor's third-party subcontractor) as a Marketing Agent when they opt to sell their home and may decide to hire a Marketing Agent of their own choosing and at their own cost
- Shareholders would be entitled to Marketing services via their Monitor by nature of paying monthly maintenance to the coop, contingent upon the final Monitoring fee structure that HPD or the Monitor establishes)
- Regardless of whether a shareholder sells their unit via their Monitor or an independently hired Marketing Agent, the shareholder as well as the HDFC coop must abide by the HPD Marketing Guidelines

Questions?

All Q&A will be published in an addendum.

All communication must be completed in writing to:
MonitorRFQ@hpd.nyc.gov