

ADDENDUM. Questions and Written Responses

June 2024

Application Submissions

- 1) What should be included in the "Applicant's Letter"?

A signature from a respondent's Principal acknowledging the terms and conditions of the Coop Monitor RFQ is required. See Exhibit H of the Coop Monitor RFQ document for a form Applicant Letter. Applicants are welcome provided an executed copy of the exact Applicant Letter provided in Exhibit H.

- 2) Can HPD clarify whether Coop Monitors on the current PQL are required to respond to this RFQ to retain their status?

Coop Monitors currently on the Pre-Qualified List (PQL) of Monitors are required to respond to this RFQ if they wish to enter into any new monitoring contracts with HPD-regulated coops after HPD establishes the new Monitor PQL. Once the new Monitor PQL is established, it will replace the former PQL and any Coops entering into new contracts will have to select a Qualified Coop Monitor from the new PQL.

Marketing Agent Requirements

- 3) When are the next Qualified Marketing Agent trainings? What if I am not a Qualified Market Agent by the time I submit my Coop Monitor RFQ Application?

Respondents to the Coop Monitor RFQ are required to attain status as a Qualified Marketing Agent by applying to the [Marketing Agent RFQ](#). So long as respondents have first applied to the Marketing Agent RFQ, they may apply to the Coop Monitor RFQ – applicants do not need to be added to the Marketing Agent PQL before applying to the Monitor RFQ. However, respondents to the Monitor RFQ will only be added to the Monitor PQL after they have been added to the Marketing Agent PQL.

The Monitor RFQ deadline is rolling. However, if respondents would like to be included on the initial Monitor RFQ PQL, they should apply by the July 31, 2024 deadline. This means that Monitor RFQ applicants wishing to be added to the initial Monitor PQL also should have either attained status as a qualified Marketing Agent or applied to the Marketing Agent RFQ prior to July 31.

The Monitor PQL will be updated periodically to add qualified organizations that apply to the Monitor RFQ after the initial deadline.

- 4) The Marketing Agent RFQ requires that applicants complete three required trainings before applying. If these trainings are not available between now and July 31, 2024, how is it possible for Monitor RFQ respondents to apply to the Marketing Agent RFQ prior to the initial deadline?

For purposes of applying to the Monitor RFQ by the initial deadline, HPD will permit respondents to apply to the Marketing Agent RFQ so long as they provide proof that they have completed **or have registered for** the three required trainings. Proof may include copies of paid invoices, registration confirmation, or other documentation.

- 5) What trainings does the Marketing Agent RFQ require? How do applicants register for these trainings?

The three required trainings include:

1. Low Income Housing Tax Credit (“LIHTC”) compliance certification – required for **at least one manager and all staff reviewing purchaser applications for income eligibility**
2. Fair Housing certification – required for **at least one manager and all staff conducting purchaser eligibility appointments and reviewing purchaser applications**
3. HPD Marketing training certification – required for **at least one manager and all staff reviewing conducting purchaser eligibility appointments, reviewing purchaser applications, and managing the lottery log and relevant correspondence**

Information on registering for the LIHTC training and the Fair Housing certification, which are hosted by third-party organizations, is provided in the Marketing Agent RFQ forms available at [this link](#).

To sign up for the required HPD Marketing training, please email nychpd_marketing@hpd.nyc.gov. Trainings are typically held every other month and are hosted virtually on WebEx over the course of two days. Please include in the email a list of the staff members from your organization who will be attending the training and their contact information.

- 6) Why do Coop Monitors need to attend a LIHTC training if their Marketing Agent responsibilities will be limited to homeownership projects, which do not use LIHTC as a funding source?

While referred to as a “Low Income Housing Tax Credit (“LIHTC”) compliance certification,” the required LIHTC training provides critical information on how to screen housing applicants’ income and asset qualifications to assess eligibility for income-restricted units, regardless of whether the units are financed with LIHTC.

- 7) Why is HPD requiring that entities first be qualified as Marketing Agents before being qualified as Monitors?

This requirement will help ensure that Coop Monitors are equipped to oversee the ongoing marketing needs for coops, either by performing the marketing work themselves or by subcontracting it to a third party. Prior to the release of the RFQ, the current standard HDFC Cooperative Regulatory Agreement already required Coop Monitors to verify income eligibility for new homebuyers purchasing shares in HDFCs. Requiring Monitors to be Marketing Agents reduces duplicative work by expanding on existing responsibilities of the Coop Monitor and eliminating the need for shareholders to find their own brokers. The requirement is also intended to enable coops to comply with the current HPD Regulatory Agreement requirement that coop sales and resales go through Housing Connect by ensuring that coops have ongoing access to marketing services via their Coop Monitors. HPD’s intention is to maximize simplicity and efficiency by requiring one organization to provide both marketing and monitoring services to HDFC cooperatives.

- 8) How will Pre-Qualified Coop Monitors be expected to utilize Housing Connect for resale of units?

Please refer to the [Coop Monitor RFQ FAQ](#) for details regarding the use of Housing Connect for resales.

Monitoring Fee Structure and Contract

9) Will the Fee Structure be unique to each Monitor?

HPD is collecting fee structure proposals from all respondents as part of this RFQ before issuing guidance regarding Coop Monitoring fees. HPD intends to consider these proposals before issuing guidance or setting requirements regarding the size or structure of Coop Monitoring fees. Respondents should propose fees that ensure that Monitors are adequately compensated while keeping costs to coop shareholders affordable.

We anticipate that when HPD publishes the initial PQL, the agency will also issue guidance and/or requirements regarding Monitoring fees.

10) How long are Coop Monitoring contracts?

The length of coop Monitoring contracts may vary but are typically one year (365 calendar days).

11) HPD stated that shareholders in coops that are required to market resales via the NYC Housing Connect lottery system are not required to work with their coop's Monitor to sell their unit. How is the fee structure impacted when a shareholder chooses to utilize an external party for marketing their resale via Housing Connect?

HPD intends to review and consider respondents' proposals before issuing guidance regarding the size or structure of coop Monitoring fees. However, HPD expects that if a shareholder works with their Monitor to market their unit, a portion of or all of the marketing costs would be covered by the coop's operating budget. If a shareholder instead elects to hire their own Marketing Agent, HPD expects that the shareholder would do so **at their own cost**.

12) Will Monitors be able to charge shareholders a separate fee for overseeing the marketing of resales via Housing Connect? For example, could Monitors charge the coop an annual fee for Monitoring services, but then if they assist a shareholder with selling their unit via Housing Connect, also be entitled to a percentage of the sales proceeds, similar to how a real estate agent is compensated?

HPD intends to review and consider respondents' proposals before issuing guidance regarding the size or structure of coop Monitoring fees. Respondents should propose fees that ensure that Monitors are adequately compensated while keeping costs to coop shareholders affordable.

Monitoring Responsibilities and Capacity

13) What type of technical assistance and training is a Coop Monitor required to provide?

Technical assistance and training responsibilities will vary based on the needs of individual coops, but in general, Coop Monitors are responsible for providing routine assistance related to cooperative management, cooperative finance, and compliance with HPD's regulatory requirements. Monitors may provide the assistance directly, or they may recommend that the coop engage with other technical assistance providers.

Please refer to the information provided in Exhibit G “Narrative of Technical Assistance and Training” in the Coop Monitor RFQ Document for specific details regarding technical assistance and training responsibilities.

14) What are typical regulations in terms of monitoring for standard HDFC coops?

Please refer to Section D “Responsibilities of Monitor” in the Coop Monitor RFQ Document.

15) Is it possible for a coop's property manager to also be a Monitor?

Co-op Monitoring and Property Management duties are traditionally performed by separate entities.

16) What does a successful relationship between a Coop Monitor and a Coop Board look like?

A successful Monitor-Board relationship is one rooted in mutual respect and cooperation in which both entities understand that they are working toward the same goal: the coop's long-term health and success. Monitors and coop Boards should maintain clear lines of communication and establish a system for coordinating with each other to ensure the coop is complying with all requirements included in its Regulatory Agreement with HPD.

HDFC Boards may elect to change Monitors with the approval of HPD, but the Board may only select a Monitor that is on HPD’s Coop Monitor PQL.

17) Does a Coop Monitor have the authority to enforce the Coop's Regulatory Agreement with HPD? What is the distinction between a Monitor’s role and HPD’s role?

HPD, not the Monitor, is the enforcer of the HPD Regulatory Agreement. However, a core responsibility of the Monitor is ensuring the coop’s compliance with the Regulatory Agreement and notifying HPD when a violation of the Regulatory Agreement has occurred. If a violation of the Regulatory Agreement occurs, the Monitor will assist HPD in determining the actions necessary to cure the prohibited event as defined by the Regulatory Agreement, including any related Prohibited Event Fees, and will notify HPD when the prohibited event has been cured. See Section D “Responsibilities of Monitor” in the Coop Monitor RFQ Document for more details on the Monitor’s role in the case of a violation of the Regulatory Agreement.

18) Has HPD done an analysis to quantify the number of hours per year required to fulfill the requirements of the 2024 Coop Monitor RFQ?

The amount of time required for an entity to fulfill its annual monitoring duties may vary widely from coop to coop based on the coop’s size, its age, its financial health, and the knowledge and capacity of its shareholders. The Monitor RFQ delineates the responsibilities Monitors must fulfill so that entities may gauge for themselves how much time it might require them to serve as a Monitor.

HPD is collecting fee structure proposals as part of this RFQ so that the agency can learn from the experience and perspective of entities currently serving as or interested in serving as Monitors **before** issuing guidance or requirements regarding the size and structure of Monitoring fees.

19) Are Coop Monitors still responsible for providing oversight for rental units within their coops?

Yes, Monitors are responsible for ensuring that coops comply with any HPD regulatory requirements governing rental units within the coops.

20) If a coop was formed via the Inclusionary Housing program is there an overlap between the roles of the Monitor and the Administering Agent?

There is overlap in the role performed by the Monitor and the Administering Agent, however organizations will need to apply separately to the Coop Monitor RFQ and the Inclusionary Housing program's Administering Agent RFQ. Organizations interested in applying to the Administering Agent RFQ should provide supplemental information in their application about their experience in supporting coops and new homeowners to be approved as an Administering Agent for Inclusionary Housing coops.

21) What is the average number of coops per monitor? How are coops assigned to Pre-Qualified Monitors?

The number of coops managed by Monitors may vary widely. It is the Monitor's responsibility to determine how many coops it has the capacity to manage. If a coop asks an entity on the Monitor PQL to serve as its monitor, the entity may decline if it does not have the capacity to take on the oversight of additional coops.

Community Land Trusts (CLTs)

22) Are Community Land Trusts (CLTs) required to become Qualified Coop Monitors? Would a CLT be required to sub-contract a Coop Monitor if the CLT, itself, is not qualified?

A CLT is required to either become a Qualified Coop Monitor or to sub-contract Coop Monitoring services to a Qualified Coop Monitor for any HPD-financed HDFC coops that have ground leases with the CLT. In these cases, the CLT and coop will jointly enter into a Regulatory Agreement with HPD. CLTs that plan to perform monitoring duties themselves should apply to this RFQ.

23) How does the fee structure differ if a coop is already required to pay a CLT ground rent?

CLTs may include the costs associated with monitoring in the ground rent they charge to coops. If the CLT chooses to contract with a Qualified Coop Monitor rather than providing the monitoring services itself, the CLT is responsible for paying the Monitor all required fees; the HDFC will only be responsible for paying the CLT the required ground rent. CLTs should consider the resources needed to perform or subcontract monitoring duties when sizing ground rent amounts.

24) Can a CLT serve as Monitor for a coop that does not have a ground lease with the CLT?

Yes, if the CLT is on the Coop Monitor PQL, they may serve as Monitor for coops that do not have ground leases with the CLT. In this scenario, the CLT's relationship with the coop would be defined by a Monitoring contract, rather than by a ground lease with the coop.