

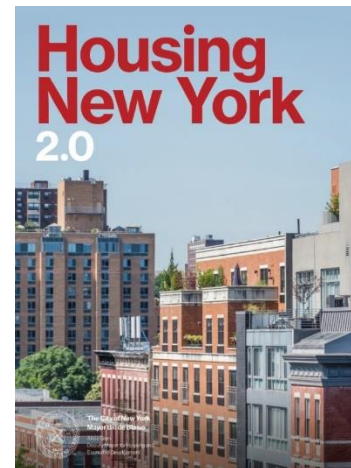
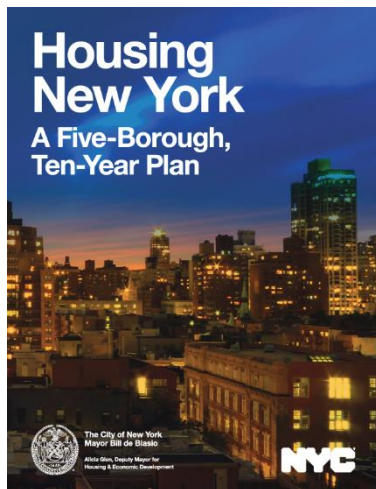
Property Pathways RFEI

Pre-Submission Conference
Monday, January 6, 2020



Housing New York (HNY)

- HPD is responsible for the implementation of the Mayor's Housing Plan, ***Housing New York***, and its update, ***Housing New York 2.0***
- In 2014, the City launched ***Housing New York: A Five-Borough, Ten-Year Plan***, the most extensive affordable housing development plan in the country which had a goal of 200,000 affordable units by 2024. In November 2017, HNY 2.0 accelerated the original commitment and added an additional 100,000 units by 2026.





Serving Homeless Households

Under *Housing New York*, the City has introduced requirements to set aside units for formerly homeless households in virtually all of its financing programs.

Recognizing the City's homeless crisis, the plan seeks not only to produce more housing, **but to prioritize stabilizing the lives of homeless New Yorkers** by increasing access to affordable permanent housing opportunities.

Through the Property Pathways RFEI, HPD is building on these efforts by identifying properties with a large share of vacancies that can be converted to safe stable permanent housing and quickly occupied by formerly homeless and low-income households.



Property Pathways

Converting vacant apartments
into safe, affordable homes for
homeless & rent-burdened families



Property Pathways RFEI Goals

- The Property Pathways RFEI will **identify properties** with a **large share of vacancies** that can be converted to **safe stable permanent** housing and quickly be **occupied by formerly homeless and low-income households**.
- This RFEI will help **stabilize the lives of homeless New Yorkers** by increasing access to affordable permanent housing opportunities.




Why an RFEI?

- Proposals under this RFEI can encompass a wide range of applications.
- HPD encourages all interested applicants who own a vacant or partially vacant building or buyers with the option to purchase to apply.
- We strongly encourage owners to collaborate with entities on HPD's Qualified Preservation Buyer's List and/or Owner's Representative List if the owner does not have experience financing, owning and managing affordable housing.
- HPD will work with owners who demonstrate the experience and capacity to implement projects in accordance with the RFEI goals.
- HPD may select one, more than one, or none of the proposals received through this RFEI. Proposal selection through this RFEI indicates HPD's willingness to engage in an iterative process to provide financing or other assistance for projects.




IMPORTANT DATES

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- December 17 RFEI Released
 - January 6 Pre-Submission Conference
 - January 13 RFEI Addendum Questions Deadline
 - March 20 Initial Submission Deadline



What is a Vacant or Partially Vacant Building?

- The minimum building size for a vacant or partially vacant building is **at least 10 units**.
 - **Buildings 10 – 29 units** must be at least **50% vacant**
 - **Buildings with 30 + units** must have a minimum of **15 vacant units**
- Note: Submissions proposing a **supportive housing set aside** are recommended to have **at least 50 units total** and must include adequate on-site space for social or supportive services.
- Vacant units must have been vacant by **December 17, 2019** and have **NOT** resulted from tenant harassment.



What is a Vacant or Partially Vacant Building? (Cont'd)

- The building must be a residential **Class A Multiple Dwelling** or a **Class B Multiple Dwelling SRO** under the New York City Multiple Dwelling Law.
- The project must comply with the **existing zoning regulations** for the proposed site.
- Respondents must **own the building** or have **the option to purchase** the building by the Submission Deadline of March 20, 2020.
- Sites must be **privately owned**.



What are the Proposal Options?

- **Option 1: Supportive**

- Respondents must designate **at least fifty percent (50%)** of the total units in the building for permanent housing for homeless households in need of supportive services.
- Note that the Supportive Housing Loan Program (SHLP) Term Sheet requires a 60% minimum supportive set aside and not-for-profit ownership or JVs where the not-for-profit holds majority ownership.

- **Option 2: Non-Supportive**

- Respondents must designate **at least fifty percent (50%)** of the total units in the building for permanent housing for homeless households that do **NOT** need supportive housing.



What Formerly Homeless Populations are Eligible?

- All vacant units and units that become vacant must be filled through referrals of homeless households **until the set aside percentage has been reached.**
- All tenants for the homeless set aside units must be referred from **City shelter systems through an HPD approved process.**
- The **remaining fifty percent (50%) of units will subject to rent and income restrictions** pursuant to the relevant HPD financing program requirements.
- Submissions that propose master leases will **NOT** be considered.
- The Owner will be required to enter into a **regulatory agreement** with protections for existing as well as future residents for all units.



What Services Must Be Provided?

The service provider must be a not-for-profit organization with experience working with homeless households. The service provider is often in the ownership structure of a project.

- **Non-Supportive Projects:**

- Respondents must provide a timeline for outreach and selection of a service provider from **HPD's Pre-Qualified List of Housing Retention and Stabilization Services providers.**

- **Supportive Projects:**

- Respondents must provide a narrative that describes the **service funding** they are applying for, including a timeline for application and notification of award.
- Respondents must also **identify their proposed service provider** and provide a **Letter of Intent (LOI)** from the service provider with the application submission.



What Types of Projects is HPD Soliciting?

- Respondents may submit projects that are requesting assistance financing:
 - i. **Acquisition**
 - ii. **Acquisition and Rehabilitation, or**
 - iii. **Rehabilitation.**
- This RFEI is open to projects proposed by **both owners** of vacant or partially buildings **and buyers with the option to purchase** a vacant or partially vacant building.
- Although Respondents without HPD or HDC experience may submit proposals, **HPD reserves the right to request that the Respondent revise its application to include a Development Team more experienced with financing, owning and managing affordable housing**, especially HPD or HDC-financed and regulated properties, and **providing services.**



What Types of Projects is HPD Soliciting?

- Respondents may apply for financing from HPD Preservation and New Construction Programs but must designate **at least fifty percent (50%) of the total units** in the building for permanent housing for homeless households.
 - If the Respondent is requesting a variation from the program Term Sheets other than the percentage of units designated for homeless households, the Respondent must explain any requests for exceptions in its proposal.
 - Note that the Supportive Housing Loan Program (SHLP) Term Sheet requires a 60% minimum supportive set aside and not-for-profit ownership or JVs where the not-for-profit holds majority ownership.
- Respondents may also apply **solely for a tax exemption**, including Article XI, without applying for subsidy through one of the above programs.



Acquisition

- If acquisition of a property is proposed, qualified not-for-profit borrowers may be eligible to utilize the **Neighborhood Pillars Down Payment Assistance Fund** operated by Restored Homes Development, LLC.
- HPD will require that the acquisition price is supported by an **“as is” appraisal**, acceptable to HPD, to move forward with the Proposal.
- If the purchaser is in contract to purchase the Site, a copy of the contract must be submitted.
- HPD must approve the price for acquisition.



Submission Criteria

I. Development Team Experience and
Capacity

II. Development Financing

III. Development Program and Tenant
Protections

IV. Accelerating Production of Homeless Units



Development Team Experience & Capacity

- Qualified Respondents to this RFEI may be **for-profit, non-profit, or joint venture entities** that demonstrate the experience and capacity to implement the Project in accordance with the Goals and Submission Criteria of this RFEI.
- Respondents must have **identified a feasible Site** for the proposed Project. Respondents must **own the vacant or partially vacant building or have the option to purchase it.**
- HPD encourages owners to collaborate with entities on **HPD's Qualified Preservation Buyer's List** and/or **Owner's Representative Pre-Qualified List** if the owner does not have experience financing, owning and managing affordable housing, especially HPD or HDC financed and regulated properties.
- HPD reserves the right to request that the Respondent revise its application with a **more experienced Development Team.**
- Respondents must comply with the **service provider requirements** of the RFEI.



Development Financing

- Proposals must be able to demonstrate that at least fifty percent (**50%**) of the total units in the proposed building will be set aside for formerly homeless households and the remaining units will maximize the depth of affordability for extremely low income, very low income, and low income households.
- Proposals must demonstrate **financial feasibility of long term affordability** for the Project.
- Projects will be evaluated on ability to demonstrate **cost effectiveness, including efficient use of public resources, and compliance with HPD program Term Sheets.**



Development Program and Tenant Protections

- Ensure housing **quality** and **compliance** with all housing and building code requirements.
- Demonstrate a commitment to ensuring **tenant protection**, and establish that the vacant units are **not the result of tenant harassment**.
- If a proposed building is partially occupied with tenants in place, the Respondent must demonstrate **protections for existing tenants** and if the project is funded by HPD, the Owner will be required to enter into a **regulatory agreement with regulatory protections for existing as well as future residents**.



Accelerating Production of Homeless Units

- Proposals must be able to demonstrate a **commitment** to accelerating the production of affordable permanent housing for formerly homeless households.
- Applications that **indicate delivery of units in an expedient timeline will be prioritized.**
- Applications with a **larger number** of currently available vacant units will be prioritized.



Questions & Answers

- Questions must be submitted by **January 13, 2020** to:
PropertyPathwaysRFEI@hpd.nyc.gov
- An addendum to the RFEI document will be made available on the Property Pathways RFEI page.