Vital Brooklyn RFP Sites A, B C, and D Addendum 1 RFP Issue Date: April 26, 2018 Addendum 1 Issue Date: June 18, 2018

Contents of the Addendum

- A. Update Issued on Interfaith Herkimer (Site A): The number of parking spaces has decreased from 110 spaces to approximately 90 spaces to be located on the Interfaith property on Block 1705, Lot 1 in parking stackers. Please see Question 26 in the Q&A for more information regarding updated requirements for proposals.
- **B. Questions and Answers-** Enclosed is a summary of questions and answers in response to questions sent to the HCR Vital Brooklyn RFP email address.
- **C. Contact Information-** Contact Information is provided for those individuals who downloaded the RFP and indicated that they are willing to share their contact information.

B. Questions and Answers- Enclosed is a summary of questions and answers in response to questions sent to the HCR Vital Brooklyn RFP email address.

Overall

- What are the addresses of the Vital Brooklyn Buildings Sites A-D?
 A: The best method of identifying sites is through the Building Block and Lots (BBL), which are listed in the RFP for each site. The BBLs will provide an accurate location.
- 2. Where in the RFP does the applicant agree to standards for accessible (Americans with Disabilities Act-compliant) units, and where does the applicant assert the number of accessible units as part of the proposal? A: In Section X. Regulations and Guidelines, D. Accessibility on Page 37 of the RFP, it is stated that, "Construction of the project must comply with accessibility requirements of all applicable laws including, without limited to the New York City Building Code, the Fair Housing Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973."
- 3. Will you make a list available of interested developers in order to form collaborations?

A: Yes. This addendum contains a contact list for parties that downloaded the RFP and agreed to share their contact information.

- 4. Financing Options: Should we assume that HCR will be the primary financing source, with HPD and HDC sources as gap fillers?

 A: Yes.
- 5. Are we able to tour the sites before we bid on them?

A: Respondents are allowed to walk the perimeter of the sites independently, but the agency will not be offering site tours at this time.

6. Approximately how many residential units do you expect to be built at each of the sites?

A: HCR does not have specific unit counts designated for each site; proposals must meet the requirements set forth in the RFP for each site and respond to the Development Objectives for each site.

7. RFPs have been issued for five of the 11 Vital Brooklyn sites. When do you expect the RFPs to be issued for the other six sites? What are the addresses and descriptions of the other sites?

A: The Vital Brooklyn RFP for the additional sites will be issued in 2018. The addresses and descriptions of those sites will be provided upon the RFP release.

8. Can a respondent just submit an application for one piece of the development plan, i.e. housing?

A: Respondents cannot submit only one part of a proposal; respondents who only want to complete one part of the proposal must be part of a Development Team in order to submit a completed proposal.

9. Are the *Community and Hospital Priorities* listed for each site to be considered requirements or preferences for this RFP? They contain many

statements of what MUST be included, some of which seem to contradict other sections of the RFP. Please clarify what dictates for review and scoring purposes.

A: Members of the New York State Assembly created Community Advisory Councils that provided HCR with priorities for the redevelopment of sites in their districts. These priorities have been provided in *V. Development Objectives* for each site, as listed in the RFP. Proposals' responsiveness to these priorities shall account for 15% of the competitive scoring.

10. The RFP states that, "Hard costs attributable to parking only used by Hospital and Health Care Center employees and hard costs attributable to the ambulatory care center should be listed as separate line items in the Development Budget tab of Form F." Does this mean that there will be a separate funding sources for these hard costs?

A: There will not be separate funding sources for the hard costs attributable to the hospital and ambulatory care center uses; these costs should be underwritten as part of the affordable housing budget (this is only used as a helpful breakout for the agency).

11. Tab F instructions ask for market comparables for all underwritten income assumptions; please confirm if that is only for community facility/retail space (except for medical space for use by hospitals) and confirm that it is not intended for residential unit rents.

A: Market comparables are required for community facility and retail space.

12. One competitive priority is to provide 100% affordable units to a range of incomes. Please clarify if 100% affordable means all units must serve households < 60% AMI (or another definition).

A: A 100% affordable building means that no units can be unregulated, market rate units. Unit mixes must conform to HCR term sheets and the Development Objectives for each site.

13. Do applications for any of the sites have to have units at 90% AMI or higher? Do applications for any of the sites have to have units above 60% AMI? The Community and Hospital Priorities states that there MUST be units at 30%, 60% and 90% AMI (or higher); does that qualify as 100% affordable and is that the priority income mix?

A: Proposals should meet the Development Objectives for each site, which include serving households with a range of incomes, including those up to 90% AMI.

14. Regulations and Guidelines includes a requirement for warranty coverage, referencing Section 777(a) of the New York State General Business Law which seems applicable to new home sales, not multifamily rental projects. Please confirm that this is not applicable to multifamily rental projects or community facility space.

A: Confirmed, this law is not applicable to multifamily rental projects or community facility spaces.

15. For Appendix E, item #1, please note that NYC DEP allows only one water and sewer connection per building so while the water can be submetered,

water and sewer connections for the ambulatory care space will be shared with the residential building.

A: Selected development team(s) will work with NYC DEP to ensure that metering is handled appropriately.

- 16. For Appendix E, item #11, please clarify what is meant by ambulance access just dedicated parking in front of the building or something more?

 A: Curbside access to ambulance/ambulettes should be made available.
- 17. The "Zoning and Land Use" sections under "A. Interfaith Herkimer (Site A)," "C. Interfaith Broadway (Site C)," and "D. Interfaith Bishop Walker (Site D)" all state as follows: "Proposals for the Site [must] meet current as-of-right zoning". However, the text under Interfaith Broadway also states that the Site "is located in an area that is eligible for zoning ... incentives through the FRESH program." Can proposals include potential applications for FRESH zoning incentives, and will this still be considered "as-of-right" zoning? Also, if there are other authorizations or certifications available in the Zoning Resolution that do not involve ULURP but are instead administrative in nature, may those be included in the proposals?

 A: Proposals can include FRESH Program zoning incentives as long as the proposal meets all of the FRESH Program selection criteria. Proposals can include other administrative authorizations or certifications.
- 18. What departments, parties, and professions will be reviewing the submissions at the state level?

A: NYS Homes and Community Renewal staff will be reviewing submissions.

19. Is it accurate that \$1 per parcel can be assumed as the nominal acquisition price?

A: Please refer to *VI. Financing Information and Conditions*, page. 23 of the RFP for information on the disposition price.

20. If a proposal does not include commercial space, is that scored unfavorably?

A: Proposals should follow the Development Objectives for each site.

21. For Tab J, section Building Design, is there a limit to the number of 24"x36" hard copy sheets/panels that can be submitted?

A: There is no limit to the number of hard copy sheets that can be submitted.

22. For Tab J, section Building Design, is it up to the respondent to determine appropriate scale of drawings?

A: A $\frac{1}{4}$ " = 1 foot scale is preferred.

23. Does the State have any information regarding the environmental conditions on the sites?

A: Not at this time.

Site A

24. Is there monthly parking income generated from the parking spaces used by hospital staff? Who will pay for the costs of operating the new parking facility?

A: Assume that parking income and operating costs for the parking will provide a break-even for the project.

- **25.** Are there temporary parking requirements during construction? A: Yes. This will be worked out with the Hospital post-selection.
- 26. Is it an RFP requirement to replace all parking spaces in the new development? Can the new parking be attended versus self-park? Does the parking need to be operated 24 hours a day, 7 days a week? A: In lieu of onsite replacement parking, please submit a narrative proposal to provide, either through long-term lease or purchase, parking stackers to accommodate approximately 90 cars, to be located on the Interfaith property on Block 1705, Lot 1. The stackers would be operational from 7:00 AM to 8:00 PM, seven days a week. The proposal should include a timeline for the stackers to be up and running, including procuring the necessary permits, and account for the costs of maintenance, insurance, and operations.
- 27. Is there separate capital financing that can be assumed for the construction of the parking?

 A: No.
- 28. Please clarify what portion of the community facility space should be included in the development budget just core and shell construction with design and fit-out to be paid separately (off-budget)?
 A: Yes, just core and shell construction should be included in the development budget.
- 29. The RFP indicates that proposals should prioritize housing for seniors with on-site support services? Can applications assume that HCR will provide any Section 8 Project Based Vouchers for such units?
 A: In Section VII. Financing Information and Conditions, the RFP states that submissions must include at least one financing scenario that does not include competitive sources; Section 8 Project Based Vouchers are considered a competitive source. An alternative financing scenario may be submitted that contemplates the use of Section 8.
- 30. Please confirm that no rent or revenue should be underwritten for the minimum 6,000 SF medical space.

A: No rent or revenue should be underwritten for the Ambulatory Care Centers.

31. In the *Hospital Priorities* section, it indicates that the "Hospital will only pay for the utilities necessary to operate the space." What about cleaning, maintenance and repairs, replacements and items like sprinkler and fire alarm systems operation in addition to utilities?

A: The Hospital will cover the necessary maintenance of the facility.

32. Are both an urgent care and primary care practice required? Does the 6,000 square feet requested include both facilities? On page 12, the RFP references "a minimum of 6,000 square feet of the ground floor requires a core and shell build-out for use as an urgent care or primary care practice." Under the Community and Hospital Priorities on pg. 14, the RFP states that "the Hospital requires approximately 6,000 square feet on the ground floor of the mixed-use development to be built-out for urgent care and a small primary care practice.

A: Respondents are only required to build 6,000sf core and shell for a medical facility.

Site B

33. The RFP states that for site B, proposals may override existing zoning but that a separate discretionary approvals process would be necessary. Please describe the separate discretionary process in terms of decision makers, timeline, opportunities for public input and any other relevant information.

A: Upon agreement from Empire State Development ("ESD") to move forward with a project that includes a zoning override, an environmental review process would be undertaken to determine impacts. Such environmental review process can take 12-24 months, depending on the project. At the completion of the environmental review process, the essential terms of the transaction, design quidelines, and zoning overrides necessary to effectuate the project would be identified and effectuated in a General Project Plan ("GPP") administered by ESD and subject to a public discretionary approval process under the Urban Development Corporation Act 174/68 ("UDC Act"). This process includes actions taken to satisfy SEQRA, the UDC Act and, if applicable, the Public Authorities Accountability Act ("PAAA"). Opportunities for public input will be available at multiple points in the process, including but not limited to, a public scoping session, public board meetings and a public hearing on the draft Environmental Impact Statement ("DEIS") and GPP. In addition, a community advisory committee would be formed by ESD at the start of the environmental review process. Respondents who propose a zoning override should submit a brief project narrative describing the project built with as-of-right zoning.

34. If the Respondent overrides existing zoning for Site B, what rezoning should be assumed?

A: The Zoning should be contextual to the surrounding area.

35. The "Zoning and Land Use" section under "B. Brookdale Hospital (Site B)" states that proposals "can propose a new zoning mix that aids in meeting the Site's Development Objectives set forth in Section V.B." Does this language contemplate any rezoning actions pursuant to New York City's Uniform Land Use Review Procedure ("ULURP"), or does it merely refer to zoning overrides pursuant to the "discretionary approvals process through Empire State Development"?

A: Projects will not need to go through ULURP; projects will only be subject to ESD's discretionary approvals process.

36. If ESD is involved in the site for zoning override purposes, what should the applicant budget for their fees/reimbursement? Can HCR provide a budget number or estimate to include in the development budget?

A: At this time, it is pre-mature to provide a budget without knowing more details about the project. Examples of costs and expenses include, but are not limited to, consultant fees for outside legal counsel to represent ESD in the transaction, environmental experts to prepare an EIS and ensure SEQRA compliance, and architectural consultants to review the design guidelines in the General Project Plan ("GPP"). Regarding ESD staff time, ESD will provide timesheets showing direct work on the project. If relevant, HCR and ESD can provide a more detailed cost estimate for ESD's costs once a Designated Developer has been selected.

37. The RFP states that if ESD is involved that "ESD would have an interest in the property at closing." What type of interest would ESD have in the property at closing?

A: In order to effectuate a General Project Plan ("GPP"), ESD must be in the title chain, including but not limited to a fee ownership or a lease structure.

38. Please confirm that no rent or revenue should be underwritten for the 6,000-18,000 SF of medical space.

A: No rent or revenue will be underwritten for the medical space.

39. In the *Hospital Priorities* section, it indicates that the "Hospital will only pay for the utilities necessary to operate the space." What about cleaning, maintenance and repairs, replacements and items like sprinkler and fire alarm systems operation in addition to utilities?

A: The Hospital will cover the necessary maintenance of the facility.

40. The Community and Hospital Priorities states that there MUST be a priority for the population mix indicated, so please confirm that the mix of middle-income units, senior housing, and supportive housing need to all be included in the proposal response. Or is this a preference and not a requirement?

A: Proposals will be scored on the Development Objectives provided for each site to the extent feasible.

41. It appears that Brookdale is the intended direct user of the 6,000-18,000 SF of community facility space. We're directed in the RFP to not talk to them, so how are we supposed to come up with a detailed community facility plan for the space? Are we supposed to talk to other prospective medical service providers?

A: The community facility plan for the medical space (18,000 square feet) will be developed in consultation between the Hospital and the Designated Developer.

42. In the *Hospital Priorities* section it states that the "Hospital requires approximately 18,000 square feet of space on the ground floor levels" but earlier in the RFP it states that a minimum of 6,000 and a maximum of 18,000 square feet to be provided. Is 18,000 square feet the amount that needs to be provided? Under the Community and Hospital Priorities on pg. 17, the RFP states that "the Hospital requires approximately 18,000 square feet of space on the ground floor levels of the development." Are 18,000 square feet required on the ground floor?

A: The 18,000sf medical space should be located on the basement and/or the first floor of the Project for programming, which includes Diagnostic Imaging and some combination of ambulatory specialty care.

Site C:

43. Does the minimum of 5,000 square feet on the ground floor include both the relocated mental health outpatient program as well as the co-located primary care center? If not, is there a minimum square footage required for the primary care center?

A: The 5,000sf includes both the mental health outpatient program as well as the co-located primary care center.

Site D:

- 44. Is it a requirement to replace the 40 parking spaces on the site?
 - A: Site D shall be used for the development of housing and community facility uses; the full zoning lot should be used to accommodate a feasible number of replacement parking spaces and to generate floor area. The Bishop Walker Health Care Center shall not be demolished.
- 45. Can the new parking be attended versus self park? Who will pay for the costs of operating the new parking facility? If the developer is to pay for the cost of operating the parking facility, can fees be charged for parking and if so are there any limits to the fees that can be charged?
 A: Assume that parking income and operating costs for the parking will provide a break-even for the project.
- **46.** Is there separate capital financing that can be assumed for the construction of the parking?

 A: No.
- 47. The RFP requires approximately 12,000-15,000 square feet of ground floor community facility space. The full site is only 13,300 square feet and a portion of the ground floor needs to contain the residential lobby, mailboxes, elevators and 2 egress stairs. If it is not possible to fit the minimum of 12,000 square feet on the ground floor, can the additional space be put in the cellar or does it need to be on the 2nd floor A: The community facility space should be accommodated on the ground floor.
- 48. The maximum zoning floor area of the site is currently 26,600 square feet. The RFP indicates that proposals for this site must meet current as-of-right zoning. With the minimum of 12,000 square feet of community facility space that leaves 14,600 square feet for residential. After deducting for stairs, elevators, lobby and potentially all or a portion of corridors and other ancillary spaces, that leaves a very small number of residential units. Does the current as-of-right zoning need to be complied with for this site? Is this otherwise feasible as an affordable housing site, even when assuming use of competitive financing sources?

A: Site D is a portion of a larger zoning lot. For the purposes of calculating floor area, the entire zoning lot should be used, including unbuilt floor area.

C. Contact Information- Contact Information is provided for those individuals who downloaded the RFP and indicated that they are willing to share their contact information.

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