

UNIFIED FUNDING 2018

QUESTIONS AND ANSWERS

Architecture & Engineering:

Q1: For fully accessible and adapted move-in ready units, please clarify whether the percentage is based upon all the units in the project or the number of HCR regulated units?

A: The percentage is based on the total number of units in the project.

Q2: Can you provide details on what specific items go in general requirements versus general conditions now that they are treated differently?

A: General conditions is now included as part of builder's fees and is subject to the overall 14% limit on these fees. General conditions are responsibilities associated with the General Conditions of the Contract for Construction and are services and obligations of the builder necessary to administer and facilitate the contract for construction. These services and obligations do not directly contribute to and are not specific to any scope of work required for the actual construction of the project.

- Examples of services and obligations categorized under General Conditions:
 - Site administrative tasks:
 - Oversight of the various building trades, including conducting coordination meetings and inspections necessary to ensure these trades properly and safely perform and complete their particular scopes of work.
 - Establishing safety procedures and protocols and providing equipment necessary to ensure the work complies with governmental regulations for standard construction, including OSHA, NYDOL, other jurisdictional authorities, and industry practices for the protection of workers, other personnel on site and the general public at large.
 - Scheduling, reporting and tracking of the work including the cost of on-site labor and site specific administrative tools, such as computer software used solely for the subject project but not for the builder's business administration tasks.
 - Securing government approvals necessary for the completion or occupancy of the project.
 - Processing and reviewing various product information for compliance with the contract documents and subsequently processing those items requested by the architect, or owner for their approval.
 - Project closeout, including overseeing completion of punch lists, final cleaning, completing record documentation, including as-built drawings, other record documents, warranties, operation manuals, etc.

- Permits/Signage:
 - Building permit and other miscellaneous permits that may be required by the jurisdiction or other governmental authority.
 - Temporary project signage required by funding agencies, or other authorities.
- Site office (usually a job trailer):
 - Includes telephone, internet, electrical utilities.
 - Does not include temporary electricity, etc. required for the project construction.
- Labor, etc.:
 - Site Superintendent to supervise the work.
 - May be more than one person on large projects.
 - Common laborers.
 - To carry out general labor tasks necessary to supply the site with materials, for daily clean-up, and other miscellaneous tasks to support the construction activities.
 - Labor, services and materials to correct non-conforming work.
 - Post completion warranty period obligations.
- Facilities necessary to secure the site during construction:
 - Temporary perimeter fencing and barricades.
 - Basic security measures, such as locked access points and perimeter security cameras.
 - Fire protection.
 - Pest control during construction for common pests and infestations.
- General facilities for the workers:
 - First aid facilities.
 - Sanitary facilities.
- Field measurements:
 - Site layout to locate the building, site improvements and utilities.
- Site clean-up and maintenance:
 - Standard trash disposal fees.
 - Does not include specialized trash and recycling services such as those for green building programs.
 - Dust control.
 - Basic facilities required by governing authorities, such as truck wheel washing stations for standard soils, not for specialized containment of contaminated soils.
 - Rudimentary erosion and sedimentary controls, not heightened measures mandated by a regulatory authority.
- Costs not recognized as General Conditions:
 - Builder's Office Overhead Expenses.
 - Examples:

- Project managers assigned to multiple projects.
- Percentages of central office bills, utilities, staff, etc. pro-rated to the subject project.
- Software used to manage and track multiple projects.
- Tools and equipment necessary to build the project.
- Services and facilities necessary for the work trades to perform their particular scope(s) of work.
- Construction bonds and insurance.
- See corresponding General Requirements list.

General Requirements are the costs of tools, services and equipment that directly contribute to a specific scope of work necessary to construct the project that are provided by the Builder and not included in a subcontract.

- Examples of tools, services and equipment categorized under General Requirements.
 - Special services and obligations:
 - Specified inspections and testing performed by the builder.
 - Site safety plans and other enhanced safety measures, training and reporting required by the local jurisdiction when they exceed OSHA and NYDOL requirements for standard construction.
 - Commissioning (testing of mechanical or other systems).
 - Construction waste management associated with specialized trash and recycling programs, such as those for green building programs (not for standard construction trash removal).
 - Field engineering for special situations (e.g. engineering the underpinning of an existing structure).
 - Sustainable (green) building practices, procedures, and certifications.
 - Construction bonds and insurance.
 - Temporary utilities, facilities, etc.:
(those required for specific scopes of work and not associated with the site office, or basic safety or security obligations)
 - Temporary access roads and parking.
 - Temporary electric.
 - Temporary heating/cooling.
 - Temporary lighting.
 - Temporary protective walkways (e.g. where work blocks or endangers pedestrian sidewalks).
 - Temporary ventilation.

- Temporary water.
- Construction platforms.
- Dewatering for foundation systems.
- Site shoring and existing building protection.
- Staging areas (storage areas for materials and equipment).

- Equipment and tools:
 - Cranes.
 - Equipment mobilization (moving large equipment, necessary to construct the project, to the site).
 - Equipment rentals (large and small equipment and tools).
 - Generators.
 - Hazardous materials protection, equipment, containment and safety measures.
 - Personal protective equipment (e.g. hardhats, gloves, eye protection).
 - Safety nets.
 - Scaffolding.
 - Temporary elevators/hoists.
- Costs not recognized as General Requirements:
 - General Conditions:
 - See corresponding General Conditions list.
 - Builder's Office Overhead Expenses.
 - Examples:
 - Project managers assigned to multiple projects.
 - Percentages of central office bills, utilities, staff, etc. pro-rated to the subject project.
 - Software used to manage and track multiple projects.

Q3: The RFP indicates that “if your project receives a coordinated SEQOR determination (Negative Declaration or Findings Statement) on or before December 31, 2018, that determination is final, even for projects awarded by HCR after January 1, 2019.” For an early round application, what can we do to get a coordinated SEQOR determination (Negative Declaration or Findings Statement) on or before December 31, 2018?

A: Contact the municipality to determine whether a coordinated review could be completed by the municipality by the end of the year. The municipality will then request a coordinated status from HCR. HCR will consider all requests for a coordinated review.

Q4: The RFP indicates that no changes to energy efficiency strategy after application will be accepted. Is that referring to the categories – i.e. LEED versus NYSERDA MPP versus Enterprise Green Communities – or does that apply to specific items. For example, we want to change the type of insulation (cavity wall versus interior insulation), or we change to unitized ventilation from rooftop.

A: The RFP terminology for energy efficiency strategies refers to the specific energy efficiency programs and performance standards identified under the *Mandatory Energy Efficiency Strategies* section of the RFP. Acceptable strategies include: NYSERDA Low-Rise Residential New Construction Program, NYSERDA Multifamily New Construction Program, U.S. EPA Energy Star Certified Homes, U.S. EPA Energy Star Multifamily High Rise Program, and, in certain circumstances, Enterprise Green Communities Criteria. The selection of one of these programs or performance standards cannot change subsequent to award. The statement is not meant to disallow the option to change specific components within one of these programs or performance standards. However, it should be noted that any changes that diminish the quality of what was represented in the application is not acceptable. Also, it should be noted that while LEED is acceptable optional Green Building standard, it is not an acceptable Mandatory Energy Efficiency Strategy.

Housing Opportunity Projects:

Q1: The RFP states “Proposed projects must also target at least 10% of project units to households at or below 30% of AMI.” Must those 30% AMI units be only on the larger units or simply in the project as a whole?

A: The extremely low income units at or below 30% of AMI should be reflected in the bedroom mix for the project as a whole and be reasonably distributed throughout the project. For example, if 25% of the units were 3-bedroom, 25% of the extremely low income units would need to be 3-bedroom units. Please note, that the market study needs to support any proposed income and bedroom mix.

Supportive Housing Opportunity Program Funds:

Q1: Not having any of the SHOP funds in during construction adds a significant amount of bank construction loan costs (fees and interest). Can the portion of SHOP funds that would be used for acquisition at least be available during construction?

A: For UF 2018, SHOP is only available for permanent financing, other than as noted in the next question.

Q2: Last year's Unified Funding round allowed for using SHOP funds during construction at 0% interest (during construction). We used those assumptions to size our HHAP construction financing request when we applied in June 2018. Please let us know if we can use those same underwriting assumptions in our 2018 Unified Funding application so that we can maintain the same sources and uses as our HHAP application. Re-underwriting the project according to the 2018 Unified Funding RFP would dramatically increase the size of the deal's construction loan which would increase the amount of construction loan interest required to be capitalized and/or push forward the tax credit equity capital contributions resulting in less tax credit equity proceeds.

A: For projects that applied for HHAP financing prior to August 30, 2018 and assumed in that application that HCR would again be offering 0% construction financing for SHOP funds, HCR will consider requests for providing SHOP as a construction financing source if HHAP financing is ultimately awarded on the basis of such application.

Early Award:

Q1: What award decision date should we expect for early round applications?

A: December 2018.

Q2: In past RFPs, there was a preference for early round projects that advanced more than one of the early round goals. Is that still the case this round?

A: Early Award projects will be ranked and rated compared to other Early Award applications that advance the same policy goal, subject to other funding considerations described in the RFP. Early Award projects that advance more than one goal will have the opportunity to be ranked and rated under more than one policy goal competition, thereby increasing the potential chance of an application's success.

Q3: Is a 60-unit project with 18 ESSHI units and 20 supportive housing units with capital funding and operating support from OMH (for a total of 63% supportive housing units) eligible to submit an early award application under ESSHI Supportive Housing?

A: For projects applying under the Early Award Supportive Housing Goals, projects can be considered to meet the Goals in this category by having a 50% overall percentage of the project units having received a Conditional Award Notification through the Empire State Supportive Housing Initiative, Inter-Agency Service and Operating Funding Opportunity RFP or with a commitment from NYS Office of Mental Health for capital and operating subsidy.