ADDENDUM V

Supplemental Funding: Up to $16 million in Redevelopment of Underutilized Sites for Housing Initiative ("RUSH") Funds.

REQUEST FOR PROPOSALS
FOR THE PURCHASE AND REDEVELOPMENT OF WATERTOWN CORRECTIONAL FACILITY

23147 Swan Road, Watertown, NY 13601

The RFP has been revised to include supplemental funding for the Designated Developer.

Please see here for the RFP page on the ESD website for the most up-to-date information.

III. Site Description

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5. Housing & Economic Development Incentives

~~Designated Developers with a proposal that includes a minimum 10% of affordable housing[1] may be eligible for subsidies applied exclusively to an additional 10% of affordable housing, thus totaling 20% of the residential units. The application for this subsidy can be applied for through Homes and Community Renewal's Affordable Homeownership Opportunity Program (AHOP). There is no assurance that the Designated Developer will be awarded subsidies since the process and criteria for the award of subsidies are separate from and independent of the terms of this RFP. Please see **APPENDIX** for eligible expenses and details.~~

As part of the 2024 State of the State and the FY2025 Enacted Budget, Governor Hochul outlined a vision for addressing New York State's housing crisis to make the State more affordable and livable for all New Yorkers. This groundbreaking and multifaceted plan to build new housing across the State included a $500 million capital fund to develop up to 15,000 new homes on state land through the Redevelopment of Underutilized Sites for Housing initiative (RUSH) after signing an executive order last year requiring all state agencies to examine properties within their control to determine their housing potential.

RUSH funding is available to meaningfully offset the cost of the Designated Developer demolishing the existing structures on the Site. RUSH funding for the project will be capped at $16 million. Any Proposals that request more than $16 million in RUSH funding may be eliminated from consideration. When submitting their Proposals, Respondents should clearly note how much RUSH Funding they are

[1] "Affordable housing" is defined by the Affordable Homeownership Opportunity Program (AHOP) term sheet: https://hcr.ny.gov/affordable-homeownership-opportunity-program

requesting and provide basis for that request, including a breakdown of the construction estimate for demolition. ESD will evaluate Proposals in part on Respondents' ability to propose approaches to demolition that limit the amount of RUSH Funding requested.

Independent of this RFP, Designated Developers may apply for up to $8 Million in Regional Economic Development Council (REDC) grant funds. If awarded, the grant funds would be available for eligible capital costs related to the redevelopment of the site. Eligible costs include acquisition of machinery and/or equipment; demolition and environmental remediation; new construction, renovation, or leasehold improvements; acquisition of furniture and fixtures; and planning and feasibility studies related to a specific capital project or site. The application for a grant can submitted through the North Country Regional Office. There is no assurance that the Designated Developer will be awarded grant funds since the process and criteria for the award of grants funds are separate from and independent of the terms of this RFP. Please see **Appendix A** for eligible expenses and details. Additionally, the State reserves the right to utilize additional funds for project costs, but responses should not assume these additional funds.

Designated Developers with a proposal that includes a minimum 10% of affordable housing[2] may be eligible for subsidies applied exclusively to an additional 10% of affordable housing, thus totaling 20% of the residential units. The application for this subsidy can be applied for through Homes and Community Renewal's Affordable Homeownership Opportunity Program (AHOP). There is no assurance that the Designated Developer will be awarded subsidies since the process and criteria for the award of subsidies are separate from and independent of the terms of this RFP. Please see **APPENDIX A** for eligible expenses and details.

V. Required Proposal Contents

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E. Financing and Budget

The site will be transferred to the Designated Developer for no consideration, and therefore proposals do not require a purchase price.

Respondents must provide a high-level term sheet outlining all key deal terms including projected sale price of units, or rental terms, proposed rent abatements, and escalations.

Respondent's Financial Proposal for the Site should assume that the Site, including any and all improvements, infrastructure, and equipment at the Site, will be conveyed "AS IS" and "WHERE IS" without any representation, warranty, or guaranty as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition or fit to be used for the Designated Developer's purpose.

[2] "Affordable housing" is defined by the Affordable Homeownership Opportunity Program (AHOP) term sheet: https://hcr.ny.gov/affordable-homeownership-opportunity-program

Proposals should include total Project costs, including all hard costs, soft costs, contingencies, and escalations.

Respondents must submit a ten-year pro-forma ("Pro-Forma") statement, provided in Excel and "live-linked," including:

- A completed Financial Proposal Summary Form (**Appendix F**)
- Statement of assumptions on which all calculations are based;
- Sources and uses of funds;
- Construction budget, including any demolition and remediation costs;
- Operational budgets, including contributions to capital reserve;
- Detailed description of proposed equity investment and construction and permanent financing, including a detailed breakdown of all sources of equity and terms, including required return for equity as well as interest rate and term for financing;
- Information regarding minimum financial returns sought and all necessary capital investments over time and reserves and debt service payments associated with all financings; and
- Letters of interest and/or intent from lenders and, if applicable, equity investors.

Respondents should include a brief summary that explains at a high level how the Respondent would approach the financing of the Project, including reference to any expected abatements or tax credit program equivalents. If a Proposal is contingent on receiving financing or abatements including tax exemptions PILOT, PILOST and PILOMRT, the Respondent should include proposed terms for such financing in its Proposal and note how it complies with locally available programs or other available products. Respondents should include previously mentioned RUSH funding in their summary, but no other subsidy aside from the $8 Million and the AHOP (if applicable) referenced in section III. 5 or any expected abatements or tax credit program equivalents, will be available for this project, and any financial analysis should reflect sources and uses without reference to other public subsidies. Similarly, responses should demonstrate financial viability of the project without the assumption that funding for remediation, demolition, or acquisition will be made available, though such assumption does not preclude the possibility of fund availability in the future.

VI. Selection Criteria

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Criteria		Achievable Points
Housing	Housing: Creation and construction of housing in a mix of unit sizes and affordability ranges. More points will be awarded to	Up to 5 points for proposals that include

	proposals with greater amounts of affordable housing units. Proposal should describe: • Housing that serves a diversity of income levels • Affordability of units in accordance with community needs, • Proportion, if any, of the project that is income-restricted.	100% market rate housing. Up to 10 points for proposals with 10% affordable housing. Up to 20 points for proposals that exceed 10% affordable housing by at least an additional 10%.
Respondent Qualifications	• Experience, financial capabilities, and qualifications of the Respondent Team in developing, financing, leasing, operating, and managing projects of similar size and/or with similar combinations of uses. • Experience with government owned sites.	Up to 20 points
Financial Feasibility	• Respondent's demonstrated financial condition to complete the Project; availability of identifiable funding sources to finance the Project; efficient use of RUSH resources; sufficient revenue to support operating revenues, scheduled payments related to capital costs, reserve fund contributors and debt service. • Respondent's demonstrated financial condition to complete the project in a timely manner.	Up to 20 points
Development Concept and Program	• Creativity and feasibility of the proposed development plan, building design, mix of uses, number of units, and conformity to the Development Objectives • Incorporation of sustainable building elements and operational practices • Other direct benefits to surrounding community such as public amenities, workforce development, etc.	Up to 20 points
Alignment with regional	• Alignment with the North Country's Regional Economic Development Council's economic strategy[3]	Up to 10 points

[3] North Country's Regional Economic Development Council Strategic Plan: https://regionalcouncils.ny.gov/sites/default/files/2024-01/NCREDC%20Strategic%20Plan%20Update%202023.pdf

economic development priorities		
Quantitative Factors	ESD will award 10 points for a minimum of 10% of MWBE Developer ownership as described in Section V. G	10 points for 10%+ MWBE Ownership