



**Request for Applications - Gowanus Neighborhood Mixed Income Housing Development Program**

**Addendum # 3 - Questions & Answers**

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**Release Date: September 22, 2023**

The following is a list of responses to questions submitted by prospective respondents (“Respondents”) connected to the Request for Applications - Gowanus Neighborhood Mixed Income Housing Development Program

No.	Question	Answer
1	<b>Does construction financing need to be in place prior to the submission of an application?</b>	No, construction financing does not need to be in place. For submission requirements, a letter from the development’s anticipated lender to the development team indicating support of financing and timing that aligns with the schedule submitted as part of the application will suffice.
2	<b>Will the affordable housing unit distribution be permitted to be modified subject to the New York City Department of Housing Preservation and Development’s review of the Mandatory Inclusionary Housing application?</b>	Yes.
3	<b>At what point is a project deemed eligible and when does the cost agreement get entered into?</b>	After the September 29, 2023, submission deadline, ESD will review applications for eligibility. Only when applicants are notified of eligibility will they be asked to enter into a cost agreement with ESD.

4	<b>Is review of the environmental compliance and approval by the Public Authorities Control Board simultaneously done with the review of the application materials?</b>	The environmental review work will begin after all applicants are notified of eligibility.
5	<b>Will the program be carried out through a General Project Plan for the area?</b>	Each application will be subject to a General Project Plan and will be reviewed and approved by the ESD Board and Public Authorities Control Board.
6	<b>What kind of 421-a eligibility review will be done? Will the counsel's opinion letter be sufficient for closing?</b>	Developments must comply with all provisions of the expired 421-a(16) program, in addition to the affordable housing units being permanently affordable. The opinion of counsel will suffice for closing. However, ESD reserves the right to require additional information to demonstrate compliance.
7	<b>Will there be a specific 421-a application that ESD requires?</b>	No.

8	<b>Will ESD require a 421-a workbook or something similar that sets forth the affordable units, affordable mix, and rents prior to the marketing of the affordable units?</b>	ESD will provide guidance to applicants upon notification of eligibility.
9	<b>How does ESD expect the construction period benefit to work in the instance that construction takes longer than three years? Will the PILOT be paid from the date of closing, even if the construction period exceeds three years?</b>	PILOT benefits will be in effect from the date of closing. The construction period benefits will be consistent with the expired Affordable NY Program. Under that program, the construction period was defined as beginning on the later of the commencement date or three years before the completion date and ending on the day preceding the completion date.
10	<b>Will a condominium structure and an ICAP still be possible under this program?</b>	Yes.
11	<b>Are there implications associated with the sale-leaseback structure between ESD and the developer (e.g. depreciation) or does it function similar to how it would have under 421-a.</b>	There are no implications associated with the sale-leaseback structure.

12	<b>Once ESD owns title to the subject property, are they able to pass along any other benefits to the developer (e.g. reduced mortgage recording tax, no sales tax on construction materials, etc.)?</b>	At this time ESD is not considering extending additional benefits to developments.
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