

May 23, 2022

Addendum #3

RFQ For Development of Bushnell South Parcel 4

This addendum dated May 23, 2022 forms a part of the Contract Documents and modifies the original RFQ. Please include this addendum in your RFQ submission.

Responses to Questions Posed by Bidders

- 1. The CRDA's answer in Addendum #2 dated April 28, 2022 noted that the CRDA "generally...finances market rate residential development." Typically, what is the nature, timing, and amount of the financing?**

Typically, CRDA will expect general background on the development team, its partners and projects it has completed of a similar nature to that proposed. Coupled with a development budget showing soft and hard costs, as well as an initial 15-year operating proforma, CRDA staff will assess the need for any gap financing and its terms. This will be recommended to the CRDA underwriting committee who can make adjustments to the proposed CRDA assistance and forward the matter onto the full CRDA board. If approved at the board level, a request is made to the state bond commission to release funding authority to CRDA to subsequently close on a loan to the applicant.

This process is time driven by the completeness of the proposal, but generally can take up to six months. Financing amount is sized by an analysis of the project's budget, including conventional financing amount and its terms; private cash or other equity and its projected return; and the project's ability to service debt. Other factors including the amount of other assistance (land, grants, other loans, tax agreements, credits) are also considered. There is no predetermined maximum amount for a project based on its total development costs or its per unit costs, though historically, CRDA assistance has averaged \$60,000 per unit.

- 2. Does utilization and acceptance of the CRDA financing create any additional prevailing wage provisions or other requirements not noted in the RFQ?**

A CRDA loan does not drive any specific wage requirement, but other state and/or federal programs utilized by the development may. CRDA does require small and minority business participation.

3. The RFQ contemplates a sale or long-term lease of the Parcel. Does the CDRA have a preference?

No, CRDA does not have a preference.

4. What will be the anticipated process to negotiate any parking rates and terms under a shared parking arrangement?

CRDA does control a parking garage at the development site that is designed to be expanded. A parking agreement to utilize excess capacity at the garage and/or finance an expansion will be assessed by CRDA staff and board as part of the overall project proposed for the redevelopment of the Bushnell South area.

5. Would the CRDA consider a phased acquisition of the parcel to accommodate a phased construction schedule?

Yes - a phased acquisition is possible but not enough information is available to assess if such a course of action is merited at this time.

6. Is there a requirement to replace the existing parking on the site or to provide additional parking for the neighborhood?

There is no requirement to replace the existing parking on the site. (That is, in essence, why the new Bushnell South Garage was built.)

7. What are the program goals regarding the type of housing (affordable, market rate, etc.)? Is there a preferred percentage split for the income mix (market vs affordable)?

There is no specific requirement on a project-by-project basis, but the overall goal is to achieve 20% affordable units throughout the full development area. Affordable is defined as up to 120% of the AMI.

8. What is the status of the of the Trinity Properties?

A developer has been selected by the State Department of Administrative Services, but final designation is pending at this time. Residential conversion is the most likely re-use.

9. What is the ownership status of Parcels E, A and F as identified in the Master Plan?

Parcel E is owned by the Spinnaker Group and is scheduled for renovation/conversion into 164 units, beginning in 2022. Parcel F is owned by the Spinnaker Group and slated for redevelopment though no specific plan has yet evolved beyond the Bushnell South Master Plan shared as part of the RFQ. Parcel A is owned by an LLC controlled by the Konover Company, but the Spinnaker Group has an option to purchase Parcel A.