



NY Green Bank
A Division of NYSERDA

RFP 18:

Financing Arrangements for High-Performance Affordable Housing

Request for Proposals

(Ongoing Solicitation)

RFP No. 18

Version 1 – May 2021

1 Contents

1. INTRODUCTION	1
1.1 Opportunity & Overview	1
1.2 NYGB Background	1
2 ELIGIBILITY REQUIREMENTS	2
2.1 NYGB Investment Mandate	2
2.2 Eligible Proposers	2
2.3 Affordability	2
2.4 Building Performance	3
2.5 Indicative Financing Arrangements & Terms	3
3 PROPOSAL CONTENTS	4
3.1 Proposer(s) – Company and Management Team Credentials	4
3.2 Demonstration of Affordability	4
3.3 Project Scope & Technical Considerations	5
3.4 Proposed Financing Structure, Terms and Rationale	6
3.5 Expected Impact & Ongoing Tracking/Reporting Capability	7
3.6 Contribution to Financial Market Transformation	7
4 PROPOSAL EVALUATION	8
5 GENERAL CONDITIONS	9
5.1 Costs & Expenses	9
5.2 Municipal Advisor Rules	9
5.3 Proprietary Information	9
5.4 Limitation	10
6 APPENDIX	11
6.1 Proposal Submission Process	11
6.2 Illustrative List of Eligible Affordable Housing Programs and Corresponding Documentation	12
6.3 Verification Using Rent Rolls	12
6.4 Illustrative List of Eligible Technologies	13
6.5 Selected Indicative Terms	13

1 Introduction

1.1 Opportunity & Overview

Through RFP 18: Financing Arrangements for High-Performance Affordable Housing (“**RFP 18**”), NY Green Bank (“**NYGB**”) invites property owners and developers, energy service companies, equipment manufacturers, capital providers and other market participants to submit applications for financing (each, a “**Proposal**”) for the construction or retrofit of multifamily affordable housing buildings to high levels of energy performance (a “**Project**,” defined to include the implementation of, or activities related to the implementation of, such construction or retrofits, whether in conjunction with a single project building or across multiple buildings) in New York State (“**NYS**” or the “**State**”).

NYGB’s goal in the affordable housing sector is to deliver tangible benefits to New Yorkers living in historically disadvantaged communities (“**DACs**”). NYGB is prepared to provide aggressive rates and terms, calibrated to the needs of the sector and based on comparable transactions in both the regulated and naturally-occurring NYS affordable housing markets, in order to address financing gaps and barriers that currently prevent affordable housing from being built or retrofitted to high levels of energy performance. In line with NYS goals, NYGB looks to finance building electrification and electrification-readiness, including ambitious outcomes such as Passive House, net-zero energy, net-zero ready, etc., that can provide improved health, resilience, and comfort to residents and are necessary for achieving a decarbonized NYS building stock.

NYGB recognizes that high-performance multifamily affordable housing is one of the many sectors in which clean energy and sustainable infrastructure investment is needed to provide tangible benefits to the State’s underserved communities. NYGB considers benefits to DACs when evaluating Proposals under all [investment Requests for Proposals \(“RFPs”\)](#), which remain open to projects that serve DACs but do not fit within the scope of RFP 18 (e.g., rooftop solar installations on affordable housing properties, high-performance non-residential buildings, community solar that will benefit low- and moderate-income (“**LMI**”) subscribers, etc.). NYGB encourages market participants seeking financing for such projects to submit Proposals under [RFP 1: Clean Energy Financing Arrangements](#).

This RFP will remain open and responses will be evaluated on a rolling basis as received to ensure that all interested potential NYGB counterparties (“**Proposers**”) have an opportunity to submit Proposals as market needs develop and change over time.

1.2 NYGB Background

NYGB was initially capitalized with \$1 billion to accelerate clean energy and sustainable infrastructure deployment in NYS. NYGB steps in to fill gaps in the market where financing might not be available from conventional lenders, potentially due to barriers such as limited precedent, small deal sizes, challenges in evaluating technology risk, asset structures and/or business models unfamiliar to banks and institutional investors, and/or deal structuring and underwriting complexities. NYGB collaborates with the private sector to develop transaction structures and methodologies that other capital providers can readily replicate and scale. As capital providers “crowd in” to an area within the sustainable infrastructure landscape, NYGB moves on to other areas where private sector interest and activity have yet to be spurred.

The Climate Leadership and Community Protection Act (the “**Climate Act**”) requires state agencies, authorities, and entities to direct funding in a manner designed to achieve a goal for disadvantaged communities (DACs) to receive 40% of overall benefits of spending on clean energy and energy efficiency programs. As a division of the New York State Energy Research and Development Authority (“**NYSERDA**”) and a key component of the State’s Clean Energy Fund (“**CEF**”), NYGB’s commitment to invest at least \$150 million in affordable housing, with a priority focus on energy retrofits and beneficial building electrification, is part of its work to expand investment activity that delivers public health, environmental and socioeconomic benefits to residents of DACs.

Proposers should consider how their opportunity will not only deliver energy-related benefits but will also achieve the following additional benefits:

- (a) Improve indoor air quality, which can result in improved resident health outcomes;
- (b) Improve resident comfort, including thermal comfort, and overall quality of living space;
- (c) Provide air conditioning where it was previously unavailable, thus reducing the danger to residents of extreme heat exposure;
- (d) Reduce environmental pollution and other environmental hazards, which can result in improved public health outcomes;
- (e) Promote jobs and training opportunities for members of DACs;
- (f) Provide residents access to energy bill savings that result from property improvements;
- (g) Increase resilience against fuel shortage/distribution restriction events; and
- (h) Increase resilience against impacts of climate change such as flooding, storm surges, and urban heat island effects.

2 Eligibility Requirements

NYGB encourages potential Proposers to contact NYGB early in the Project development process (including before the submission of a Proposal) to ensure that Projects align with NYGB's mandate and meet RFP 18's eligibility criteria. To this end, please email us at InvestmentRFPs@greenbank.ny.gov (including "RFP No. 18" in the subject line).

2.1 NYGB Investment Mandate

In order to be eligible for NYGB financing, an investment must:

- (a) Have potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("GHG") emissions reductions in support of New York's clean energy policies;
- (b) Have potential to contribute to financial market transformation in terms of:
 - i. Scale;
 - ii. Improved private sector participation;
 - iii. Level of awareness and confidence in clean energy investments; and/or
 - iv. Other aspects of market transformation.
- (c) Have expected financial returns such that the revenues of NYGB on a portfolio basis will be in excess of expected portfolio losses.

2.2 Eligible Proposers

Parties eligible to submit Proposals for financing under this RFP include multifamily residential property owners, developers, and managers; energy service companies, contractors, equipment providers and/or manufacturers; and capital providers to such parties. Eligible Proposers may be parties deploying building projects with high-performance measures or may be involved further upstream (e.g., in the production or provision of products or services that will ultimately enable/be used in such projects).

Proposers may submit Proposals on a standalone basis or as part of a team (a "**Proposal Team**"). A Proposal Team, for example, could consist of a clean energy developer, contractor or ESCO, lead equipment provider, and/or the property owner, all of whom should be identified. Proposal Teams should designate a lead organization. Proposers must have or be partnered with entities having directly relevant experience in the clean energy measures being submitted.

2.3 Affordability

RFP 18 is open to Projects that support multifamily affordable housing. In order for a proposal to be considered eligible under this solicitation, the building(s) to be impacted by the contemplated project ("**Project Building(s)**" or "**Property**") must contain five (5) or more residential units and meet at least one of the following criteria:

- (a) Participation in an eligible affordable housing program (see [Section 6.2](#)); or
- (b) At least 25% of units in Project Building(s) are, or are expected to be, occupied by households with annual income no more than 80% of Area or State Median Income (“**AMI**” and “**SMI**” respectively), whichever is higher, with a commitment to continued affordability. See [Section 3.2](#) and [Section 6.3](#) for a calculation tool that can be used to verify eligibility based on rent rolls.

2.4 Building Performance

RFP 18 is open to investments that support high-performance energy efficient buildings, defined as:

- (a) *For existing buildings* – Electrification and/or electrification-readiness¹ measures:
 - i. Electrification measures: Building improvements that convert at least one heating/cooling or domestic hot water (“**DHW**”) system to a high-performance electric technology such as air source heat pumps, variable refrigerant flow systems, and/or technologies that are in alignment with [NYS Clean Heat Program](#); and/or
 - ii. Electrification-readiness measures: As part of a long-term capital plan to achieve building electrification, building improvements that significantly reduce heating/cooling load and support future electrification, such as substantial building envelope measures, ventilation improvements, or electric service upgrades.
- (b) *For new construction* – Construction that excludes all fossil fuels from the building systems and equipment. Building systems and equipment refers to building heating, ventilating and air conditioning (“**HVAC**”), DHW, kitchen, laundry and other appliances.²

NYGB financing can also be used to support project costs other than those directly related to energy efficiency or clean energy measures.

2.5 Indicative Financing Arrangements & Terms

Informed by market input, NYGB can offer a number of loan products that can address affordable housing financing barriers and gaps. [Exhibit A](#) contains selected indicative terms for each of the following:

- (a) **Electrification/Energy Efficiency Improvement Loan.** Project finance loans to support the purchase/lease and installation of specific equipment related to electrification, clean energy generation, efficiency/building envelope improvements, smart building technologies, etc.;
- (b) **Predevelopment Lending.** Flexible capital to support the cost-intensive repair (including Health & Quality Standards [“**HQS**”] compliance measures), design, planning, and analysis stage required prior to construction;
- (c) **Construction/Construction-to-Perm Loans.** Competitively priced gap financing to support a Project’s construction or retrofit/installation phase. NYGB is willing to consider forward rate locks in some cases; and
- (d) **Permanent Debt.** Competitively priced gap financing/mortgage participation, including at refinancing, underwritten to greater projected energy savings than is typical of other permanent debt lenders. NYGB generally does not expect to act as a property’s sole senior mortgage lender but rather provide incremental debt on a *pari passu* or subordinated basis.

Additionally, NYGB will work with potential counterparties to address their needs through products and structures beyond the offerings currently defined above.

In the case of regulated affordable housing properties, NYGB coordinates with state and municipal housing authorities and finance agencies to integrate financing products into their projects’ subsidized capital structure.

¹ NYGB reserves the right to determine the eligibility of proposed electrification-readiness measures relative to this offering.

² In accordance with NYSERDA standard for Carbon Neutral-ready buildings. Projects that rely on a fossil fuel-fired generator for emergency use only or projects which are served by an off-site fossil fuel-fired central heating plant, may qualify as Carbon Neutral-ready if fossil fuel use is excluded from all other building systems and equipment. NYGB, at its sole discretion, will consider exemptions to the Carbon Neutral-ready rule for process loads occurring in mixed-use spaces on a case-by-case basis.

Proposers should leverage all available subsidies, grants, and incentives as Project sources. See relevant funding and technical assistance resources available through NYSERDA's [Multifamily Building Programs](#). Proposers should also investigate funding options offered by federal, city, and utility programs.

NYGB considers various transaction sizes and participation levels, but largely expects its participation in any investment opportunity (whether related to a single asset or project portfolio) to fall within the range of \$10 - \$50 million. Please note that NYGB does not typically provide capital directly to companies to fund their general business operations (e.g., working capital).

3 Proposal Contents

Proposals must clearly and concisely address each of the topics of [Sections 3.1-3.6](#) even if certain items appear self-evident. The failure to respond to a topic(s) will render the Proposal incomplete and NYGB unable to proceed. Furthermore, a more thorough and thoughtful response will assist NYGB to properly assess the Proposal in the scoring process and determine eligibility.

Proposals tend to be 6 – 10 pages in length, plus attachments. There is no requirement or constraint on Proposal length.

3.1 Proposer(s) – Company and Management Team Credentials

3.1.1 Submission Items

Please provide the following information labeled "[Company and Management Team Credentials](#)":

- (a) Confirmation that you are the Eligible Proposer or an Eligible Proposal Team per the criteria described in [Section 3.1](#);
- (b) The Proposer must disclose the following ("**Required Disclosures**") or confirm that there are none. Failure to disclose an applicable Required Disclosure may render Proposer ineligible for NYGB financing:
 - i. If the Proposer or any Proposal Team member is the subject of an indictment for alleged felony or any conviction for a felony under federal or state laws in the last five years and the circumstances thereof;
 - ii. If the Proposer or any Proposal Team member has ever been disbarred or suspended by any agency of the United States Government or the NYS Department of Labor and the circumstances thereof; and/or
 - iii. If the Proposer or any Proposal Team member is an association, partnership, corporation or other organization, this disclosure requirement applies both to the organization and to its officers, partners, and directors (or members of any similar governing body).
- (c) The identities of all parties to the Proposal;
- (d) Resumes, bios and/or LinkedIn profiles for the Proposer's or the Proposal Team's management team;
- (e) A summary of the Proposer's (or the Proposal Team's) institutional and individual qualifications and experience to undertake the implementation and financing of the project(s), ideally including summary deal lists;
- (f) Description of your business model/strategy (you may also attach your Business Plan); and
- (g) Relevant supplemental materials such as audited financial statements.

3.1.2 Evaluation Criteria

NYGB will evaluate any Required Disclosures and the qualifications and experience of all parties.

3.2 Demonstration of Affordability

3.2.1 Submission Items

Please provide a brief overview of Project Building(s) (including number of affordable units to be created/supported by Project) and one of the following, labeled "[Demonstration of Affordability](#)"³:

- (a) Documentation of Regulated Affordability:

³ NYGB reserves the right to request further documentation demonstrating affordability.

- i. Documentation of Project Building(s) participation in an eligible affordable housing program, potentially in the form of a contract, award notice, or redacted loan agreement (see [Section 6.2](#)).
- (b) Rent Roll Verification and Supplement:
- i. Completed NYSERDA [Affordable Rent Roll Tool](#) with final eligibility conclusion displayed in cell C10. Accurate input of monthly rent, size, and occupancy of each unit on the property is required; and
 - ii. Required Supplement: Provide plan for preserving Project Building(s) affordability over time. Describe Project's anticipated impact, if any, on resident rent and utility costs, and provide plan for mitigating any potential increased expense to residents.

3.2.2 Evaluation Criteria

NYGB will evaluate:

- (a) Number of affordable units to be created/supported by Project;
- (b) Affordability level(s) and, if applicable, mix across units; and
- (c) Extent to which continued affordability is ensured for energy improvement lifetime and beyond.

3.3 Project Scope & Technical Considerations

3.3.1 Submission Items

Please provide the following information labeled "Project Scope & Technical Considerations":

- (a) Description of the Project to be conducted or the products or services to be provided;
- (b) Demonstration that the Project measures, or the expected measures of the building projects in which your product or service will likely be leveraged, meet the high-performance criteria set forth in [Section 2.4](#);
 - i. *For measures to be deployed in existing buildings* – Provide plan for achieving full electrification of Project Building(s). Describe the measures to be implemented and systems to be upgraded/replaced in the proposed Project. If seeking NYGB financing for electrification-readiness or partial system electrification, demonstrate how these interim measures fit into long-term capital plan of the Project Building(s);
 - ii. *For measures to be deployed in new construction* – Provide building plans and descriptions of all planned building systems and equipment, demonstrating their compliance with criteria in [Section 2.4](#); or
 - iii. *Other* – For novel business models or projects not readily characterized as retrofits or new construction, describe the technologies to be used, relevant business model(s), and other key project elements.
- (c) Identification of the parties responsible for the key aspects of project design and installation/construction. Identify any NYSERDA or other technical assistance programs that Project will leverage for reduced- or no-cost site analysis, energy study, and/or design services, and describe stage of engagement with program(s)⁴;
- (d) Description of the plan or contractual arrangements for operations and maintenance ("O&M"), quality control, and warranties; and
- (e) Identification of the parties that will bear technology performance risk and briefly describe the key terms of that risk assumption/mitigation.

3.3.2 Evaluation Criteria

NYGB will evaluate:

- (a) Project type with priority placed on the integration of high-performance measures into existing building stock;
- (b) Extent and ambition of electrification scope;
- (c) Ambition of proposed energy measures relative to prior performance or prevailing standards;
- (d) Proposed Project's use of commercially-proven technologies and design components; and

⁴ NYSERDA's Flexible Technical Assistance (FlexTech) program partially covers the cost of an objective, site-specific, and targeted energy study that can provide basis for the development of a proposal-ready project scope including specific measures and technical details. Learn more about [FlexTech](#), or the other incentives and technical assistance resources available through NYSERDA's [Multifamily Building Programs](#).

- (e) Consideration of complementary systems to optimize electrified building performance and resilience (e.g., energy storage to provide for backup heating needs in the case of power outage).

3.4 Proposed Financing Structure, Terms and Rationale

Proposers may choose to request one of the products listed in [Section 2.5](#), request a product that is not listed, or provide a more general explanation of financing needs and proposed structure and terms without indicating a specific product type.

3.4.1 Submission Items

Please provide the following information labeled “[Proposed Financing Structure, Terms and Rationale](#)”:

- (a) Expected total Project cost and current or expected capital structure, specifically: capital sources (including any subsidized, tax credit, and/or forgivable loans Proposer expects to receive), amount of capital invested or to be invested by identified parties (including the entity requiring funds to conduct Project [“**Project Sponsor**” or “**Sponsor**”]), and remaining capital need. In the case of retrofits or equipment installations/system upgrades in existing buildings, provide context for how Project fits into the property’s long-term capital plan (e.g., as part of refinancing, mid-cycle investment due to specific system need, etc.);
- (b) Subsidies, grants, and incentives (federal, utility-based, through NYSERDA [Multifamily Building Programs](#), etc.) expected in the proposed financing structure (note that receipt of NYSERDA grants does not preclude a project from receiving NYGB financing);
- (c) Proposed type, role, and terms of NYGB financing (you are encouraged to include a transaction diagram). Please refer to [Exhibit A](#) for selected indicative products and terms;
- (d) Key financial risks and risk mitigants of proposed transaction, including status and elements of the contracts and arrangements materially affecting Project valuation, risk, and progress, such as but not limited to:
 - i. Project award/contract through housing agency, housing authority, municipal or other competitive solicitation;
 - ii. Housing finance agency (“**HFA**”) or other financing commitment or progress toward close;
 - iii. Assignment of rent revenues, power purchase agreements (“**PPA**”), energy service agreements (“**ESA**”), and/or other revenue agreements, royalty or other similar arrangements;
 - iv. O&M contracts, technology warranties or other performance guarantees, engineering, procurement, and construction (“**EPC**”) contract(s); and/or
 - v. Site control, key permits, etc.
- (e) Description of and rationale for the base case investment returns:
 - i. Provide return on investment (“**ROI**”) and internal rate of return (“**IRR**”) at the project level; and
 - ii. Provide specific yield expectations (e.g., coupon, expected IRR, etc.) for NYGB and other capital providers.
- (f) Brief description of 1-2 comparable transactions conducted in the high-performance building and/or affordable housing markets. As relevant, summary of loss rates and loss experience in Proposer’s prior comparable projects; and
- (g) Financial model and/or other representation of the economics underlying the proposed transaction. For example, but without limitation:
 - i. For a single project investment opportunity, Proposers might provide a project model, including sources and uses of funds, key assumptions and financial projections for the project’s life;
 - ii. For a warehouse/aggregation financing, Proposers might describe (i) the key underwriting criteria and methods that will be used to identify and evaluate the projects expected to form part of the warehouse investment pipeline; (ii) the existing pipeline of projects under the Proposer’s control (including current development or acquisition status); and (iii) the origination strategy, marketing plans and timetable to achieve aggregation thresholds and market scale; or
 - iii. For a future flow-type transaction structure, Proposers might provide a representative model setting forth the key assumptions and projected cash flows for a typical single asset under the arrangement.

3.4.2 Evaluation Criteria

NYGB will evaluate:

- (a) The acceptability to NYGB of the proposed financing structure including, without limitation, the amount, tenor, and other terms;
- (b) The level of financial commitment of the Proposer(s) and any other involved parties;
- (c) The creditworthiness of counterparties and any Project partners and the appropriateness of the pricing/returns on a risk-adjusted basis, utilizing demonstrated best practices for comprehensive and accurate credit risk evaluation in the affordable housing sector;
- (d) Direct or indirect public and/or private market comparables (including pricing and other terms) as relates to counterparty credit and/or project risks; and
- (e) The quality, clarity, and completeness of the financial model in illustrating the transaction's risks and potential rewards.

3.5 **Expected Impact & Ongoing Tracking/Reporting Capability**

To access NYGB capital through RFP 18, Proposers must not only demonstrate eligibility as defined in Section 2, but should also describe the Project's ability to provide benefits to LMI New Yorkers specifically or their communities more broadly. NYGB collects and disseminates project and investment performance data (on an aggregated and anonymized basis) to facilitate improving investor confidence in addition to promoting standardization wherever possible to help drive down transaction costs. Proposers will be required to assist with initial impact estimates and report on relevant metrics (such as those listed below) periodically during the term of financing. Specific data reporting requirements will be determined prior to transaction execution.

3.5.1 Submission Items

Please provide the following information labeled "Expected Impact & Ongoing Tracking/ Reporting Capability"⁵:

- (a) Estimates, including supporting calculations/resources used to develop estimates, of energy savings (MWh and/or MMBtu) and/or clean energy generation (MWh) that will result from Project;
- (b) Provide a brief discussion of how Project may result in additional benefits to residents or the surrounding communities (see Section 1.2 for examples);
- (c) The methodology that the Proposer (or designated third party) plans to employ to track, record, and monitor energy-related impacts (e.g., actual savings and/or generation), GHG emissions reductions delivered, households served, and any of the additional benefits that the Proposer has identified as applicable in part (b) above; and
- (d) Confirmation of the Proposer or Proposal Team's understanding that agreed-upon impact data must be reported to NYGB within 30 days after the end of every quarter.

3.5.2 Evaluation Criteria

NYGB will evaluate:

- (a) Expected energy savings (MWh and/or MMBtu) and/or clean energy generation (MWh);
- (b) Tangible benefits expected to be delivered to residents and community; and
- (c) The strength of the plan pursuant to which the Proposer (or designated third party) will track and record performance data on an ongoing basis and report that information to NYGB (at a minimum within 30 days after the end of every quarter), in all cases for at least the term of the financing.

3.6 **Contribution to Financial Market Transformation**

NYGB seeks to implement transaction structures that overcome financing barriers that limit the construction or preservation of high-performance affordable housing buildings. Proposers should describe the ways in which suggested structures and/or Projects are likely to occur again over the near term.

⁵ NYSERDA's FlexTech and other technical assistance programs can support Proposers in calculating Project impact estimates as well as planning and building capacity for ongoing tracking/reporting activity. Learn more about [FlexTech](#) and NYSERDA's other [Multifamily Building Programs](#).

3.6.1 Submission Items

Please provide the following information labeled “Contribution to Financial Market Transformation”:

- (a) Explanation of persisting financing gap (e.g., why are you coming to NYGB for financing? Where else have you sought capital to fill the remaining gap? Why have other capital sources been unable to fill the remaining gap? What barriers have you faced in obtaining funding/financing to cover project costs?). Describe the financing barrier(s) that would be overcome or managed more effectively through NYGB’s participation;
- (b) Discussion of how NYGB’s participation will help facilitate the transaction being done (either at all, more quickly, or with additional high-performance outcomes that would not otherwise occur without NYGB support);
- (c) Ratio of (i) total cost of proposed Project divided by (ii) proposed NYGB investment (“**Mobilization Ratio**”); and
- (d) Discussion of how the proposed transaction/financing solutions will lead to increased electrification and decarbonization of NYS building stock and the achievement of financial market scale in high-performance affordable housing.

3.6.2 Evaluation Criteria

NYGB will evaluate:

- (a) Degree to which proposed financing solution is not available to Proposer from private lenders;
- (b) Degree to which proposed NYGB investment will enable project or high-performance measures that otherwise would not occur or would occur more slowly;
- (c) Degree to which the transaction can bring in other lenders, especially those that have not historically participated in affordable housing and/or clean energy projects;
- (d) Expected efficiency of NYGB commitment with respect to mobilization ratio and achievement of emission reductions; and
- (e) How effectively the financing solution proposed will contribute to achieving market transformation in the high-performance affordable housing sector through, among other things, scalability and replicability.

4 **Proposal Evaluation**

A rotating committee of NYGB investment team members (“**Scoring Committee**”) will review each Proposal to determine satisfaction of the threshold Eligibility Requirements outlined in Section 2 and, if determined eligible under RFP 18, score the Proposal using the Evaluation Criteria 3.1.2-3.6.2. Scoring may result in one of three possible outcomes: Proposal is deemed “Passing” in which case NYGB will arrange for proposed transaction to move into NYGB’s active pipeline; Proposal is deemed “Not Passing” because it is determined ineligible under RFP 18 or does not score highly across Evaluation Criteria, in which case Proposer may request further discussion of outcome and may resubmit Proposal at a later date should circumstances surrounding the transaction change; or “Additional Clarification/Information Required” if Scorers are unable to fully evaluate Proposal with the information provided, in which case NYGB will request additional information from Proposer, upon sufficient receipt of which Scoring Committee will evaluate Proposal in full to reach a Passing or Non-Passing determination.

Proposals will be received and scored on a rolling basis. Proposals must be submitted electronically. (See [Instructions to Submit Investment Proposals](#) on NYGB’s website). Proposers can generally expect an email response, including the result of Proposal scoring and any next steps if applicable, within two weeks after NYGB’s receipt of Proposal. Potential and actual Proposers may communicate directly with NYGB prior to Proposal submission and after its evaluation. However, direct communication will be limited while Proposal is under consideration. If you have questions, please email us at InvestmentRFPs@greenbank.ny.gov (including “RFP No. 18” in the subject line).

The Proposal will be evaluated considering:

- (a) The specific evaluation criteria listed in subsections of Section 3;
- (b) The proposed transaction's relative stage of execution readiness, complexity to close, and monitoring and administrative intensity; and
- (c) The quality of the Proposal including, but not limited to, its cohesiveness, conciseness, and clarity of response.

5 General Conditions

5.1 Costs & Expenses

Once a Proposal has been submitted to NYGB, deemed eligible for investment under RFP 18, and scored favorably according to the evaluation criteria described above, the proposed transaction will move into NYGB's active pipeline. Then, if the Sponsor and NYGB have preliminarily agreed upon general indicative transaction terms, they will execute an engagement letter providing that whether or not the proposed investment is closed, the Sponsor will pay all NYGB's costs and expenses associated with preparation, due diligence, development, and administration of all investment-related documentation (including the fees, disbursements and other charges of outside counsel to NYGB, independent engineers, background investigators, or other consultants). The Sponsor will also agree to pay third-party fees and expenses incurred by NYGB in connection with the administration, amendment, waiver, modification and/or enforcement of any of the investment-related documentation.

NYGB recognizes the risks assumed by Sponsors for costs associated with preparation, due diligence, development, and administration of investment-related documentation. NYGB will work with Sponsor to create a budget and conscientiously manage both time and resources to meet the costs outlined in the budget. Additionally, NYGB encourages Sponsors to leverage available funding resources (see guide to NYSERDA's [Multifamily Building Programs](#), including incentives and technical assistance offerings) to defray upfront soft costs related to project development and transaction execution. NYGB will work with Sponsors whenever possible to coordinate such funding opportunities.

5.2 Municipal Advisor Rules

NYGB is aware of the amendments to Section 15B of the Securities Exchange Act of 1934 effectuated by Section 975 of Title IX of the Dodd-Frank Act, as well as SEC Release No. 34-70462 (September 20, 2013). In this regard, please note that NYGB considers discussions with potential Proposers and the review of Proposals, to be arm's-length negotiations. NYGB recognizes that Proposers have financial and other interests that differ from NYGB; as such, NYGB does not consider a fiduciary relationship to arise in this context. NYGB has engaged an independent registered municipal advisor ("IRMA") with the intent of relying (i.e., taking into careful consideration, along with any other information deemed relevant or appropriate) on that IRMA for advice related to any potential transactions (but not bound to follow that advice), and consequently allowing Proposers to qualify for the exemption provided by 17 CFR §240.15Ba1-1(d)(3)(vi) (the "IRMA exemption"). The name and contact information of the IRMA is listed on the NYGB website at www.greenbank.ny.gov/IRMA, and the IRMA is available to respond to any questions a Proposer may have with respect to the IRMA's independence.

5.3 Proprietary Information

Among NYGB's goals is the promotion of standardization of material contract terms and structures and the collection of project performance data across NYGB transactions. NYGB is keenly aware that commercial markets and their incumbents value non-disclosure extremely highly to protect confidential transaction terms and other competitive information, and NYGB remains highly sensitized to usual and customary confidentiality practices. Nevertheless, as a division of NYSERDA, certain State laws specifically apply to NYGB and it is recommended that careful consideration be given before confidential information is submitted to NYGB as part

of any Proposal. Review should include whether it is critical for evaluating a Proposal and whether more general, non-confidential information may be adequate for review purposes.

New York's Freedom of Information Law, Public Officers Law, Article 6 provides for public access to information NYSERDA and its divisions possess. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYGB that the Proposer wishes to have treated as proprietary and confidential trade secret information should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to except it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set out in 21 NYCRR Part 501. The confidentiality of any information submitted cannot be guaranteed.

5.4 Limitation

This RFP does not commit NYGB to agree to participate in any transaction, proceed to negotiate any terms or definitive documentation, pay any costs incurred in preparing a Proposal or to procure or contract for services or supplies. NYGB reserves the right to accept or reject any or all Proposals received, to negotiate with all qualified parties or to cancel in part or in its entirety this RFP when it is in NYGB's best interest.

6 Appendix

6.1 Proposal Submission Process

Proposals must be submitted electronically (see [Instructions to Submit Investment Proposals](#) on NYGB's website).

Proposals must address each topic described in [Section 3](#). Each Proposal will be reviewed in accordance with the evaluation criteria described in [Section 3](#). This competitive selection process will be applied consistently to all complete RFP submissions.

Proposers can generally expect a response within two weeks after NYGB's receipt of a Proposal.

Proposers may resubmit Proposals if the initial Proposal warrants further information or clarification or should circumstances surrounding the transaction itself change.

Potential and actual Proposers may communicate directly with NYGB prior to Proposal submission and after its evaluation. However, direct communication will be limited while the Proposal is under consideration.

If you have questions, please email us at InvestmentRFPs@greenbank.ny.gov (including "RFP No. 18" in the subject line).

6.2 Illustrative List of Eligible Affordable Housing Programs and Corresponding Documentation

Project Building(s) participating in one of the programs below satisfy the affordability criteria for RFP 18 eligibility. In order to demonstrate affordability of Project Building(s) via method (a) listed in [Section 2.3](#), appropriate documentation for the corresponding program (as described below) must be included in submission.

Eligibility Proxy	Details	Documentation Required
US HUD, USDA-RD, and other Federally Regulated Affordable Housing	Properties that receive subsidies from HUD or USDA-RD, including regulatory control or structures such as: Section 8 Contract Sections 202, 236, 811 Public Housing Authorities	Copy of the HUD contract or contract award notice
NYS HCR-Regulated Affordable Housing	Properties with subsidized mortgages or contracts that place them under the regulatory control of HCR	Copy of HCR contract or contract award notice
Low Income Housing Tax Credits	Properties that receive tax credits	Copy of tax credit award notice from HCR or HPD
NYCHPD-Regulated LMI Housing (or similar local housing agencies)	Properties with loans, mortgages, or deeds of purchase (HDFC incorporation) from NYCHPD or similar local housing agencies	Documentation of current mortgage, loan closing, HDFC incorporation, or deeds
SONYMA Mortgage Insurance	Multifamily properties receiving SONYMA subsidized financing through the HFA	Copy of loan closing/mortgage insurance award documents
Participation in NYS HFA's 80/20 Program or similar HFA-regulated offerings	Properties that have been accepted into the HFA's 80/20 Program or similar HFA-regulated offering	Copy of the award letter or HFA contract documents
Participation in NYC HDC's 80/20 or Mixed Income Programs or similar HDC-regulated offerings	Properties that have been accepted into the NYC HDC's 80/20, Mixed Income Program, or similar HDC-regulated offering	Copy of the award letter or HDC contract documents

Defined terms:

U.S. Department of Housing and Urban Development ("HUD")

U.S. Department of Agriculture – Rural Development ("USDA-RD")

NYS Department of Housing and Community Renewal ("HCR") and Housing Finance Agency ("HFA")

NYC Housing Preservation Department ("HPD")

State of New York Mortgage Agency ("SONYMA")

NYC Housing Development Corporation ("HDC")

6.3 Verification Using Rent Rolls

Project Building(s) in which at least 25% of units have calculated annual household incomes at or below 80% of AMI or SMI (whichever is higher), based on the assumption that annual housing expenses (i.e., rent) represent 30% of a household's annual income, satisfy the affordability criteria for RFP 18 eligibility. Satisfaction of this criteria must be verified using NYSERDA [Affordable Rent Roll Tool](#) and submitted in Proposal if using method (b) of affordability demonstration listed in [Section 2.3](#).

6.4 Illustrative List of Eligible Technologies

NYGB maintains an illustrative list of eligible technologies on its website. Proposers can access the list through the [RFP Resources](#) page or [download](#) the list directly.

6.5 Selected Indicative Terms

[Exhibit A](#) to RFP 18 presents selected indicative terms, subject to negotiation and NYGB underwriting, for sample product types that may be relevant to market participants submitting proposals under RFP 18. Terms provided in Exhibit A are for discussion purposes only and have not been approved by NYGB. The terms, including indicative pricing terms are not the complete terms and conditions of any financing agreement and are subject to withdrawal and change at any time. The final approval and completion of any proposed facility will be dependent upon, among other things, the completion of satisfactory due diligence and document review by NYGB and the execution of definitive documentation acceptable to NYGB, the terms of which may differ substantially from the terms set forth in Exhibit A.