



Methods of Public-private Partnership for Developing Public Properties*

: Two Cases of Public Requests in New York

Heo, Ja-yun** · Lee, Seong-chang*** · Kim, Sang-il****

Abstract

The roles and responsibilities of public and private sectors must be understood, when executing the public-private partnership for developing public properties. Particularly, in the perspective of providing public services, public facilities must be sustainably managed after construction. Therefore, this study explored two cases of public requests in New York City that enhance both publicness and profitability. To analyze the detailed roles and responsibilities and methods of public request, RFP documents and related websites are reviewed, and in-depth interviews are conducted with real estate finance experts and developers. New York City has promoted the private sector's voluntary effort to secure publicness by providing low-price properties, tax credits, and subsidies and to ensure autonomy by providing strict and minimum development guidelines based on prior detailed studies and public workshops. Moreover, incentives are provided to prevent negligent operations, thus reducing the private sector's equity and compensating for the successful execution. To achieve this, New York City uses various methods of public request customized for projects or policies. The case study of two public requests in New York City demonstrates a new approach in satisfying both public and private sectors for active use of public properties.

Keywords Public-private Partnership, Public Request, Repurchase Agreement, Public Property Development

주제어 민관협력, 공공개발, 환매조건부, 국공유지 개발

I . Introduction

1. Background and purpose of research

The paradigm has shifted in the development and utilization of public properties. To address the issues such as aging urban infrastructure and lack of available lands and resources, the government has changed the approach to

public property management from rather passive maintenance to active development and operation. As the Act on Public-Private Partnerships In Infrastructure was amended in March 2020, the scope of private participation in public property development has been expanded, and the Ministry of Economy and Finance is considering private-led development for 15 potential properties across the country.¹⁾ However, the way of involving private developers in public proj-

* Development of Public-Private Partnership Business Model Using Public Land of Seoul (2020) was partially amended supplemented in writing this these.

** Associate Research Fellow, the Seoul Institute (First Author: nature@si.re.kr)

*** Research Fellow, the Seoul Institute (ysc95090@si.re.kr)

**** Senior Research Fellow, the Seoul Institute (Corresponding Author: urbnplnr@gmail.com)

※ This paper is a translation of a paper written in Korean into English, and a Korean version is released on the website (www.kpa1959.or.kr).

ects is still limited.

Private-led development of public properties usually takes place in a way that the potential development land is partially sold or leased at a reasonable price in order to minimize the use of public financing and encourage active participation of the private sector. With the property liquidation, private developers preserve their profit by developing and selling a part of the acquired public properties in return for developing and providing the facilities requested by the public. The disposition of public properties means that the reserved area for future government policies and projects shrinks in the long run. However, if land is owned and leased by the public sector, the private sector does not show much interest due to the limitations of public property development in which taking out mortgages and liberal use are difficult, or the public sector has to bear the project risks to invite the private sector to involve in the project.

Private-public partnerships are sustainable only when the public maintains ownership of the properties. However, unless profitability is guaranteed, the private developers are unlikely to participate in public property development due to the limited use and earnings. In other words, public-private partnership in public property development works best when the business structure of the project ensures profitability for the private developers in addition to the public value. This is why an alternative model should be sought which can achieve both public value and profitability at a turning point in the use of public properties.

Currently, the basis laws for the public-private partnership in public property development are either conservative in the use of public lands (“State Property Act”, “Public Property and Commodity Management Act”) or limit their use to public facilities even when considering only General Properties with relatively few restriction on their use (“Act on Public-Private Partnership In Infrastructure”). Thus, this study aims to investigate the cases of public requests currently promoted by New York City among public-private partnership projects in public property development, and to examine the role of the participating agents and the project structure that can secure public value in addition to profitability that incentivizes private participation.

2. Content and method of research

In an effort to promote the public-private partnerships in public property development and utilization, this study analyzed the materials of the request for proposal (RFP) documents and the public request websites²⁾ released by the New York City Department of Housing Preservation and Development (HPD) and New York City Economic Development Corporation (NYCEDC) that participates in various development projects in New York City where private development of public land is active. The target of the study was confined to the public projects in which a private business partner was selected with project development schemes (as of September 2021), among the opened RFPs (as of January 2020). The East Harlem project utilizing two under-used municipal land and the Affordable Real Estate for Artists (AREA) project that aimed to create workspaces and affordable housing throughout New York City were selected as the study targets since they met the requirements of this study.

The target projects were analyzed in terms of public value and profitability to examine the economic and financial feasibilities, which are criteria for Preliminary Feasibility Study of public-private partnerships. Public value was examined in terms of subject, procedure, and content, which are discussed as its components.

To understand the projects, the study collected information from the public request websites in addition to RFP documents, Q&A and Community Visioning Reports for the East Harlem project, and the RFP documents, Q&A and the New York City Department of Cultural Affairs (DCLA) website with the information on the selected private developers and operators for the AREA project. Based on the identified project structure and details, the financial techniques and institutional support system used in the case studies were investigated through consultations with real estate financing experts and private business operators and relevant websites. By comparing the investigation results with the public-private partnerships in public property development in Korea, the implications for the utilization of public property were identified and presented in this study.

II. Private Participation in Public Property Development

1. Types of public property development with private participation

The central and local governments have been implementing private development of public properties in various ways to either provide public facilities or utilize under-used public land. Under the current legal system, private operators are allowed in developing public properties through “Public-private partnership project” based on the Act on Public-Private Partnership In Infrastructure (hereinafter referred to as the Private Investment Act), “Fund development” and “Development through Participation of Private Sector” based on the State Property Act, and “Trust development” and “Entrusted development” based on the State Property Act and the Public Property and Commodity Management Act (hereinafter referred to as the Public Property Act).

In the Trust Development and Entrusted Development under the “State Property Act” and the “Public Property Act,” once the private sector procures development funds to build and operate public facilities, the public sector pays the commission to the trustee for the development and operation and a portion of the operating revenue of the project is vested in private operators. Due to the nature of the project, only trust companies or specific public corporations can participate in the project. The public and private sectors share any excess revenue generated, however, in case of deficit, either the project period of the private operators is adjusted or public subsidy is provided based on the contract. However, there is no incentive for private operators to actively operate and manage public facilities. From the perspective of the public sector, it needs to continually pay commission fees throughout the operation period, hence it can only expect the effect of deferring fiscal expenditure through private participation (Kim et al., 2019).

Public-private partnership in public property development has several limitations since no fund has been established for public property development while the state-owned property can be developed with the Government Properties Management Fund and the development through private participation can only be possible according to the “State Property Act” which cannot be applied to the

public property of local governments. In particular, the upper limit on the equity participation ratio of the state makes it difficult for the public sector to invest in land in metropolitan areas with high land prices. Therefore, the government is trying to formulate alternatives such as adjusting the equity ratio of the public sector and developing long-term public land leases to facilitate the development through private participation.

The Public-private cooperation under the “Private Investment Act” can be conducted differently depending on whether the public facilities are driven by Build-Transfer-Operate (BTO) or Build-Transfer-Lease (BTL) projects. If the public facility generates profits, a BTO project is executed to cover construction and operating costs with the profits generated from public facilities after construction. If the public facility is not profitable, the project will be conducted as BTL in which the government pays lease fees to the operator during the contract period (Joo and Lee, 2013). In private investment projects under the Private Investment Act, the three different project execution methods, including BTL; long-term lease fees are provided by the public sector, BTO-rs; the public sector shares risks, and BTO-a; the minimum operating cost can be preserved by the public sector, are, in fact, consistent in terms of the role of the public sector which is to ease the financial burden of private operators. Instead, if the project is successfully implemented, the public sector can collect a portion of the excess profit according to the contract. In general, however, it is rare for the public sector to collect excess profits as the private operators often control the rate of return by adjusting operating costs. Nevertheless, public-private partnership (PPP) projects are not so attractive for private operators due to relatively small incentives for operation and management after completion and significant increase in project time and costs following slow administrative procedures such as Value-for-Money Tests, Preliminary Feasibility Studies and etc. (Kim et al., 2021).

2. Securing public value and profitability in PPP development

Public and private operators hold different views when it comes to decision-making on whether to implement a development project. The key element for a private devel-

oper to decide to execute a development project is profit generation. The public sectors implement development projects with the expectation of the public value of the public service provided by the project. Accordingly, such different perspectives among the stakeholders, such as economic feasibility and financial feasibility, are taken into account in Preliminary Feasibility Studies of PPP projects and new investment projects by public corporations (Kang et al., 2018). In short, both public value and profitability are examined to determine whether private sectors participate in the development of the public property.

Publicness can be defined as the publicness (publicity) of the project entity to make major decisions, the publicness (public interest and fairness) as to whether values such as justice and equality can be realized, and the publicness (openness) about whether due process is in place (Koo, 2015; Han, 2021). While project entity-based publicness is related to roles and authority, the key to procedure-based publicness is the participation of residents, as shown in Table 1. However, public discourse on publicness in Korea tends to be confined to those directly linked with the government, and publicness is strongly perceived as controlled by the government. Therefore, the public have taken the initiative in planning public property development projects of PPP, thereby securing project entity-based publicness as the public developer, not the residents, plays a leading role, as well as procedure-based publicness through a public request for selection of priority respondents and project proposals. From the perspective of public interest, content-based publicness is limited to providing public services with few channels for residents to take part in the development plan or share their opinions.

This is why a new light should be shed on publicness in PPP projects. Project entity-based publicness should be achieved by the direct and active participation of local resi-

dents in project planning rather than passive actions of collecting opinions after public hearings, announcements and disclosures. In an unavoidable situation, a project developer who does not seek public or private interests should be able to draw up a plan solely for the local community. The significance of procedure-based publicness can be found as fair opportunities are provided to a variety of participants by disclosing public request-related information and its process, transparently. So, the residents should be able to understand the progress of the project at every stage, rather than relying solely on a formality known as public request. Content-based publicness means that the project itself has the public interest or contributes to realizing the values of justice and equality through the project. In the age of low growth, we need a new discourse that can assess the economic and social benefits of projects such as regional development and environmental improvement in terms of publicness (Lee, 2019).

To ask private participants to secure publicness, which can otherwise undermine the profitability of development projects, incentives must be provided to drive more participation. For most development projects including PPP projects, the floor area ratio incentive system has been partially used as compensation for expenses such as land donation and rental housing construction. It is necessary to re-examine the public incentive system that allows private developers to secure profitability while satisfying public requirements in public land development projects.

3. Previous studies on public-private partnership

Previous studies related to public-private partnership mainly focus on public support measures to attract private participants in specific projects such as sharing financial risks of the public sector through the Private Finance Initiative (PFI) with revitalization at the center (Kim, 2004), private participation in urban renewal and regeneration projects (Lee, 2006; Lee et al., 2010; Sang, 2010; Shin, 2020), and facilitating public-private partnership in urban development projects (Yoon, 1996; Oh, 2008; Lee, 2011). Amid such a trend of research related to public-private partnership, the need for public-private partnership in public property development has continuously been raised (Youm et al., 2018). However, not many studies analyzed how the public-pri-

Table 1. Components of publicness

Types	Description
Project entity	Citizenship having the right to decide
Content	Public interest Contribution to public interest
	Fairness Easy access and redistribution of resources
Procedure	Participation with transparent information

Source: Koo (2015) and Han (2021), edited

vate partnership is carried out in the use of public property from a variety of perspectives.

Park et al. (2016) focused on identifying the status of unused property and elements of conflict during development. Kim and Cho (2017) proposed to build a system to utilize unused facilities and introduced land assembly or exchange and also suggested changes and temporary use of an administrative property. Youm et al. (2018) proposed to add “private participation development through long-term land lease” and “private participation development by land sales” to the State Property Act, however, they are either a slight variation of existing development or a project that is difficult to own public property which hampers seamless implementations of PPP projects. The studies on PPP in the development of public properties are mainly a discussion about seeking alternatives among existing development methods or slight modification of some conditions in the existing project structure, which appears to be lacking in consideration of attracting private operators. Furthermore,

it is rare to find studies conducted from a point of local government, the main agent who provides basic living infrastructure, and specific measures for project plans, execution, and structures were insufficiently discussed.

The lack of expertise and rigidity of the public sector impose limitations in increasing the efficiency of the use of public property in terms of responding to rapidly changing demand for public services. The study is differentiated from literatures as it investigated the roles of the public and the private sector and analyzed the measures that can achieve both publicness and profitability from both points of view.

III . Case Study of Public-Private Partnerships in New York City

1. East harlem RFP

1) Project summary

From August 8 to November 26, 2019, New York City

Table 2. Project snapshot of East Harlem RFP

Site	Site A (MSC)	Site B (NYPD Parking)
Request schedule	Sep 5, 2019: pre-submission conference Sep 11, 2019: site tour (only MSC) Nov 26, 2019: due date	
Authority in charge	Dept. of Housing Preservation and Development	
Location	413 E 120th Str.	Btw E 118th & 119th S Str.
Description	HRA Multi-Service Center hosting 12 NPOs in a bldg.	Used by the NYPD as a surface parking lot
Lot size	Approx 34,848 ft ²	Approx 23,172 ft ²
Land use/ zoning	Anticipated to be rezoned to allow for greater density and bulk 100-yr, 500-yr floodplain	Special East Harlem Corridors, within a mandatory inclusionary housing area
Type of development (requirements)	- Affordable housing (100%), 30% for homeless households; multi-family, senior, and/or supportive housing - Community facility space for organizations to provide social services	- Affordable housing (100%) for a range of AMI levels; multi-family, senior, and/or supportive housing - NYPD's parking (exclusive) - Community facility space - Commercial space
Disposition	Title will revert to the City upon the expiration	
Acquisition price	Nominal	
Funding	Subsidy available through HPD-HDC term sheets	
Governmental approvals	ULURP and City Council and Mayoral approvals. designate MIH, UDAAP, approval of the disposition of City-owned property	ULURP and City Council and Mayoral approvals. designate UDAAP, approval of the disposition of City-owned property
Relocation	Relocation plan for the existing tenants	Replacement parking w/75 spaces exclusively for NYPD's use conveyed back to the City at completion

Source: East Harlem RFP (2019)

issued a request for proposal (RFP) to invite private operators to develop and operate two sites in the East Harlem area. With the aim for a high level of utilization of unused or underused land, this project reconstructs or repairs existing old facilities to continue to provide public services and promote a priority supply of affordable housing (Table 2). Site A, a former school building, is now a Multi-Service Center (MSC) used by 12 non-profit organizations, and site B is used as a parking lot by the New York Police Department (NYPD). The area of site A is 34,848 ft² and site B is 23,172 ft² in which site A is included in the 100-Year Flood plan while site B is included in the Special East Harlem Corridors.

For site A, the use area can be changed to R7-X depending on the development plan, and if some buildings are preserved, R7-2 can be changed to R8-X to divide the site into two areas of R8-X/R7-X. The development of site B should provide affordable housing for a range of AMI levels including NYPD parking lots, community facilities, and commercial facilities. The NYPD parking lot must be separated from the housing entrance. For site B, zoning cannot be changed.

Both developments may be eligible for subsidies from HPD and the New York City Housing Development Corporation (HDC), if affordable housing is supplied. Governmental Approvals such as the designation of Uniform Land Use Review Procedure (ULURP) and Urban Development Action Area (UDAAP), according to the development plan,

must be obtained by the private developers.

What's noticeably different from the PPP project in Korea is how the land disposal is conducted. Both sites are city-owned land, which New York City can sell to a private sector for a nominal price of \$1. A condition of transferring (repurchasing) the ownership back to New York City after the project is completed may be included in the Land Disposition Agreement.

2) Measures to secure publicness at each stage of the east harlem RFP

The roles of New York City and private participants were defined by dividing the East Harlem RFP into 11 stages: project preparation, planning, public request plan, RFP release, competitive review, developer selection, development plan, land disposal, construction, maintenance and management, and liquidation, as shown in Table 3. The biggest difference from Korea's PPP projects is that local residents can participate in the development even before the development plan is established. The public sector takes the role of securing project entity-based publicness and proposing essential facilities to be built by researching the project area and identifying the facilities to be preserved by collecting opinions from residents after selecting project sites.

It is also the role of the public sector to enhance the flexibility of the development plan by setting a range for private

Table 3. Roles of NYC and developer at each stage (EH)

Stage	Public	Developer
Pre-project	East Harlem Points of agreement w/rezoning	
Project plan	Site study, workshop, community visioning report	
Public request	Method and main idea of request	
	Purpose and criteria	
RFP release	Pre-submission conference, site tour	Schematic planning (design and feasibility study)
Competitive review	Review in 5 months	
Developer selection	Make an agreement	
Development plan	Environmental and Land Use Review (ULURP)	
Disposal	Nominal price (\$1)	
Construction	Applying tax credit program	
	Interview w/tenant candidate	Financial closing
Management	Provide tax credit, tax deduction/exemption, subsidy and etc.	Construction
		Resettlement
Liquidation	Expropriation	Management
		Accumulated mortgage interest=building value

Source: East Harlem RFP (2019), NYCEDC and related articles, edited

developer to selectively change the land use according to the project plan. Reaching an agreement with local residents on the regional development direction is also a part of the process of securing project entity-based publicness to seek respondents of the public request.

The project entity-based publicness of the East Harlem RFP was mainly achieved by pre-workshops. After the project sites were selected, the HPD held two workshops with the local community on the 6th and 13th of May 2019 to find out the demands of the residents and the level of understanding of the community on the project. The results of the workshops were published as the "East Harlem RFP Community Visioning Summary Report". Approximately 50 participants including residents of public housing, landlords and tenants, senior citizens, parents, people from various income classes, community-based organizations, and the community board attended the workshop and 27 government officials from New York City also attended to provide support. The East Harlem RFP Community Visioning Summary Report includes the priorities of residents' demands such as housing types, desired ground floor uses such as types of community facilities and retail shops, site layout and urban design like building heights, rooftop greening, construction line retreat, green corridors, parking, and public design in the two project sites.³⁾

At the initial stage of the project, such as project planning and project request process, content-based publicness is mainly achieved. At the project planning stage, New York City conducts research on the region. As a result, the land use, accessibility, and demographic characteristics of the neighborhood were investigated, and the income level, household characteristics, and ethnic composition of the region were also identified. The research results are presented in the Site and Neighborhood Context of the Request for Proposal (RFP) to allow private developers to reference for their development and operation plans.

To secure procedure-based publicness, the East Harlem project adopted the RFP method which is also widely used in Korea. According to the RFP, after the public request process is ended, New York City goes through a five-month of a review process to select a private participants to ensure fairness in the selection of project entities. The respondents must submit the organizational structure, similar project experience, schedule and plans as the deliverable of the public

request. The development schedule and phasing plan include the general development plan, in addition to the entire process including community engagement, governmental approvals, construction plan, marketing and lease-up, and occupancy after construction. The purpose of the financing plan is to assess the project feasibility in terms of stability and to evaluate the long-term practicalities of operating affordable housing, simultaneously. Accordingly, respondents must submit financing letters of interest with financing scenarios, operation strategies for affordable housing, financing for construction, project financing, and Low Income Housing Tax Credit (LIHTC)⁴⁾ Syndication included. The purpose of the public request is organically linked with the review criteria of the public request.

The review criteria⁵⁾ for the East Harlem RFP are divided into three different categories: Threshold Requirements, Competitive Criteria, and Preferences. As per the criteria, potential respondents are evaluated in terms of development team experience and capacity, financing and affordability, development program and community economic development, and design and performance. It has been designed to separately evaluate the specific requirements corresponding to the three categories: Threshold Requirements, Competitive Criteria, and Preferences, as shown in Table 4. Each evaluation item is linked to 13 submission contents from Tab A to Tab M, and the specifications of the documents are in 11 standardized formats from Form A-1 to Form I, mostly presented in the attached table. Detailed requirements for each deliverable are described in a separate chapter.

Once negotiation with the selected private developer is completed, the private developer conducts its usual work such as land use-related resident participation, governmental approvals, and impact assessment as it does with other projects in New York City. When the project is set to launch, New York City conveys the public land to a private developer at a nominal price of one dollar. The private developer can use the tax credit program allocated to the secured land and affordable housing construction and operation projects to complete financing and proceed with the development process. Prior to completion, New York City seeks and interviews tenants for affordable housing via separate channels such as NYC Housing Connect.⁶⁾

At the stage of management and operation after construc-

Table 4. Requirements & competitive preferences

Requirements	Threshold requirements	Competitive criteria	Preferences
Dev. team experience & capacity	-No adverse findings -Comparable dev. development -Comparable mgmt. experience -Dev. team -Dev. schedule/phasing plan	-Developer (experience, capacity) -Property manager/special needs housing operator -Consultant team (design, planning & zoning, CM, marketing and etc.)	Community development
Financing & affordability	-Affordability -Feasibility of submission -NYPD parking (site B) -Ability to finance	-Financing proposal -Rents and market comparables -Financing capacity	
Dev. program & com. economic dev.	-Dev. program (residential/non-residential) -Tenants (incl. relocating) -Com. economic dev.	-Residential program -Commercial and/or com. facility program -Com. and economic dev. (hiring & procurement, public approvals)	-Com. engagement -Com. vision report -Minorities & women in dev. -Com. dev. -Commercial corridor
Design & performance	-Zoning compliance	-Building design -Site planning and urban design	-Excellence in sustainability -Design excellence

Note: dev. (development), mgmt (managemet), com. (community)
Source: East Harlem RFP (2019), edited

tion, existing tenants are relocated according to the tenant relocation plan presented in the development plan, and facilities are managed and operated based on the operation plan. If the operating performance of the private developer satisfies the criteria of New York City and the federal government, the public sector can provide a tax credit program for 10 to 15 years and enhance the private developer’s profitability through tax exemptions and providing subsidies. By doing so, content-based publicness after construction can be achieved by the private sector and the public sector can provide support in the process.

When the contract period is ended, the private developer can offset the mortgage interest on the difference between the nominal price and the land price, with the building, and title could be revert to New York City unless parties mutually agree to an additional term. The status, project period, and reacquisition price can be revised according to the following contract.

Unlike the public request project in Korea, in which a public entity formulates a development plan and hires private developers, for the public request project in New York City, the private developer can solely determine how to proceed with the project, such as the use, size, and operation methods of facilities, by itself. The public sector plays a much bigger role during the operation period after development and the preparation of the public request rather than the project planning process.

3) Balance of publicness and profitability of the east harlem RFP

The East Harlem RFP aimed to provide facilities through the development project as well as to achieve content-based publicness by operating and managing public facilities. The project achieved procedure-based publicness as well as content-based publicness at the same time by reflecting the social needs collected in the process of community participation, such as resettlement of existing occupants, and by considering the socially disadvantaged.

New York City’s requirements for the East Harlem RFP are fairly specific. Development projects in New York City encourage to supply affordable housing through the extended application of Inclusionary Zoning (Jeong and Kim, 2011). Likewise, the entire housing in both sites must be supplied as affordable housing. As the opinions of residents presented in the East Harlem RFP Community Visioning Summary Report have been incorporated into the types⁷⁾ and specifications of affordable housing, 30% of the entire housing in site A must be provided for the homeless and the housing for the elderly should be included.

The area of East Harlem was rezoned in 2017, and the East Harlem Points of Agreement⁸⁾ was established at that time as part of a community engagement plan. Developers that conduct development projects in East Harlem must implement the contents of the agreement. The main contents of the agreement include the development direction to reduce the side effects of the development and the duties of developers.

Under the agreement, the private developer of the East Harlem RFP must provide education to the tenants about their rights related to involuntary displacement in order to prevent gentrification prior to the execution of the project and must take part in community events and volunteering work in accordance with the agreement. In the course of the development project, the private developer must also play the role of revitalizing the local economy by hiring local talents and giving a procurement priority to the socially underprivileged or female enterprises.

After construction, it is the duty of the private developer to help resettle the non-profit organizations that used to occupy the existing facilities or to reconstruct, and the NYPD Parking is conveyed to New York City without compensation. Since the East Harlem RFP aimed to rebuild old existing buildings or facilities, maintaining the original functions of the existing public facilities is one of the key project requirements.

At the project management and operation stage, it should contribute to the local community by providing neighborhood facilities for residents and stabilizing the local housing market through the continuous operation of affordable housing and local community facilities. As the mandatory 30-year operation of affordable housing and the upper limit of the lease for resettlement facilities are included in the requirements for the public request, the operating budget, and the ripple effect on the local economy are predictable.

Among the specific requirements of the East Harlem RFP to achieve publicness, the requirements of securing affordable housing, relocating existing tenants, and reflecting residents' needs serve as elements that undermine the profitability of private participants. As a tool to preserve the profitability of private developers and facilitate development projects of public interest, the federal government allocates tax credits, and New York City provides benefits such as changing urban planning, tax benefits and subsidies.

The East Harlem RFP put in place the system to improve the profitability of private developers at each project stage. At the public request stage, the private developer can change the zoning and revise the regulated use and density of the existing site to autonomously determine the project direction. As long as the requirements of the public sector are met, the conditions of business are changeable such as the size of the project, distribution of profits, or the duration

of the project. Existing structures can be either preserved or reconstructed after demolition. Autonomous land use can induce creativity in the private sector since it allows the private developer to determine the use and size within the scope of the private developer's expertise.

When the private developer is selected through a public request, New York City may set the disposition price of the land at its discretion and convey the land to the private developer. The land price stated in the RFP document is a nominal price of \$1 which is a condition that can significantly enhance profitability that could be deteriorated by New York City's high land price. However, a mortgage⁹⁾ must be set for the difference between the disposition price and the appraised value. The private developer can carry out a project with relatively small capital without financing the high cost of land. If certain conditions of policy objectives are met, the bonds of NYCEDC may be used for financing to some extent.

The Tax Credit Program¹⁰⁾ is another tool to reduce the level of equity put into the project by the private developer. The East Harlem RFP provides a tax credit for a portion of the construction cost of affordable housing. The private developer can securitize the deducted tax in the secondary market¹¹⁾. The securitized financial resources are used at the initial stage of the project to significantly decrease the risk of raising capital and interest expenses that private developers must bear, thereby improving project feasibility. In some cases, private developers may be subject to special exemptions from taxes included in the initial procurement cost of the project, such as transfer tax and recording tax.

At the maintenance and management stage, New York City provides special tax benefits and subsidies if the operation and performance of the facilities satisfy the policy goals. This project may receive tax benefits such as reduction or exemption of the real property tax and real property tax on the increase in assessed valuation subject to the operational performance. Such performance-based support acts as a tool to enable content-based publicness to sustain.

At the liquidation stage, the Applicable Federal Rate (AFR) is applied to the mortgage to offset the interest expenses accumulated during the project period with the building (Picture 1). As the project period can be adjusted under the agreement, the private developer can pay the interest on the mortgage generated annually during the

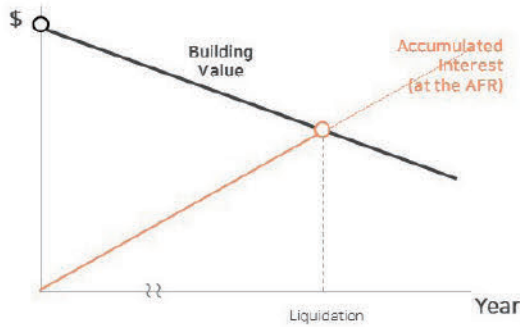


Figure 1. Timeframe according to building value and mortgage interest

project period with the residual value of the building after the project period is ended, thereby reducing the investment amount to improve the project feasibility. New York City can enjoy the benefit of providing public services without the financial burden and acquiring buildings after the project is completed.

To secure publicness and profitability, the roles of New York City and the private developer team are separated across the entire stages of development from project conception to planning, implementation, and operation management, as shown in Table 5. At each stage of the project, private developers are committed to achieving publicness while New York City provides various measures to improve the profitability of private developers, such as providing incentives, financial support, and subsidies. The public request project is designed for the public and private sectors to cooperate across the entire process of the project from planning to operation, not simply leading to liquidation

Table 5. Profitability and publicity by stages

(provider)	Profitability (NYC)	Publicness (developer)
Preparation & planning	Land use change (use and bulk)	Use and design (for public interests)
Disposition	Nominal price	
Financial closing	Tax credit Subsidy	
Construction		Procurement (economic development)
Completion	Tax exemption	Resettlement
Management	(tax credit) Tax exemption subsidy	Stable management (for public interests)
Liquidation		Building donation*

* If the parties mutually agree
Source: East Harlem RFP (2019), edited

right after completion.

The private developers selected in August 2021 through the East Harlem RFP formulated an operation plan such as after-school programs and a development plan to build a total of 600 affordable housing units in addition to the Afro-Latin Music and Arts Center in each of the two sites, the Atrium, and the emerging commercial corridor.

2. AREA public request

1) Project summary

New York City is in the process of conducting the Affordable Real Estate for Artists (AREA) public request as part of “A Cultural Plan for All New Yorkers” policy to ensure sustainable artists’ activities in New York City. It began with concerns that the city’s artistic vigor may be deteriorated as the artists in New York City continue to move out of the city due to rising real estate prices. The AREA public request has been issued to seek private developers, operators and project plans with the goal of building 1,500 affordable housing and 500 art spaces for artists.

The AREA public request invites private developers through the Request For Expressions of Interest (RFEI), which finds out the intention of private developers and operators to participate in a project without specific areas, periods, and content of the request. The public request is ongoing for 10 years from 2015 to 2025 and private participants are selected on every basis, as shown in Table 6. Although the period of public request is set for 10 years, this is more of the target period to achieve the policy goal.

The spatial scope of the project site is open to the entire area of New York City to allow private developers and oper-

Table 6. Project snapshot of AREA

Contents	Description
Request schedule	On a rolling basis, quarterly (2015~2025, 10 years)
Authority in charge	DCLA (with NYCEDC, HPD and Mayor's Office)
Location	Citywide (New York City)
Respondents	Developer or operator
Request type	RFEI
Request description	1500 affordable residence units and 500 affordable workspaces for artists

Source: AREA RFEI (2019), edited

ators to propose a location wherever appropriate. A respondent may propose a project plan considering a specific site, or only a program that is irrelevant to a location. Although there are no restrictions on the ownership of the target area whether it is public or private land, New York City prefers land owned by either a city or a cultural group. Certainly, unused facilities can be used as they are and new development projects are also possible depending on the site.

The AREA project distinguished the request respondents into developers and operators to be registered. Landlords who are willing to provide unused space to artists, project developers in charge of development projects, and operators who can operate and manage art programs can take part in the public request in their specialized areas.

New York City issued a private request to seek eligible project developers to implement the AREA project. The public request guidelines are being revised following changing circumstances. A series of public request and project execution processes are repeated until the policy goal of 1500 affordable housing units and 500 art spaces is supplied. The most important role of the City is to connect unused land with viable projects, and eligible private participants. The private developer can only play the role of formulating and realizing a feasible plan to develop or operate the space for artists. In this process, new creative ideas and project sites that were not considered by New York City can be discovered.

2) Measures to secure publicness at each stage of the AREA project

As the AREA project already carries the content-based publicness with its purpose to provide opportunities to artists with insufficient budgets, the roles of the public and private sectors in the AREA are different from that of the East Harlem RFP. The department in charge of the AREA project is the New York City Department of Cultural Affairs (DCLA) which lacks expertise in developing facilities or housing. Therefore, DCLA, the leading department of the project, HPD with expertise in supply and operation of affordable housing, and NYCEDC with expertise in development projects establish a collaborative structure by forming a task force team with the New York City Mayor's Office at the center. In the process of public request planning, NYCEDC and DCLA carried out a study on determining the

appropriate rent and project period to secure profitability as well as the content-based publicness of the AREA facilities. The project adopted RFEI that can find and assign an eligible private developer to available project sites for its public request in consideration of the limited number of developers since the users are of a certain class, the artists.

The AREA project aims to secure eligible developers and collect ideas from the private sector regarding project proposals and sites. At the project planning stage, the role of the public sector mainly revolves around the selection of developers by quarter to achieve publicness. The selected developers were disclosed on the website of the New York City DCLA so that other developers of DCLA and NYCEDC and city-led projects can reference them, achieving procedure-based publicness.

Once developers are selected and the eligibility of the project is confirmed, the public sector's role grows. Since the public request process takes place without specifying project sites, the full-scale project planning begins in earnest after the private developer is selected. When the site or alternative city-owned land reflected in the project plan becomes available, a list of eligible operators is shared with developers and landlords by New York City. Even if it is not reflected in the proposed project plan, when facilities or land becomes available, a team of operators and developers can participate in the project. The selected operators can join in development planning of the target site. The content-based publicness can be solidified as the operator proposes a space that can realize the project objectives. Based on an understanding of the demand for a rather unusual market of a workspace for artists, the developer can freely propose the size, use, and necessary facilities of the space, in consideration of the type of workspace to be provided, the characteristics of the target artistic activity.

During the project period, if the site is a city-owned land managed by NYCEDC, the rent is discounted or exempted and provided to private developers. If the target site is private property, it can be purchased or leased under the review by NYCEDC, and then its ownership can be transferred, or the license can be provided to private developers. To enhance the profitability of private developers, the cost of facility construction is partially subsidized. New York City may propose to a private contractor a new project site if the site different from the site proposed by the private developer is

deemed appropriate. A flexible response is required as the project plan can be changed greatly depending on the nature of the project, such as the project contents or types of arts and artists. Once the site and developer are determined, New York City only plays a supporting role, as shown in Table 7.

The private participants can formulate operation plans at their discretion, except for the conditions that they provide artists with more than 90% of the total space and more than 35 hours a week. The selected private developer establishes a detailed project plan once NYCEDC secures a site for development. After the facility is established or secured, the workspace must be provided to artists for at least 15 years at an affordable price. As a result, content-based publicness can be achieved in the long run. The AREA project is more of a public financing project without a separate liquidation process. When the project period is over according to the contract, the ownership/ right to use is determined by considering and evaluating various elements.

In the case study of AREA, content-based publicness is achieved by realizing the intended goal of the policy by an eligible project developer, and procedure-based publicness is

secured by transparently disclosing the procedure and materials related to the public request. Although the main body of the project is a non-profit organization that provides public services with the project entity-based publicness achieved, it is a rather passive development project from the point of a community-led plan.

As of August 2021, a total of 14 companies have been selected as eligible private operators of AREA. Seven companies that are involved in real estate development and operation, one developer, and six operators are open to the public on the DCLA website¹²⁾. A variety of project types were proposed, including providing a community for artists (such as Lower Manhattan Cultural Council, Inc., et al.), media production support (BRIC Arts), residences of artists (such as Actors Fund, Westbeth Corporation HDFC Inc., et al.), and dance studios (such as Gina Gibney Dance, Inc., American Tap Dance Foundation, et al.) and workshops (Staten Island Maker Space, Inc.). The selected private businesses can take part in the AREA project if city-owned land is secured, or participate in other New York City-led projects.

3) Balance of publicness and profitability of the AREA project

In the guidelines of the AREA public request, the project objectives that the project seeks to achieve through the public request, that is, the content-based publicness, are described in detail. It aims to continuously supply affordable workspaces for artists in the short term with a mid-to-long-term target to integrate the activities of local artists and the community culture through the brisk activities of low-income artists and the vitality of the neighborhood. In the long term, the AREA public request ultimately aims to create an ecosystem where culture-driven strategies can drive regional economic growth.

To achieve the content-based publicness of the project itself, the AREA project has limited its respondents, both developers and operators, to non-profit organizations and secured the project entity-based publicness. The developer must establish a development plan for the facility, and the operator must determine the facility users such as photographers and dancers, and formulate an operation plan for rents and the financing scenario of workspace and housing. The developer must be a non-profit organization capable of financing, constructing, and developing the site, and the

Table 7. Roles of NYC & developer at each stage (AREA)

Stage	Public	Developer/operator
Pre-project	Organizing inter-agency TF Team	
	Research for determining rent, timeframe and etc.	
Public request	Method and main idea of request	
	Purpose and criteria	
RFP release	Scheduling (quarterly), an optional informational session	Schematic planning (space and business)
Review and selection	Pooling	
Project plan	Identifying sites	
	Selecting qualified developer and operator	Construction plan/ participate in planning
Construction/leasing	Funding (\$ 333/ft ²)	Construction/leasing
Management	Discount rent or land value	Providing long-term service (min. 15 years) user rent restrictions (\$ 1.5/ft ²) - hourly rate

Source: AREA RFEI (2019) and DCLA website. edited

developed space must be used for cultural and artistic purposes or leased without an aim to make a profit. The operator must be a non-profit cultural and artistic organization that leases or operates spaces to artists and must secure the content-based publicness in terms of fairness by using the space on its own and making it available for individual artists.

Although the AREA project is operated in the form of a financial support project for non-profit organizations, it still requires the responsibility of the private operator by only subsidizing some of the funding, instead of the full cost of the project. The New York City DCLA subsidizes a portion of the cost of developing an art workspace to the AREA project participants with a budget of 30 million dollars (approximately 34.4 billion won) over 10 years. The remaining funding required to complete the art project must be provided by the private sector.

A grant of \$333 per square foot must be used only for the expenses to improve workspaces for artists. The subsidy can be used in interior furniture, fittings and equipment (FF&E), tenant improvement (TI), and purchasing eligible equipment, but may not be used for structural improvement. It cannot be used for core and shell construction and repair, except for environmental improvements such as sprung floors or acoustically treated walls, nor for operating expenses such as staffing costs or administrative costs. Such constraints in expense handling aim to prevent the property owner from seeking further profits by improving the building structure and to allow the subsidy to be used only for creating a space in line with the project objectives in an effort to achieve the publicness in terms of fairness.

There is no limitation on the type of project as long as the workspaces developed through the AREA public request is a space for cultural and artistic purposes. However, the workspace must be provided to artists for 35 hours or more per week at a cost of \$1.5 per hour (per square foot). The profitability of private operators, which has been reduced by the low rent, is partially compensated by the subsidies provided for space development. Furthermore, since the remaining hours except for 35 hours a week can be supplied at a market price set autonomously by the private operator, stable cash flow can be generated depending on the project plan. During the project period, New York City can provide city-owned land to private operators at a reasonable price or

without rental fee. In areas with high land prices, lowering expensive real estate prices is a strong measure to help improve the profitability of private operators. NYCEDC may provide additional support to the project with financial resources other than New York City's funding depending on the project details.

IV. Comparison with Public-Private Partnership Projects in Korea

1. Achieving project entity-based publicness and specifying requirements to secure content-based publicness

In Korea, the public sector establishes the basic plans for both the public announcement and notification projects of the public request to achieve the project entity-based publicness and content-based publicness. However, this hinders private developers from using land at their discretion and actively utilizing their creativity or expertise. To ensure a diversified use of public property, it is imperative to elaborately set the minimum requirements of the public sector and respect the autonomy of the private sector in other areas. To this end, the objectives of the project must be illustrated in detail and the conditions must be clearly spelled out.

The case study of New York City accomplishes the content-based publicness by specifying the conditions required for private participants, such as the use and size of facilities, and rental rates requested by the public sector. For instance, specific requirements for the facility such as potential tenants, corresponding housing size and types are described for the types of affordable housing to be proposed by private developers. The case study of the East Harlem project limits the rent to \$25 per square foot for users of existing facilities, and the case study of the AREA limits the rent to \$1.5 per square foot. The precise rental rate rather than vague expressions of being reasonable compared to the market price makes it easier to assess the performance of the project. As long as the requirements are satisfied, the rest of the matters are left to the discretion of the private sector. This can be interpreted as achieving publicness in a broad sense in terms of improving residents' convenience and maximizing land use by supplying additional facilities with local demand.

In order to specify the requirements of the public sector, the project site or facility should be studied at the project planning stage. Based on an understanding of the area, a multi-faceted review of the community requirements is demanded, such as accommodating the residents' needs such as supplying public facilities or their use and providing a support system for successful management and operation. This is accomplished by the participation of local residents and is a point where proactive achievement of project entity-based publicness is possible. A pre-study on the site in the East Harlem RFP case, designing the project structure to achieve policy goals, and setting the level of requirements in the AREA project were performed.

Above all, there is an institutional strategy in place to manage the performance at the post-construction stage in the case of New York City. Benefits such as financial support and tax exemptions, provided as incentives to private sectors, are given at the point of operation and management after construction. Since this is provided based on the assumptions that the private operator achieves the goals set for the project proposal, faithful project operation and management can be conducted, and the content-based publicness can also be continuously accomplished. With the tax credit program in place, if the minimum requirement is not met and thus no tax credit is provided, the disadvantage that the private operator must bear is large. The AREA public request disclosed the list of selected respondents in addition to the project contents and progress on the website so that citizens can check and monitor the publicness of the project by themselves. The cases in New York City strengthen procedure-based publicness in a way that is quite different from the usual practice in public request projects in Korea in which a large portion of project-related contents are treated as confidential due to speculation and company secrets.

The cases of New York City have substantial implications for domestic PPP projects in that it searches for ways to achieve publicness in terms of project entity, content, and procedure across the entire project process.

2. Improvement of procedure-based publicness through diversification of public request

Domestic PPP projects usually invite private developers in the form of RFP, which is relatively fragmentary. Because of

the restrictions in the public property-related laws, quite often project development teams are selected through competitive bidding, and it is a general practice to bid by considering land prices as evaluation criteria through a public request as RFP. However, a new project structure different from the past should be sought as the development projects become less feasible following low growth era and the development of public land is diversified such as the integration of living SOCs.

A project can be designed in a variety of forms of public request depending on the purpose, such as expert pooling, innovative and professional project proposals, the discovery of development sites, and screening of eligible project developers and operators. New York City gathers information on various project proposals and companies in the form of RFEI and RFP, which simultaneously selects project entities and development plans, and seeks eligible project development teams in the form of Request for Qualifications (RFQ).

Through RFEI, project developers and operators can be invited at a level of a program, not an individual development project. A selected respondent who has not participated in a specific project can take part in other public requests at a level of a development project. The range of respondents can also be expanded. In the case of the AREA project, for instance, developers and operators can participate in the public request with a separate link. The respondents selected as eligible operators can obtain an opportunity to take part in other policy projects in the future. If RFP is applied to a project to be conducted in a limited area, RFEI is suitable for a policy project in which various stakeholders are involved or a project that requires creative proposals. As in the case of the AREA, RFEI can also be used for identifying the potential and types of projects that can be carried out in various locations in addition to a specific project site since it can propose project contents for achieving a goal with established publicness.

RFQ is a type of public request that assesses eligibilities and is mainly used to identify potential respondents such as construction companies. In the case of a complex project that requires a high level of expertise, a two-phased procurement process can take place in which a private development team is selected through RFP following RFQ (Jin, K.H. et al.).

As in the cases of New York City, it is necessary to perform

a domestic public request that is tailor-made to a specific region or project depending on the characteristics of the public land, policy goals, and project methods. For instance, RFEI can be adopted if there is a demand for facilities but the site is not specified, and RFP or a 2-phased procurement can be adopted when the developers and development plans for unused public land need to be discovered.

Various ways of public request can be implemented under the premise of flexible collaboration between administrative departments and related institutions. New York City adopted a method of public request in which a number of independent departments established a task force to launch a public request based on a single policy goal set in the City. Efficient use of unused public property and participation of eligible private developers are considered possible only when stakeholders, such as the leading departments that need to carry out policy projects, the main agents who have expertise in location choice and development, those who manage consumers or vendors, and entities that can simplify or support administrative procedures, are able to collaborate in a flexible manner. Considering the changing environment in which development projects in the form of bundling of multiple projects are becoming active mainly by asset management companies such as REIT's, project management through a pooling of various potential project sites and private businesses appears to be significant for the time being.

3. Improving profitability and ensuring autonomy of private developers

To drive participation of private operators in Korea, the allowable density is adjusted by increasing the size of profitable facilities, ancillary development projects that can generate profits are permitted, or subsidies in the form of long-term lease contracts are provided. In general, incentives for private operators to participate are enhanced by floor area ratio incentives or upzoning. Unless it is a public financing project, direct financial support for project costs is rare apart from loan support for public housing construction and regeneration projects by the Housing and Urban Fund or a BTL-type financial project that guarantees minimum income for quite a long time. There are only a few cases in which land is leased at a low rent in the development projects such as social housing in Seoul.

In the study case of the East Harlem project, the profitability of private developers is increased by utilizing all three methods of raising the floor area ratio (development scale), cost reduction, and financial subsidies. A private operator may change the land use as per the project plan to adjust the use and scale of the development, and may be exempted from paying the acquisition and registration tax and property tax or subject to tax reductions depending on the project. In some cases, they may receive subsidies provided by the funding of a city.

The East Harlem RFP adopts two special programs for profit improvement which are largely different from the systems in Korea. One is to use a mortgage for a land disposal to significantly reduce the initial financing of private sectors, and the other is to support financing with a tax credit program. Land can be conveyed at a nominal price and then the accumulated interest on the mortgage can be paid after the project is completed, or it can be offset with the residual value of the building at the time of liquidation in accordance with their terms of the Land Disposition Agreement (LDA). The allocated tax credit for the supply and operation of affordable housing can be securitized and used as construction costs at the initial stage of the project. In this way, the profitability can be improved as it can significantly mitigate the burden of initial equity financing or give the same effect as financial support in New York City with high land prices and tax rates. It is considered worthwhile to try in metropolitan areas and large cities of Korea where land prices are high.

The AREA project takes on the nature of the financial support project, and improves the profitability of private developers by providing \$333/ft² of construction costs. The AREA project sites can be used by private operators at low rent or free of charge. Both East Harlem and AREA projects lower the land prices to significantly reduce the initial expenditure in order to improve the profitability of private operators. This method can be understood as an extension of the PPP projects that have been conducted as BTL in Korea and can be used in supplying non-profit public facilities such as living infrastructure.

A special strategy to improve profitability in the AREA project is the conditions for the use of the facility. The developed space can be either used or leased at the market price as intended by a private operator at any time except for the

35 hours of mandatory supply time per week. This appears to be a measure that can be used in a variety of PPP development projects regardless of site locations or facility uses.

In Korea, public request projects are issued after purpose and scale of the project are roughly determined. In the case of entrusted development projects, the public sector even draws up the schematic plan (draft) in the public request guidelines. As for the PPP-based PF project, the public sector establishes the development plan, district unit plan, and green and park plan. Technically, the use and density of development are determined by the public sector, and detailed building plans and financing plans are proposed by the private sector. However, in the study cases of New York City, the public sector does not draw an outline of the project plan, but focuses on the planning or plays a role of formulating a specific support plan.

In the study cases of New York City, private participants can maximize their expertise through creative and autonomous project planning and operation in project areas other than the public requirements. If the constraints such as public facilities, programs, resettlement, and rents required by the public sector are accommodated, the private developers can plan for all elements such as the use, size, operation method, and target group setting of the building by themselves. However, an elaborate assessment must be accompanied to select an eligible project developer/operator. The East Harlem study case requires that project plans and supporting documents are required to be submitted in a standardized format, and the project entity is selected after carefully contemplating it for 5 months of time. The case study of the AREA project minimizes the risks by pooling eligible private developers/operators and matching the valid site with corresponding private participants.

The application and management of public requests are integrated and managed on the public request website for applicants to allow them to check the details of the public request of New York City or submit a proposal. In Korea, the general period of public request is three to four months, which is not sufficient for applicants to review the project from various dimensions, however, in the case of the AREA project, a public request is issued on a regular basis for 10 years, allowing private developers/operators to formulate sophisticated and creative project proposals.

V. Summary & Conclusions

Cities are like evolving organisms, thus the public facilities required by demographic and climate changes are constantly transforming. In particular, recently, in the face of low growth, there is a significantly growing demand for expansion of living infrastructure and stabilization of the housing market through housing supply. Accordingly, local governments need to utilize under-used public property more actively to address the problems such as lack of available land and financial resources. However, there is a limit to realizing the notions in a situation where the domestic legal system is rigid, financial resources and public expertise are lacking. To flexibly respond to the continuously changing requirements for public facilities and to improve financial soundness, the participation of private developers with extensive expertise and excellent financing capability is needed. Therefore, this study analyzed two public requests in New York City that utilize city-owned land and drew the following implications for the private participation project in Korea.

The case studies of New York City understand publicness in a broader sense. They achieve the content-based publicness by detailed requirements derived from prior researches of the public sector and secure the project entity-based publicness through planning and monitoring by community engagement and achieve the procedure-based publicness by utilizing various methods of public request. Above all, even during the operation period after construction, the incentives such as tax-related benefits and subsidies are used to attract private developers/operators to voluntarily and continuously secure content-based publicness.

From the perspective of securing publicness and profitability, the public sector should set the minimum requirements through prior research, and the private participants should establish a project plan while satisfying specific and diverse requirements. When the conditions for securing publicness are met, the public sector allows private developers to use the land at a low cost and allocates tax benefits and subsidies so that the initial investment cost can be reduced. Above all, performance management through special tax benefits and subsidies in the operation and management phases serves as an incentive for private participants to continuously provide high-quality public services. The mini-

minimum requirements proposed by the public sector enable private operators to come up with creative project plans, and can also provide a measure to secure profitability while providing high-quality services at reasonable prices through the flexible operation of facilities such as time-share programs. Considering that the study cases of New York City are adopting differentiated methods of public request and application depending on the project characteristics in a transitional way, it is necessary to apply these cases in the private participation projects in Korea based on the study of various systems in an effort to create suitable methods by regional circumstances and project characteristics.

It should be taken into account that the progress of public projects is not simply made by the construction project, but can be made in the operation and management after construction. Accordingly, it is necessary to consider a project structure that can prevent private developers from liquidating without taking responsibility after the construction is completed or transferring business rights to other operators, and pursue them to sustain the project. Furthermore, in order to drive participation of private developers amid increasing risks of developers following the changes in the real estate market such as low growth trends, rising housing and land prices, and adjusting appraisal assessment as tax base of properties, different approaches and notions must be taken in the development and use of public properties. From this perspective, the case studies of New York City are of great significance to the public projects in Korea since the roles of the public and private sectors in the private participation projects and alternative project methods can be examined.

Note 1. Although the State Property Act allows private investment development, there is no development case, and the Ministry of Strategy and Finance is considering a way to adjust the public equity of SPC to address this issue (Korea Economy, March 9, 2021. "Private Capital Injection"...to accelerate the public property development").

Note 2. The website is managed by not only creating web pages of RFPs (RFQs, RFEIs) in the menu such as Do Business with HPD and From Proposal to Project (Doing Business) to invite private operators, but also by disclosing Pre-Qualified Lists.

Note 3. Residents proposed the preferred use of the first floor of the workshop. Among community facilities and services, they preferred job creation, leisure/community facilities, and art/cultural facilities, and fitness facilities, restaurants with seating, cafes, or bakeries/grocery stores among commercial facilities.

Note 4. LIHTC (Low Income Housing Tax Credit) is a special tax credit

program provided to developers of affordable housing among various tax credit programs.

Note 5. It is different from RFP such as Building 11 (2019), Public Place Stie (2007) and RFEI such as AREA (2019), is somewhat similar to RFEI such as Green Point Hospital (2017).

Note 6. NYC Housing Connect is operated as a channel for New Yorkers to search for affordable housing and apply for housing.

Note 7. The income groups and residential units are specifically distinguished based on the types of affordable housing in New York City.

Note 8. This is an attached document that summarizes what was discussed for 3 years related to community plans formulated based on the New York City-led rezoning of the neighborhood land use in East Harlem in 2016. A total of 12 divisions and 57 agreement details are described in the document.

Note 9. The mortgages established by the New York Housing Authority cannot be subject to refinancing, nor resale to make profits, and private operators cannot arbitrarily liquidate the mortgage.

Note 10. The Tax Credit Program is about providing a portion of project cost in the form of tax credit for more than 10 years for the projects with specific policy goals, such as supplying affordable housing, preserving historical and cultural heritages, and revitalizing emerging markets. The tax credits are granted for each project determined within the limits of the tax credits allocated to each state by the federal government.

Note 11. The primary market is a market that issues securities and plays a role of forming capital. The secondary market is a market where pre-owned securities are traded and is understood as a distribution market. In foreign countries, the secondary market that trades fund shares is active.

Note 12. <https://www1.nyc.gov/site/dcla/programs/area.page>

References

- Han, S.H., 2021. *Understanding Public Interest in Urban Planning*, Seoul: Pakyoungsa.
한상훈, 2021. 「도시계획과 공익의 이해」, 서울: 박영사.
- Jeong, J.D. and Kim, J.Y., 2011. "New York City Low-Income Housing Policy and Implications", *Journal of Environmental Studies*, 50: 63-83.
정종대·김지엽, 2011. 「뉴욕시 저소득층 주택정책과 시사점」, 「환경논총」, 50: 63-83.
- Jin, K.H., Lee, K.S., Park, H.P., Lee, D.H., Ko, H.A., and Kang, G.E., 2019. *A Study on the Direction of Monitoring and Regulation Improvement to Activate Smart Construction Technology*, Korea Institute of Civil Engineering and Building Technology.
진경호·이교선·박환표·이두현·고현아·강고운, 2019. 「스마트 건설기술 적용 활성화를 위한 모니터링 및 규제 개선방향 마련」, 한국건설기술연구원.
- Joo, J.H. and Rhee, S.K., 2013. *A Study of Procedure Management for Seoul Metropolitan Government's PPP Projects*, the Seoul Institute.
주재홍·이세구, 2013. 「서울시 민간투자사업 추진을 위한 단계별 관리 방안 연구」, 서울연구원.
- Kang, D.S., Lee, J.K., Park, B.Y., and Hwang, H.J., 2018. *Guide-*

- lines for Preliminary Feasibility Studies in Development Projects – Focusing on the cost, demand, and benefit of housing land and urban development projects –*, Sejong: KDI Public and Private Infrastructure Investment Management Center.
- 강동석·이정권·박보영·황희주, 2018. 「개발부문 사업의 예비타당성조사 표준지침 연구 –택지 및 도시 개발사업의 비용·수요·편익을 중심으로 –」, 세종: KDI 공공투자관리센터.
6. Kim, D.I., Han, M.J., Kim, J.Y., Yu, J.S., and Jang, J.Y., 2021. *Improvement for the Korean PPP (Public-Private Partnership) Framework*, Gyeonggi Research Institute.
김도일·한명주·김재영·유진석·장정연, 2021. 「국내 민간투자사업 문제점 및 제도개선 방안 연구」, 경기연구원.
 7. Kim, M.S. and Cho, M.S., 2017. *A Study on Public Land Utilization Policies for Enhancing Urban Vitality*, Korea Research Institute for Human Settlements.
김명수·조만석, 2017. 「도시활력 증진을 위한 국공유지의 체계적 활용방안 연구」, 국토연구원.
 8. Kim, S.I., Heo, J.Y., Ko, H.H., Yu, J.D., and Jeong, E.M., 2019. *Measures to Facilitate Entrusted Development*, Seoul Metropolitan Government.
김상일·허자연·고하희·유재득·정은미, 2019. 「위탁개발사업 개선 및 활성화 방안 수립용역」, 서울특별시.
 0. Kim, Y.K., 2004. "A Study of the Introduction and Utilization of the Private Finance Initiative (PFI) for Regional Development: the Case of the PFI Project in Japan", Master's Dissertation, Yonsei University.
김윤경, 2004. "지역개발을 위한 PFI의 도입과 활용방안에 관한 연구: 일본의 PFI사례를 중심으로", 연세대학교 석사학위논문.
 10. Koo, H.R., 2015. "Does Publicness Reduce Risks?: Examined across OECD Countries", *Korea Social Policy Review*, 22(1): 19-47.
구혜란, 2015. "공공성은 위험수준을 낮추는가?: OECD 국가를 중심으로", 「한국사회정책」, 22(1): 19-47.
 11. Lee, D.H., Lee, S.C., Park, M.J., and Lee, S.Y., 2010. *A Study on the Role of the Public Organization for the Publicness in Urban Regeneration Project*, Seoul Development Institute.
이동훈·이성창·박민정·이수연, 2010. 「도시재생사업의 공공성 확보를 위한 공적 기관의 역할에 관한 연구」, 서울시정개발연구원.
 12. Lee, J.H., 2006. "Possibilities of Public-Private Partnership in Urban Renewal Projects: With Experience of New Town Projects in Seoul", *Land and Study*, 18(76): 27-40.
이정형, 2006. "도시재정비에 있어 민관파트너십의 가능성 모색: 서울시 뉴타운사업의 경험에서", 「토지연구」, 18(76): 27-40.
 13. Lee, S.W., 2011. *A Study on the Public Private Partnership Project in the Urban Development*, Construction and Economy Research Institute of Korea.
이승우, 2011. 「도시개발에서 민고나협력 사업의 현황 및 활성화 방향」, 건설산업연구원.
 14. Lee, W.H., 2019. "Study on the Publicness in the Public Investment", *The Korea Journal of Local Public Finance*, 24(3): 21-50.
이원희, 2019. "공공투자에서의 공공성에 관한 연구", 「한국지방재정논집」, 24(3): 21-50.
 15. Oh, W.S., 2008. "A Study on Activation of the Cooperation between Private and Public Sectors for Urban Development Projects", Master's Dissertation, Hanyang University.
오왕선, 2008. "도시개발사업의 민관협력 활성화 방안에 관한 연구", 한양대학교 석사학위논문.
 16. Park, S.Y., Lee, W.G., Lim, S.Y., Park, J.E., Jung, S.Y., Jung, Y.S., and Kim, S.J., 2016. *Enhancing Public Sector Cooperation for Regeneration of Vacant or Underutilized Urban Public Property*, Korea Research Institute for Human Settlements.
박소영·이왕건·임상연·박정은·정소양·정유선·김성제, 2016. 「도시 내 국·공유 유휴재산 활용을 위한 공공분야 협력방안」, 국토연구원.
 17. Sang, N.K., 2010. "Toward a Collaborative Implementation Model for Urban Regeneration in Seoul: With Special Reference to Se-Woon District", Ph.D. Dissertation, University of Seoul.
상남규, 2010. "도시재생사업에서의 협력적 사업시행방식과 절차개선에 관한 연구: 세운재정비촉진사업을 중심으로", 서울시립대학교 박사학위논문.
 18. Shin, D.S., 2020. "Urban Development and Regeneration using National Land", Report on the Results of Training for Consigned Education by Domestic Graduate School, Ministry of Economy and Finance.
신동선, 2020. "국유지를 활용한 도시개발 및 도시재생연구", 국내대학원 위탁교육 훈련결과 보고서, 기획재정부.
 19. Yoon, J.S., 1996. "Planning System and Balanced Agreement Model of Urban Development Project with Public-Private Partnership", *Planning and Policy*, 173: 74-84.
윤주선, 1996. "민관협력형 도시개발사업 계획체계 및 균형협정 모형", 「국토」, 173: 74-84.
 20. Youm, C.H., Seo, S.J., and Yeo, H.J., 2018. *A Study on the Revitalization of Public-Private Partnership for the Mixed-Use Development of Old Government Buildings*, Architecture & Urban Research Institute.
염철호·서수정·여혜진, 2018. 「노후 공공청사 복합개발을 위한 민관협력방식 활성화 방안 연구」, 건축공간연구원.

Date Received 2021-10-07
 Reviewed(1st) 2021-11-22
 Date Revised 2022-01-13
 Reviewed(2nd) 2022-02-05
 Date Accepted 2022-02-05
 Final Received 2022-03-23