

**Office of Housing and Community Development
Point Breeze Affordable Homeownership Housing Development**

**REQUEST FOR PROPOSALS
May 2013**

The Office of Housing and Community Development (OHCD) is soliciting proposals for a developer to construct affordable homeownership housing on vacant land owned by the Redevelopment Authority (“PRA”) in the Point Breeze section of South Philadelphia. The available site includes vacant lots located at 2325-35 Cross Street and 2330-36 Greenwich Street as identified on the map and legal descriptions attached to this Request for Proposals (RFP) as Attachment A.

The goal of this RFP is to maintain affordable homeownership housing opportunities in Point Breeze. Proposals for rental housing are not eligible under this RFP.

The City will make available either Housing Trust Fund earnings or HOME funds for this project, depending upon the developer and the proposed financing structure. The City is not providing bridge financing under this RFP. All proposals must adhere to the requirements of the funding sources. Housing Trust Fund (HTF) earnings will be used for projects requiring the City’s subsidy during the construction phase of the project. These funds are available only to non-profit developers and require the use of state prevailing wage rates. HOME funding will be used for projects that are structured to receive the City’s subsidy at construction completion and at closing with the individual homebuyer. HOME funds are available to both for-profit and non-profit developers and do not require the use of state prevailing wage rates. If a developer proposes the HOME-financing structure, it must provide evidence that it can secure outside financing during the construction phase.

All units must be made affordable to households with incomes of up to 80% of area median income, regardless of the funding source. The City will place deed restrictions or liens on the property to ensure affordability for fifteen years. Income reference tables are available in the City’s *Year 38 Consolidated Plan*, Appendix p. 1, available at www.phila.gov/ohcd.

Consistent with City policy for the disposition of City property for affordable housing, the site will be conveyed to the developer at nominal value, free and clear of all liens and encumbrances. City funding will be provided through the Redevelopment Authority.

Review Process

An interagency group including representatives of OHCD, the City of Philadelphia’s Redevelopment Authority (PRA), and the Philadelphia City Planning Commission (PCPC) will review proposals received in response to this RFP. The review committee will recommend a respondent or respondents to the Director of Housing for selection for award negotiation. Proposals should be generally consistent with the applicable Homeownership Selection Criteria, Appendix, pp. 30-33 in the OHCD *Year 38 Consolidated Plan*, which can be accessed at www.phila.gov/ohcd.

General Requirements

Developer

The developer can be for-profit or a non-profit if proposing the HOME-funded financing structure. The developer **MUST** be a non-profit entity if the project is using the HTF-financing structure. Experience in the development of affordable housing is a requirement.

Design Consideration

Developers are encouraged to incorporate sustainable design and construction techniques and maximize energy efficiency in new construction projects. Strategies might include:

- Energy Audits (EnergyWorks)
- Energy Star for New Homes, version 3, New Construction
- PECO Smart Ideas
- PGW EnergySense
- Encourage Construction & Demolition Waste Recycling (can be a cost saver)
- Follow or certify under LEED, EnergyStar or other ratings system

Accessibility and Visitability

A minimum of 10% of the total number of units must be accessible to individuals with mobility impairments and a minimum of 4% must be accessible to individuals with sensory impairments. The City strongly encourages all new construction units to be visitable. Visitability is a requirement for HTF-funded new construction developments. See Attachment B for specific HTF visitability requirements.

Readiness to Proceed

Priority will be given to projects with a realistic and timely development schedule.

Leveraging

Priority will be given to projects that highly leverage the City's gap financing. Projects that leverage higher amounts will be ranked higher.

Prevailing wage requirements

State prevailing wage requirements apply for projects utilizing HTF earnings.

Proposal Format

Applicants must submit an unbound original and six (6) copies of the proposal. Proposals should be limited to ten (10) pages of double-spaced text, excluding the required forms and exhibits. Qualified applications must include the following sections, which should be clearly identified and submitted in the following order:

1) Project Summary

Provide a short summary of the project on the Project Summary form (Exhibit A). Include the project name, developer, project location, number of units, number of accessible, and visitable units, total project costs, and amount of HOME and HTF subsidy requested.

2) Project Description

Describe the type of project and scope of activity being proposed, indicating:

- Narrative description of completed project. Provide an overview of the project, its goals and benefits.
- Green and/or sustainable elements.
- Marketing strategy to ensure timely sales for households up to 80% of area median income.

3) Neighborhood Context and Location

- Does the project complement the buildings and architecture in the surrounding neighborhood?
- Plans. Show the development in relation to the parcels of land which are available (site plan). Provide a rendering or elevations and floor plans, if available.

4) Community Engagement

Project sponsors must seek local community input for their plans and share their proposals with community-based organizations. Indicate the actions that have been taken to identify the community group(s) that represent the Point Breeze neighborhood and to notify these groups of the proposed plans. Please summarize any comments received from the community.

5) Budgets and Financing Structure

Complete the budget forms listed below which identify anticipated development and other costs for your project.

- The Development Pro Forma (Exhibit B), which identifies the total development cost and the sources and uses of funds.
- The Home Sales Analysis (part of Exhibit B), completed for each price point at which properties are anticipated to be sold.

Describe how pre-development and construction financing will be obtained. Provide letters of interest from lenders. If leveraging other funding, provide supporting evidence of all funding commitments received, and a list of pending applications with dates of submission and expected awards.

6) Timetable

Identify key benchmarks for project development, including financing, pre-development activities, construction start, construction end, marketing and sales.

7) Development Team

Provide a description of each member of the development team, such as developer, attorney, contractor, architect, consultant, etc. Describe the legal entity that will be the developer. For HTF funded-developments, indicate how a qualified non-profit entity will be the controlling interest in the project. Provide a summary of other related housing development activity that each team member is undertaking or has undertaken.

8) Office of Economic Opportunity

The attached “Economic Opportunity Plan” (Exhibit C) details the procedures that must be followed with regard to participation ranges. Complete the required forms (OEO Forms, Exhibit D, and include these in your RFP response. If you are unable to complete Exhibit D because your project has not yet solicited contractors, subcontractors, suppliers or vendors, sign the contractors certificate of compliance, Exhibit E. Please provide a narrative about your proposed plan and process to solicit MBE/WBE contractors. Include in narrative past experience in meeting MBE/WBE participation goals.

Proposal Evaluation

Proposals will be evaluated on the following criteria:

1) Neighborhood Context and Design

Appropriateness of the proposed development for the neighborhood. Consistency with existing neighborhood plans, if any. Site plan, building design and amenities. Impact on other public or private investment. Green or sustainable design elements.

2) Developer Capacity and Track Record

Strength and track record of the development team. Capacity to undertake new or additional projects. Ability to secure construction financing. Track record in marketing and selling affordable homeownership housing in a timely fashion.

3) Population Served

Affordability. All units must be made available to households up to 80% of area median income. Marketability.

4) Readiness to Proceed

Development schedule. Status of other financing commitments.

5) Development Budget

Total City subsidy required. Leveraging of other resources. Per unit and per square foot development and subsidy costs. Affordability. Overall feasibility.

6) OEO Responsiveness

Briefing Session

Interested parties are strongly encouraged to attend a briefing session:

Tuesday, May 7, 2013, at 10:30 a.m. at

OHCD Board Room
1234 Market St., 17th floor
Philadelphia, PA 19107.

This room is accessible to persons with disabilities. If you have a disability and require an accommodation in order to participate, call James O'Toole at 215-686-9760 (TDD 215-686-9803) or email him at james.o'toole@phila.gov. Advance notice of 72 hours is required for sign-language interpreter services.

Proposal Submission

Proposals must be in the format described above. An unbound original and six (6) copies of the proposal must be delivered **no later than 4 p.m. on Thursday, May 30, 2013 to:**

Office of Housing and Community Development
1234 Market Street, 17th floor
Philadelphia, PA 19107

Attention: Deborah McColloch, Director

Questions related to the RFP may be directed to Melissa Long, Deputy Director, at 215-686-9789, or to melissa.long@phila.gov.

Proposals received after the deadline will not be accepted and will not be reviewed. The City assumes no liability for costs incurred in proposal preparation. The City reserves the right to accept or reject proposals or to seek additional information from any applicant. The City is under no obligation to award all available funds through this RFP, and reserves the right to reallocate funds between funding categories.