



ON BEHALF OF THE
PHILADELPHIA REDEVELOPMENT AUTHORITY

REQUEST FOR PROPOSALS
GERMANTOWN MOUNT AIRY AFFORDABLE RENTALS
040423

PHILADELPHIA, PA 19144 & 19119

APRIL 4, 2023

REVISED: MAY 12, 2023

PHILADELPHIA HOUSING DEVELOPMENT CORPORATION
LAND MANAGEMENT
ON BEHALF OF THE PHILADELPHIA REDEVELOPMENT AUTHORITY
1234 MARKET STREET, 17TH FLOOR
PHILADELPHIA, PENNSYLVANIA 19107

NOTICE: The Philadelphia Redevelopment Authority (PRA) is subject to the Pennsylvania Right to Know Law. Any information provided in your response to this Request for Proposals may be subject to disclosure to the public. Documents provided in response to this RFP may also be required to be disclosed by applicable law, subpoena, and/or court order.

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I. INTRODUCTION

The Philadelphia Housing Development Corporation (“PHDC”), on behalf of the Philadelphia Redevelopment Authority (“PRA”) is soliciting proposals from developers to acquire and finance the development and preservation of a scattered site affordable rental project in accordance with this Request for Proposals (“RFP”). The Project Site is located in Philadelphia’s Germantown and Mount Airy neighborhoods on parcels located at the following addresses (the “Project Site”):

Location	Addresses	Existing Units	Floor Area
1	6657-59 Blakemore Street	8	6172
2	4949 Germantown Avenue	3	2736
3	4951 Germantown Avenue	3	4860
4	6526-34 Germantown Avenue	11	6000
5	5423-27 Lena Street	10	14736
6	5429-43 Lena Street	40	37713

Each of the specified parcels in the Project Site are composed of vacant structures and land owned by Philadelphia Redevelopment Authority (“PRA”); it does **not** include privately-owned land on this block.

In partnership with the Division of Housing and Community Development (“DHCD”), PHDC will provide gap financing for this rental production and preservation project as applicants seek Four Percent (4%) and Nine Percent (9%) Low Income Housing Tax Credits (LIHTC) from the Pennsylvania Housing Finance Agency (PHFA). Gap Financing for applications not seeking Four or Nine Percent LIHTCs are also eligible under this RFP. DHCD will use funding from Philadelphia Housing Trust Fund (HTF), Neighborhood Preservation Initiative (NPI), federal HOME, federal HOME-ARP, and Community Development Block Grant (CDBG) funds in its sole discretion.

The Project Site is deemed a site development for the purpose of this RFP, PHDC considers this project as an integral part of current and future comprehensive redevelopment efforts within the target area. Proposals received in response to this RFP will be reviewed by an interagency group comprised of representatives of DHCD, PHDC, PRA, the Office of Homeless Services (OHS), and the Philadelphia City Planning Commission (PCPC). Proposals submitted to the RFP should be generally consistent with the Rental Selection Criteria, Appendix pp. 14-22 in the City’s Consolidated Plan Federal Fiscal Year 2023-2026 (City Fiscal Year 2023-2027), which is available at <https://www.phila.gov/dhcd>.

CDBG, HOME, HOME-ARP, NPI, and a limited amount of Housing Trust Fund dollars are available to for-profit developers and nonprofit developers. Certain Housing Trust Fund dollars are available only to nonprofit developers. Since Low Income Housing Tax Credit developments are structured as for-profit entities, nonprofit entities seeking HTF earnings are eligible only if they meet the HTF partnership requirements and other HTF requirements detailed in Exhibit A. DHCD will determine the funding source to be utilized for housing development projects.

II. SUMMARY DATA

- Project Site: 6657-59 Blakemore Street, 4949 Germantown Avenue
4951 Germantown Avenue, 6526-34 Germantown Avenue
5423-27 Lena Street and 5429-43 Lena Street
Legal descriptions and site plan are attached as Exhibits “B” and “C”, respectively
- Approximate Floor Area: 72,000 SF
- Deposit: The greater of \$1,500 or 10% of Offer Price
- Zoning Classification: RTA-1, CMX-2, CMX-2.5 & RSA-5

III. GERMANTOWN & MOUNT AIRY REDEVELOPMENT INITIAVE

PRA gained control of a portfolio of 25 properties in the City’s Germantown and Mt. Airy neighborhoods of Philadelphia which includes the Project Site. We are working to ensure that these properties are responsibly redeveloped in the best interest of the community. In early 2021, PRA commissioned a Physical Conditions Needs Assessment (PCNA) to determine the state of the properties (SEE EXHIBITS [D](#) and [E](#)). The assessment concluded that of the 114 total units, 14 premises and 21 units were occupied and existing conditions of many of the properties required critical repair. To date, 17 units in the portfolio remain occupied and most repairs have been for basic maintenance to repair kitchen appliances and roof replacement.

PHDC led a community engagement process to allow residents to provide feedback for regarding these properties in an effort to ensure that decisions made reflect the best interest of the neighborhood. An overview of this process, a final report, and the PCNA can be found on PHDC’S website at <https://phdcphila.org/community-investment/improving-communities/reclaimed-germantown-and-mt-airy-properties/>.

IV. SCOPE OF DEVELOPMENT

Applicants are expected to submit competitive offers for the entire Project Site where all residential units will be leased to income-qualified households as affordable rental housing. Proposals for other proposed uses will not be accepted. In 2016, the City and PHA completed an Assessment of Fair Housing (AFH). This AFH includes the detailed data analysis and comprehensive resident input used to identify a range of barriers to fair housing and access to opportunity. The City, PHA and a diverse set of stakeholders worked together to create goals and strategies to overcome these barriers (Goals/Priorities begin on page 317 of the AFH - <https://www.phila.gov/media/20190502115754/afh-2016-for-web.pdf>).

The City has established preferences for certain types of development projects to advance the AFH strategies and to align with PHFA development preferences. In accordance with this RFP, applicants can submit projects that fall into multiple preferences:

1. **Senior Occupancy 62+ with Services** – Developments must provide a range of services and access to amenities to promote independent living for seniors.
2. **Permanent Affordability** – Developments that commit to a minimum of 99 years of affordability.

3. **Very Low-Income Occupancy** – Developments providing units serving populations less than 30% of median income.
4. **Homeless and Special Needs Projects** – Developments that provide permanent supportive housing for those individuals and families that meet HUD’s definition of homeless. Depending on HUD funding constraints, preference may be given to those projects seeking to serve a specific subpopulation – generally this refers to households that meet the HUD definition of chronically homeless. Developers are encouraged to implement a Housing First approach and provide or arrange for supportive services for all participants necessary to maintain their housing and live independently. For HOME-ARP funding, Philadelphia will establish a preference for people who are (1) literally homeless and (2) fleeing, or attempting to flee, domestic violence among the qualifying populations. The Philadelphia Continuum of Care (CoC) will use the Coordinated Entry and Assessment Based Housing Referral System “CEABHRS” (pronounced sea breeze) for referrals to the HOME-ARP funded projects and activities. CEABHRS complies with all applicable nondiscrimination and equal opportunity laws and requirements. Philadelphia will not apply preferences among sub-populations within the qualifying populations for any of the eligible housing units.
5. **Affordable Preservation** – Applications submitted under this RFP that propose to extend the long-term affordability and habitability of a development and/or to prevent the likelihood of conversion to market rate housing. These applications must be supported by a market study and capital needs assessment and will have a 42-year affordability period.
6. **Opportunity Areas (OZ)** - Currently defined as an economically underserved community where private investments, under certain conditions, are eligible for capital gain tax incentives. Also created to stimulate economic development and job creation, by incentivizing long-term investments in low-income neighborhoods (See “*Opportunities for Equity*” for more information linked here: <https://www.philaopportunityzones.org/>).

IN ADDITION TO ALL OTHER REQUIREMENTS, ALL APPLICATIONS MUST MEET EACH OF THE FOLLOWING REQUIREMENTS (A, B, C & D BELOW) TO BE CONSIDERED:

- A. Not less than 100% of residential units produced (Affordable Units) shall be:
 - i. reserved for renters with household incomes not to exceed 60% of the area median income (“AMI”) as determined by the United States Department of Housing and Urban Development - refer to Exhibit “F” for the annual household income limits; and
 - ii. Affordable Units shall be rented at levels that are affordable to households at 60% of AMI or lower, based on such households spending no more than 30% of their adjusted gross income on housing costs. Please refer to Exhibit “F” for the current annual rent limits based on unit size.
- B. A detailed plan and strategy to market the residential units within the immediate community must be provided. In addition, the marketing plan must also provide that the Philadelphia Housing Authority (PHA) may exclusively market the units for the first thirty (30) days. See Section IX.D for additional information regarding the contents of the marketing plan.

- C. Features and finishes for all units must be consistent throughout the development.
- D. A detailed affirmative marketing plan and strategy to market the residential units within the community must be submitted for review and approval prior to land transfer. PHDC strongly encourages that the selected Developer(s) work with the City of Philadelphia and PHA. See Section IX.D for additional information regarding the contents of the marketing.

Any Application, as defined below, not meeting each of these requirements will be disqualified and ineligible for consideration.

V. GENERAL REQUIREMENTS

Applicant Eligibility

Applicants must be for-profit or nonprofit organizations or partnerships. While LIHTC projects are structured as for-profit partnerships in order to syndicate tax credit proceeds, the controlling entity of the partnership must be an eligible nonprofit entity in order to qualify for HTF earnings. Other types of entities are eligible for CDBG or HOME funds, as applicable. CDBG funds cannot be used for new construction development by a for-profit developer.

Eligible Activities

The goal of the RFP is to identify projects that will create a diverse range of affordable rental and special needs housing opportunities for low- or moderate-income households. Household incomes must also be consistent with the requirements of the LIHTC program, and/or ACC's as applicable. Under this RFP, gap financing will be provided for the development of eligible projects. Both rehabilitation and new construction housing developments are eligible under this RFP. HTF dollars (but not HOME or CDBG) may be used to support internal rent subsidies to ensure affordability at 30% of median income or below.

For projects seeking Four Percent and Nine Percent LIHTCs, applicants should familiarize themselves with PHFA's requirements and submit applications to this RFP that are eligible for funding from PHFA. The proposal submitted to PHFA should be consistent with the proposal submitted to this RFP in location, number of units, development entity, income mix and financing. The City reserves the right to withdraw its commitment of financing to a project submitted to PHFA that is inconsistent with the proposal submitted in response to this RFP. Please note that any development with an existing commitment of a Four Percent or Nine Percent tax credit award from PHFA is NOT eligible for financing under this RFP.

Accessibility, Special Needs and Visitability

All affordable rental housing projects must meet the following Set-Aside Requirements:

- Ten percent (10%) Physical Disability
- Four percent (4%) Hearing and Vision Disability
- Ten percent (10%) Homeless and Special Needs

To the extent feasible, all new-construction housing development projects must include visitability design features. This includes at least one no-step entrance at either the front, side, back or through the garage

entrance. All doors (including powder/bathroom entrances) should be 32 inches wide and hallways and other room entrances at least 36 inches wide.

Rental Projects that exceed the 10 percent Special Needs and/or Accessibility requirements will be given priority consideration. All Homeless and Special Needs units are required to be filled via referrals from the Supportive Housing Clearinghouse. In many cases, individuals referred from the Supportive Housing Clearinghouse will come with a behavioral health service package. See Exhibit A for specific HTF visitability requirements.

Applicants that are eligible and willing to participate in the HUD Section 811 Demonstration Program by providing units designated for persons with disabilities ages 18-61 will be given priority consideration.

Design Consideration

Developers are encouraged to incorporate sustainable design and construction techniques and maximize energy efficiency and indoor air quality in both new construction and renovation projects. See Section IX.B or encouraged design qualities.

Readiness to Proceed

Priority will be given to projects that are ready to go and can spend funding upon approval of LIHTC from PHFA. The purpose of this RFP is not to develop a pipeline of projects that will need gap financing in the future.

Financial Feasibility/Leveraging

Priority will be given to projects that highly leverage the City's gap financing. Projects that leverage higher amounts will be ranked higher. Projects with substantial financing gaps with unrealistic plans to receive commitments by PHFA approval will be ranked significantly lower.

Maximum Funding Request

No project may apply for more than \$3 Million in total subsidies administered by DHCD (CDBG, federal HOME, federal HOME-ARP, NPI and HTF). Proposals with requests greater than \$3 Million from DHCD will not be considered.

VI. OBTAINING SUBMISSION MATERIALS

Submission materials are available on the webpage reserved for this RFP located on PHDC's website at <https://phdcpila.org/developers/development-rfps/>.

VII. PRE-SUBMISSION SITE VISITS

Pre-Submission site visits (non-mandatory) will be held at the Project Site on April 26, 2023, April 27, 2023, ~~and~~ April 28, 2023, **and May 25, 2023** to answer any questions regarding this RFP. Interested parties are urged to attend these site visits as they will be the only times entry will be permitted for interested parties. These ~~four (4)~~ **five (5)** site visits are each scheduled for the following days, times, and locations:

- **April 26, 2023 at 9:30AM**: 6657-59 Blakemore Street
- **April 26, 2023 at 11:00AM**: 6526 Germantown Avenue
- **April 27, 2023, 10:00AM**: 5423-27 Lena Street & 5429-43 Lena Street
- **April 28, 2023 at 9:30AM**: 4949 Germantown Avenue and 4951 Germantown Avenue
- **May 25, 2023, 10:00AM: 5423-27 Lena Street & 5429-43 Lena Street**

No individual requests for entry outside of these days will be permitted. Interested parties are urged to attend these visits. If you are interested in attending these visits, contact Mathen Pullukattu at mathen.pullukattu@phdc.phila.gov by close of business on April 20, 2023.

VIII. SUBMISSION SCHEDULE & DEADLINES

All Applications (as hereafter defined), **along with a good faith deposit in the amount of \$1,500 or 10% of the offer price, whichever is greater**, must be received on or before 4:00 PM on ~~June 5~~ **June 15, 2023**.

Applications may be submitted either:

- (1) on-line by clicking the Online Submission button located on the webpage reserved for this RFP on PHDC’s website; or
- (2) by U.S. mail return receipt; by a nationally recognized delivery service (e.g., FedEx), or (ii) by hand delivery. See Section X for the mailing address.

The only acceptable evidence of timely delivery will be (i) a U.S. mail return receipt or areceipt from a nationally recognized delivery service (e.g., FedEx) showing the date of delivery, (ii) a time-stamped receipt from the PHDC Land Management staff if hand delivering an Application or deposit; and (iii) an electronic submission date/time stamp.

The dates indicated below are estimates only. PHDC and the PRA reserve the right, in their sole and absolute discretion, to alter this schedule as deemed necessary or appropriate.

Schedule	Date
RFP Posted	April 4, 2023
Pre-Submission Site Visits	April 26-28, 2023 at 10:00 AM
Questions Due*	May 1, 2023 at 4:00 PM
Questions and Answers Posted	May 10, 2023
Submissions Deadline	June 5 June 15, 2023 at 4:00 PM
Estimated Selection Date	July 19 July 31, 2023

* All questions regarding this RFP must be submitted in writing by email to: RFP@phdc.phila.gov with the subject line **“Questions – Germantown Mount Airy Affordable Rentals RFP”**.

Questions will not be accepted by telephone. Questions will only be accepted until May 1, 2023. at 4:00 PM. All questions and a response to each will be posted on the webpage reserved for this RFP located on website no later than ~~May 10~~ **May 12, 2023**.

IX. SUBMISSION REQUIREMENTS

A. Application

A completed General Application to Purchase Property attached as Exhibit “G” (“Land Development Purchase Application”) along with all other required attachments, forms, and supporting documentation (collectively and together with the General Application Form, “Application”) must be submitted.

YOU ARE STRONGLY ENCOURAGED TO UTILIZE THE INSTRUCTIONS FOR LAND DEVELOPMENT PURCHASE APPLICATION TO PURCHASE PROPERTY INCLUDED IN EXHIBIT “G” AND THE CHECKLIST ATTACHED TO THE INSTRUCTIONS AND INCLUDED AS EXHIBIT “K” (“INSTRUCTIONS”).

Each Application must include the following items:

1. Land Development Purchase Application (Exhibit G)
 - a. Project Information
 - b. Development Capacity
 - c. Tax Status Certification Request (Page 13, Signature Required),
 - d. Conflict of Interest, and Additional Disclosures Form (Page 14 –16, Signature Required)
 - e. Certificate of Non-Indebtedness (Page 17, Signature Required),
 - f. Campaign Disclosure Forms (Page 18, Signature Required) Applicable for nominal and discounted pricing only.
 - g. Economic Opportunity Plan (Page 35, Signature Required).
2. Budgets (See Exhibits H,I, & J), **required as follows:**
 - a. Sources & Uses of Funds Worksheet, required for all projects (Exhibit H)
 - b. PHDC Financial Worksheet, required for non-tax credit projects (Exhibit I), to provide operating costs and cash flow over a 15-year period.
 - c. Development Proforma, required for tax credit projects (Exhibit J), which includes a Tax Credit Summary to details the amount of tax credits being requested from PHFA, the equity raise (as cents on the dollar), and the amount of funds being requested (if any) from PHFA.
3. Evidence of Funding Commitments (see Instructions), including:
 - a. List of Pending Applications with dates of submissions and expected awards.
 - b. Letter of Intent (LOI) from an equity investor committing LIHTC syndication proceeds and the amount equity expected to be raised.
4. Preliminary Plans (see Instructions)
5. List of Completed Projects, if applicable (see Instructions)
 - a. List of Publicly Owned Property Acquired, if applicable (see Instructions)
6. Organizational Documents, if applicable (see Instructions)
7. Development Team Qualifications (see Instructions)
8. Narrative and Cover Letter (see Section IX.B ahead)
9. Marketing Plan (see Section IX.D ahead)
10. Deposit (see Section IX.E ahead)

B. Narrative

A cover letter and written narrative describing the proposed development must be provided. The cover letter and narrative combined should be no longer than eight (8) pages in length with 1-inch margins and 12-point font size.

Cover Letter

The cover letter, no longer than two (2) pages, should be addressed to Jessie Lawrence, Director of Real Estate, and summarize and describe the proposed development. The following elements must also be included and highlighted within the letter:

1. General overview of the type of project and scope of activity being proposed, indicating:
 - Type of housing being developed (new construction, rehabilitation, preservation) and services to be offered to residents and the funding sources for these services.
 - Population to be served by this development, including an estimate of the number of housing units to be rented to each of the following income groups:
 - Household income <20% of AMI.
 - Household income >20% and <30% of AMI.
 - Household income >30% and <60% of AMI.

NOTE: Applicants must provide estimates based on these income categories. If the project proposes to serve households with incomes less than 30% of area median, the applicant must explain how these households will afford tax credit rents and describe any rental reserves, rental assistance, etc., to be provided
2. Funding Request - No project may apply for more than \$3 Million in total subsidies administered by DHCD (CDBG, federal HOME, federal HOME-ARP, NPI and HTF).
3. Offer Price – A lump sum offer price is required.
4. Any require zoning variances or exceptions. Applicants are strongly encouraged to present proposals that are in accordance with existing zoning.

Written Narrative

The narrative, not to exceed six (6) pages, should describe how the proposed project best achieves all requirements of this RFP along with the following elements listed below. Please boldface each element within the body of the narrative:

1. **Economic Opportunity and Inclusion:** Describe the identified development team's experience utilizing Certified M/W/DSBE firms - defined as Minority Business Enterprises (MBE), Woman Business Enterprises (WBE), Disabled Business Enterprises (DSBE), or Disadvantaged Business Enterprises (DBE) - and track record for engagement and inclusion of minority workforce.
 - a. Describe the project's plan for engaging M/W/DSBE firms and workforce.
 - b. Describe the M/W/DSBE existing certification and /or self-report for all individuals, corporations, and joint venture partners with a 10% or more ownership interest

- (include ownership or proof of ownership).
- c. Include information for the most recent three projects identifying total development cost, MBE/WBE/DBE contractors and vendors, the percentage of participation of each and the respective dollar amounts awarded to said contractor and/or vendor.
 - d. Include information for general contractor and subcontractor participation and evidence of MBE/WBE/DBE existing certification and ownership

2. Financial Feasibility:

- a. Describe the ability to leverage the City's gap financing, in addition to the financial viability and assuredness that the project being proposed will be completed within a reasonable timeframe and at the cost proposed with identified and securable financing sources.
- b. Explain whether development costs are in accordance with industry norms.
- c. Explain the project's schedule considering the city's entitlement and permitting processes.
- d. Explain the timing of all funding sources identified on the project budget.

3. Development Team Experience:

- a. Explain the applicant's prior project experience. Detailed information should be provided for similar projects completed in the past three years and any history of development team members working together on prior projects.
- b. References for prior projects must be provided.
- c. Pictures of completed projects should be provided.
- d. Explain the applicant's capacity to complete the proposed project based on ability to secure financing and to complete the project in accordance with the submitted project schedule given current and future projects.

4. Public Purpose:

- a. Explain whether the project meets or exceeds the impact requirements set forth in Section IV.
- b. Explain whether the project creates opportunities for low-income and moderate-income individuals along with the number of jobs expected to be created.
- c. Provide a detailed description of the project.
- d. Describe any social impact component (e.g., access to fresh food, early childhood education, a community facility, or public open space) and the population served.
- e. Describe your approach to engaging and informing near neighbors before construction beyond what is otherwise required by the Philadelphia Code.

5. Project Design:

- a. Explain the overall design of the project along with the incorporation of sustainable design and construction techniques, along with efforts to maximize energy efficiency and indoor quality in both new construction and renovation. Strategies may include:
 - features for sustainable design and certification or consistency under LEED, EnergyStar, Enterprise Green Communities or other third-party rating system
 - optimization of site potential
 - energy audits, modeling, minimization of non-renewable energy consumption,

- “Green Lease” language to overcome split incentive.
- Use of environmentally preferable materials.
- Protection and drainage of groundwater and stormwater runoff.

- b. Explain the accessibility features of the project.
- c. Explain whether the project will require a zoning variance.

6. Offer Price: Describe how the offer price was determined and how it is appropriate given the proposed project. Any deviations between your offer price and the estimated value must be explained, and applicants are encouraged to outline how they intend to leverage the discounting of the land value to provide an optimal development.

7. Readiness to Proceed: Describe ability to spend funding upon approval of LIHTC from PHFA and site control.

C. Economic Opportunity Plan

The employment of qualified M/W/DSBE firms is strongly encouraged. If the applicant is a Certified M/W/DSBE, please submit information to confirm certification as part of the Application. Applicants must complete and submit the “City of Philadelphia Economic Opportunity Plan” form attached in Exhibit “G”.

The City has established a citywide goal of 35% M/W/DSBE utilization; however, applicants are encouraged to seek the highest levels of M/W/DSBE attainment.

D. Affordable Rental Marketing Plan and Income Eligibility

The selected Developer will be required to submit a full Affordable Housing Marketing Plan (“Marketing Plan”) for review and approval prior to land transfer. The Marketing Plan should discuss the following:

- 1. Targeting:** Identify the segments of the eligible population that are least likely to apply for housing without special outreach efforts.
 - i. Consider the current racial and ethnic composition of the Germantown residential area.
 - ii. Consider language barriers and income eligibility requirements.
- 2. Outreach:** Outline an outreach program that includes special measures designed to attract those groups identified as least likely to apply, and other efforts designed to attract persons from the total eligible population.
 - i. Community Contacts.** The Developer must provide at least one local community-based organization that serves each group determined to be least likely to apply, and who has agreed to help the Developer in their marketing efforts. The contact information for the community-based organization must include the name of the organization’s name, contact person, telephone number, address, experience working with the target population.

ii. **Media.** The housing provider should specify the means of advertising to reach a target group, and the rationale for the advertising. Advertisements must include the Fair Housing and Equal Opportunity Logo and must otherwise comply with HUD’s Fair Housing and Equal Opportunity regulations.

iii. If the immediate housing market area is not demographically diverse enough to draw applicants considered “least likely to apply,” then an expanded housing market area should be used.

The marketing plan must also provide that the City of Philadelphia and PHA may exclusively market the units to municipal employees and its residents for the first thirty (30) days.

Income eligibility certification for each prospective purchaser of a unit will be conducted.

The selected applicant’s marketing plan will be subject to approval pursuant to a Redevelopment Agreement and, as such, will be subject to change. The selected applicant will not market, offer for sale, or enter into any sales or reservation agreement for any unit until the marketing plan is approved.

E. Deposit

Applications must include a deposit in the amount of one thousand five hundred dollars (\$1,500) or ten percent (10%) of the offer price, whichever is greater.

The deposit must be submitted along with your application by the deadline and may be submitted either:

- (1) using the PayPal link located on the on-line submission form; or
- (2) in the form of a cashier’s check, certified check, or money order made payable to the “PRA” and delivered by U.S. mail return receipt; by a nationally recognized delivery service (e.g., FedEx), or (ii) hand delivery. See Section X for the mailing address.

The only acceptable evidence of timely delivery will be (i) a U.S. mail return receipt or a receipt from a nationally recognized delivery service (e.g., FedEx) showing the date of delivery, (ii) a time-stamped receipt from the PHDC/PRA receptionist if hand delivering an application or deposit; and (iii) an electronic submission date/time stamp.

The selected applicant’s deposit will become "hard" money upon signing the Redevelopment Agreement.

At settlement, the deposit is converted into a “security completion” deposit (a/k/a performance deposit) and is held until the project is completed in accordance with the Redevelopment Agreement. If the selected applicant fails to timely provide the required deposit, the applicant may be disqualified at PHDC’s/PRA’s sole and absolute discretion.

For those applicants not selected, the deposit will be refunded within thirty (30) days after mailing of a rejection letter. Interest earned on any deposits will not be paid to any applicant.

X. SUBMISSION OF APPLICATIONS

All Applications, along with a good faith deposit in the amount of \$1,500 or 10% of the offer price, whichever is greater, must be received no later than 4:00 PM on ~~June 5~~ **June 15, 2023**.

Absolutely no Applications will be accepted after this time.

Applications may be submitted either:

- (1) on-line by clicking the Online Submission button located on the webpage reserved for this RFP on PHDC's website; or
- (2) by U.S. mail return receipt; by a nationally recognized delivery service (e.g., FedEx), or (ii) by hand delivery. See Section X for the mailing address.

All Applications submitted by U.S. mail return receipt; by a nationally recognized delivery service (e.g., FedEx), or by hand delivery must:

- (A) include one (1) original unbound copy of the Application, as well as a flash drive of the Application in PDF format, and
- (B) be addressed to:
Jessie Lawrence
Director, Real Estate
Philadelphia Housing Development Corporation
1234 Market Street, 16th Floor
Philadelphia, PA 19107

The only acceptable evidence of timely delivery will be (i) a U.S. mail return receipt or a receipt from a nationally recognized delivery service (e.g., FedEx) showing the date of delivery, (ii) a time-stamped receipt from the PHDC/PRA receptionist if hand delivering an application or deposit; and (iii) an electronic submission date/time stamp.

An applicant, whether an individual, partnership, LLC, non-profit, for-profit, or other entity, may submit only one response to this RFP. Individuals that are related to each other or business entities that are related to each other or to a common entity may not submit separate Applications. PHDC and the PRA, in their sole and absolute discretion, may reject any Application where: 1) the applicant or principals of the applicant are substantially similar or substantially related parties; or 2) it has been determined that the applicant violated these restrictions or the spirit of these restrictions.

Neither PHDC nor the PRA will pay any fees, commissions, or other amounts to any parties acting as agents, brokers, consultants, or contractors as part of this transaction. Payment to any agents, brokers, consultants, or contractors are the sole responsibility of each applicant.

XI. PRELIMINARY REVIEW

Each Application will be initially reviewed to determine compliance with the Instructions, the requirements of this RFP, and the Disposition Policy. The Disposition Policy can be found on PHDC's website at <https://phdcphila.org/land/data-and-policies/policies/>.

Applications that do not adhere to the Instructions, and the requirements of this RFP, or are not in compliance with the Disposition Policy may be disqualified pursuant to Section XIII below.

XII. EVALUATION OF APPLICATIONS

Applications deemed satisfactory following the Preliminary Review will be further evaluated using the scoring and selection criteria below (EXHIBIT L – SCORING RUBRIC). No one factor, but rather a combination of factors, will determine the successful applicant. The selected applicant will be subject to all required approvals as set forth in Section XIV below and continued compliance with all applicable requirements. The PRA is not obligated to dispose of any property to any applicant, including the highest scoring applicant.

- 1. Economic Opportunity and Inclusion (30 points)**
 - Goals for M/W/DSBE inclusion
 - M/W/DSBE Firms comprising the development team
 - Commitment to M/W/DSBE Workforce
 - Track record of M/W/DSBE inclusion and minority workforce inclusion
- 2. Public Purpose - Social Impact (15 points)**
 - Strength of Social Impact Plan
 - Creativity and innovation
 - Ability to define, evaluate and track measurable outcomes
- 3. Development Team Experience and Capacity (20 points)**
 - Competence and experience of team
 - Track record on similar projects
 - Suitability for this specific development opportunity
 - History of team partnership
 - Experience working with PHDC and other public entities
- 4. Financial Feasibility (20 points)**
 - Financing plan
 - Demonstration of project feasibility
 - Evidence of Applicant team capacity
- 5. Project Design (10 points)**
 - Quality of design concept
 - Appropriateness of proposed use program.
 - Alignment with local community and context
 - Development timelines
- 6. Offer Price (5 points)**

XIII. RESERVATION OF RIGHTS AND DISCLOSURES

BY SUBMITTING AN APPLICATION IN RESPONSE TO THIS RFP, EACH APPLICANT AFFIRMATIVELY ACKNOWLEDGES ITS ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS RFP AND OF THE TERMS AND CONDITIONS SET FORTH IN THE GENERAL APPLICATION FORM (REVISED 10-21-2019) WHICH ARE INCORPORATED HEREIN BY REFERENCE AS IF SET FORTH AT LENGTH.

ALL INFORMATION IN THIS RFP IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY. WHILE EVERY EFFORT HAS BEEN MADE TO ENSURE THE ACCURACY OF THE INFORMATION CONTAINED IN THIS RFP, IT IS NOT, AND SHALL NOT BE CONSTRUED TO BE OR CONSTITUTE, A REPRESENTATION, WARRANTY OR GUARANTEE BY PHDC, THE PRA, OR THE CITY REGARDING THE CONTENT, COMPLETENESS, OR ACCURACY OF SUCH INFORMATION, OR THE QUALIFICATIONS OR EXPERTISE OF THE INDIVIDUAL(S) OR FIRM(S) PROVIDING OR PREPARING SUCH INFORMATION. EACH APPLICANT SHALL RELY SOLELY ON ITS OWN INSPECTION, INVESTIGATION, CONFIRMATION, AND ANALYSIS OF (I) THE DEVELOPMENT SITE; (II) THE INFORMATION CONTAINED IN OR DELIVERED PURSUANT TO THIS RFP AND (III) ANY OTHER INFORMATION THAT SUCH APPLICANT DEEMS NECESSARY OR PRUDENT IN EVALUATING AND ANALYZING THE PROPOSED PURCHASE AND DEVELOPMENT OF THE DEVELOPMENT SITE.

NO FUNDS FROM PHDC, THE PRA, THE CITY, OR ANY OTHER GOVERNMENTAL OR QUASIGOVERNMENTAL AGENCY WILL BE PROVIDED FOR ANY REMEDIATION OR OTHER WORK ON THE DEVELOPMENT SITE, OR PORTION THEREOF. ALL ENVIRONMENTAL REMEDIATION INCLUDING, WITHOUT LIMITATION, ALL COSTS AND EXPENSES, WILL BE THE SOLE RESPONSIBILITY OF THE SELECTED APPLICANT AND MUST BE INCLUDED IN THE SOURCES AND USES OF FUNDS WORKSHEET ATTACHED AS EXHIBIT "H".

FOLLOWING THE SELECTION OF AN APPLICANT, A REDEVELOPMENT AGREEMENT IS NOT DEEMED AWARDED UNTIL FULLY EXECUTED BY ALL PARTIES. IF, FOR ANY REASON, A REDEVELOPMENT AGREEMENT IS NOT FINALIZED (AND FULLY EXECUTED) WITH THE SELECTED APPLICANT(S), THE PHILADELPHIA REDEVELOPMENT AUTHORITY RESERVES ALL RIGHTS AS SET FORTH IN THE REQUEST FOR PROPOSAL(S), INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO RESCIND A SELECTION AND/OR THE ABILITY TO SELECT A NEW APPLICANT BASED ON THE RESPONSES RECEIVED.

GROUNDWATER TESTING WILL NOT BE PERMITTED AT ANY TIME PRIOR TO SETTLEMENT.

Any entry upon any portion of the Development Site will require that the applicant's contractors and subcontractors enter into a license agreement with the PRA, which will require, among other things, a security deposit and compliance with certain insurance requirements.

XIV. SUMMARY OF DISPOSITION PROCESS

Below is a summary of the process and approvals needed following selection of an applicant.

1. Execution of the Redevelopment Agreement by the selected applicant
2. Approval by the Planning Commission
3. Approval by the PRA Board of Directors

4. Approval by Philadelphia City Council
5. Execution of a Redevelopment Agreement by the PRA
6. Settlement

For a conveyance to be considered for approval by the PRA Board of Directors, the selected applicant will be required to convene a community meeting with a Coordinating Community-Based Organization (CBO) or Registered Community Organization (RCO) before it is presented at the Board's monthly meeting. Prior to settlement, the selected applicant shall be responsible for securing all necessary permits, licenses, approvals, lot line relocations, variances, and any other required governmental or quasi-governmental approvals, at the applicant's sole cost and expense.

Please note that although an applicant may have been selected, a Redevelopment Agreement is not deemed awarded until fully executed by all parties. If, for any reason, a Redevelopment Agreement is not finalized (and fully executed) with the selected Applicant(s), the Philadelphia Redevelopment Authority reserves all rights as set forth in the Request for Proposal(s), including, but not limited to, the right to rescind a selection and/or the ability to select a new Applicant based on the Responses received.

XV. SUMMARY OF RESTRICTIONS

I. All Transactions Contain the Following Restrictions

A. Restrictions on Transfer and Assignment of Interest in Developer.

- *Prior to issuance of a Certificate of Completion*, unless the PRA Board has granted its prior written approval, Developer, or any person or other legal entity owning ten percent (10%) or more of Developer, cannot
 1. Assign or transfer any interest in Developer; or
 2. Cause any significant change in the ownership of Developer; or
 3. Assign or transfer any interest in the Agreement; or
 4. except as permitted with respect to Approved Mortgagees, sell, mortgage, pledge, encumber, lease, or otherwise transfer the Premises.
- Items 1, 2, and 3 above requires approval from Philadelphia City Council by resolution. This is required by Section 16-601 pursuant to the new disposition ordinance.
- If the Developer violates any of the above, in addition to any and all other rights and remedies, the PRA shall be entitled to fifty percent (50%) of any and all sums, amounts, and consideration received by the Developer or any related person or entity.

B. Maintenance of Premises and Improvements.

- From and after Settlement, Developer shall maintain the Premises and the Improvements in such condition as to remove and keep out the elements of blight and enforce adequate safeguards for the proper maintenance of all parts of the Premises and the Improvements.

C. Covenant Against Discrimination.

- No person shall be deprived of the right to live in the Premises because of race, creed, color, national origin, gender, sexual orientation, or disability; and there shall be no discrimination

against any person in the use or sale of the Premises because of race, creed, color, national origin, gender, sexual orientation, or disability.

D. Condition Subsequent and Right of Re-Entry.

- Conveyance of the Premises is being made, on the condition that upon the occurrence of an Event of Default and the Developer's failure to cure the Event of Default by the expiration of the Cure Period, that the PRA may enter into the Premises and terminate the estate and revert title to the Premises, subject to the rights of an Approved Mortgagee and certain provisions to avoid unjust enrichment.

E. Changes to the Plans.

- No change may be made to the Plans or the use of the Premises without the PRA Board of Directors' prior approval by resolution.
- No Material Change, as defined below, may be made to the Plans or the use of the Premises without City Council's prior approval by resolution. This is required by Section 16-601 pursuant to the new disposition ordinance.
- "Material Change" means: (i) an increase or decrease in number of housing or commercial units by more than fifteen percent (15%); (ii) an increase or decrease in building square footage by more than fifteen percent (15%); or (iii) any modification to the use of the Premises.

F. Changes to the Purchase Price.

- No change may be made to the Purchase Price without a resolution of Philadelphia City Council. This is required by Section 16-601 pursuant to the new disposition ordinance.
- No change to the purchase price may be made without a resolution of the PRA Board.

G. Mortgages and Deed Restrictions.

- For property conveyed under nominal or discounted pricing, the Agency must, in its discretion, put in place one of the mortgages/restrictions found in subsection II.C. below unless Council authorizes otherwise.
- For properties sold through a competitive process at an offer price that is below the appraised value, the Agency may, in its discretion, record a deed restriction, mortgage, or other encumbrances to protect the public's interest.

II. Affordable Housing Restrictions

A. Declaration of Restrictions.

- All affordable housing deals have a declaration of restrictions regarding income eligibility and resale.
- Income eligibility is based on a percentage of AMI.
- Declaration is separately recorded.

B. Affordable Housing Obligations.

- Developer shall prepare, and deliver, a marketing plan for the sale of the units.

- Developer shall not market until (i) the Marketing Plan is approved by the Land Management Staff; and (ii) Developer has permitted the City of Philadelphia and PHA to exclusively market the units to municipal employees and its residents for a period of thirty (30) days.
- Prospective purchasers must comply with income eligibility requirements set forth in the Declaration.

C. Mortgages and Deed Restrictions.

- For property conveyed under nominal or discounted pricing, the Agency must, in its discretion, put in place one of the mortgages/restrictions found in subsection III below unless Council authorizes otherwise.

III. Mortgages and Deed Restrictions

- For property conveyed under nominal or discounted pricing, the Agency must, in its discretion, put in place one of the following unless Council authorizes otherwise:
 1. Permanently deed restrict the property.
 2. Provide a minimum 30-year self-amortizing mortgage for the difference between the appraised value, and the nominal or discounted sales price.
 3. Provide a minimum 30-year mortgage for the difference between the appraised value, and the nominal or discounted sales price. This mortgage will not amortize and will be due and payable at the end of the mortgage term.
 4. Record a Declaration of Restrictive Covenants, which includes restrictions to ensure project affordability.
- For properties sold through a competitive process at an offer price that is below the Valuation Price, the Agency may, in its discretion, record a deed restriction, mortgage, or other encumbrances to protect the public’s interest.

XVI. DISQUALIFICATION

Applications must be completed in accordance with the Instructions and this RFP and submitted in their entirety by the submission deadline.

A. An applicant will be disqualified if:

1. the Application is not received by the submission deadline.
2. the applicant has not submitted a “Qualified Bid”, as defined in the Disposition Policy, which is one that adequately describes its plans for the property.
3. any required submission materials are missing, illegible, or as applicable, unsigned or undated;
4. any terms, conditions, disclosures, acknowledgements, or certifications contained in any required form have been revised or changed.

5. the applicant violates any of the terms, conditions, disclosures, or acknowledgements contained in the General Application Form.
 6. the applicant or any individual or entity identified in either question 2c or 2d of the General Application Form (collectively, "Related Individuals/Entities") is not current, or not in a current payment agreement, with respect to any City-related obligations such as taxes, PGW, and water.
- B. Except as indicated above, an applicant will be disqualified if any required submission item does not comply with the Instructions or this RFP, unless the disqualification is waived.
 - C. If the applicant or any of the Related Individuals/Entities has an ownership, controlling, or managing interest in any property subject to any un-remediated L&I violations, then the following shall apply:
 1. An un-remediated violation that classifies a structure as "unfit", "unsafe", or "imminently dangerous" will result in the applicant being disqualified, unless the disqualification is waived.
 2. If any other un-remediated L&I violations exist, PHDC or the PRA, in their sole and absolute discretion, may deem such un-remediated L&I violation as significant and the applicant will be disqualified, unless the disqualification is waived.
 - D. An applicant may be disqualified due to a conflict of interest or other factor as determined by PHDC or the PRA, in their sole and absolute discretion.
 - E. An applicant will not be eligible for nominal or discounted pricing if the campaign disclosure form indicates that the applicant or any other individual or entity required to disclose campaign contributions has exceeded the allowable campaign contribution limits.
 - F. An applicant may be disqualified if it has not responded to requests made by PHDC staff for additional clarification and/or supplemental information. Failure to respond to such a request(s) is subject to the termination of negotiation or applicant selection.

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