

HAWTHORNE 13th STREET et AL RFP: QUESTIONS & ANSWERS

- Is the respondent expected to fill out or otherwise mark up the Lease Agreement or Redevelopment Agreement?
 - Answer – The applicant who is awarded the RFP will enter into a Lease Agreement and Redevelopment Agreement. At that time the applicant will have an opportunity to discuss the terms of the Lease Agreement and Redevelopment Agreement with our Legal Department.

- Has there been any environmental studies completed at the property? Is there any reason to believe that the soil is contaminated?
 - Answer - we are not aware of any studies therefore we cannot speculate as to the conditions of the soil at this site.

- Please confirm that Exhibit H – HUD 2021 Fair Market Rents – Philadelphia 01052021 are the rents that should be underwritten for the Affordable units in this project. (Efficiency \$1,160; 1B \$1,350; 2B \$1,630; 3B \$2,030) –
 - Answer -Yes, the revised HUD 2021 Fair Market Rents is attached to the RFP. These amounts represent 100% of the value. They are as follows:
 - Efficiency is \$1,160;
 - 1B is \$1,350;
 - 2B is \$1,630;
 - 3B is \$2,030 and
 - 4B is \$2,320

- January 31st is a Sunday, is the RFP due on that Sunday or the Friday before (1/29)
 - Answer – The revised due date is Monday, February 1, 2021 by 4:00 PM

- On the Pre-Submission zoom call it was stated that a list of attendees would be published, is that still the case? If so, where can that list be found?
 - Answer – The attendee list is updated and, on the website, (www.phdcphila.org)

- What will happen at the end of 99 years?
 - Answer – There is no mechanism provided in the lease to automatically extend the lease, nor does the lease provide any purchase option rights or refusal rights to the tenant. This is a straight 99-year term lease. At the end of that 99 years, unless an extension or modification is granted, the lease will terminate, and the property and all improvements constructed will become the property of the Authority. It is the Authority's assumption that, at some point during the term (whether due to a need to refinance or otherwise), there will be a request or request(s) to extend the term.

- In the 30% at 60% AMI, are we able to have rent escalation?
 - Answer – No, we are not allowing any additional escalation other than any escalation due to HUD's annual AMI adjustment.

- Is there something that caps the 30% for a certain timeframe?
 - Answer – This question is vague, so we are assuming that this question is asking whether we are requiring the 30% obligation for the full 99 years. Yes, the 30% requirement is for the full 99 years.

- Could you possibly share a Zoom recording of the session? I unfortunately could not stay for the entirety of the meeting, so I would appreciate the video, if possible.
 - Answer – The Zoom recording is on our website (www.phdcphila.org)
- Is the city providing any type of support for the affordable units' rent, through PHA vouchers or any similar system?
 - Answer – No, the City is not offering any type of support
- During the pre-bid conference, it was mentioned that this is seen as a 70/30 model. I understand that not less than 30% of the units shall be reserved for renters with household incomes not to exceed 60% AMI. Does PHDC want the remaining 70% to be market rate?
 - Answer – The applicant can propose any percentage as long as at least 30% of the units are reserved for renters with household incomes not to exceed 60%.
- Is prevailing wage applicable?
 - Answer – No, prevailing wage is not applicable.
- I understand PHA will have exclusive right to market for 30 days, will they be offering/providing any rent subsidies? PBV ACC, tenant based etc....
 - Answer – No, PHA will not be offering any rent subsidies
- What is the length of the ground lease?
 - Answer – 99 years
- Besides the income requirements mentioned, are you looking to serve any population?
 - Answer – No.
- Will PHDC or PRA make available any development subsidy to support the affordable units?
 - Answer – No development subsidy will be offered.
- Do all team members (architect, consultant, attorney etc...) submit the tax cert, disclosure, conflict of interest, campaign contribution etc... or just developer
 - Answer – Only the members who have an equity stake in the project will be required to submit these documents.
- Does the RFP contemplate the extended timeline that may be associated with projects seeking 9% credits?
 - Answer - No, we do not anticipate that this is a LIHTC project. There is no city subsidy associated with this site. We are looking for a market driven and financed mixed-income project. If for some unexpected reason we determined that a LIHTC project is the best approach, under no circumstance would the City provide any subsidy.