



PHILADELPHIA REDEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL FOR WORKFORCE HOUSING
900 & 1000 BLOCKS NORTH MARSHALL STREET
DECEMBER 1, 2014

**Development Opportunity for
942, 948, 950, 962, 981, 983, 985, 987, 993, 995,
996, 998, 1010, 1012 North Marshall Street**

Table of Contents

1. Introduction
2. Scope of Work
3. Schedule
4. Proposal Requirements
5. Evaluation/Selection
6. Declarations and Other Information
7. Application Process

Attachments:

- A. Legal Descriptions and Plot Plan
- B. Property Application Form
- C. City of Philadelphia Economic Opportunity Plan
- D. Certificate of Non-Indebtedness
- E. Campaign Disclosure Forms
- F. Tax Clearance and Conflict of Interest Form
- G. Form of Agreement
- H. Affordability Analysis

1. Introduction

The Philadelphia Redevelopment Authority (“PRA”) invites competitive workforce housing proposals from developers to purchase and develop properties located at **942, 948, 950, 962, 981, 983, 985, 987, 993, 995, 996, 998, 1010, 1012 North Marshall Street** (Attachment A) in Philadelphia’s East Poplar neighborhood. The properties are owned by PRA and current zoning is CMX-2 which is Commercial Mixed-Use. The Philadelphia Redevelopment Authority and the City Planning Commission is supportive a zoning change to Residential. Proposals will be reviewed to determine the most responsive proposal in accordance with the evaluation/selection criteria listed below.

2. Scope of Work

The goal of this Request for Proposals for workforce housing is:

- To promote the development of housing that will be affordable to households with incomes between 80%-100% of the area-wide median;
- To increase the availability of housing in close proximity to Philadelphia’s downtown, so that workers whose income cannot support the high cost of housing that is located in Center City, are not priced out of housing opportunities close to the employment center;
- To reduce the commute distance for employees who work in downtown who otherwise would live elsewhere.

Development proposals that provide workforce housing to income eligible households at 80%-100% AMI as defined under federal guidelines may acquire the properties for nominal. The nominal consideration is given to proposals that provide affordable housing and is consistent with major goals of the City of Philadelphia’s Comprehensive Plan (Philadelphia2035), including providing housing in locations that connect residents directly to (a) downtown employment opportunities, (b) public transit and (c) basic services.

3. Schedule

The timeline for this Development Opportunity is as follows:

Event	Date
Notice of RFP Opportunity Posted	December 1, 2014
Questions and/or Requests for Additional Information Due	December 29, 2014
Proposals Due	January 29, 2015
Respondent(s) Selected	February 12, 2015
Agreement Drafted	February 26, 2015

These dates are estimates only and the PRA reserves the right, in its sole discretion, to alter this schedule as it deems necessary or appropriate.

4. Proposal Requirements

Responses to this Request for Proposals must contain the information described below and conform to the following format:

A. Executive Summary

A written narrative of the proposed development should be provided in the form of a cover letter addressed to Brian Romano, Project Manager. The narrative should be no longer than two (2) pages in length and should succinctly summarize and describe the proposed development. At a minimum, it should seek to address all of the evaluation criteria and note the bid price. Please note any contingencies to the submitted bid price.

B. Financial Summary

Responses must demonstrate financial wherewithal and development capacity to carry out proposed redevelopment of the property. Submissions must provide documentation of available funds in an amount no less than the bid amount plus construction cost. Failure to provide clear evidence of committed sources of funds for the proposal to purchase and redevelop the property will disqualify submissions.

1. Completion of the Property Application Form (Attachment B).
2. An operating pro forma for projects that include rental units and proposed rents, if applicable.
3. Evidence of financial capability to fund the total cost of the development program as outlined in the Property Application Package Form. Acceptable forms of evidence include:
 - audited financial statement for last fiscal year plus internal financial statements ending the most recent quarter
 - signed commitment letter(s) that reference funding this project as proposed, or
 - other written evidence of financial support from one or more lending institutions specifying amount to be committed.
 - These elements will be reviewed and summarized as the financial components of the proposed development program.
4. Consideration of feasibility through market study with comparative sales/rents.
5. Litigation/Judgments – The proposal must contain information regarding any litigation (pending or threatened) in which the development entity or any members of the development team are involved and any judgments that have been rendered against the development entity or any member of the development team that may affect the ability to successfully execute the proposed project for the Property.

C. Development Plans

The proposed development should take into consideration the local context and provide attractive, well-designed development that enhances the quality of the built environment and improves the overall quality and physical appearance of the community. As stated above, this project's intent is to provide workforce housing, and as such, units should be marketed to 80%-100% AMI (see Attachment H for details).

Architectural submissions must be prepared by a registered architect, submitted on 11" x 17" size paper and

address at a minimum the following (also outlined in the Property Application Package):

- Architect name and address
- Detailed written description of the work to be completed
- Ground floor dimensioned architectural plans; other principal floor plans
- Building elevations with materials and key dimensions noted

Structures should be sensitive to the pedestrian environment through building facades that are engaging and put many eyes on the street. Building size and scale should be designed to enhance walkability and provide quality buildings by respecting the rhythms found in the size, placement and proportion of entries and windows in other buildings. Avoid false historic design and garages that dominate the streetscape. Dumpsters, electrical and mechanical equipment should be permanently screened.

We encourage developers to incorporate sustainable, “green” design features and building materials. Proposals should consider building performance objectives and Energy Star’s building design guidelines that integrate energy efficiency.

D. Development Schedule & Milestone

1. **Predevelopment Schedule** – Include a schedule listing important milestones and dates, beginning with due diligence activity (no more than 60 days), securing required government approvals and financing commitments. Please provide an anticipated closing date.
2. **Post-Closing Construction Schedule** – Include, at a minimum, a schedule showing critical milestones such as construction commencement and completion deadlines.

E. Developer Team Qualification

The development team should demonstrate experience with similar types of projects. This information should be included in the Property Application Form (Attachment B).

F. Economic Opportunity Policy & Project Goals

The development team should demonstrate their experience working with MBE&WBE firms in addition to completing the “City of Philadelphia Economic Opportunity Plan” form (Attachment C).

G. Proposal Fee

Proposals must include a proposal fee of \$3,000 (the “Proposal Fee”) in one of the following forms, in order of preference: a cashier’s check, certified check, or money order made payable to PRA.

The Proposal Fee of the selected developer for the Property will be non-refundable upon execution by the Developer of the Redevelopment Agreement, a form of which is attached as Attachment G and final approval of the Agreement. The Proposal Fee of unsuccessful bidders will be returned within thirty days after rejection notices. Interest earned on deposits of unsuccessful bidders will not be returned.

H. Certificate of Non-Indebtedness

All proposals submitted in response to this RFP must contain a fully executed Certificate of Non-Indebtedness to the City of Philadelphia. A copy of this Certificate is attached as Attachment D.

I. Campaign Disclosure Forms

Each member of the development team must complete the Campaign Disclosure Forms in Attachment E.

J. Conflict of Interest Form

All proposals submitted in response to this RFP must contain a fully executed Conflict of Interest form. A copy of this form is attached as Attachment F.

5. Evaluation/Selection

PRA will initially review the proposals to determine compliance with the Proposal Submission Requirements. Only proposals that comply with these requirements will be considered for evaluation. If no proposal meets these requirements, the Authority may allow all developers to supplement their submissions to conform to these requirements.

Proposals selected pursuant to the Threshold Review will be evaluated by a Proposal Review Team using the evaluation factors listed below. Proposals will be evaluated in their entirety – i.e., no one factor, but rather a combination of all of the following factors will determine the successful developer. Final selection is subject to approval by PRA and Philadelphia City Council.

Following are the evaluation factors:

1. **Financial Capability**
 - Financing Plan: Provide Letters of Intent from any financing sources listed.
 - Financial Stability: Ability of the developer to utilize his/her relationships with lending institutions to complete development in a timely manner will be strongly considered.
 - Demonstration of Project Feasibility: Developer demonstrates the feasibility of the project in the sources and uses property application form.
2. **Project**
 - Concept Design Quality: Strong preference given to projects that incorporate the reuse of the building and propose to restore.
 - Development Timeline (with compliance to PRA disposition process): Project completion within twenty-four months of settlement.
 - Strong consideration will be given to proposals allowing for non-subsidized affordable housing units as part of the development program.
3. **Developer Group**
 - History of Team Partnership: The development team's experience working together will be considered.
 - Inclusion of Experience with MBE, WBE and DBE.

Selection of Developer

The disclosure statements and other documentation submitted to PRA are the most important sources of information upon which PRA may base its selection and approval of a developer. Accordingly, any substantive misstatement or omission in any such disclosure statement or documentation shall be sufficient to reject the proposal.

Upon completion of the review and evaluation, PRA will recommend a course of action to PRA Board of Directors. PRA shall make the final decision with respect to development proposals and shall notify all developers of the results and return Proposal Fees to unsuccessful developers.

Disposition Process

After the PRA reviews the proposals and a developer's proposal is selected, the PRA Board, City Planning Commission and City Council approval must be obtained before the PRA can execute the Redevelopment Agreement and construction can commence. Following is a general sequence of events in this approval process:

1. PRA review and approval of schematic architectural plans;
2. Execution of Redevelopment Agreement by the Developer. At this time the Proposal Deposit is credited toward the deposit required under the Redevelopment Agreement;
3. PRA Board approval of the Redevelopment Agreement;
4. City Planning Commission approval of the Redevelopment Agreement;
5. City Council approval of the Redevelopment Agreement;
6. Execution of the Redevelopment Agreement by PRA;
7. Settlement;
8. Pre-construction conference;
9. Construction period;
10. Review of the completed development to determine compliance with Agreement. If the development is found to be in compliance with the Agreement, PRA issues a Certificate of Completion and the security completion deposit is returned.

The Developer shall be responsible for securing and paying all costs associated with all permits, licenses, approvals, lot line relocation, or variances necessary to comply with the development controls, City code, and the approved architectural plans.

Events of Disqualification

Subsequent to the selection of a developer, and before execution of an Agreement, the PRA may treat any of the following as an event of disqualification or default:

1. Unilateral withdrawal by the selected developer;
2. Failure to proceed substantially in accordance with the proposal as submitted;
3. Failure by the Developer for any reason whatsoever to timely execute the Agreement when tendered;
4. Material misrepresentation, omission, or inaccuracy contained in any document submitted either as part of the Request for Proposals, or subsequent thereto. For the purposes of this section, the PRA places particular importance on the information required by the Developer's Statement of Qualifications and Financial Responsibility and the Developer's Statement for Public Disclosure;
5. Failure to provide in a timely manner the additional material required after selection throughout the PRA disposition process.

Remedies

Upon the happening of an event of disqualification or default by the Developer, the City shall have the right, at its election, to:

1. Rescind its selection of the Developer; or
2. Declare null and void an Agreement that may already have been executed; and/or
3. Retain the Proposal Deposit as liquidated damages.

6. Declarations and Other Information

MBE/WBE/DBE Firms: The PRA strongly encourages and promotes the employment of qualified MBE/WBE/DBE firms in all aspects of its procurement of goods and services. If applicant is a Certified M/W/DBE, defined as Minority Business Enterprises (MBE), Woman Business Enterprises (WBE), or Disabled Business Enterprises (DBE); please submit information to confirm Certification as part of bid proposal.

Tax Clearance and Conflict of Interest Form: Respondents, upon request of the PRA, must provide evidence satisfactory to the PRA that all municipal taxes, including business taxes, real estate, school, water and sewer charges, if applicable, are current for both the individual applicant and the applicant's firm and neither is currently indebted to the City; will at any time during the term of the agreement be indebted to the City, for or on account of any delinquent taxes, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. Please complete the Philadelphia Tax Status Certification and Conflict of Interest form (Attachment F) and submit it with your proposal.

Campaign Contribution Disclosure Forms: Please complete the applicable disclosure forms (Attachment E) and submit with your proposal.

Reservation of Rights

By submitting a proposal in response to this RFP, an Applicant affirmatively acknowledges: (i) its acceptance of the terms and conditions of this RFP; (ii) the PRA may exercise in its sole discretion the following rights; and (iii) the PRA may exercise the following rights at any time and without notice to any Applicant.

1. to reject any and all proposals;
2. to supplement, amend, substitute, modify or re-issue the RFP with terms and conditions materially different from those set forth here;
3. to cancel this RFP with or without issuing another RFP;
4. to extend the time period for responding to this RFP;
5. to solicit new proposals;
6. to conduct personal interviews with any Applicant to assess compliance with the selection criteria;
7. to request additional material, clarification, confirmation or modification of any information in any and all proposals;
8. to negotiate any aspect of a proposal, including price;
9. to terminate negotiations regarding any and all proposals at any time;
10. to expressly waive any defect or technicality in any proposal;
11. to rescind a selection prior to contract execution if the PRA determines that the proposal does not conform to the specifications of this RFP;

12. to rescind a selection prior to contract execution if the PRA determines that the specifications contained in this RFP are not in conformity with law or that the process in selection of a proposal was not in conformity with law or with the legal obligations of the PRA;
13. in the event a contract is awarded, the successful Applicant or Applicants shall procure and maintain during the life of the contract liability insurance in an amount to be determined prior to the award of any contract;
14. in the event a contract is awarded, all Applicants agree to perform their services as an independent contractor and not as an employee or agent of the PRA;
15. in the event a contract is awarded, all Applicants agree that no portion of performance of the contract shall be subcontracted without the prior written approval of the PRA; and
16. each Applicant agrees to indemnify, protect and hold harmless the PRA from any and all losses, injuries, expenses, demands and claims against the PRA or the City of Philadelphia sustained or alleged to have been sustained in connection with or resulting from (i) the submission of the Applicant's proposal; (ii) the delivery by the Applicant to the PRA of any other documents or information; and (iii) any other conduct undertaken by the Applicant in furtherance of or in relation to the Applicant's proposal. Each Applicant agrees that its duty to indemnify and hold harmless shall not be limited to the terms of any liability insurance, if any, required under this RFP or subsequent contract.

7. Application Process

Applicants must submit **three (3) original copies of the proposal and one electronic copy on CD to the PRA no later than January 29, 2015 at 3:00 pm**; absolutely no proposals will be accepted after that time. Files on the CD may only be in Microsoft Word or Adobe PDF.

An applicant, whether an individual, partnership, LLC, non-profit, for profit or other business entity, may submit only one response to this RFP. Individuals that are related to each other or business entities that are legally related to each other or to a common entity may not submit separate proposals. The Authority, in its sole and absolute discretion, retains the right to reject any proposal where: 1) applicants or principals of applicants are substantially similar or substantially related parties; or 2) the Authority has determined that the applicant has violated these conditions or the spirit of these conditions.

Applicants may hand deliver or send proposals via registered mail to:

Brian Romano
Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19107
Phone: (215) 854-6500

Contact for Additional Information

All questions and requests for additional information should be directed in writing to Brian Romano at brian.romano@pra.phila.gov. Questions will only be accepted until December 29, 2014. Questions and/or requests for additional information and the PRA's responses to them will be posted on the PRA website.