

## IMPORTANT NOTICE

This copy of the Request for Proposals is for  
INFORMATIONAL PURPOSES ONLY

Any party seeking to submit a proposal **MUST** request a copy of the RFP from the BHA Procurement Department.

Submission copies of the RFP are available to Proposers via email request to [bids@bostonhousing.org](mailto:bids@bostonhousing.org) free of charge. Hard copy RFP Packages may be obtained for a non-refundable fee of \$100.00 payable by check or money order to the BHA on or after 7/29/2015 from the BHA, Contract Office, 6<sup>th</sup> floor, 52 Chauncy Street, Boston, MA 02111. The RFP package will be mailed to prospective respondents upon request for an additional \$15.00 fee.

**Request For Proposals**  
**Development Services for -- BHA's West Newton and Rutland Street Units**  
**BHA Job. No. 1201-01**

The Boston Housing Authority invites qualified real estate development firms to submit proposals for the revitalization/renovation of its West Newton/Rutland public housing units. The West Newton/Rutland development comprise 146 units of federally subsidized public housing in 24 historical brick townhouses in the South End Landmarks District of Boston. The award and anticipated conveyance via ground lease of the parcels is subject to approval by the U.S. Department of Housing and Urban Development. Only proposals for rehabilitation will be considered under this RFP. RFP packages are available via email request to [bids@bostonhousing.org](mailto:bids@bostonhousing.org) free of charge. Hard copy RFP Packages may be obtained for a non-refundable fee of \$100.00 payable by check or money order to the BHA on or after 7/29/2015 from the BHA, Contract Office, 6<sup>th</sup> floor, 52 Chauncy Street, Boston, MA 02111. The RFP package will be mailed to prospective respondents upon request for an additional \$15.00 fee. A non-mandatory pre-proposal conference will be held on **8/24/2015 at 11:00 am** on the **11<sup>th</sup> Floor** of the BHA's offices at 52 Chauncy Street. Proposals will be received at the above address until **2:00 pm 10/14/2015**. Questions or requests for modifications regarding this RFP will be accepted in writing only until 2:00 pm on 8/26/2015 and must be submitted to Dan Casals, Deputy Administrator, BHA, 52 Chauncy Street, 6<sup>th</sup> Fl., Boston, MA 02111 or via email to [bids@bostonhousing.org](mailto:bids@bostonhousing.org) or via facsimile to 617-988-4292. The BHA reserves the right to reject any proposals and waive any informalities if it be in the public interest to do so.

**REQUEST FOR PROPOSALS**  
**Developer Services for BHA's West Newton and Rutland Street Units**  
**BHA Job No. 1201-01**

**July 2015**

**PART I: INTRODUCTION**

The Boston Housing Authority ("BHA") invites qualified real estate development firms (each a "Proposer") to submit proposals for the revitalization/renovation of its West Newton/Rutland public housing units. The West Newton/Rutland development comprise 146 units of federally subsidized public housing in 24 historical brick townhouses in the South End Landmarks District of Boston. The disposition will be subject to approval by the U.S. Department of Housing and Urban Development (HUD).

The BHA's goal is to upgrade the properties while avoiding displacement of current residents and to preserve affordability for extremely low-income households. The successful Proposer (the selected "Developer") must demonstrate the ability and experience to implement a comprehensive plan to achieve that goal. Only proposals for rehabilitation will be considered under this RFP—i.e., not proposals for new construction.

Following the selection process, the BHA will issue a Letter of Designation to the selected Developer. The Developer must agree to accept the terms of the Letter of Designation, the Development Agreement ("Development Agreement"), and the other documents referenced in or attached to this RFP. The Developer will finalize the redevelopment program and secure funding for the project in accordance with the terms of the Letter of Designation.

The redevelopment of the West Newton/Rutland properties will involve the disposition of the units through a 99-year ground lease to the selected Developer, subject to HUD approval. Additional HUD review and approval requirements may apply.

This RFP consists of this document, documents referenced in this RFP and the following attachments:

1. Request for Proposal Notice
2. Required Forms (Appendix A)
3. Form of Letter of Designation (Appendix B)
4. Minority and Women's Participation and M/WBE Utilization Requirements (Appendix C-1)
5. Resident Employment Provision: Construction Contracts (Appendix C-2)
6. Fee Proposal (Appendix D)
7. Site Plan (Appendix E)
8. Enterprise Green Communities Criteria (Appendix F)
9. Responsibility Checklist (Appendix G)
10. Energy Efficiency and Sustainability Criteria (Appendix H)
11. HUD Safe Harbor and Cost Control Guidelines (Appendix I)
12. Form of Development Agreement (Appendix J)
13. Form of Ground Lease (Appendix K)

#### 14. Form of Memorandum of Agreement for Resident Participation (Appendix L)

##### **A. Submission Instructions**

Proposers responding to this RFP are required to submit eight (8) copies and one (1) original of their proposal and shall provide one (1) electronic copy of the non-fee portion of their proposal on CD-R media. This submission should be in Adobe PDF format, although Microsoft Office files (Word, Excel) are also acceptable.

Proposers shall submit their proposals to: BHA Contract Office, Dan Casals, Deputy Administrator, Boston Housing Authority, 52 Chauncy Street, 6<sup>th</sup> Floor, Boston, MA 02111, on or before **October 14, 2015 at 2:00pm**, by mail or hand delivery. Each proposal must be in a sealed enveloped marked with the Proposer's name, address, and telephone number. The Proposer is required to submit the fee and non-fee portions of their proposal under separate cover as follows:

1. One envelope shall be marked: "Developer Services for West Newton/Rutland Units, BHA Job No. 1201.01: Qualification Statement, Development Plan and Required Forms."
2. The second envelope shall be marked: "Developer Services for West Newton/Rutland Units, BHA Job No. 1201.01: Fee."

Proposals must comply with the requirements of the RFP as set forth herein. The BHA will not accept or review proposals received after the designated submission deadline. The BHA reserves the right to extend the time for receipt of proposals.

##### **B. Pre-Proposal Conference**

A non-mandatory pre-proposal conference will be held on August 24, 2015, at 11am on the 11<sup>th</sup> Floor of the BHA's offices at 52 Chauncy Street, Boston, MA 02111.

##### **C. Inquiries or Modifications**

Inquiries or requests for modifications regarding this RFP will be accepted in writing until **August 26, 2015 at 2:00pm** ("Inquiry Deadline"), and should be submitted in writing to Dan Casals, Deputy Administrator, Boston Housing Authority, 52 Chauncy Street, 6<sup>th</sup> Floor, Boston, MA 02111 or via email to [bids@bostonhousing.org](mailto:bids@bostonhousing.org) or via facsimile to 617-988-4292.

On or before the Inquiry Deadline, Proposers must promptly notify the BHA of any ambiguity, inconsistency, or error they may discover upon examination of this RFP and all documents attached hereto or referenced herein. Further, Proposers must notify the BHA of any term(s) in any document attached to this RFP to which the Proposer has an objection or is unwilling to execute. Requested modifications to any term or to any attachment to the RFP not submitted in writing on or before the Inquiry Deadline will not be reviewed or considered by the BHA unless the BHA, in its sole and absolute discretion and judgment, determines any such changes are minor in nature and not prejudicial to fair competition. Responses to inquiries and modifications, if acceptable to the BHA, to the terms of any attachment to this RFP will be issued as an addendum to every individual or firm on record as having received the RFP from the BHA.



#### **D. Contact with Residents**

Unless provided with prior permission from the BHA, Proposers shall not be in contact with the residents of the West Newton/Rutland development. All communications prior to developer designation shall be directed to the BHA. Direct or indirect contact with residents, other than through the BHA, may disqualify the Proposer.

#### **E. Evaluation Process**

Proposals shall be reviewed and evaluated by a selection committee composed of BHA staff and others appointed by the BHA Administrator or his designees (the "BHA Selection Committee").

Evaluation of proposals shall be reviewed by the BHA Selection Committee in six phases: (1) all eligible proposals shall be reviewed for compliance with the Minimum Evaluation Requirements (see Part IV.A, below); (2) all proposals satisfying the Minimum Evaluation Requirements shall be evaluated based on the Comparative Evaluation Criteria (see Part IV.B, below); (3) the BHA Selection Committee shall rank the proposals based on the Comparative Evaluation Criteria; (4) Fee Proposals will be opened and evaluated; (5) all proposers determined to be eligible for award may be required to present themselves before the BHA Selection Committee for clarification and review of their proposals (6) the most advantageous proposal, with price and all evaluation factors considered, including proposed revisions, will be recommended to the Administrator for contract award.

Contract award is subject to the approval of the BHA Administrator. The BHA expressly acknowledges that the contract may be awarded to a Proposer who does not submit the lowest fee to the BHA.

## **PART II: WEST NEWTON/RUTLAND REDEVELOPMENT PROGRAM OBJECTIVES**

### **A. Background**

In developing its current Five-Year Agency Plan—and in recognition of the structural federal operating deficit and inadequate capital improvement funding that are only expected to persist—BHA resolved to develop an asset management strategy to ensure the long-term sustainability of its public housing communities. The BHA has determined that transitioning the West Newton/Rutland units as affordable housing to an alternative ownership structure that would enhance the opportunity for non-public capital investment is the most appropriate preservation strategy for these units.

### **B. Program Objectives**

The West Newton/Rutland properties comprise 146 units of federal public housing, broken down as follows: 44 studios, 58 1BRs, 20 2BRs, 11 3BRs, 12 4BRs, and 1 5BR at 62-79 Rutland Street and 54-102 West Newton Street.

The Developer shall maximize the preservation of housing units with units that serve public housing eligible families through either public housing or another platform (e.g., HUD's Rental Assistance Demonstration program) that ensures extremely low-income residents are eligible and will pay no more than 30% of household income for rent. The Developer shall adopt methods and materials that minimize the total development and operational costs.

The BHA anticipates a rehab project. Demolition and rebuild is not contemplated for these properties. The goal is to preserve maximum affordability while upgrading the units.

It is strongly preferred that any necessary relocation occur on site with vacant "hotel" units rather than off-site.

Phasing and Designation Timeframe. While it is preferred that the selected Developer complete redevelopment of the West Newton/Rutland properties in as few phases as possible, the Developer will have 12 months from the time of Designation to close and begin an initial phase ("Phase One"), and up to an additional 18 months to complete construction of Phase One (the combined 30 months being the "Designation Timeframe."). BHA will extend the Designation Timeframe for remaining phases as plans become solidified for future phases. If, during the Designation Timeframe, the selected Developer is de-designated for some other reason, the Developer shall assign and transfer all rights, drawings, studies, and other materials to a new developer or to BHA or an instrumentality of the BHA, as directed by the BHA.

Physical and Community Sustainability. A significant objective in the rehabilitation of West Newton/Rutland is to implement energy efficiency and healthy homes principles and to promote health and wellness within the community. Included as Appendix H are the Energy Efficiency and Sustainability Criteria that BHA strives to attain. BHA is not expecting respondents to submit construction details or energy analyses as part of their proposals; however, Proposers should explain the energy efficiency and sustainability measures that are planned. In addition to the specific criteria listed in Appendix H, the goal is for the project, to the greatest extent

feasible, to:

- meet HUD's Enterprise Green Communities mandatory and optional criteria.
- achieve certifiability as LEED Gold or better under the appropriate LEED rating system—e.g., LEED for Homes, Building Design and Construction, or Neighborhood Development. (See <http://usgbc.org> for specific criteria.)
- incorporate facilities and programs into the redevelopment that encourage resident health and wellness.

Cost Effectiveness. The Developer shall explore all possibilities for renovations that produce high-quality sustainable housing that meets a reasonable cost standard for construction. The BHA expects the Developer to engage architects, general contractors, building trades, and others to dramatically decrease per unit hard costs without sacrificing quality of design or construction.

Financing. BHA is seeking proposals that maximize private financing and financial structuring that does not rely on scarce, competitive affordable housing resources such as 9% low-income housing tax credits. While BHA will work with HUD to secure the most sustainable operating subsidy structure for Replacement Units through available programs such as the Rental Assistance Demonstration program, BHA does not anticipate that any HUD capital resources will be available to the redevelopment. In evaluating proposals received in response to this RFP, BHA will score higher those proposals that present a realistic financing structure that does not draw on scarce and competitive resources.

Because BHA will not have any identified capital resources to provide to the redevelopment of West Newton/Rutland, the Developer will be required to identify funding to cover all costs of redevelopment, including relocation, demolition, and BHA legal, administrative and other third-party consultant costs. In addition, it is a goal of BHA to share in development fees generated by the redevelopment of West Newton/Rutland—see Part III.G below.

Employment Opportunities. The Developer shall optimize construction and long-term employment opportunities through the redevelopment process. This includes opportunities for Section 3 residents (BHA residents and others); current BHA employees, subject to federal and state ethics laws (MGL c. 268A); minority and women-owned business enterprises; and minority and women workers. All work shall be subject to applicable wage rate requirements.

### **C. Role of BHA**

The respective roles of BHA and the Developer are described in the following sections. Also, Appendix G presents the “Mixed-Finance Responsibility Checklist” that BHA typically follows for redevelopment projects. While the rehabilitation work at West Newton/Rutland is not envisioned as a typical large-scale mixed-finance redevelopment, the checklist nevertheless provides details on BHA’s expectations regarding respective roles in the development process. BHA intends to maintain an active role in overseeing the development work at West Newton/Rutland and an asset management role in the operations of the property. BHA’s oversight through the ground lease will be to ensure continued deep affordability of the housing units, preservation of tenancy rights of the extremely low-income residents, and responsible, sustainable management of the property.

Land Owner/Asset Manager. The BHA or an instrumentality of the BHA will be the landowner/ground lessor. As landowner and asset manager BHA will be concerned with preserving long-term asset value through attentive property management, and ensuring that the applicable affordable housing requirements are being met. As part of its asset management responsibilities, BHA will monitor and enforce the terms of its ground lease, management agreement and other transaction documents that will be executed among BHA, the Developer, and other parties.

Assistance with RAD application and re-structuring: BHA will cooperate and as needed, take the lead on any funding opportunities for which the housing authority is solely eligible, including but not limited to the Rental Assistance Demonstration.

Relocation. BHA is experienced in relocation as a result of its prior redevelopment efforts, and will work with the selected Developer on the best approach to temporarily relocate residents during renovations. The BHA may elect to oversee this process. All costs associated with relocation must be covered by development funds secured by the Developer.

### **D. Role of the Developer**

The Developer will be an integral collaborator with BHA and will be required to work closely with BHA throughout the redevelopment effort. Please see the Responsibility Checklist (Appendix G) for a description of the Developer’s scope of service requirements. In addition to and complementing the items on the attached Responsibility Checklist—and in addition to other sections and attachments to this RFP—the Developer will be required to do the following:

Unit Mix. Ensure that the unit mix remains consistent with the existing units and/or the BHA’s waitlist.

High quality and Environmentally Responsible Design and Construction. Ensure that the project is designed and constructed with the highest quality materials and workmanship. Proposers must be willing to implement an environmentally responsible building design that integrates the best in natural and engineered technologies.

Accessibility. Ensure that at least 5% of the units be accessible as defined by the Uniform Federal Accessibility Standard (UFAS). Of these UFAS compliant units, 2% must be made accessible for persons with visual and hearing impairments.

Project Financing. The Developer is responsible to secure all project financing, including resources to cover BHA costs.

Permitting and other Regulatory Approvals. The Developer is responsible to secure all land use, permitting and other regulatory approvals for the project. BHA will be the point of contact for HUD approvals, with assistance from the Developer on submission materials.

Schedule. The Developer will be responsible for maintaining the proposed schedule and meeting any funder-required milestones.

While it is preferred that the selected Developer complete redevelopment in as few phases and as quickly as possible, as described above, the Developer will have 12 months from the time of Tentative Designation to close and begin construction on Phase One and up to an additional 18 months to complete construction of Phase One. BHA will extend the Designation Timeframe for remaining phases.

#### **E. Resident and Community Role**

Consultation with the residents of the community is fundamental to the successful implementation of the program. The Proposer must submit a plan that outlines the means by which meaningful resident and community consultation will be achieved through the planning and implementation of the Proposer's program. The Developer will be expected to involve residents of the West Newton/Rutland public housing development throughout the redevelopment process and in future operations of the property.

#### **F. Public Procurement Requirements**

As with previous public housing redevelopment initiatives, the BHA intends to seek legislative relief, if necessary, from any and all Commonwealth of Massachusetts general or special laws relating to the procurement and award of contracts for the construction, reconstruction, installation, demolition, maintenance or repair of the buildings to be constructed on the property in conjunction with the proposed redevelopment. Notwithstanding this, BHA expects the project will remain subject to sections 26 to 27H, inclusive, of chapter 149 of the General Laws as well as provisions of section 39M of chapter 30 of the General Laws relating to the construction, reconstruction, alteration, remodeling or repair of any publicly owned public works which may service the project and any federal procurement requirements to the extent applicable. Proposers are directed to Article 7.08 of the Development Agreement for a more detailed description of the various applicable federal requirements and restrictions relating to construction and procurement with respect to the Development.

Further, the BHA will not consider any information regarding the construction contractor as part of this RFP process. At a minimum, the BHA will require that the construction be competitively priced. The development team will be responsible for issuing a Request for Proposals including

schematic design documents to at least three general contractors (GCs) for Guaranteed Maximum Price (GMP) Proposals. Beyond qualifications and cost, the primary criteria for GC selection will be general conditions, overhead, and project mark-ups.

## **G. Environmental Disclosure**

The BHA has identified two historic releases at West Newton and Rutland, which have been closed out under the Massachusetts Contingency Plan. The submittals for the closed releases are available for download at MassDEP's online database, searchable by Release Tracking Number (RTN) at: <http://public.dep.state.ma.us/SearchableSites2/Search.aspx>

The releases are identified as follows:

RTN 3-17023 (62-64 Rutland Street) – Following the failure of a UST tightness test in July 1998, the BHA notified MassDEP of a potential release of oil from a UST. MassDEP assigned RTN 3-17023 to the condition. Between October and December 1998, the UST, the concrete slab beneath the UST, and oil-contaminated soil were removed from the Site. Groundwater was not encountered in the excavation.

The BHA's LSP collected confirmatory soil samples from the limits of the UST excavation to evaluate soil impacts. Petroleum contaminants were present at levels above MCP standards but based on an MCP Method 1 Risk Characterization, the BHA's LSP concluded that the site does not pose a significant level of risk with the implementation of an Activity and Use Limitation (AUL). An AUL was recorded in June 1999, and a Class A-3 RAO was submitted to MassDEP in June 1999. Based on MassDEP audit findings, the AUL was subsequently amended in March 2003 by another of the BHA's LSPs based on a revised Method 1 Risk Characterization.

RTN 3-26394 (79 Rutland Street) – In November 2006, a release of No. 2 fuel oil affected the basements and indoor air at both 79 Rutland Street, which is BHA-owned, and at the abutting 77 Rutland Street, which is privately owned. An IRA was initiated with MassDEP approval to address the fuel oil release. The IRA included recovery of fuel oil from the basements, sumps, and a floor drain, removal of a UST, excavation and off-site disposal of soil, and installation of temporary air purification systems in both basements to mitigate vapor intrusion to the occupied spaces. Oil in the sumps and basement surfaces was mitigated, eliminating sources of indoor air contamination associated with the Site. The BHA's LSP concluded it was unlikely that there was a complete vapor intrusion pathway at the Site based on the results of groundwater and sub-slab soil vapor test results.

Additional subsurface investigations were performed in June 2009 to evaluate whether soil and groundwater impacts still existed since the removal of the UST and contaminated soil. The BHA's LSP concluded that residual contamination in soil remained in the area near the northern limit of the UST excavation. However, based on an MCP Method 3 Risk Characterization, it was the BHA's LSP's opinion that the site does not pose a significant level of risk, and a Class A-2 RAO Statement is appropriate for the site.

The Developer will have the opportunity to conduct site investigations pursuant to an access agreement prior to financial closing. The Developer will be responsible for conducting any remediation needed as part of the West Newton and Rutland redevelopment.

## **H. Legal Structure**

West Newton and Rutland were developed under the United States Housing Act of 1937 (the “Act”) and , depending on the funding requirements and financing structure of the redevelopment, the Replacement Units may remain subject to the use and operating restrictions under the terms of the Act and the Quality Housing and Work Responsibility Act of 1998. An instrumentality of the BHA will retain legal title to the land, and will grant a Ground Lease to the Developer or the Developer’s single purpose entity, in substantially the form attached here as Appendix K.

## **I. Grounds for De-Designation**

At its sole discretion, the BHA may de-designate the selected Developer for the following reasons:

1. The Developer becomes bankrupt, goes into receivership, or is no longer operational for some other reason;
2. The Developer fails to retain the development team members included in its proposal (or, as needed, to substitute development team members—or augment the development team with new members—approved by the BHA) or otherwise breaches a requirement under this RFP or the Letter of Designation;
3. The BHA discovers any of the grounds for rejection of proposals stated in Part III.E below; or
4. The BHA determines that the West Newton/Rutland redevelopment is not feasible for some other reason.
5. The Developer proposes material alterations or changes to the proposed Development Plan; for example but not limited to the following:
  - a. Need for or ability to access local and state public resources
  - b. Relocation/rehousing agreements and guarantees
  - c. Delays
  - d. Ground Lease restrictions

### **PART III: PROPOSAL REQUIREMENTS**

The following provides information on what the proposal must contain and how it must be organized. The purpose of this information is to establish the requirements, order and format for responses to ensure that the proposals are complete, include essential information and can be fairly evaluated. Proposers are requested to be specific and concise and to avoid duplicative materials and redundancies in the proposal. The BHA has not set a page limit for proposals but it prefers efficiently worded, substantive proposals to lengthy responses containing more general, boilerplate language. Prepare your proposal in the following order with explicit references to the specific sections below:

#### **A. Cover Letter**

The cover letter must list the development team members and identify the primary contact person. Please include telephone number, facsimile number, and e-mail address. The cover letter must be signed by an authorized principal of the Developer's firm and include a statement that the proposal will remain valid for not less than 180 days from the date of the BHA Administrator's approval.

#### **B. Team Experience and Qualifications**

1. **Team Description:** The Developer's team must, at a minimum, include developer entity, architect (including experts in sustainability and green building), engineers, legal counsel and property manager. Provide general information on the Developer and the development team, including the following:

- Contact person, title, telephone/facsimile numbers and e-mail address;
- Name of Developer, main address, telephone/facsimile numbers, and e-mail address;
- Address, telephone/facsimile numbers of office from which services will be provided, if different from above;
- Description of firm size, number of employees, and a description in time and dollar value of projects in the pipeline;
- Proposed role of Developer within development team;
- Identify the individual who will serve as the Project Manager for the development team and who will direct and coordinate the development effort through completion. Describe the Project Manager's prior and current experience with projects of similar anticipated scope and size, with particular emphasis directing a multi-disciplinary team and facilitating a community involvement process;
- List the remaining members of the development team and provide an Organization Chart. All entities that comprise the team must be identified, indicating their specialization(s), relevant experience, and specific contribution to the team. These entities should include architect, lawyer, property manager and any other firms and professionals who will be part of the team.
- Provide a description of the development team's prior experience working together. In addition, provide examples of the team's prior and current experience (within the last five years) with projects of anticipated similar scope size and complexity, as well as



experience in Boston, if any. Please include information about the development team's experience in planning, implementing, and managing physical redevelopment, financing, leveraging, and partnership activities for affordable housing development.

- Please provide information regarding the team's experience in designing and constructing multi-family, occupied rehab.
- Provide a narrative description backed up by specific statistics of the team's previous expertise in integrating resident employment and contracts with MBE/WBE/Local firms into the overall development of similar projects. Proposers must provide resident employment opportunities organized by age group, types of jobs to be provided to Section 3 eligible persons, eligibility requirements for obtaining a job, and methodology for tracking resident employment.

2. Profile of Developer: Provide an overview of the Developer's experience in the planning, construction, and management of projects similar to what is proposed at West Newton/Rutland. Include the following information for the last five years:

- List all affordable rental housing projects successfully completed, identifying the states where they are located, the size of the tax credit allocations and tax-exempt bond allocations received, who the investor was and how much the investor paid for the tax credits (expressed in cents per dollar), whether bonds were rated (if so, by what entity) or unrated. Specify the number of units and the income groups served, the per-unit cost of each project, and the period of time it took to complete the project. Please provide this information by year.
- Provide examples evidencing Developer's experience with ownership and property management (either directly or through supervision of property management provided by a third party). Include information about income groups served and operating deficit history, and for both residential and commercial show absorption and current occupancy.
- For each project listed, the Developer must disclose and explain: current financial default of more than 60 days duration; mortgage assignment or workout arrangement; foreclosure and/or bankruptcy; litigation related to financing or construction of the project which is pending or which was adjudicated within the past five years with a finding against the Developer; and real estate tax delinquencies. Identify any conditions that may be grounds for proposal rejection in Section III.F or de-designation in Section II.I.
- Provide a statement indicating how the Developer will honor all financial guarantees, should the need arise. The statement should include more than a reference to the Financial Statements, and may include a letter of credit or other approach.
- In addition to the bank references, references should be submitted for the Developer, including:
  - Construction and permanent lenders
  - LIHTC limited partner investors
  - Public sector financing partners (HFA, PHA)
  - General contractors on a comparable development
  - Community groups that worked with the Developer on a project.
- Team personnel and experience to achieve the design, green building, and healthy homes criteria identified in Part II.B above.

- **Proposers must be prepared to submit the following if requested during the Selection Process (do not submit these materials with your proposals; BHA will make a separate request as needed):** three most recent concurrent years of audited or certified public accountant prepared financial statements from each entity of the development team who will be providing any guarantees in connection with the development and operation of the project and for each rental development owned and/or operated by any member of the Developer's team and/or their affiliate(s) that achieved 95% construction completion by December 2014, the annual audits for each of 2012 and 2013 and 2014 (if available). The statements must include an Income Statement as well as a Balance Sheet showing assets, liabilities and net worth of the entity. Please also submit three bank references for the Developer. Financial statements and bank references may be placed in a separate sealed envelope. Note, however, that all materials included with the proposal are considered public records.

3. Profiles of Developer's Team Members:

- Describe the experience of the law firm and the key staff assigned to this project in structuring and negotiating complex affordable housing development, City of Boston and BRA permitting and land use processes, Landmarks requirements, and HUD public housing, Section 8 or other requirements.
- Describe the experience of the architect and the key staff, including engineers, assigned to this project in addressing the following: multi-family affordable and market-rate rental housing; LIHTC projects; working with diverse low-income residents; creating affordable housing designs that appropriately balance concerns for quality of life, cost efficiency and optimizing land use; leading an integrated design process that results in a high quality, sustainable design that strongly promotes green building and healthy housing strategies; designing and constructing cost effective units; and going through the permitting of large projects in the City of Boston, including a community review process and the BRA land use approval process.
- Describe the experience of the property management firm in managing urban low-income family rental housing as well as market housing, particularly developments involving LIHTC and HUD reporting requirements.
- Provide three references for each entity of the development team. In providing references, please provide name, title, organization name, telephone numbers, and e-mail addresses. Please specify the name of the project with which the reference is familiar. Please ensure that all names and numbers are current.

4. Assigned Staff: Failure to assign the identified staff of the Developer and development team members will be considered a material breach of contract. In the event that any of the named personnel departs a firm that is a member of the Proposer's team during the term of the contract (including any extension period), the Proposer shall be required to replace such personnel with personnel of comparable experience and expertise and to assign such new personnel to provide services under the Contract, subject to BHA review and approval.

**C. Development Plan**

1. General. BHA is seeking proposals that evidence the capacity of the development team to work with the BHA, West Newton/Rutland existing residents, the broader community, and elected officials in an effort to balance the variables presented herein. Proposers are required to submit a specific redevelopment plan.

The development plan should reflect the BHA's programmatic goals and potential limitations or restrictions that are described elsewhere in this document. The plan should indicate clearly how the deeply subsidized units will be funded for operations.

The development plan should include a narrative that sets the context for the design, financing, management and timeline aspects of the Proposal, as set forth below. The Developer must state in the development plan its position and reasoning with respect to what happens to the property and reserves at the end of the 15-year tax credit compliance period. In particular, this section must address the Developer's plan for continued affordability after the tax credit compliance period and confirmation that most if not all of the reserves will be owned by the BHA (or an affiliate of the BHA) or the project.

2. Design Concepts. Proposers under this RFP are not required to submit conceptual architectural drawings; however a general scope of rehabilitation work must be submitted. Proposers must demonstrate the capacity and experience of the team's architect to undertake the project and to achieve the BHA's programmatic goals.
3. Financing Structure. Submit a financial plan that includes a complete development pro forma. Note: The financial plan must exclude the developer fee and overhead, BHA asset management fee, and the portion of the developer fee that will go to the BHA. (These fees will be included separately in the Fee Proposal.) The financial plan must include a statement of sources and uses excluding the BHA asset management fee, developer fee and BHA portion of the developer fee, and a 15-year operating pro forma, breaking operating expenses into typical, separable categories. There should be no funding gaps in the operating budget. In providing this financial information, clearly identify any of the following: development contingencies, capital and operating reserves, trending assumptions, and tax credit equity yield assumptions. Submit a pre-development sources and uses budget that identifies all tasks and costs from tentative designation to closing, including start and end dates for each task. The Proposer must demonstrate the availability of working capital to cover pre-development costs (including BHA's costs) by providing proof of cash availability (i.e., bank statement) or identify a source of funds.
4. Management Plan. The BHA is deeply committed to excellent professional property management. Discuss how day-to-day operations will be handled. Discuss the strategy for sustaining professional excellence, resident satisfaction and high performance in managing the Replacement Units over the long term.
5. Legal and Ownership Structure. The BHA or an instrumentality of the BHA contemplates executing the Ground Lease in substantially the form attached hereto with the procured Developer for this project. The proposal must describe the proposed ownership structure identifying the various legal entities involved in the ownership of the development. The role proposed for the BHA should be clearly described as well, including specific development responsibilities. Joint Ventures: With respect to the development entity and the

management company, a precise description of any joint venture arrangements, including prospective equity and decision making interest shall be provided.

6. Resident Participation. Submit an outline of the means by which meaningful resident participation will be achieved through the planning and implementation of the Proposer's development plan. Be specific about the residents' role in decision-making. Discuss issues and obstacles related to meaningful resident participation. The Developer or its owner entity(ies) will be required to commit to funding resident participation after redevelopment by executing an MOA in the form attached hereto as Appendix L.
7. Minority and Women Participation and M/WBE Utilization. The selected Developer must comply with certain requirements concerning minority and women participation and M/WBE utilization, as further described below.
8. Resident Employment Obligations. The selected Developer must comply with the BHA's Resident Employment Provision, as further described below, including submission of a formal Resident Employment Plan as a condition of designation.

#### **D. Required Forms**

Proposers must complete and submit the following forms and certifications contained in Appendix A:

1. Employee Information: Personnel by Classification
2. Minority/Women-Owned Business Participation
3. REAP Certificate, if applicable
4. Verification of Tax Reporting, if applicable
5. Debarment and Conflict of Interest Certification
6. Resident Employment Provision Form 1
7. Resident Employment Provision Form 2
8. Contract Questionnaire
9. Disclosure of Beneficial Interests in Real Property Transaction
10. Real Estate RFP Disclosure Statement
11. HUD Subgrantee/Contractor/Subcontractor Certifications and Assurances

#### **E. Other Criteria**

The following shall be grounds for proposal rejection at the BHA's sole discretion:

- Proposer or any member of proposer's team has ever owned property upon which the City of Boston or the BHA foreclosed due to failure to pay real estate taxes or a loan secured by a mortgage to the City of Boston or the BHA.
- Proposer or any member of proposer's team currently owes the City of Boston and/or the BHA any monies for incurred real estate taxes, payments in lieu of taxes, fees, rents, water and sewer charges, or other indebtedness.
- Proposer or any member of proposer's team has ever been convicted of an arson-related crime or is currently under indictment for any such crime.
- Proposer or any member of proposer's team has been convicted within the last three (3) years of violating any law, code, or ordinance regarding conditions of

human habitation, fair housing or housing discrimination, or tenant harassment, or is currently under indictment for any such violations.

#### **F. Registration of Foreign Corporations**

If the selected Proposer (the Developer) is a foreign corporation, then prior to execution of the contract, the Developer shall register as a foreign corporation with the Massachusetts Secretary of the Commonwealth and name a resident agent pursuant to M.G.L.c.156D, section 15.07 or other applicable statute.

#### **G. Fee Proposal**

The Proposer is required to submit its Fee Proposal in a separate sealed envelope in accordance with the requirements of Part I.A.2. The Fee Proposal shall be executed by a representative of Proposer who is legally authorized to enter into a contractual relationship in the name of Proposer.

The Proposer must submit one Fee Proposal, which shall contain the following four components: (a) total fee, including overhead, to be paid to the Developer ("Developer Fee"); (b) total fee to be paid to the BHA ("BHA Fee"); c) Total Development Fee (Developer Fee plus BHA Fee); and (d) total asset management fee to be paid to the BHA from operations. In calculating the fee, Proposers must be mindful of the fee limits described in the Safe Harbor Guidelines.

Proposers' fees should assume that BHA receives legislative relief from any and all Commonwealth of Massachusetts general or special laws relating to the procurement and award of contracts (see Part II.F and Article 7.08 of the Development Agreement).

**Note: Do not include these fees in the Development Plan or Pro Forma.**

## **PART IV: EVALUATION PROCESS**

### **A. Minimum Evaluation Requirements**

Compliance with all Part I.A and Part III instructions and requirements.

### **B. Comparative Evaluation Criteria**

The Proposer's Qualification Statement and Development Plan will be evaluated and rated based on a rating category of Unacceptable, Acceptable, Advantageous, or Highly Advantageous for each evaluation criteria as indicated below. Proposers will be ranked according to the cumulative rating obtained for the comparative evaluation criteria. The maximum score will be 16 points. The composite scores will correspond to the following categorical rankings:

Highly Advantageous	12 – 16	points
Advantageous	6 – 11	points
Acceptable	2 – 5	points
Unacceptable	0-1	points

#### **1. Qualifications of Development Team**

**8 Points**

##### **UNACCEPTABLE**

**(0 points)**

Information regarding the composition of the team and staffing is incomplete or otherwise fails to demonstrate the qualifications required for a score of "Acceptable."

##### **ACCEPTABLE**

**(1 point)**

The proposal presents a complete team and a precise staffing plan; team members demonstrate the following qualifications:

- The principal(s) and the project manager(s) of the development entity have direct experience comprising at least 7 years and not less than 5 projects, in structuring and implementing affordable housing projects, including 5 projects involving real estate syndication in which the developer has an ownership interest; Developer's experience includes at least one affordable rental project which involved a community review process; Developer demonstrates ample experience to ensure oversight of the redevelopment objectives outlined in Part II.
- Lead attorney has experience in structuring and closing at least 5 real estate finance transactions involving multiple financing sources and tax credit syndication, as well as experience in City of Boston permitting and land-use processes.
- Architect demonstrates experience in planning, design, permitting and construction of at least 3 multifamily affordable housing developments in an urban environment, with at least one involving a community review process; architect has ample experience to lead an integrated design process consistent with the sustainability objectives outlined in Part II.
- Property Management Agent demonstrates experience managing family assisted-housing for at least 5 years and has not been terminated for cause in the past 5 years.

- With regard to credit worthiness, the Developer has experienced no foreclosures, bankruptcies, delinquencies in real estate tax owed to the City of Boston, current defaults of more than 60 days, mortgage assignments or adjudication against the Developer nor other matters that may jeopardize Developer's ability to secure financing.

**ADVANTAGEOUS**

(2 – 4 points)

The proposal demonstrates qualifications that meet the standard of "Acceptable" plus the following:

- The Developer—principal(s) and the project manager(s)—have completed at least one project involving the income mix and funding sources proposed, and has experience working with low-income diverse communities; the Developer has closed a tax-credit transaction within the last 3 years; and Developer has specific and successful experience in employing green and healthy housing technologies.
- Lead attorney has experience in structuring ground lease transactions and experience in structuring the financing and legal elements of at least one public housing mixed-finance redevelopment.
- Architect demonstrates experience in the permitting, urban planning and design and construction of not less than 5 multifamily mixed income housing developments in an urban environment including at least two such projects which were permitted within the City of Boston and included a community review process, at least one mid-rise project, and at least one project with an Energy Star rating and LEED certification.
- Property Management Agent demonstrates experience managing family tax-credit and HUD assisted rental housing.

**HIGHLY ADVANTAGEOUS**

(5 – 8 points)

The proposal demonstrates qualifications that exceed the standard of "Advantageous" and that align clearly with the proposed Development Plan so as to assure the team's success in carrying out the Development Plan. Points shall be awarded for the meaningful participation of minority- or women-owned businesses or demonstrated commitment to (and prior success with) meeting minority, women, and resident employment and contracting goals.

## 2. Quality of Development Plan

8 Points

### UNACCEPTABLE (0 point)

Plan (i) fails to address the Program Objectives set forth in Part II; (ii) fails to meet the Proposal Requirements in Part III; or (iii) is so vague or incoherent, or contains inconsistencies, such that the proposal is meaningless.

### ACCEPTABLE (1 point)

Plan addresses the Program Objectives set forth in Part II and meets the Proposal Requirements in Part III. The overall discussion of the Development Plan, the design concepts and the financing structure are consistent.

### ADVANTAGEOUS (2 – 4 points)

Plan meets the standard of “Acceptable” and exceeds that standard in that it includes a realistic and thoughtful discussion of the challenges inherent in the development program and the strategies for addressing such challenges. Plan is consistent with the phasing and Designation Timeframe established in Part II. Plan meets the sustainability, affordability, and cost-effectiveness objectives presented in Part II.

### HIGHLY ADVANTAGEOUS (5 – 8 points)

Plan meets the standard of “Advantageous” and exceeds that standard as demonstrated by the degree to which relevant issues are precisely identified; underlying reasoning is articulated; and the Plan includes a relatively more thoughtful discussion of the challenges inherent in the development program and the strategies for addressing such challenges. The Plan presents a realistic financing structure that minimizes or avoids reliance on scarce and competitive affordable housing development resources.

## C. Fee Proposal

A proposal will be selected that is the most advantageous to the BHA when both evaluations and fee are considered. A contract may be awarded to a Proposer who does not submit the lowest fee proposal.

## D. References

The BHA reserves the right to reject any proposals received solely on the basis of past poor performance as reported by the references. The BHA further reserves the right to refuse to consider any claimed item(s) of work that, in the sole discretion of the BHA was not substantially similar to the work described in this RFP; was not successfully performed to the reasonable satisfaction of other customers; was not performed by the proposer under its present name (or by a differently-named but essentially identical business entity); or is not verifiable through the reasonable efforts of the BHA.



## **PART V: BHA CONTRACT OPPORTUNITIES PROGRAMS**

### **A. MBE/WBE Requirements**

It is the policy and practice of the BHA to encourage the participation of minority and women owned businesses in the procurement of goods and services. Developer must comply with the BHA's MBE and WBE goals presented in Appendix C-1 or such other goals as are required by other funders and are acceptable to the BHA. The BHA strongly encourages all Proposers to develop creative responses to this RFP that make use of joint ventures, partnerships, and other "team" approaches to the delivery of the Services. The BHA places a high value on the Proposer's approach to maximizing the meaningful participation and utilization of minority and women owned business.

The Proposer's Qualification Statement shall explain in detail how any proposed team approach, partnership, and/or joint venture will be structured; the proposed work and fee distribution arrangements; and corresponding allocation of contract responsibilities.

The BHA reserves the right to require documentation supporting a Proposer's claimed minority and/or women-owned business enterprise status. The BHA will utilize the following definitions to determine claimed status:

Minority Business Enterprise ("MBE"): A business organization that is owned or controlled 51% or more by one or more minority groups as defined by the Supplier Diversity Office ("SDO") formerly known as State Office of Minority and Women Business Assistance and certified as such by SDO in the relevant service category.

Women-Owned Business Enterprise ("WBE"): A business organization that is owned and controlled 51% or more by one or more women and certified as such by SDO in the relevant service category.

Joint Venture: A joint or combined business agreement on a particular project between an SDO-certified MBE or WBE firms(s) and a non-SDO-certified firm in which the MBE and/or WBE portion of the combination is valued at least 25% or more of the contracted amount.

### **B. Resident Employment Requirements**

It is the policy of the BHA to maximize the meaningful participation of BHA residents in the procurement of goods and services in accordance with the terms and provisions of the Boston Housing Authority Resident Employment Provision ("REP"). The REP sets out certain employment, training, and contracting requirements for the contract with which Proposers shall comply. The REP for construction contracts is attached hereto as Appendix C-2. The Developer and any of the entities with which it contracts must comply with the appropriate REP (a copy of which must be incorporated into each contract or subcontract). The BHA places a high value on a Proposer's approach to providing meaningful participation of BHA residents in the provision of services under this RFP. All Proposers shall submit REP Forms 1 and 2 from the REP at Appendix C-2 with their proposals.

## **PART VI: GENERAL CONDITIONS OF THE RFP**

### **A. RFP**

The RFP may be obtained for free via e-mail, or in hardcopy form for a \$100 fee from the BHA Contract Unit at the 6th Floor, 52 Chauncy Street, Boston, MA 02111 starting July 29, 2015. The RFP Package shall be mailed to prospective respondents upon request for an additional \$15.00 fee. The BHA neither guarantees nor provides a warranty with respect to the timely receipt of the RFP by the Proposer in the event the RFP is mailed.

All proposals must be received by **October 14, 2015 at 2:00pm** at the Boston Housing Authority, Contract Unit, 6th Floor, 52 Chauncy Street, Boston, MA 02111. Proposals received after this time will not be considered and will be returned unopened to the Proposer.

### **B. Acceptance of RFP and Contract Terms**

Proposer's submission of a proposal in response to the RFP shall constitute acceptance by the Proposer of the terms and conditions of this RFP and the terms and conditions contained in all documents attached to and/or referenced in this RFP. In the event the BHA elects to designate the Proposer as the Developer pursuant to this RFP, the selected Developer agrees to enter into the Development Agreement and other transactional documents with the BHA in substantially the form appended to this RFP.

Please note: The BHA reserves the right to modify the Development Agreement and other transactional documents appended to the RFP pursuant to further negotiation with the selected Developer to the extent reasonably necessary or appropriate to address site conditions, financing requirements, changes in applicable law or regulation, or other facts relating to the transaction(s) and/or parties not currently anticipated, provided such modifications are consistent with the body and intent of the RFP and are in the best interest of the BHA.

### **C. Conditional Notice of Award and Contract Award**

Subject to the rights reserved in this RFP, the BHA will issue the Letter of Designation to the top-ranked Proposer no later than **sixty (60) days** after the date designated for receipt of proposals. Issuance of the Letter of Designation is subject to the approval of the BHA Administrator and HUD, and it shall be conditioned on the successful negotiation of revisions, if any, to the proposal, recommended as part of the evaluation of proposals. The BHA reserves the right to de-designate a top-ranked Proposer and consider designation of the next highest ranked respondent in the event of a breach of the terms of the Letter of Designation or otherwise there are grounds for de-designation as described in Section II.I above. The Letter of Designation shall be effective during the Designation Time Frame as described in Section II.B above.

#### **D. No Warranty**

Proposers are required to examine the RFP, specifications, and instructions pertaining to the services requested. Failure to do so will be at the Proposer's own risk. It is assumed that the Proposer has made full investigation as to be fully informed as to the extent and character of the services requested and of the requirements of the specifications. No warranty is made or implied as to the information contained in the RFP, specifications, and/or instructions.

#### **E. Expense of RFP Submission**

All expenses incurred in the preparation and submission to the BHA of proposals in response to this RFP shall be borne by the Proposer.

#### **F. Compliance with Applicable Laws and Regulations**

The Proposer agrees to comply with the provisions of Chapter 151B of the Massachusetts General Laws, as amended, and with the requirements of Presidential Executive Order 11246, as amended, and all other relevant and applicable laws and/or regulations.

#### **G. BHA Reservation of Rights**

The BHA reserves the right to cancel this RFP, or to reject, in whole or in part, any and all proposals received in response to this RFP, upon its determination that such cancellation or rejection is in the best interests of the BHA. The BHA further reserves the right to waive any minor informalities in any proposals received, if it be in the public interest to do so. The determination of the criteria and process whereby proposals are evaluated, the decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this RFP, shall be at the sole and absolute discretion of the BHA.

A proposal may be corrected, modified, or withdrawn, provided that the correction, modification, or request for withdrawal is made by the Proposer in writing and is received at the place and prior to the date and time designated in the RFP for receipt of proposals. After such date and time the Proposer may not change the proposal fee or any other provision of its proposal in a manner prejudicial to the interests of the BHA and/or fair competition.

#### **H. Insurance Requirements**

As a condition of contract award, the selected Developer must commit to obtaining the forms and amounts of insurance required by the contract documents. Please refer to the contract documents attached to this RFP for all applicable insurance requirements relating to this procurement, specifically but not limited to the Ground Lease and the Development Agreement.

BOSTON HOUSING AUTHORITY

By its Administrator

William E. McGonagle