



**REQUEST FOR PROPOSALS
HOMEOWNERSHIP WORKFORCE HOUSING
SCATTERED SITES 19130 ZIP CODE**

JUNE 2016

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1. Introduction and Workforce Housing Program

Given the decline of available resources and the continued demand for affordable homeownership opportunities, Philadelphia is seeking new ways to leverage publicly-owned land to support investment in transitional real estate markets. The Workforce Housing (“WFH”) Program seeks to unlock developable parcels to those committed to producing housing that is affordable to middle-income households.

The Philadelphia Land Bank (“Land Bank”) invites competitive workforce housing proposals from developers to purchase and develop all of the following publicly owned properties (vacant lots), located in the Francisville neighborhood of Philadelphia:

- 1. 844 N. 19th Street**
- 2. 715 N. 20th Street**
- 3. 1907-1909 Brown Street**
- 4. 1917 Brown Street**
- 5. 836 N. 19th Street**
- 6. 869 N. 20th Street**
- 7. 867 N. Uber Street**

The legal descriptions of the properties are located in Exhibit A. 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 (“RFP”) is to facilitate the development of 3 bedroom/2 bathroom homeownership workforce housing units under the WFH Program. The program is designed to leverage the value of publicly-owned land to create housing opportunities that will be affordable to households with incomes up to 120 percent of the area median income.

By focusing on neighborhoods with appreciating market values (average property values exceeding \$300,000) that have become unaffordable to middle-income households, the program will:

- Increase the availability of affordable housing opportunities in neighborhoods with increasing home values, neighborhood amenities and access to public transportation and employment opportunities;
- Follow best practices of other cities and leverage publicly owned land as the only subsidy;
- Most importantly, maintain the level of affordability upon resale of units over a 10 to 30 year period.

Completed units will be restricted to sales prices between \$180,000 - \$230,000, and the affordability of the units shall be maintained for a minimum of ten years through a restrictive covenant (Exhibit B). Eligible buyers must meet income guidelines based on annual income limits set by the U.S. Department of Housing and Urban Development (“HUD”). These income limits change annually; the table below illustrates the limits effective March 28, 2016.

Household Size	Maximum Household Income 120 Percent of AMI
1	\$67,560
2	\$77,160
3	\$86,760
4	\$96,360
5	\$104,160

The initial affordability period for all homebuyers will be for ten (10) years as set forth by the WFH Declaration of Restrictive Covenants. The covenant requires:

- For a period of 10 years, beginning on the date of sale, the home must be owned and occupied as the principal residence of the buyer;
- If the home is sold, transferred, conveyed or otherwise disposed of during the 10-year affordability period, the subsequent purchaser must be a person or family whose household income does not exceed 120 percent of the area median income. The subsequent purchaser’s eligibility must be verified and approved by City staff.
- The resale price increase (but not decrease) will be determined by the percentage change in the Consumer Price Index (“CPI”) for All Urban Consumers for the Philadelphia, Wilmington, Atlantic City area for All Items as published by the U.S. Department of Labor (Exhibit C – CPI & sample calculation).
- If the home is sold, transferred, conveyed or otherwise disposed of during the 10-year affordability period, the affordability period will be renewed at each subsequent conveyance until the expiration of a period of 30 years from the beginning of the affordability period (the initial date of sale), at which time this declaration will terminate.

To qualify to purchase a WFH home, potential buyers must submit the Homeowner Application to the developer for initial review. Required documentation to verify household income includes copies of two most recent paystubs and previous two years Federal Income Tax Returns, along with bank, investment or other statements of assets. Once the developer has received and reviewed the application with supporting documentation, the completed application will be submitted to the Land Bank for verification and approval.

3. Schedule

The timeline for this Development Opportunity is as follows:

Event	Date
Notice of RFP Opportunity Posted	May 31, 2016
Briefing Session (Not Mandatory) to be held at 1234 Market St., 17 th Floor at 2PM	June 8, 2016
Questions and/or Requests for Additional Information Due	June 14, 2016

Questions & Answers posted to Land Bank website ¹	June 21, 2016
Proposals Due	July 20, 2016
Respondent(s) Selected	August 2, 2016
Agreement Executed	August 30, 2016

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

4. Proposal Submission Requirements

Responses to this RFP must contain the information described below and conform to the following format:

A. Development Team and Project Details

Complete Exhibit D Form to provide information regarding the project team, scope, and financial structure. The required narrative should succinctly summarize and describe the proposed development.

The Developer should also provide a statement of qualifications including projects completed, total development costs, number of units, year completed and type of project.

All members of the development team and their roles should be clearly identified. Qualification statement should include information regarding any other projects the team has engaged in together and the status of those projects.

B. Financial Summary

Responses must demonstrate financial wherewithal and development capacity to carry out proposed development of the property. Submissions must provide documentation of availability of funds in an amount no less than the total development cost of the project. Failure to provide clear evidence of funding for the proposal to purchase and develop the property will disqualify submissions. Acceptable forms of evidence include:

- letter of interest with specific funding terms and requirements or term sheet that references funding the proposed project,
- other written evidence of financial support from one or more lending institutions specifying amount to be committed to project, and/or
- audited financial statement for last fiscal year plus internal financial statements ending the most recent quarter.

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 entered 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

¹ All questions or comments regarding this RFP must be submitted in written form via email to LandBankRFP@Phila.gov. Questions will not be accepted via telephone.

The proposed development should take into consideration the local context and provide attractive, well-designed 3 bedroom/2 bathroom infill units that enhance the quality of the built environment. 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):

- Site plan of the complete project identifying building footprint and unit types
- 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 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. Developers are strongly encouraged to incorporate the Design Standards as outlined in the "Workforce Housing: Guidelines for Lot Sizes and Design Standards" (Exhibit E).

Developers are encouraged 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. Developers are also encouraged to include visitability elements in some homes.

Effort must be made to comply with the existing zoning. If this is not feasible, Developer must provide a clear, rational explanation as to why.

D. Development Schedule & Milestones

The proposed development timeline should identify 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. Also include a post-closing construction schedule that identifies, at a minimum, construction commencement and completion deadlines as well as anticipated sales and occupancy timeframe.

E. Economic Opportunity Policy & Project Goals

The development team should demonstrate their experience working with MBE and WBE firms in addition to completing the "City of Philadelphia Economic Opportunity Plan" form (Exhibit F) to demonstrate a commitment to meet the City's goals.

F. Proposal Fee

Proposals must include a proposal fee of **\$1,500** (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 "Philadelphia Land Bank."

The Proposal Fee of the selected developer for the Property will be non-refundable upon execution of the Land Bank Agreement by the Developer (Agreement will be provided upon selection). The amount will be credited toward the security completion deposit and ultimately refunded at project completion with the issuance of a Certificate of Completion provided all requirements included in the Agreement are adhered to. The Proposal Fee of unsuccessful bidders will be refunded within 30 days after rejection notices. Interest earned on deposits of unsuccessful bidders will not be returned.

G. 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 (Exhibit G).

H. Campaign Disclosure Forms

Each member of the development team must complete the Campaign Disclosure Forms (Exhibit H).

I. Tax Clearance & Conflict of Interest Form

All proposals submitted in response to this RFP must contain a fully executed Tax Clearance & Conflict of Interest form (Exhibit I).

5. Evaluation/Selection

An initial review of the proposals will be 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 Land Bank may allow all developers to supplement their submissions to conform to these requirements.

The proposals will be evaluated based on financial capability, project responsiveness (concept design quality and development timeline), and development team capacity. Complete proposals will be evaluated by a Proposal Review Team in their entirety – i.e., no one factor, but rather a combination of all of the factors will determine the successful developer. Final selection is subject to approval as stated in “Land Bank Disposition Process” below.

The disclosure statements and other documentation submitted to the Land Bank are the most important sources of information upon which the Land Bank will 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, staff will recommend selection of a developer.

Land Bank Disposition Process

After staff reviews the proposals and a developer is selected, the following Land Bank Approval process and City Council approvals must be obtained prior to closing. Following is a general sequence of events in this approval process:

1. Staff review and approval of proposal and conceptual plans in consultation with the Planning Commission;
2. Execution of Purchase and Development Agreement by the Developer (Exhibit J). At this time the Proposal Deposit is credited toward the deposit required under the Land Bank Agreement;
3. City Vacant Property Review Committee approval of the property dispositions;
4. City Council approval of the property dispositions;
5. Approval by the Land Bank Board of Directors of the property dispositions;
6. Settlement;
7. Construction period;
8. Review of the completed development to determine compliance with Agreement. If the development is found to be in compliance with the Agreement, the Land Bank will

issue a Certificate of Completion.

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 approval of plans.

The Land Bank 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.

Events of Disqualification

Subsequent to the selection of a developer, and before execution of an Agreement, the Land Bank 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 reasons whatsoever to timely execute the Agreement when tendered;
4. Material misrepresentation, omission, or inaccuracy contained in any document submitted either as part of the response to the Request for Proposals, or subsequent thereto. For the purposes of this section, the Land Bank 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 Land Bank disposition process.

Remedies

Upon the happening of an event of disqualification by the Developer, the Land Bank shall have the right, at its election, to:

1. Rescind its selection of the Developer; and
- 2.
3. Retain the Proposal Deposit as liquidated damages.

6. Declarations and Other Information

MBE/WBE/DBE Firms: The Land Bank 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 Disadvantaged 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 Land Bank, must provide evidence satisfactory to the Land Bank 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. This requirement applies both at the time of closing and at any time during the term of the agreement. Please complete the Philadelphia Tax Status Certification and Conflict of Interest forms and submit them with the proposal.

Campaign Contribution Disclosure Forms: Please complete the applicable disclosure forms and submit with the 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 Land Bank may exercise in its sole discretion the following rights; and (iii) the Land Bank 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 Land Bank determines that the proposal does not conform to the specifications of this RFP;
12. to rescind a selection prior to contract execution if the Land Bank 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 Land Bank;
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 Land Bank;
15. in the event a contract is awarded, all Applicants agree that the Purchase and Development Agreement may not be assigned without the prior written approval of the Land Bank; and
16. each Applicant agrees to indemnify, protect and hold harmless the Land Bank from any and all losses, injuries, expenses, demands and claims against the Land Bank 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 Land Bank 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 copies of the proposal and one electronic copy on CD to the Land Bank no later than July 20, 2016 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, nonprofit, 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 Land Bank, in its sole and absolute discretion, retains the right to reject any proposal where: i) applicants or principals of applicants are substantially similar or substantially related parties; or ii) the Land Bank 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:

Nicholas Scafidi, Esq.
Philadelphia Land Bank
1234 Market St., 17th Floor
Philadelphia, PA 19107

Contact for Additional Information

All questions and requests for additional information should be directed in writing to LandBankRFP@Phila.gov. Questions will only be accepted until June 14, 2016. The Land Bank is not obligated to answer or respond to any questions it receives after the Deadline for Questions. The Land Bank will answer all questions asked at the Pre-Proposal Meeting or properly submitted before the Deadline for Questions, and which the Land Bank in its sole discretion determines concern a material element of the proposal process. The Land Bank will provide answers in writing by an addendum to this RFP before the Deadline to Submit Proposals and will post the answers at philadelphialandbank.org. The Land Bank is not bound by any oral response made by any Land Bank official or employee.