REQUEST FOR QUALIFICATIONS

TITLE OF RFQ:
McPherson Square Pilot Program

ISSUE DATE:
January 22, 2018
Table of Contents

Table of Contents ........................................................................................................................................... 1
Application Process ........................................................................................................................................ 2
Background Information .......................................................................................................................... 3
Proposal Submission Requirements ........................................................................................................ 6
Evaluation/Selection ...................................................................................................................................... 8
Events of Disqualification or Default ........................................................................................................ 8
Declarations and Other Information ........................................................................................................ 9

Attachments:

A. Philadelphia Tax Status Certification and Conflict of Interest Form
B. Campaign Disclosure Forms
Application Process

The Philadelphia Redevelopment Authority ("PRA") is pleased to issue this Request for Qualifications ("RFQ") for responsive teams (each, an "Applicant", and together, the "Applicants") to carry out a McPherson Square Pilot Program (the "Program"), with funding provided by the PRA.

Submission Deadline

Applicants must submit responses to this RFQ no later than February 26, 2018 at 3:00 P.M.; absolutely no responses will be accepted after that time.

Prebid Meeting

A prebid meeting will be held at PRA's offices (1234 Market Street, 16th Floor) on February 2, 2018, at 10:00 A.M. This meeting is not mandatory; however, all Applicants must either attend this meeting or express their intention to submit by the deadline specified below.

Intention to Submit

All firms wishing to submit a response to this RFQ must either attend the prebid meeting or express their intention to submit either in hard copy mail or email to Jane.Allen@pra.phila.gov by 3:00 P.M. on February 2, 2018. The names and contact information for all attendees at the prebid meeting and those who responded with intention to submit will be posted on PRA’s website as public information.

Questions

All questions and requests for additional information should be directed in writing to Jane.Allen@pra.phila.gov. Questions will only be accepted until February 2, 2018. Questions and/or requests for additional information and the PRA's responses to them will be posted on the PRA website.

Related Parties

An Applicant, whether it is an individual or business, may only submit one response to this RFQ. 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 PRA and City of Philadelphia (the "City"), in their sole and absolute discretion, retain the right to reject any proposal where: 1) Applicants or principals of Applicants are substantially similar or substantially related parties; or 2) the PRA and City has determined that the Applicant has violated these conditions or the spirit of these conditions.

Submission Process

Proposal submission will only be accepted in either of the following:

1. Online Submission – via the electronic portal on PRA's website (http://www.philadelphiaredevelopmentauthority.org/); or
2. Hard Copy Submission – Submit three (3) original copies of the proposal and one electronic copy on a USB Flash Drive to the PRA via hand delivery or registered mail. Files on the USB
Flash Drive may only be in Microsoft Word or Adobe PDF. Applicants may hand deliver or send proposals via registered mail to:

Jane Allen  
Executive Office  
Philadelphia Redevelopment Authority  
1234 Market Street, 16th Floor  
Philadelphia, PA 19107

**Disqualification**

Proposals/responses will be disqualified if:

1. They are submitted after the specified deadline;
2. They are submitted by some means other than the two formats listed above. For electronic submissions, the PRA website portal is the only means that will be accepted. Submissions sent via email, Dropbox or other electronic venues will be disqualified;
3. If the proposal/response package is incomplete.

**Schedule**

The timeline for this Development Opportunity is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of RFQ Opportunity Posted</td>
<td>January 22, 2018</td>
</tr>
<tr>
<td>Pre-Bid Meeting</td>
<td>February 2, 2018 10:00 AM</td>
</tr>
<tr>
<td>Submission of Intention to Submit (if Applicant did not attend the prebid meeting)</td>
<td>February 2, 2018 5:00 PM</td>
</tr>
<tr>
<td>Questions and/or Requests for Additional Information Due</td>
<td>February 2, 2018 3:00 PM</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>February 26, 2018 3:00 PM</td>
</tr>
<tr>
<td>Applicant(s) Selected - (Estimate Only)</td>
<td>March 23, 2018</td>
</tr>
</tbody>
</table>

PRA reserves the right, in its sole discretion, to alter this schedule as it deems necessary or appropriate.

**Background Information**

**Program Overview**

The PRA invites submission of qualifications from Applicants comprised of a private or nonprofit real estate developer ("Developer") and a nonprofit affordable housing organization ("Nonprofit") to carry out the Program with funding provided by PRA. The goal of the Program is to revitalize properties and connect qualified families with affordable rental and/or homeownership opportunities in low- and moderate-income neighborhoods, starting with a single pilot community.

The Developer will be expected to:

1. Independently (i.e. without assistance from the public sector) identify and acquire one or more properties ("Properties") within the target area;
2. Renovate the Properties as turnkey affordable housing developments; and
3. Sell the Properties to the Nonprofit at a value established by an independent as-built appraisal.

The Nonprofit will be expected to:

1. Purchase the Properties with the assistance of a low-interest loan provided by PRA;
2. Design Structure A: a lease-to-own program where deed restricted Properties are sold affordably to homeowners within a 5-year period; and/or
3. Create Structure B: a rental program that is affordable to low-income renters.
4. Units may be 100% Structure A or Structure B, or a combination thereof.

**Financing**

PRA will provide one of two financing instruments for the Nonprofit, depending on whether the Nonprofit plans to hold and rent, or sell the Properties to homeowners.

**Financing for Structure A: Lease-to-Own**

- Loan size not to exceed $1,500,000
- Term up to seven (7) years
- 4% interest-only loan with a lump sum balloon payment due at the end of the term
- Loan-to-value of 90% based on value determined by an independent, as-built appraisal ordered by PRA
- PRA to receive first-position lien on Properties for the loan term
- Partial early repayment is permitted without penalty as properties are sold to homeowners
- Homes must be sold affordably to homeowners making no more than 60% of area median income (AMI), meaning monthly principal, interest, tax, and insurance (PITI) payments may not exceed a third of a homeowner’s monthly take home income.
- PRA must approve the homeowner for income eligibility and the homeowner must agree to record a Declaration of Restrictive Covenants that ensures future buyers are income qualified and the future sales prices is no higher than the original sale price adjusted by the Consumer Price Index ("CPI") for up to thirty (30) years
- Nonprofit must escrow no less than 15% of each month's rent payment to be used toward homeowner's down payment and closing costs. If rental payments are not received on time, nonprofits will not be required to make an escrow contribution that month. If lease-to-own contracts are terminated and homeowners no longer need assistance covering closing costs or down payments, the entirety of the escrow account will be released to Nonprofits.

**Financing for Structure B: Nonprofit to Hold and Rent Units**

- Loan size not to exceed $1,500,000
- Term up to thirty (30) years
- Interest at 4% fixed rate with 30-year amortization
- Principal and interest payments due to PRA monthly
- Loan-to-value of 90% based on value determined by an independent, as-built appraisal ordered by PRA
- PRA to receive first-position lien on Properties for the loan term
- Nonprofit must rent to individuals' whose household income (at the time the lease is drawn) does not exceed 60% of Area Median Income ("AMI") for the term of the loan

**Program Requirements**

- Properties must have been vacant for at least twelve (12) months prior to acquisition by the Developer. It is not the intention of this program to acquire and redevelop occupied structures. Developers that already own vacant properties within target geography are eligible for the program.

- Leased Properties (Structure A and Structure B) must be rented and sold at levels that are affordable to families with household incomes no greater than 60% of AMI at the time the lease is drawn. Individuals and families whose household incomes increase during the pilot period will remain eligible for program, but rents (Structure B) will increase commensurate to changes in annual income.

- For-sale Properties (Structure A) must be sold at a price established by PRA that is affordable to families making no more than 60% of AMI. All properties will be sold with a Declaration of Restrictive Covenants that ensures future buyers are income qualified and the future sales price is no higher than the original sale price adjusted by the Consumer Price Index (CPI) for up to thirty (30) years.

- Rents (Structure B) may not exceed 30% of tenants’ household income.

- Properties developed under this program must be maintained as affordable for minimum of thirty (30) years.

- PRA may require income verification for tenants at any time.

- Properties must be located within the target geography (see below).

- Properties must receive a Certificate of Occupancy ("CO") from the Department of Licenses & Inspections ("L&I").

- Any agreements entered into with homeowners must comply with all applicable local, state, and federal laws.

- The Developer, Nonprofit, and PRA will enter into an agreement obligating:
  - the Nonprofit to purchase the Properties once they are developed and inspected to ensure they meet program standards,
  - the Developer to sell the Properties at a value established by an independent appraisal, and
  - PRA to make a loan to the Nonprofit for the purpose of acquiring the Properties at established terms.

- If the Nonprofit wishes to sell Properties that it is holding to another nonprofit organization that wishes to assume management responsibility for the Properties during the term of the mortgage, PRA must approve the purchaser for financial solvency and City tax and lien compliance. The new nonprofit purchaser will either, with PRA's approval:
  - Purchase the Properties unrestricted by paying the balance of the loan in full; or
  - Assume the balance of the mortgage under the same loan terms with PRA.

- The Nonprofit will be obligated to purchase the Properties from the Developer only once the Properties are fully renovated, move-in-ready, and a CO is issued. If Properties do not meet these qualifications, the Developer will be provided with a reasonable cure period. If the
Properties still do not meet these specifications after the cure period, then the Nonprofit will be under no obligation to purchase the Properties and PRA will be under no obligation to make a loan to the Nonprofit.

☐ The source of funds for the PRA loan to the Nonprofit will be the Philadelphia Housing Trust Fund ("HTF"), conveyed from the Philadelphia Division of Housing & Community Development ("DHCD") to the PRA for purposes of originating loans to facilitate this Program.

☐ All parties involved in this program must meet PRA’s eligibility (see Declarations and Other Information below), remain in compliance with Philadelphia Department of Revenue, and have no outstanding L&I violations during the entire duration of this Program.

Timeline
The Developer will be expected to purchase and hold clear and insurable title to the Properties within one (1) year of selection through this RFQ, and to renovate and convey the Properties to the Nonprofit, so that the Nonprofit holds clear and insurable title within two (2) years of selection through this RFQ.

Target Geography
Eligible properties for this pilot program must be located along (on either side of the street) or inside of the area outlined in red below:

Proposal Submission Requirements
Proposals must include a detailed narrative responding to the prompts and questions below, a completed budget template, and supporting documents demonstrating financial capacity.
1. **Cover Letter (not to exceed 2 pages):** Provide a cover letter that contains the following information:
   a) Name of team members;
   b) EINs of team members (if corporations);
   c) List of team members whose primary office is located in the City;
   d) List of team members who are MBE/WBE/DBE (as defined below) firms listed in good standing on the Philadelphia Office of Economic Opportunity Registry—defined as Minority Business Enterprises ("MBE"), Woman Business Enterprises ("WBE"), or Disabled Business Enterprises ("DBE");
   e) The annual operating budget of the Nonprofit.

2. **Team Profile (not to exceed 6 pages):** Provide a profile of team members including the following information:
   a) Names and brief bios of principals;
   b) List of major past projects with key statistics including location, communities served, whether projects are rental or for-sale, number of affordable units, level of affordability, construction costs per square foot, efficiency and/or green building standards achieved, and other relevant information.
   c) List of relevant projects within or near the target geography.
   d) Experience developing projects with funding from public sources including, but not limited to HUD, Pennsylvania Housing Finance Agency, DHCD, Philadelphia Housing Authority, and/or PRA.

3. **Development Narrative:** Submit a narrative that explains:
   a) Why the Developer is qualified to develop high-quality turnkey affordable housing units at a low price point and within a reasonable schedule. How will the developer finance the acquisition and development of the properties?
   b) Does the Developer self-perform construction management functions, or will the Developer engage a general contractor? If the latter, which general contractors and/or primary subcontractors does the Developer intend to work with on this job and/or works with most frequently?
   c) What strategies and approaches will the Developer employ to ensure the success of this program?
   d) How the project will reflect the priorities of the City Planning Commission's Comprehensive Plan, District Plan, and/or any accepted community plans?
   e) Why the Nonprofit is qualified to efficiently operate high-quality affordable housing that will be able to meet its operating expenses and repay full debt service to PRA?

4. **Program Narrative:** Describe the Nonprofit's program implementation plan:
   a) What portion of the units will be rented long-term versus lease-to-own? Units may be 100% one or the other structure or a combination.
   b) If plans include rental units, explain:
      i. What approaches and strategies will the Nonprofit employ to ensure high quality management and effective marketing?
ii. How much rent will be charged? Will rental income cover debt service? Will tenants need rental assistance?

b) If plans includes lease-to-own or homeownership units, explain:
   i. Who is likely to qualify for the program?
   ii. How will staff carry out effective marketing?
   iii. What supports, if any, will be necessary to ensure potential buyers secure an affordable mortgage?

5. **Economic Inclusion:** The PRA strongly encourages and promotes the employment of qualified MBE/WBE/DBE firms in all aspects of its procurement of goods and services, as well as inclusion of diverse and local workforce. Please explain prior experience with MBE/WBE/DBE participation and compliance. In addition, include how you plan to engage MBE/WBE/DBE firms as part of your project construction and/or management and how you plan to engage a diverse and local workforce as part of your program delivery.

6. **Other Submissions:**
   a) Include for all team members two (2) most recent Audited Financial Statements (if audited statements are not available, provide internally prepared income statement and statement of net assets).
   b) If your organization is a tax-exempt nonprofit, provide your IRS designation letter and a certificate of good standing from the Commonwealth of Pennsylvania.
   c) Certificate of non-indebtedness to the City.

**Evaluation/Selection**

PRA intends to award this contract to the Applicants that best demonstrate the level of experience, skill and competence required to perform the services called for in this RFQ in the most efficient, cost-effective, and professional manner. The PRA will initially review the proposals to determine compliance with the Proposal Submission Requirements (as set forth above). Only proposals that comply with the Proposal Submission Requirements will be considered for evaluation. If no proposal meets the Proposal Submission Requirements, the PRA may allow all Applicants to supplement their submissions to conform to the Proposal Submission Requirements.

PRA will evaluate Applicants based on the following factors:

- Qualifications and relevant experience 25 points
- Proposed approach and strategies 25 points
- Organizational capacity 20 points
- Economic inclusion 10 points

**Events of Disqualification or Default**

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

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

1. Rescind its selection; or
2. Declare null and void any agreement that may already have been executed.

**Declarations and Other Information**

**Economic Inclusion:** 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 MBE/WBE/DBE, please submit information to confirm Certification as part of bid proposal. Please also submit any pertinent information to evidence past efforts at utilizing and promoting diverse workforce, vendors and contractors.

**Tax Clearance and Conflict of Interest Form:** Applicants, 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 A) and submit it with your proposal.

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

**Insurance Requirements:** Applicants will be required to obtain insurance coverages as required by the PRA and to submit a certificate of insurance evidencing same prior to execution of any agreement.

By submitting a proposal in response to this RFQ, an Applicant affirmatively acknowledges: (i) its acceptance of the terms and conditions of this RFQ; (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 RFQ with terms and conditions materially different from those set forth here;
3. to cancel this RFQ with or without issuing another RFQ;
4. to extend the time period for responding to this RFQ;
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 agreement execution if the PRA determines that the proposal does not conform to the specifications of this RFQ;
12. to rescind a selection prior to agreement execution if the PRA determines that the specifications contained in this RFQ 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 agreement;
14. in the event an agreement 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 an agreement is awarded, all Applicants agree that no portion of performance of the agreement 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 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 RFQ or subsequent agreement.

The PRA is under no obligation whatsoever to any Applicant as a result of this RFQ. The RFQ does not represent any commitment on the part of the PRA to any Applicant or the Program. In no event shall the PRA be responsible for any cost, expense or fee incurred by or on behalf of any Applicant in connection with the RFQ. Applicants shall be solely responsible for all such costs, expenses and fees.

NOTICE: The PRA is subject to the Pennsylvania Right to Know Law. Any information provided in your response to this RFQ may be subject to disclosure to the public. Documents provided in response to this RFQ may also be required to be disclosed by applicable law, subpoena, and/or court order.
# McPherson Square Affordable Housing Pilot Program
## Request for Qualifications (RFQ)
### List of Interested Parties

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Address</th>
<th>Phone</th>
<th>Email</th>
<th>Sector</th>
<th>MBE/WBE/DSBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tawan Davis</td>
<td>The Steinbrige Group</td>
<td>222 W. Rittenhouse Square, Philadelphia, PA 19103</td>
<td>(215) 804-9550</td>
<td><a href="mailto:info@steinbridge.com">info@steinbridge.com</a></td>
<td>Real Estate Development</td>
<td>MBE</td>
</tr>
<tr>
<td>Howard Ways</td>
<td>Jefferson University</td>
<td>4201 Henry Avenue, Philadelphia, PA 19144</td>
<td>(443) 513-0633</td>
<td><a href="mailto:Wyeh@jhu.edu">Wyeh@jhu.edu</a></td>
<td>Education</td>
<td>Developer</td>
</tr>
<tr>
<td>Thomas Moses</td>
<td>Philadelphia Residential Revitalization LLC &amp; Mount Airy USA</td>
<td>4345 County Line Road, Chalfont, PA 18934</td>
<td>(215) 681-7864</td>
<td><a href="mailto:Tmoses@mac.com">Tmoses@mac.com</a></td>
<td>Developer &amp; Nonprofit</td>
<td>Consultant</td>
</tr>
<tr>
<td>Paul Marcus</td>
<td>Marcus Reinvestment Strategies LLC</td>
<td>7846 Montgomery Avenue, Elkins Park, PA 19027</td>
<td>(267) 209-0450</td>
<td><a href="mailto:Paul@MarcusReinvest.com">Paul@MarcusReinvest.com</a></td>
<td>Consultant</td>
<td>Nonprofit Developer/ CDC</td>
</tr>
<tr>
<td>Laura Swingle</td>
<td>Impact Services</td>
<td>1592 E. Allegheny Avenue, Philadelphia, PA 19134</td>
<td>(215) 739-1600 ext. 184</td>
<td><a href="mailto:lschwingle@impactservices.org">lschwingle@impactservices.org</a></td>
<td>Community Development</td>
<td>Real Estate Brokerage &amp; Development</td>
</tr>
<tr>
<td>Casey O' Donnell</td>
<td>Impact Services</td>
<td>1592 E. Allegheny Avenue, Philadelphia, PA 19134</td>
<td>(215) 739-1600 ext. 184</td>
<td><a href="mailto:cdondannell@impactservices.org">cdondannell@impactservices.org</a></td>
<td>Real Estate Brokerage &amp; Development</td>
<td>Real Estate Brokerage &amp; Development</td>
</tr>
<tr>
<td>Edward A. Welch III</td>
<td>Higgins &amp; Welch Real Estate Inc; Welch Neighborhood Stabilization; Welch Lucas Foundation</td>
<td>709 Bethlehem Pike, Erdenheim, PA 19038</td>
<td>(215) 247-5000</td>
<td><a href="mailto:eWelch@welchgroup.net">eWelch@welchgroup.net</a></td>
<td>Community Development</td>
<td>Real Estate Brokerage &amp; Development</td>
</tr>
<tr>
<td>Katya Noreika</td>
<td>LISC</td>
<td>718 Arch Street, Suite 500S, Philadelphia, PA 19106</td>
<td>(215) 923-0573</td>
<td><a href="mailto:knoreika@lisc.org">knoreika@lisc.org</a></td>
<td>Developer</td>
<td>Nonprofit Developer/ CDC</td>
</tr>
<tr>
<td>Stuart Hean</td>
<td>Shift Capital</td>
<td>3525 I Street, Philadelphia, PA 19134</td>
<td>(215) 350-0500</td>
<td><a href="mailto:stuart@shiftcapital.us">stuart@shiftcapital.us</a></td>
<td>Affordable Housing</td>
<td>Nonprofit Developer</td>
</tr>
<tr>
<td>Phil Fargason</td>
<td>The Michaels Organization</td>
<td>3 E. Stow Road, Marlton, NJ 08053</td>
<td>(856) 446-4610</td>
<td><a href="mailto:pfargason@thebadgergroupllc.com">pfargason@thebadgergroupllc.com</a></td>
<td>Real Estate</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Eo McConelly</td>
<td>Project HOME</td>
<td>1845 N. 23rd Street, Philadelphia, PA 19121</td>
<td>(215) 235-3110 ext. 5621</td>
<td><a href="mailto:edmccolly@projecthome.org">edmccolly@projecthome.org</a></td>
<td>Affordable Housing</td>
<td>Nonprofit Developer</td>
</tr>
<tr>
<td>Paul Badger</td>
<td>Badger Group, LLC</td>
<td>1766 Pulaski Drive, Blue Bell, PA 19422</td>
<td>(267) 716-8526</td>
<td><a href="mailto:pbadger@thebadgergroupllc.com">pbadger@thebadgergroupllc.com</a></td>
<td>Real Estate</td>
<td>Real Estate</td>
</tr>
</tbody>
</table>
Q1: In Financing Structure A (Lease-to-Own), is it required that nonprofits lease to tenants for five (5) years prior to selling the property or can units be sold immediately following the non-profit’s acquisition of the properties?

A1: The lease period can be up to five years, but must be no less than one year.

Q2: Can the target geography be expanded to Kensington Avenue in order to capture Potter Street?

A2: No.

Q3: May an affiliated for-profit and non-profit real estate entities respond to the RFQ together?

A3: Yes.

Q4: Will the real-estate transfer tax be waived?

A4: No.

Q5: How many of the properties within the target area are publically owned?

A5: There are about six (6) publicly owned properties within the target area.

Q6: When will the properties be appraised?

A6: They will be appraised after the developer acquires the properties and before construction commences.

Q7: Are the uses restricted to residential?

A7: Yes.

Q8: Are the developers responsible for leasing up the properties?

A8: No, all leasing responsibilities will be carried out by the nonprofit partners.

Q9: If a tenant has to be evicted who is responsible for carrying out the eviction process?

A9: The nonprofit organization that is managing the buildings.

Q10: Is there any flexibility with regard to the requirement that properties be vacant for 12-months prior to acquisition?
A10: There is flexibility on that point; however, it is essential that this program be used to renovate vacant structures, and not occupied homes.

Q11: How should respondents prove that a property has been vacant for 12-months?
A11: We ask that respondents submit the best evidence available for each property.

Q12: How many properties do you envision will be rehabbed through the program?
A12: Based on the program’s financing we expect portfolios to contain approximately 10 properties.

Q13: How firm is the two (2) year deadline from acquisition to sale?
A13: We believe that the program will be the most successful if the period between developer acquisition and sale remains within a two (2) year timeframe.

Q14: Will more than one developer be selected?
A14: Not for this pilot.

Q15: Will PRA cherry pick developer and nonprofit teams from the responses?
A15: No, it is PRA’s intention to select teams who submit a response together.

Q16: Since PRA incorporated economic inclusion in the selection criteria, will there be oversight of M/W/DBE during the development period?
A16: Because public funding does not enter until the development process is complete, PRA will not oversee any compliance relating to the construction and development process.

Q17: When does PRA expect that this program will be scaled?
A17: The program will be scaled based on the success of the pilot.

Q18: In the rental scenario, will the income covenants for leasing be in a separate covenant on the land or in the financing documents?
A18: The affordability requirements will be included in mortgage documents reflecting PRA received a first-position lien on the Properties for the loan term.