



ADDENDUM #3

REQUEST FOR PROPOSAL 1878-18 (the “RFP”) Fee Developer

Original Notice of RFP Issued on: January 25, 2019

Response Due Date: Thursday, March 14, 2019 @ 2:00pm

February 11, 2019

To All Prospective Respondents:

The Housing Authority for the City of Hartford held a Pre-Proposal Conference as stated in RFP 1818-18 on Tuesday, February 5th, 2019 at 2:00pm in person at the Housing Authority offices at 180 John D Wardlaw Way, as well as via a conference call line. The following is a list of questions that were asked either verbally at the Conference or submitted subsequently in writing as of 2/8/19. Please note, the Authority used best efforts to capture all questions asked at the Conference; and prospective respondents may continue to submit written questions until Friday, March 8, 2019.

Site Description:

- The Site is approximately 10 acres of land adjacent to and potentially including the HACH administrative offices at John D Wardlaw Way. The Site extends to Newfield Avenue to the west, and is bordered by the South Brook Park River to the south and east. To the north of the site is an extensive commercial development and outdoor strip mall anchored by a Walmart Superstore and various retail stores, which extends along to Flatbush Avenue. The commercial development site is ground leased from HACH. The northeast corner of the Site borders the Hartford Job Corps Training Center, along with city-owned right of way open space. The HACH administrative offices are across the street from the Site. The “Phase 1” Site is a large rectangular parcel of woods, which was formerly HACH-operated housing. The Site also includes a couple of roadblocks from the prior development. There is a high speed bus line – the Connecticut

Transit fast track from New Britain to Hartford that stops along Flatbush Avenue which is northwest of the site along the corner of Wardlaw and Newfield.

Development Vision:

- HACH anticipates the Site will be redeveloped in phases. The HACH administrative building could be part of the redevelopment in a later phase. HACH also believes there is potential for supportive services at the Site, along with ancillary ground-floor commercial or community uses. The vision for Site is a primarily residential development consisting of approximately 300-400 units of affordable elderly housing built out in phases, along with complimentary retail, health as well as other supportive services, and community space. HACH envisions the Phase 1 footprint to include one or more buildings of approximately 60+ units.

QUESTION AND ANSWER

1. **Question:** Is elderly housing a requirement of the development?

- **Response:** HACH recognizes there is a significant need for elderly housing units in its portfolio and in the greater Hartford area market; however, HACH is open and receptive to a mix of other housing types and needs if supported by market studies. Part of the concept for elderly housing at the Site comes out of HACH’s anticipated need to provide replacement housing from the disposition of other elderly housing units in high-rise buildings throughout HACH’s portfolio.

2. **Question:** Is this planned to be federally assisted public/affordable housing?

Response: Yes, but not through the traditional LIPH/ACC model.

3. **Question:** Does the land have any encumbrances?

Response: HACH is not aware of any encumbrances aside from a HUD Deed of Trust (DOT). As part of the predevelopment process, HACH intends to go through the Section 18 disposition process with the selected Developer for the Site to release the HUD DOT.

4. **Question:** Will the Housing Authority be putting any capital assets or financial resources toward the project?

Response: HACH anticipates leveraging equity from federal Low Income Housing Tax Credits for the project along with potential conventional debt. No sources from HACH are dedicated to the project at this time.. HACH will apply underwriting criteria to all financing proposals and may dedicate resources as they are available and the provision is advantageous to HACH. HACH is seeking creative financial strategies that minimize the “gap” and any need to use HACH financial assets. The selected Developer is ultimately responsible for closing any “gap” with or without HACH resources.

5. Question: Will the development include project-based vouchers?

Response: Yes, HACH anticipates the use of project based vouchers (in traditional or potentially RAD form) for a significant portion of the housing units. Dedication of project based vouchers to the development will be limited by HACH use in other developments and HACH overall budget authority for vouchers. Prospective respondents should take this into consideration when developing financial pro formas.

6. Question: Is there a design concept for the Site?

Response: There was a concept developed in 2014 for an “L-shaped” residential building with supportive services at the corner of Newfield and Wardlaw. The concept showed potential for other services/commercial space (i.e. daycare), along with retail at the base to supplement the residential buildings. A copy of the concept or a summary of the concept (which includes a rough site sketch) will be published in a separate addendum.

7. Question: What was there before and how long has the Site been vacant?

Response: Previously, the site consisted of low-rise, family public housing units owned and operated by HACH. The Site has been vacant for approximately 20+ years.

8. Question: Are there any predevelopment reports that can be shared? Environmental or survey?

Response: HACH does not have any predevelopment reports to share for the Site. Prospective respondents should be aware that wetlands exist adjacent to the site.

9. Question: Do all team members need to be identified in the RFP?

Response: Yes.

10. Question: How does HACH anticipate the ownership structure and guarantees to work for this project?

Response: HACH or an instrumentality will maintain majority ownership throughout the project. HACH does not anticipate the fee developer would play a significant role in the ownership structure; however, the ultimate ownership structure will depend on the financing for the project. HACH does include an option for the developer to manage the property for up to three years if an agreement can be negotiated, prior to HACH, or an instrumentality of HACH taking over management. For future phases, HACH will either re-solicit an RFP or renegotiate directly with the selected development team of Phase I. HACH anticipates the fee developer would be responsible for a development and completion guarantee of the construction of the asset, but not the operation and property management; however, this may change subject only to financing structures and requirements of lenders/investors.

11. Question: Is there a reason why HACH is targeting an October date for tax credits?

Response: Yes, the tax credit application deadline for 9% credits is October and HACH intends to apply competitively for a 9% allocation for Phase I.

12. Question: What happens if there is a delay outside of the developer's control, for example the solicitation process taking longer than expected and/or delay in receiving HUD approval?

Response: If there are significant delays that occur in the next 60 days due to the solicitation process or any other external cause, HACH will adjust the development schedule accordingly to reflect the appropriate impact of such delays.

13. Question: Is there a standard MDA?

Response: Yes, attached to the RFP.

14. Question: As Fee Developer firm, we are to provide full services to HACH, develop the "Master Plan" oversee all the phases of Project, and after 3 years of managing the project HACH takes full ownership of the project. Will we as a developer firm own and manage any % of the project?

Response: Please see response to Question #10.

15. Question: There are no site reports to be shared (ALTA Survey, Environmental Report, Market Study, etc.)?

Response: No. HACH is working through its historic files, if anything comes up it will be posted in a separate addendum.

16. Question: Possible due date extension to March 4th?

Response: The schedule included on the front page of the RFP is deleted and replaced with the following:

Solicitation Issuance	Friday - January 25, 2019
Pre-Proposal Conference	Tuesday – February 5, 2019
Proposal Due Date	Thursday – March 14, 2019 @ 2:00 pm
Evaluation Period (tentative)	Week of March 26, 2019
Interviews (tentative)	April 2, 2019 – Backup Date of April 3, 2019
Award/Contract Effective	On or around week of April 8, 2019

The due date described in Section 1.4 is deleted and replaced with Thursday, March 14, 2019 at 2 PM.

17. Question: Is there flexibility with the Oct 2019 timeline for CHFA tax credit application (especially in the event of delay of award/ commencement of the project)?

Response: HACH fully intends for the selected developer to achieve submission of a competitive 9% tax credit application for the CHFA October 2019 deadline; however, if there are significant delays affecting commencement of predevelopment work, including planning and zoning approvals, outside of the developers control that impact the feasibility of achieving this milestone, HACH will reevaluate and work with the selected developer to revise the development schedule and financing plan.

18. Question: It says in the RFP, “interviews” will be conducted giving several tentative dates. How many rounds of interviews are anticipated?

Response: HACH intends to conduct one round of interviews. HACH also reserves the right to interview only the most competitive teams depending on the volume of responses received.

19. Question: The subject property has two different entry points/ access that are disconnected. Is there a specific reason why they are disconnected?

Response: The only publicly available access to the site is through John D. Wardlaw Way. The Job Corps portion of the property has its own secured entrance which is not available for public use.

20. Question: Is there a parcel ownership map available? Which part of the site is encumbered by a HUD DOT? Does the transfer of ownership through ground lease or disposition etc. expected to occur before the commencement of the master planning process? How would this affect project schedule?

Response: The entire Site is encumbered by the HUD DOT. The disposition of the property through the Section 18 process to relinquish this DOT will not occur prior to the commencement of the master planning process; it will be done concurrent with predevelopment activities and is not anticipated to impact the project schedule.

21. Question: What is the anticipated timeline for engaging HACH residents, community and stakeholders? Who are the stakeholders? Since these buildings are currently vacant, HACH residents from which community is expected to be engaged?

Response: HACH anticipates the engagement timeline for the project to be developed by the selected respondent in coordination with HACH. Stakeholders include the HACH Board of Commissioners, state and local government officials, residents and businesses of the surrounding neighborhood, HACH residents, HACH residential organizations (RAB, Resident Councils, et). HACH is still evaluating the potential for the Site to serve as replacement housing for some of its developments that may undergo a disposition. Outside of the Administrative Building there are no buildings at the Site. As part of the team in the RFP response, respondents should consider engaging a firm or demonstrating internal capacity to organize and coordinate outreach. Milestones and timelines will be negotiated with the awarded developer.

22. Question: Is this expected to be a “by- right” development? If not, what is the anticipated timeline for re-zoning process?

Response: HACH realizes the timeline is aggressive. Upon award, the developer and HACH will meet with planning and zoning to discuss timelines and process.

23. Question: Is the Developer Fee expected to be submitted for the first phase only (approx. 60 units)? or is this in addition to providing a separate fee for developing the masterplan vision (approx. 400 units)?

Response: The development fee structure will be negotiated between the selected respondent and HACH in accordance with the terms described in the Master Development Agreement and the RFP; however, HACH anticipates that the developer will be compensated accordingly for completion of the first phase of development and the overall masterplan for the Site. The developer fee is intended to serve as compensation for all activities described in the solicitation (predevelopment work, conceptual masterplan for the entire site, and construction completion of the first phase of development) with individual expenses reimbursed at closing where applicable and appropriate. HACH does intend to maintain full ownership of all planning documents and predevelopment studies produced by the fee developer or third party subcontractors.

24. Question: 2.02. “Developer’s Obligations to Develop” states that the Developer shall complete the financial closing for phase 1 on or prior to the date shown in the Development schedule, subject to reasonable extensions of time, etc. Is there a specific overall Development schedule that is available?

Response: HACH expects respondents to propose a Development schedule that demonstrates an understanding of the development process and necessary timelines for any approvals associated with this project. HACH will view schedules favorably that are considered realistic, feasible, and as expedient as possible. HACH understands that proposed schedules are preliminary and subject to adjustment and negotiation as conditions warrant.

25. Question: Are there any delays anticipated in receiving HUD approval for the RFP?

Response: HACH has had frequent communication with the HUD field office around this solicitation, and HUD approval for the solicitation is anticipated to be forthcoming later this week.

All other terms and conditions of the RFP remain the same.

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