

WINTER 2017 AFFORDABLE HOUSING PRESERVATION REQUEST FOR INTEREST (RFI)

OPPORTUNITY The Portland Housing Bureau (PHB) regulates more than 13,500 affordable housing units in more than 350 buildings. Sixty-year agreements govern the vast majority of these units and buildings. Like any capital asset, these buildings wear out and need to be repaired or rehabilitated to preserve their use serving low and moderate income residents. This Request for Interest (RFI) seeks applications from owners of PHB regulated projects in need of significant repair/rehabilitation work. Through this RFI, PHB seeks to assess city-wide preservation needs. This is not an announcement of the availability of specific funding. Funds for repair, rehabilitation and possible refinance will be made available separately and are expected to include federal funding sources such as HOME and Community Development Block Grant (CDBG).

PHB's vision is that "all Portlanders can find affordable homes...and have equitable access to housing." Respondents to this RFI should share this vision and craft their proposals to include PHB's values as contained in the [Strategic Plan](#):

Equity – we are committed to social justice in the delivery of housing to all residents of Portland's diverse communities;

Stewardship – we invest, leverage and prioritize spending in ways that provide the highest public value and have the greatest influence on critical housing needs;

Transparency – we build long-term trust by operating with integrity, inviting broad public involvement and following processes that are clear, open and without bias;

Innovation – we believe new thinking, partners and ideas will help us build an effective organization and resolve long-standing challenges.

SOLICITATION COORDINATOR:

Lois Waugh, Housing Portfolio Finance Coordinator
Portland Housing Bureau
421 SW 6th Ave, Suite 500
Portland, Oregon 97204
(503) 823-6017
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SOLICITATION LOCATION: www.portlandoregon.gov/phb/Winter17

GENERAL INFORMATION

Solicitation Title: Winter 2017 Preservation RFI

Solicitation Coordinator: Lois Waugh
(503) 823-6017
lois.waugh@portlandoregon.gov

Proposal Delivery Location: Cheyenne Sheehan, Sr. Administrative Specialist
Portland Housing Bureau
421 SW 6th Ave, Suite 500
Portland, OR 97204

RFI Webpage: www.portlandoregon.gov/phb/Winter17

Direct all questions regarding this RFI to Lois Waugh

SCHEDULE

RFI Issued Monday, January 23, 2017

Developer/Sponsor Mandatory Information Session None

Proposals Due: Thursday, March 9, 2017 at **3:00 PM (PDT)**

Anticipated Notice of Results: Tuesday, April 11, 2017

All proposals must be received by the date and time proposals are due to be considered. PHB reserves the right to change any dates to serve the goals of the RFI.

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I. INTRODUCTION AND GENERAL INFORMATION

Like all capital assets, buildings wear out over time, requiring repairs and, potentially, major rehabilitation. Since PHB's inception in 2010, the Bureau has released nine solicitations. While those solicitations have allowed for housing preservation project proposals, the majority of the awards have gone to projects that added units to the housing stock. Responses to those solicitations, however, have indicated there is a great need to preserve existing stock. PHB recognizes that owners of regulated affordable housing projects are challenged to meet properties' competing needs including basic operations, maintenance, minor repairs, unit turn over or damage costs and long-term capital replacement. As a result of its underwriting, PHB expects building owners to handle regular maintenance and operating costs out of project budgets – paid for mostly primarily with building income. Oftentimes, however, underwriting does not accurately forecast capital needs or capital needs are simply too great to be properly addressed through reserves, whether building-specific or with the owner organization generally. This RFI seeks applications from owners who have identified capital needs, but have not identified sources of funds sufficient to cover those needs. The RFI is not intended for owners seeking funds only (or mostly) for ongoing maintenance and repair costs.

This solicitation is not making available any specific funding. PHB will use this RFI to understand the overall need for preservation funding as well as the range of projects and owners. Specific funding to projects/owners identified through this RFI will be made available by invitation. PHB anticipates the majority of funding for preservation projects resulting from this RFI will come from federal sources including HOME and CDBG. Applicants should assume that these will be the funding sources and craft their applications accordingly, taking into account the rules and restrictions associated with these programs.

Preservation Projects

For the purposes of this RFI, Preservation Projects are defined as the following:

- Project was constructed and first occupied prior to 2007.
- Project is currently owned by the applicant or an entity closely related to the applicant such as a tax credit partnership in which the applicant holds a partnership interest.
- Project is currently subject to a PHB regulatory agreement or PHB debt
- Projects has identified, via a third party capital needs analysis, capital replacement costs greater than \$100,000.

For the purposes of this RFI, the following are not considered Preservation Projects

- Projects that aren't currently encumbered by PHB debt or a PHB regulatory agreement (or both)

Equity

PHB has a strong interest in ensuring equity in all aspects of its work. Projects eventually selected for funding resulting from this RFI will be expected to meet city equity requirements. Those include:

- The Minority, Women and Emerging Small Business (MWESB) contracting utilization program; and
- The Workforce Training and Hiring (WFTH) program requirements (see [Appendix E](#) and [Appendix F](#)).
- In addition, proposers will be asked to consider how equity is addressed throughout their projects and within their organizations. Among other things PHB will be interested in:
 - Diversity of organizations including their staff and board members.
 - Organizational equity and diversity plans and policies and their implementation.
 - Training within organizations around equity, diversity, inclusion, cultural competency, etc.
 - Outreach to, including during marketing and lease-up, communities of color, immigrants/refugees and special needs populations.
 - Diversity in professional services and vendor contracting.
 - Tenant screening criteria.

Discussion of the applicant's approach to these topics is not required as part of this RFI, however, it will be a requirement for subsequent funding.

PHB's Guiding Principles of Equity and Social Justice in [Appendix H](#) provides additional guidance.

Appropriations

Awards through this RFI and/or any eventual invitations resulting from the RFI are subject to appropriation and contingent on approval of City of Portland of fiscal year budgets.

II. PROJECT REQUIREMENTS AND PREFERENCES

In addition to meeting the Preservation Projects definition contained in Section I, all projects applying to this RFI will be evaluated against the following Requirements and Preference Criteria.

Project Requirements

All projects must meet the following requirements

- Minimum units: 40 (multiple buildings may be bundled into a single application to meet this requirement)
- Debt: project is current on all debt/loan payments;
- Reporting: applicant is in compliance with all PHB reporting requirements.

Preference Criteria

PHB may prioritize projects that meet any or all of the following:

- Projects with 50 or more units;
- Projects with an average bedroom count of 1.5 or greater (see [Form G](#) for calculation methodology);
- Projects whose regulatory agreement includes one (1) or more units restricted at 30% or less of area median income (AMI);
- Projects whose regulatory agreement includes Permanent Supportive Housing (PSH) units;
- Projects located outside a current urban renewal area (URA. See [PDC](#) for maps or refer to [PortlandMaps](#));
- For actual preservation activities, projects that will leverage additional resources beyond PHB's.

III. SUBMITTAL REQUIREMENTS/APPLICATION

Development teams must submit the following minimum application materials including the completed application form (Appendix A). Total combined page limit for the Project Overview Narrative (#2) and Development Team Summary (#3) is **ten (10)**.

1. Sponsor Cover Page – [Form A](#).
2. Project Overview Narrative that includes:
 - A. Description of project history, including when the project was built/acquired, how it has been operated and any PHB or other agency/sponsor regulatory agreements;
 - B. Description of project including number and type of units, number of floors, construction type, materials and specifications (as such relate to preservation needs) and key design elements (if any);
 - C. Description of resident population and income mix;
 - D. Description of resident or other programming including resident services (if any), and funding sources for those services;
 - E. If applicable, description of existing partnerships between applicant and supportive service provider(s);
 - F. Description of the preservation need including but not limited to: why are PHB funds being requested; what has the owner/applicant tried to preserve the project previously; what are the outstanding capital needs (applicants may include anything in this part of the narrative that they judge will help PHB assess the preservation need and the applicant's previous or ongoing efforts to address it).
 - G. Timeline: narrative describing when the applicant would like to work to begin, how long it is expected to take and any funding or operating contingencies PHB should be aware of.
3. Owner/applicant Summary: Owner/applicant qualifications and experience, including description of ownership entity and history with the project. The summary must also include a description of owner/applicant's past use of or familiarity with the rules, regulations and requirements of HOME and/or CDBG. **Teams unable to satisfactorily demonstrate use or familiarity may be eliminated.**
4. Current [Operating Budget](#). Use only the tab entitled "Operating Statement." All other tabs should be left blank.
5. Preliminary **Sources and Uses** for preservation portion of the project. Use of [Form E](#), but only tabs labeled a) "Sources" and b) "Uses of Funds." This form must be in **electronic/"live" (not PDF)** format. Proposals submitted without an electronic/"live" (not PDF) version may be eliminated.
Description of key financial assumptions and financing terms.
6. PHB Average Bedroom Calculation (see [Form G](#)). There is no need to fill the section of Form G. entitled "PHB Cost Standard."
7. PHB Funding Application (see [Form B](#)), Sponsor Statement of Financial Capability (see [Form C](#)) and an Acquisition and Relocation Questionnaire (see [Form D](#)).

All pages in the application must be numbered.

Design/architecture is NOT required and is only encouraged to the minimum extent necessary for development teams to comply with other submittal requirements.

Signed and dated proposals must be submitted by **3:00 p.m. on the Proposal Due Date** to be considered responsive.

Submit seven (7) hard copies of completed application and documentation, with copies of all documents on a flash drive (NO FAXES PLEASE) to:

**Cheyenne Sheehan, Sr. Administrative Specialist
Portland Housing Bureau
421 SW 6th Ave, Suite 500
Portland, OR 97204
Phone: (503) 823-2362**

IV. SELECTION PROCESS AND EVALUATION CRITERIA

Upon receipt, all applications will be reviewed for adherence to this RFI's submittal requirements. Proposals not meeting submittal requirements will be deemed non-responsive and will be eliminated from further consideration. PHB reserves the right to identify, clarify and accept any minor irregularities or informalities in determining whether a proposal is responsive.

Proposals meeting submittal requirements and Project Requirements will be reviewed by staff from PHB and potentially PHB's partners.

Except as otherwise stated in this RFI, proposals will be evaluated based on the following Evaluation Criteria:

- Project Requirements.
- Preference Criteria.
- Content and quality of the Project Narrative.
- Qualifications and experience of the Development Team.
- Content, quality, and appropriateness of the current operating budget and Preliminary Sources and Uses and the assumptions contained therein. Evaluation of this criteria includes leveraging of resources other than the City's.

PHB recognizes there is a "creative tension" inherent in publicly financed projects. PHB strongly discourages manipulation of the Operating Budget or Sources and Uses assumptions to produce a particular desired outcome, e.g. depleting replacement reserves to make it appear projects have insufficient resources to address capital needs. PHB reserves the right to reject proposals that appear to portray misleading financial information.

V. GENERAL CONDITIONS

This RFI is not a solicitation of competitive bids. PHB by this RFI specifically reserves the right in its sole discretion to determine which proposals best serve the public good, and to:

- A. Revise the solicitation, evaluation, or selection process including extending the deadline or canceling without selecting any projects.
 - B. Waive informalities and irregularities in the proposals received in response to this RFI.
 - C. Disqualify without recourse or appeal any or all proposals.
 - D. Reject any or all proposals with or without cause.
 - E. Determine the timing, arrangement and method of any presentation throughout the process.
 - F. Verify and investigate the qualifications and financial capacity of the development team, and any of the information provided in the proposal.
1. Every effort has been made to provide current and correct information; however, unless citing a specific PHB approved resolution or plan, PHB makes no representation or warranty with respect thereto.
 2. All proposals received shall become the property of PHB and considered an official public record subject to inspection by the public in accordance with ORS 192.502 and PHB's Public Records Access Policy after the completion of the RFI process; and may be used for any purposes relevant to the decisions and actions undertaken by PHB towards development of the property being offered. Entities are advised that confidential financial information, including the Developer's Statement of Financial Capacity, should be clearly labeled and submitted separately from the remainder of their proposal (both paper and digitally). Similarly, if any entity responding to this RFI believes that a specific portion of its response constitutes a "trade secret" under Oregon Public Records Law (ORS 192.501.2) and is, therefore, exempt from disclosure, the entity must clearly identify that specific information as a "trade secret" and submit it together with the confidential financial information. Identification of information as a "trade secret" does not necessarily mean that the information will be exempt from disclosure. PHB will make the determination of exemption from disclosure based on the nature of the information and the requirements of the Oregon Public Records Law.
 3. Restrictions on communication. Every effort has been made to include herein all the information necessary to prepare and submit a responsive proposal to this RFI. However, in the event additional information is desired, please adhere to the following:

If you have a question about any of the information or requirements contained in this RFI, direct your question to:

Lois Waugh, Housing Portfolio Finance Coordinator
Portland Housing Bureau
421 SW Sixth Avenue, Suite 500
Portland, OR 97204
lois.waugh@portlandoregon.gov

All substantive questions and answers as well as formal Addenda will be posted online at:
www.portlandoregon.gov/phb/Winter17

4. During the course of this RFI, development teams are cautioned not to undertake any activities or actions to promote or advertise their proposals except in the course of PHB-authorized presentations; or to make any direct or indirect (through others) contact with review committee members (if named) or PHB staff members not identified in this RFI as a contact for specific information, except upon prior approval of the Project Manager.
5. PHB will not hold “one-on-one” meetings with any development teams during the evaluation process. PHB may, however, ask individual development teams clarifying questions or obtain additional information about some specific point of a proposal.
6. Failure to abide by these restrictions is grounds for disqualification. This RFI does not commit PHB to enter into an agreement.
7. PHB accepts no responsibility or obligation to pay any costs incurred by any potential or eventual development teams in the preparation or submission of a proposal; or in complying with any subsequent request by PHB for information or participation throughout the evaluation process.
8. Respondents to this RFI are prohibited from employing or retaining a former PHB employee to assist in the preparation of a proposal to this RFI if the former PHB employee has been separated from PHB for less than one year and worked substantially with the site or related project while employed by PHB.
9. The selected developer is further prohibited from employing or retaining a former PHB employee who has been separated from PHB for less than one year and worked substantially with this site or related project while employed by PHB:
 - A. To work on or receive any financial gain related to the project; or
 - B. To work in a capacity responsible for influencing, or trying to influence the actions of PHB other than through public testimony.
10. Funded projects will be required to:
 - A. Comply with City-required affordability agreement and annually submit compliance reporting as specified in agreement.
 - B. **Federal Lead Regulations:** All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35. See [Appendix K](#).
 - C. Other PHB policies and requirements may apply, depending on the specific project. See [Appendix D](#) for additional information.
 - D. **Existing PHB funded projects-** Any applicant with previously funded PHB projects in their portfolio must be current on reporting requirements and required loan payments.
 - E. **Financial Documentation:** Current financial statements and recent financial audits (if available) in sufficient detail for PHB to analyze the overall health of the organization, and the performance of other real estate owned.

VI. LIST OF FORMS AND APPENDICES

FORM	LOCATION
Form A – Sponsor Cover Page	Form A
Form B - PHB Application Form	Form B
Form C- Sponsor Statement of Financial Capacity	Form C
Form D – Acquisition and Relocation Questionnaire	Form D
Form E- Budget / Proforma Template	Form E
Form F- INTENTIONALLY BLANK	BLANK
Form G - Average Number of Bedrooms	Form G

APPENDIX	LOCATION
Appendix A – INTENTIONALLY BLANK	BLANK
Appendix B – PHB Underwriting Metrics	Appendix B
Appendix C – INTENTIONALLY BLANK	BLANK
Appendix D – Additional Policies and Project Requirements	Appendix D
Appendix E – Subcontractor Equity Program	Appendix E
Appendix F – Workforce Training and Hiring Program	Appendix F
Appendix G – INTENTIONALLY BLANK	BLANK
Appendix H – PHB Guiding Principles of Equity and Social Justice	Appendix H
Appendix I – Federal Funds Compliance	Appendix I
Appendix J – General Information Notice (GIN)	Appendix J
Appendix K – Lead Based Paint Requirements	Appendix K
Appendix L – Housing Rehabilitation Standards	Appendix L
Appendix M – Additional Documentation Required Prior to Reservation of Funds	Appendix M
Appendix N – Fiscal Year 2016-17 list of CBDOs and CHDOs	Appendix N
Appendix O – PHB Relocation Policy and Procedures	Appendix O
Appendix P – Areas of Special Activities for CBDOs	Appendix P

Not all appendices are referenced within the body of the RFI. Please read all appendices carefully.