



SOLICITATION ADDENDUM

Solicitation Number: RFP FY20-086-2, Addendum #3 Page 1 of 7

Solicitation Due Date: March 6, 2020, 3:00 p.m. Local Time

CITY OF PHOENIX
Housing Department
251 W. Washington Street
4th Floor
Phoenix, AZ 85003

Solicitation Name: Deck Park Vista Redevelopment

The following questions and answers are now incorporated as part of this RFP:

Q1: Is there a budget for this project or an estimate for when work should start and end?

A1: There is no defined budget for this project. The proposal must demonstrate the developer's ability to develop and occupy all units no more than 36 months after the execution of the development lease.

Q2: Is this a public-private partnership?

A2: The City will accept proposals that include a public-private partnership, but proposal types are not limited to public-private partnerships.

Q3: Does the developer/operator need to be a non-profit?

A3: No, the developer/operator is not required to be a non-profit. However, the developer is required to partner with a non-profit to provide services for the residents.

Q4: How would ownership and financing be structured?

A4: The City will retain ownership of the land and land will be leased to the successful proposer. The City has no other ownership and financing structure requirements and is allowing the developer to propose their desired ownership and financing requirements.

Q5: If there are 56 Section 8 PBVs, what are the "affordable" income requirements?

A5: Units classified as Affordable will be made available to residents with income levels not exceeding 50 percent of the Phoenix Metropolitan Statistical Area (Phoenix-MSA) Area Median Income (AMI) as defined annually by HUD. To view the current income levels for the Phoenix-MSA, please use the following link: https://www.phoenix.gov/housingsite/Documents/HOME_Fact_Sheet.pdf.

Q6: With so many new units, is it possible for the project to be mixed income (now being called "inclusionary housing")?

A6: Proposals must include a minimum of 56 affordable housing units. To meet the minimum qualification of mixed income housing the proposal must include one of the following combinations: affordable units and workforce; affordable housing, workforce units and market rate units; or affordable housing and market rate. This Request for Proposals does not meet the definition of inclusionary zoning because the property is owned by the City and developers may voluntarily choose to participate in the solicitation.

Q7: If the proposal does not include commercial/retail space, does the requirement of 5 story development plus mixed use apply? Can 5-story residential development suffice?

A7: Proposers will meet the minimum qualification for development experience if they have completed a 5-story residential development in the last 5 years and the development also included community space or commercial/retail space.

Q8: What are the parking requirements? Zoning may allow 200 units/acre, but would parking requirements impose further limits?

A8: The minimum parking requirement is one parking space per residential unit. However, the Downtown Code currently allows for a reduction of .5 parking spaces per residential unit for projects that include more than 50% affordable units. The code also provides opportunities to reduce the parking requirement to zero spaces for each residential unit. However, developers should contemplate the future marketability for the site when determining the number of parking units included in the development design.



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Q9: Will the 56 PBV's still be limited to Seniors?

A9: No, the PBV's are not limited to Seniors. However, the existing residents must be given the right to return. Therefore, voucher priority will be given to households currently residing in Deck Park Vista who wish to return.

Q10: What are the sources for soft money available?

A10: Applicants in need of soft money or gap financing may indicate such resources are needed as a part of their proposal. No soft money/gap funding is available as part of this solicitation. To be eligible for any City source of gap funding for their proposed project, proposers will also be required to submit an application and participate in the City's annual Call for Interest for Proposals of Acquisition/Rehabilitation or New Construction of Affordable Rental Housing gap financing solicitation.

Q11: What are the applicable tax exemptions available?

A11: Applicable property tax exemptions will depend on the ownership structure proposed by the developer. Because the City of Phoenix will retain ownership of the land, the land may be exempt from property taxes. However, developers may still be subject to taxes related to the built structure(s). Consult a tax advisor for advice related to your proposed project.

Q12: Are there TIF points available?

A12: No, TIF points will not be available.

Q13: How does the Land Lease work?

A13: The City will retain ownership of the land and will lease the land to the successful proposer at the rate and term agreed to by both parties. Proposers are to include in their proposal the desired lease terms (i.e. lease timeframe and lease fee amount).

Q14: Is there an incentive to provide more than 56 Affordable Housing units?

A14: During evaluation, proposals that offer the more than 56 affordable housing units will score more competitively in the proposed project evaluation section.

Q15: Are you consolidating any other housing projects into this project?

A15: We may request the development house residents from a nearby 18-unit affordable property that may be redeveloped. All 18 units are one bedroom.

Q16: Mixed-use can be defined a number of ways. One definition would describe mixed-use as a development that includes both residential and commercial (retail). However, during the Pre-Proposal Conference, public space for community meetings was mentioned while retail space was downplayed and described as more of a want than a need. Page 4 of the RFP describes one non-negotiable qualification as follows: "proposer must have experience successfully completing at least 1 vertical mixed-use development of at least 5 stories in the last 5 years". Can you please clarify your definition of mixed-use in this statement? In other words, would a proposer with experience developing mid-rise and high-high rise affordable housing projects that included community spaces (such as food pantries and meeting spaces) be eligible to submit a proposal even if those community spaces had limited hours or were available for use by appointment only?

A16: Yes, proposers will meet the minimum qualification for development experience if they have completed a 5-story residential development in the last 5 years that included community spaces (such as food pantries and meeting spaces). The City's desired project characteristics include commercial use on the ground floor.



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Q17: We request the following items if available:

- Recent Financial Statements on the existing Deck Park Vista property**
- Copy of the existing HUD Project Based Vouchers contract with expiration date**
- Most recent ALTA land survey**

A17: This property is not currently subsidized through Project Based Vouchers and thus does not have relatable financials or a HUD Project Based Voucher contract. Project Based Vouchers have been included in the RFP to help subsidize the new affordable units. The current payment standard for Project Based Vouchers can be found at the following location:

https://www.phoenix.gov/housingsite/Documents/HCV_Payment_Standards.pdf. The HUD Project Based Voucher contract will have an initial term of 20 years, with an option to renew for another 20 years. The City does not have an ALTA land survey for this property.

Q18: Will we be required to make improvements to the alley?

A18: This will be determined through the plan review process.

Q19: Will we be required to underground the utilities running along the alley?

A19: This will be determined through the plan review process.

Q20: Is the city willing to abandon the adjacent alley?

A20: Alley abandonment is not contemplated at this time.

Q21: Does the city have existing plans to underground utilities in the area?

A21: This will be determined through the plan review process.

Q22: Does the city have existing plans to improve 3rd St., Moreland St., or 5th St.?

A22: Any off-site improvements will be stipulated in the plan review process.

Q23: Does the City have plans to address walkability and traffic flows along 3rd and Moreland St.?

A23: The site plan must meet the requirements listed in the Evans Churchill East section of the Downtown Code. Any off-site improvements will be stipulated as a part of the plan review process.

Q24: What is the process for assumption of debt, if any, once the property reverts to the city at the termination of ground lease?

A24: Assumption terms will be negotiated with the successful proposer. Proposers may choose to stipulate their preferred assumption criteria as a part of their proposal.

Q25: Will the city agree to issue bonds in support of the project for the purposes of acquiring construction debt?

A25: The City does not anticipate supporting this project through the issuance of bonds.

Q26: Would the city act as co-developer to improve the financing opportunities for the project?

A26: The City would act as a co-developer if the successful proposal includes this requirement in their project.

Q27: Would the city agree to return its share of the developer's fee to support the financials for the development?



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A27: If the proposer is contemplating a co-development structure for their project, the proposer can include this request in their submittal. However, all developer fee splits and co-development terms will be negotiated with the successful proposer.

Q28: If the city acts as co-developer, what financial guarantees or borrowing facilities are available?

A28: The successful developer will be responsible for obtaining the required financial guarantees and/or borrowing facilities needed to complete the proposed development.

Q29: Does the City contemplate any participation in the onsite or offsite development costs?

A29: Applicants in need of gap financing may indicate such resources are needed as a part of their proposal. No soft money/gap funding is available as part of this solicitation. To be eligible for any City source of gap funding for their proposed project, proposers will also be required to submit an application and participate in the City's annual Call for Interest for Proposals of Acquisition/Rehabilitation or New Construction of Affordable Rental Housing gap financing solicitation.

Q30: Will the city issue bonds to financially support the following:

- Site improvements
- Utilities' undergrounding
- Infrastructure and off-site costs
- Frontage maintenance

A30: The City does not anticipate supporting this project through the issuance of bonds.

Q31: Will the city agree to forego Water and Sewer Occupational Fees?

A31: The requirement of water and sewer occupational fees will be determined during plan review. If required, the City does not plan to forego these fees.

Q32: Will the city agree to define affordability as rents set based on 30% of 80-120% of Area Median Income?

A32: Affordable units for this solicitation includes a *minimum* of 56 units for residents with income levels not exceeding 50 percent of the Phoenix Metropolitan Statistical Area (Phoenix-MSA) Area Median Income (AMI) as defined annually by HUD. These 56 units will be subsidized through Project Based Vouchers, the current payment standards for project based vouchers can be found at:

https://www.phoenix.gov/housingsite/Documents/HCV_Payment_Standards.pdf

If the proposer decides to include workforce units in their development mix, the rents will be set based on 30% of 80-120% of the Area Median Income.

Q33: How will the Declaration of Affirmative Land Use Restrictive Covenants define affordability, and will the Developer or Co-Developer be allowed to set rent if they conform to this definition?

A33: The Declaration of Affirmative Land Use Restrictive Covenants will define affordability. The Project Based Voucher rent levels must conform with the current payment standard, which can be found at:

https://www.phoenix.gov/housingsite/Documents/HCV_Payment_Standards.pdf

Q34: Is it a requirement that affordable units be distributed evenly throughout the development?

A34: Yes.

Q35: Is there a distinction between senior affordable and affordable? Does the city provide distinct or separate vouchers for senior affordable and non-senior affordable units?



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A35: No, there is no distinction between senior affordable and affordable. The current development is used for senior housing and the current residents will have the first right to return to the property. After this requirement has been satisfied, the Project Based Vouchers may be used for any income qualifying household.

Q36: Is there any known contamination in the area?

A36: The successful proposer will be required to obtain a Phase I for this property. The project will be subject to the HUD NEPA process. If contamination is identified through the NEPA process, mitigation will be required.

Q37: Will the city agree to reduce or eliminate any city-imposed fees?

A37: The City will not reduce or eliminate city-imposed fees related to this project.

Q38: Will the city allow ground floor dwelling units in place of commercial space? Alternatively, are residential dwelling units at ground level acceptable if there is some other commercial space?

A38: The City will allow for ground floor dwelling units to activate the street-front. The City's *desired* project characteristics include commercial use on the ground floor, this is not a minimum requirement.

Q39: Will the city commit to timely decision making and expedited permitting? Will this project gain priority in the city's approval process?

A39: The successful proposer will follow the City's existing site plan and permitting process.

Q40: Will the city support deviations to the development standards required by the downtown code, variances or amended development standards?

A40: No deviations from the current code are contemplated at this time.

Q41: Will the Developer or Co-Developer be required to conform strictly to the downtown code, specifically sections:

1214 B.4

1206

1214 F

Alternatively, will the city support deviations to the development standards required by the downtown code? Or are all respondents required to comply with the code in the areas identified?

A41: No deviations from the current code are contemplated at this time.

Q42: Will the city consider our non-profit programming spaces as compatible with the street front activation requirements for Downtown Zoning?

A42: Yes, the City's *desired* project characteristics include commercial use on the ground floor, this is not a minimum requirement.

Q43: If questions come up after the 3pm deadline on January 24th, what is the procedure for submitting them?

A43: The schedule of events published in the solicitation state the deadline you have referenced for questions. It would take an addendum to change this date and it may appear that we are accommodating the requesting party. We will not accept questions after the published date and time.

Q44: The Deck Park Vista Property is not currently subject to property taxes. Will the city be able to pass through that tax-exempt status assuming the city retains ownership of the land and it is subject to a ground lease?



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A44: Applicable property tax exemptions will depend on the ownership structure proposed by the developer. Because the City of Phoenix will retain ownership of the land, the land may be exempt from property taxes. However, developers may still be subject to taxes related to the built structure(s). Consult a tax advisor for advice related to your proposed project.

Q45: Are there any development incentives available for downtown projects (TIF, tax abatement, fee waivers, etc.)?

A45: Applicable property tax exemptions will depend on the ownership structure proposed by the developer. Because the City of Phoenix will retain ownership of the land, the land may be exempt from property taxes. However, developers may still be subject to taxes related to the built structure(s). Consult a tax advisor for advice related to your proposed project.

Q46: Can the city provide more information on the capacity of the infrastructure in the area? (water, sewer, stormwater, etc.)

A46: Infrastructure capacity will be identified as part of the plan review process.

Q47: Is there a phase I environmental report that can be shared with us?

A47: The City does not have a Phase I for this project. The successful proposer will be required to obtain a Phase I for this property.

Q48: What are the current project based voucher rents at this site?

A48: The current payment standards for project based vouchers can be found at:
https://www.phoenix.gov/housingsite/Documents/HCV_Payment_Standards.pdf

Q49: Are we responsible for costs associated with relocation of residents?

A49: The proposal may include the desired terms related to which party will cover relocation costs for the current residents.

Q50: Can you provide clarification on the following requirements in the zoning code? The Evans Churchill East section of the downtown code lists a “parking bonus” with an increase or decrease of 100%. Is the correct interpretation of this this bonus essentially means that there is no required minimum parking in this zone? Does utilization of these bonuses trigger any special approval processes that would length the time of approval? On a multi-frontage lot, can the City provide clarity on what would be considered the front/side/rear of the property?

A50: The minimum parking requirement requires one parking space per residential unit. However, the downtown code currently allows for a reduction of .5 parking spaces per residential unit for projects that include more than 50% affordable units. The code also provides opportunities to reduce the parking requirement to zero units for each residential unit. However, developers should contemplate the future marketability for the site when determining the number of parking units included in the development design. The utilization of this bonus does not require a special approval process, it will be assessed and confirmed as part of the plan review.

Q51: Given the desire to connect the proposed project to the surrounding neighborhood, would the City of Phoenix Street Transportation Department install a HAWK signal across 3rd Street at Moreland where the existing crosswalk is located?

A51: No HAWK is planned at this time.

Q52: One of the presenters in the Pre-Proposal meeting stated that parking is not required for this site. However, Section 1206.1 lists requirements for residential and commercial parking in the DTC



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and Evans Churchill East Character Area. Can you clarify if there is a requirement for vehicular parking, and what is the appropriate reference?

1206 Parking and Loading. *2

A. **Applicability.** The following standards shall apply to all property within the Downtown Area unless modified by the Character Area.

B. **Driveway Standards.** Driveway width: maximum 24 feet. +2

C. **Parking and Loading Standards. *2**

1. Vehicle parking shall be provided in accordance with the following standards: *2

a. *Residential units.*

(1) *Minimum:* 1 space per dwelling unit.

(2) *Maximum:* 2 spaces per dwelling unit.

b. *Nonresidential uses.*

(1) *Minimum:* 1 space per 1,000 square feet of building square footage.

(2) *Maximum:* 4 spaces per 1,000 square feet of building square footage.

(3) No parking required in Business Core and Warehouse Character Areas. +1

A52: The minimum parking requirement requires one parking space per residential unit. However, the downtown code currently allows for a reduction of .5 parking spaces per residential unit for projects that include more than 50% affordable units. The code also provides opportunities to reduce the parking requirement to zero units for each residential unit. However, developers should contemplate the future marketability for the site when determining the number of parking units included in the development design.

Q53: If a proposed project exceeds the base entitlements per the downtown ordinance (e.g. lot coverage, etc.), is the development team required to apply the sustainability bonus system (Section 1223) for the desired credit category?

A53: Yes.

The balance of the specifications and instructions remain the same. Bidder must acknowledge receipt and acceptance of this addendum by returning the entire signed addendum with the proposal submittal.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____