

REQUEST FOR PROPOSAL

RFP #AAHC-350

Co-developer for
350 South Fifth Ave



City of Ann Arbor
Ann Arbor Housing
Commission

Due Date: February 8, 2024 by 2:00 p.m. EST

Issued By:

City of Ann Arbor
Ann Arbor Housing Commission
2000 S. Industrial Hwy
Ann Arbor MI 48104

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SECTION I - GENERAL INFORMATION

A. BACKGROUND

The City of Ann Arbor's elected officials as well as its citizens have repeatedly expressed their desire to add significantly to the quantity and quality of affordable housing options in the community.

The 350 S Fifth site was home to the Ann Arbor YMCA from 1960-2005 when the current YMCA opened at the West Washington site. The former YMCA building was demolished in 2008 and along with it, the 100 affordable residential units that were located inside the former building. Since that time, the site has served as a surface parking lot. Adjacent uses include the Blake Transit Center to the north, Downtown Library to the east, significant parking structures to the west and northeast, the new William Street bikeway to the south, and lower density uses south of William Street.

In 2019, the City selected SmithGroup to lead a community engagement process focusing on the development of this and other City owned properties as affordable housing. This process identified broad public support for a mixed income development at 350 S Fifth Ave.

In 2022, the Ann Arbor Housing Commission working with SmithGroup and the City of Ann Arbor rezoned the property to Planned Unit Development (PUD). Key components of the PUD include requirements to provide a minimum of 100 units of housing affordable to households at 60% Area Median Income (AMI) or less, meet certain sustainability benchmarks and enhance existing transit uses in exchange for an allowable building height of up to 275 feet. Ann Arbor Housing Development Corporation (AAHDC), a related non-profit of the Ann Arbor Housing Commission, engaged SmithGroup to provide Schematic Design services for the 350 S Fifth site and to prepare a supporting site plan for submission to the City of Ann Arbor.

In 2023, prior to the planned submission of a site plan to the City of Ann Arbor, the AAHDC received a preliminary cost estimate based on the Schematic Design package. This cost estimate prompted the AAHDC to delay the plans for a formal site plan submission and evaluate strategies to reduce the overall project costs.

The AAHDC purchased the property from the City of Ann Arbor for \$6.2M on September 26, 2023.

B. OBJECTIVE

The Ann Arbor Housing Development Corporation (AAHDC) is seeking the services of a Co-developer (firm, nonprofit organization, private agency) to work with the AAHDC to realize the construction of an affordable housing project at this location.

This will include working with the AAHDC on the following: prepare an overall development plan; finalize the site plan for City approval; lead the permitting and approvals process; secure additional funding; prepare and maintain the project schedules; form a construction management team; develop a project proforma for the development of 350 South Fifth Ave in Ann Arbor, Michigan (the “Development Site”).

The AAHDC is committed to constructing an affordable housing project at this site and is looking for a development partner that understands that constructing affordable housing is the priority and will also work with the AAHDC to maximize the other community goals outlined in the PUD.

The AAHDC intends to make the following contributions to the project:

- Land.
- Assist in funding the construction using one or more of the following sources: local millage funds, issuance of bond financing backed by local millage funds, applying for local, state and federal grants and tax credit programs.
- Completion of Schematic Design level drawing package including site design.
- Assist in seeking the remaining entitlement approvals from the City of Ann Arbor.
- Assist in seeking a Payment in Lieu of Taxes (PILOT) agreement.
- Contract with local service providers to provide on-site services to the affordable housing portion of the project.

The Ann Arbor Area Transportation Authority (AAATA), in collaboration with the AAHDC, will contribute funds to cover the costs of the site improvements related to the public transportation portion of the project.

The Ann Arbor Downtown Development Authority (DDA), in collaboration with the AAHDC, has committed \$2.6M toward the necessary public infrastructure to support the project.

AAHDC’s next step is to select a development team. The AAHDC is looking for development partners that will support the public mission and goals of the AAHDC and the City of Ann Arbor as described in this RFP.

Additional background information about the redevelopment of 350 S Fifth is available here:

<https://www.a2gov.org/departments/Housing/development/Pages/350-S-Fifth-Ave.aspx>

C. QUESTIONS AND CLARIFICATIONS

All questions regarding this Request for Proposal (RFP) shall be submitted via e-mail.

Questions will be accepted and answered in accordance with the terms and conditions of this RFP.

All questions shall be submitted on or before January 25, 2024 at 2:00 p.m. EST, and should be e-mailed to Arin Yu, Ayu@a2gov.org

Should any prospective offeror be in doubt as to the true meaning of any portion of this RFP, or should the prospective offeror find any ambiguity, inconsistency, or omission therein, the prospective offeror shall make a written request for an official interpretation or correction by the due date for questions above.

All interpretations, corrections, or additions to this RFP will be made only as an official addendum. It shall be the prospective offeror's responsibility to ensure they have received all addenda before submitting a proposal. Any addendum issued by the AAHDC shall become part of the RFP and must be incorporated in the proposal where applicable.

D. PRE-PROPOSAL MEETING

No pre-proposal meeting will be held for this RFP.

E. PROPOSAL FORMAT

To be considered, a firm must submit a response to this RFP using the format provided in Section III. No other distribution of proposals is to be made by the prospective offeror. An official authorized to bind the offeror to its provisions must sign the proposal. Each proposal must remain valid for at least one-hundred twenty (120) days from the due date of this RFP.

Proposals should be prepared simply and economically providing a straightforward, concise description of the offeror's ability to meet the requirements of the RFP. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

F. SELECTION CRITERIA

Responses to this RFP will be evaluated using a point system as shown in Section III. After initial evaluation, the AAHDC will then determine which, if any, firms will be interviewed. During the interviews, the selected firms will be given the opportunity to discuss their proposal, qualifications, experience, and their fee proposal in more detail.

The AAHDC further reserves the right to interview the key personnel assigned by the selected offeror to this project. If the AAHDC chooses to interview any respondents, the interviews will be tentatively held the **week of February 26, 2024**

All proposals submitted may be subject to clarifications and further negotiation. All agreements resulting from negotiations that differ from what is represented within the RFP or in the proposal response shall be documented and included as part of the final contract. The AAHDC expressly reserves the right to reject any and all proposals. Nothing in this RFP obligates the AAHDC to move forward with this development.

G. SEALED PROPOSAL SUBMISSION

All proposals are due and must be delivered via email to Arin Yu AYu@a2gov.org on or before February 8, 2024 at 2:00 p.m. (EST). Proposals submitted late or via facsimile will not be considered or accepted.

Each respondent must submit:

- **one (1) digital copy of the proposal as one file in PDF format**

Proposals submitted must be clearly marked: **“RFP# AAHC-350 - Co-Developer for 350 South Fifth Ave.”** and list the offeror’s name and address.

A proposal may be disqualified if the following required form is not included with the proposal:

- **Attachment C – Legal Status of Offeror**
- **Attachment D – Vendor Conflict of Interest Disclosure Form**

Proposals that fail to provide these forms listed above upon proposal opening may be deemed non-responsive and may not be considered for award.

H. DISCLOSURES

Under the Freedom of Information Act (Public Act 442), the AAHDC is obligated to permit review of its files, if requested by others. All information in a proposal is subject to disclosure under this provision. This act also provides for a complete disclosure of contracts and attachments thereto.

I. TYPE OF CONTRACT

A sample of the Professional Services Agreement is included as Attachment F. Those who wish to submit a proposal to the AAHDC are required to review this sample agreement carefully.

The AAHDC reserves the right to award the total proposal, to reject any or all proposals in whole or in part, and to waive any informality or technical defects if, in the

AAHDC's sole judgment, the best interests of the AAHDC will be so served.

This RFP and the selected offeror's response thereto shall constitute the basis of the scope of services in the contract by reference.

J. CONFLICT OF INTEREST DISCLOSURE

The AAHDC Purchasing Policy requires that the Co-developer complete a Conflict-of-Interest Disclosure form. A contract may not be awarded to the selected offeror unless and until the AAHDC has reviewed the Disclosure form and determined that no conflict exists under applicable federal state, or local law or administrative regulation. Not every relationship or situation disclosed on the Disclosure Form may be a disqualifying conflict. Depending on applicable law and regulations, some contracts may awarded after full disclosure, where such action is allowed by law, if demonstrated competitive pricing exists and/or it is determined the award is in the best interest of the AAHDC. A copy of the Conflict-of-Interest Disclosure Form is attached (Attachment C).

K. COST LIABILITY

The AAHDC assumes no responsibility or liability for costs incurred by the offeror prior to the execution of a Professional Services Agreement. The liability of the AAHDC is limited to the terms and conditions outlined in the Agreement. By submitting a proposal, offeror agrees to bear all costs incurred or related to the preparation, submission, and selection process for the proposal.

L. DEBARMENT

Submission of a proposal in response to this RFP is certification that the respondent is not currently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal departments or agency. Submission is also agreement that the AAHDC will be notified of any changes in this status.

M. PROPOSAL PROTEST

Any inquiries or requests regarding this procurement should only be submitted in writing to the Designated Contacts provided herein. Attempts by the offeror to initiate contact with anyone other than the Designated Contacts provided herein that the offeror believes can influence the procurement decision, e.g., Elected Officials, City Administrator, Selection Committee Members, Appointed Committee Members, etc., may lead to immediate elimination from further consideration.

N. SCHEDULE

The proposals submitted should define an appropriate schedule in accordance with the requirements of the Proposed Work Plan in Section III.

The following is the schedule for this RFP process.

Activity/Event

Written Question Deadline: January 25, 2024 2:00 p.m. EST

Answers to Written Questions Addenda Published (if needed): February 1, 2024

Proposal Due Date: February 8, 2024 2:00 p.m. EST

Interviews: Week of February 26, 2024

The above schedule is for information purposes only and is subject to change at the AAHDC's discretion.

O. IRS FORM W-9

The selected offeror will be required to provide the AAHDC an IRS form W-9.

P. RESERVATION OF RIGHTS

1. The AAHDC reserves the right in its sole and absolute discretion to accept or reject any or all proposals, or alternative proposals, in whole or in part, with or without cause.
2. The AAHDC reserves the right to waive, or not waive, informalities or irregularities in any proposal if determined by the AAHDC to be in its best interest.
3. The AAHDC reserves the right to request additional information from any or all offerors.
4. The AAHDC reserves the right to reject any proposal that it determines to be unresponsive and deficient in any of the information requested within RFP.
5. The AAHDC reserves the right to determine whether the scope of the project will be entirely as described in the RFP, a portion of the scope, or a revised scope be implemented.
6. The AAHDC reserves the right to select one or more consultants to perform services.
7. The AAHDC reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted.
8. The AAHDC reserves the right to disqualify proposals that fail to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents outlined within RFP.

Q. ENVIRONMENTAL COMMITMENT

The AAHDC recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a vibrant community and economy. The AAHDC further recognizes that the products and services the AAHDC buys have

inherent environmental and economic impacts and that the AAHDC should make procurement decisions that embody, promote, and encourage the AAHDC commitment to the environment.

The AAHDC encourages potential vendors to bring forward emerging and progressive products and services that are best suited to the AAHDC environmental principles.

The Supplemental Regulations that are part of the PUD zoning speak to specific sustainability goals for the project.

SECTION II – SCOPE OF SERVICES

A PARTIAL LIST OF POTENTIAL LIABILITIES, FUNDING SOURCES AND FINANCING PROGRAMS

AAHDC, the City of Ann Arbor and the DDA are committed to supporting long-term and permanent affordability, supportive housing tenant services, and at least 100 housing units at or below 60% AMI at the Site. Below is a partial list of funding sources which can be incorporated into development proposals. Respondents are encouraged to propose additional sources of funds and programs that will assist the Project in achieving the stated goals and achieve feasibility in development and operations. Below is a list of secured local resources and potential local resources that can be requested through an application process.

Land Value	\$6,200,000
City of Ann Arbor Millage Funds	To be Determined
Bond Financing	To be Determined
Voucher Programs	To be Determined
Local Brownfield Revolving Fund	To be Determined
Brownfield Assessment Fund	To be Determined
Transit Oriented Development (TOD) Grants	To be Determined
60% AMI Unit Average PILOT	\$1/unit/year
DDA Infrastructure Funding	\$2,600,000
Downtown Development Authority Housing Fund	To be Determined
AAATA Improvement Contribution	To be Determined

*AAATA will cover costs for construction of its portion of the site; source of this funding is to be determined.

OWNERSHIP, PARTNERSHIP STRUCTURES AND FEE SCHEDULES

The AAHDC is seeking a development partner for the entire development, with the opportunity for the development partner to acquire a portion of the development for a market-rate development (residential and/or commercial). It is assumed that the underlying real estate will remain owned by the AAHDC, and multiple site condominiums or ground lease agreements will be created. The final development design will likely include a condominium (or similar) for an all-affordable residential space and separate condominium (or similar) for the AAATA. Additional condominiums (or similar) may be created for the market rate residential and/or commercial portions of the development.

If Low Income Housing Tax Credits (LIHTC) are secured for the affordable housing component, a Limited Dividend Housing Association will be created as an LLC or LP. The managing member general partner will include 1) a newly created legal entity, of which the AAHDC will be a sole member, and 2) a temporary general partnership between the AAHDC's affiliated legal entity and the Co-developer that will remain part of the managing member through development and issuance of the 8609 form or longer ("Co-development General Partnership"). A development agreement executed between the AAHDC's affiliated legal entity and the Co-developer is assumed.

Respondents must propose terms of the temporary general partnership structure and the roles and responsibilities of the development team. Partnership structure proposals should include a proposed percentage of ownership for the respondent, the AAHDC and any other parties proposed to participate in the development and ownership, if applicable. Respondents that are selected for the interview stage of this proposal will be expected to provide more detailed proposals related to the financial & legal structure of the development. The AAHDC is open to a fee for services for the initial design and financial feasibility activities through site plan approval.

It should be assumed that the AAHDC or an affiliated entity will receive a share of the developer fee and future cash flows as appropriate in consideration of its contributions to the development of the Project, including the land.

PROJECT TEAM ROLES

This section outlines the anticipated roles of the Co-developer, the AAHDC and its affiliated legal entity, and SmithGroup consultants.

ANN ARBOR HOUSING DEVELOPMENT CORPORATION'S ROLE (AND ITS AFFILIATED LEGAL ENTITY)

The AAHDC is staffed by the Ann Arbor Housing Commission (AAHC) and any

affiliated legal entities that are created will also be staffed by the AAHC. Responsibilities of AAHDC, as sole member or its affiliated legal entity, will include but are not limited to the following:

- Share all existing documents related to the development including:
 - Environmental & Geotechnical Reports
 - Survey
 - Design documents
 - Cost estimates
 - Contracts and expenditures with existing contractors
- Engage the selected Co-developer in the overall development process including decisions impacting the development and management of the Project
 - Participate in the overall development process including making decisions impacting the development and management of the Project
 - Approval of Architect, Engineer/s and General Contractor
- Lead some municipal project approvals, approval of the payment-in-lieu-of-taxes (PILOT) from the City of Ann Arbor, if necessary
- Lead public relations between the development and the community.
- Assist design, construction, and quality control of the development.
 - Work closely with the Co-developer, City, AAATA and DDA on the building design, materials and finishes
- Assist in securing public resources.
 - Lead in securing a portion of pre-development funds for market study, appraisals, design and other pre-development and pre-entitlement activities
 - Where possible, assist with interaction amongst public funding agencies including, but not limited to, HUD, MSHDA, FHA, the City of Ann Arbor and Washtenaw County
 - Assist in applying for local/state/federal funding to help support the development financing
 - o Work with Co-developer to apply for Low Income Housing Tax Credits, New Markets Tax Credits, bond financing and/or other resources, if appropriate
 - Lead in securing project-based vouchers, if needed
- Facilitate funding and coordination of community and tenant supportive services.
- Maintain ownership control of the property.
- Establish a financial structure that allows it to participate in a stream of

income from the development, including developer fee, cash flow and incentive management fees.

- Provide historical operating costs to develop detailed operating budgets showing at least 15-year projections.
- Assist with Section 3 and Davis-Bacon compliance, as needed.
- Lead leasing activities and manage waitlists for subsidized units.
- Limited guarantees to be negotiated with the selected Co-developer and various lenders and syndicators, such as guarantees related to the lease-up of the project, tax credit basis adjustments, tax credit recapture events, operating deficit guarantee, environmental indemnities, and payment of any deferred development fee.
- Voucher Administrator: The AAHC has adopted a payment standard of 110% of Small Area Fair Market Rents (SAFMR) for zip code 48104

Efficiency	1 Bd	2 Bd	3 Bd
\$ 1,639	\$ 1,650	\$ 1,969	\$ 2,376

CO-DEVELOPER’S ROLE

Responsibilities of the selected Co-developer will include, but are not limited to, the following:

- Undertake pre-development activities and due diligence.
- Suggest 3rd party professional services including design, construction, environmental, marketing, accounting, legal, and others as needed under the advisement of AAHDC.
- Work with AAHDC to select general contractor. Hire and oversee general contractor and all trades.
- Further develop architectural plans and specifications through construction document phase working with AAHDC & SmithGroup, obtain local approvals and permits.
- Obtain all permits, approvals, and environmental clearances.
- Develop and manage overall project budget.
- Develop and manage an implementation schedule and oversee construction.
- Develop a project operating pro-forma showing at least 15-year projections.
- Assist in obtaining financing and coordinating local resources.
- Provide all required guarantees which exceed those which can be provided by the AAHDC because of its nonprofit & governmental status.
- Provide all necessary financial guarantees and assurances to lenders and investors, including but not limited to: tax credit timing adjustments, payment of excess development costs, construction completion

obligations, completion date, cost certification and environmental indemnities

- Work with AAHDC to determine a general management structure and prepare a management plan with the AAHDC as the property manager for the subsidized portion of the property and the AAATA related to its portion of the property.
- Coordinate and lead Low Income Housing Tax Credit application to MSHDA, Federal Home Loan Bank, and other applications, as needed.
- Assist with developing training and employment opportunities to Section 3 individuals, as applicable.
- Solicit participation by MBE, WBE, and Section 3 firms.
- Ensure compliance with Davis-Bacon, if required
- Provide regular monthly reports on the progress of development efforts, including work completed, associated costs, and schedule.
- Oversee monthly draws and coordinate draws with title company and all funders.
- Assist AAHDC staff in developing capacity in the development and mixed-finance arenas.
- Oversee asset management functions as required through lease-up and conversion to permanent financing.
- Lead hiring of auditor for audits, tax returns and Cost Certification
- Submit 8609 to MSHDA

SMITHGROUP'S ROLE

- Assistance with pre-entitlement
- Coordinate with selected Co-developer
- Develop basis of design with the AAHDC
- Represent AAHDC's interests in the development of project-related review and documentation.
- SmithGroup may also enter into an agreement with the Co-developer to provide interior build out, design documents, construction documents, and construction contract administration services for the market rate portion of the project.

ANN ARBOR AREA TRANSPORTATION AUTHORITY (AAATA)'s ROLE

- Secure funding for the AAATA portion of the project including surface treatments, bus lane and platform construction, any building components that are necessary for safe transit operations on the site, costs associated with relocation of existing DTE equipment, building modifications to the

Blake Transit Center (BTC), and any transit- or DTE-related work that may be required on the BTC parcel.

- Assistance with pre-entitlement
- Coordinate with selected Co-developer
- Represent AAATA's interests in the development of project-related review and documentation.

SECTION III - MINIMUM INFORMATION REQUIRED

PROPOSAL FORMAT

Offerors should organize Proposals into the following Sections:

- Intro. Development Introduction
- A. Professional Qualifications
- B. Financing and Affordability
- C. Partnership Structure
- D. Developer Compensation
- E. Attachments

The Development Team will be selected through a combination of experience and interview. Submissions must contain each Section listed above and supporting documents; submissions that are not complete or do not conform to the requirements of this request may be eliminated from further consideration, unless AAHDC permits the Respondent to correct the omission or provide further information through a Request for Information (RFI).

The following describes the elements that should be included in each of the proposal Sections and the weighted point system that will be used for evaluation of the proposals and selection for an interview.

Development Introduction – 0 points

1. Completeness Checklist (Form 1)
2. Respondent's Cover Letter, printed on Respondent's letterhead and signed by an authorized representative. The person signing the cover letter certifies that they are a person in the offeror's firm/organization responsible for the decision regarding the elements being offered in the Proposal and has not and will not participate in any action contrary to the terms of this provision.
3. List 3 references including at least 1 municipal reference and 1 financial institution.
4. Project Narrative / Development Summary – (1 page)
 - a. Project Narrative to introduce and provide an overview of the submission.

A. Professional Qualifications – 20 points

1. Co-developer Description: Provide an organizational structure for the primary entity responding to this RFP including critical team members. Name the

project lead/s and team members who will be the primary staff interacting with the AAHDC. If the Respondent is partnering with any other entities on this project, include those entity's organizational structure and critical team members.

- a. Include the roles of each entity and/or staff for project management, entitlements, financing, construction and if applicable, property management.
 - b. Provide resumes just for the critical team members in the organization/s who will be working directly on this project, if selected.
 - c. Provide the URL to the websites of the entities included in this RFP response.
 - d. Highlight and provide examples of development projects that the Respondent best showcases the team's work.
2. Development Team Experience: Provide a brief narrative describing the experience of each entity and/or the staff related to the following, as applicable:
- a. Experience that makes the development team uniquely suited to develop the site.
 - b. Experience developing projects in Michigan.
 - c. Experience developing projects in the City of Ann Arbor
 - d. Experience developing in an urban environment.
 - e. Experience developing projects of a similar size.
 - f. Experience in property management.
 - g. Experience working for a public entity or with a public entity as a development partner.
 - h. Experience working with a transit authority or similar agency.
 - i. Respondents should indicate successful LIHTC or other funding or financing that was awarded on a competitive basis within the past 7 years, if applicable.
 - j. Experience with Affordable Housing.
 - k. Indicate whether the respondent or any respondent team member ever sued or been sued by a HUD or a public housing agency, and if so, describe the circumstances and outcome.
 - l. Provide financial statements for the last three years prepared in accordance with Generally Accepted Accounting Principles, including the Developer's latest balance sheet and income statement. Also, indicate the name and contact information of the firm that prepared each financial statement.

- m. Indicate whether the respondent organization, its parent, or a subsidiary, affiliate, or other entity having common ownership or management, has been the subject of any bankruptcy proceedings within in the past ten years.
 - n. or any respondent team member ever sued or been sued by a HUD or a public housing agency, and if so, describe the circumstances and outcome.
3. Development Plan listing and scheduling industry standard activities, including, at a minimum:
- a. Plan for Community Engagement through site plan approval and construction
 - b. Design Principles for Urban Mixed-Income Developments
 - c. Plan for Governmental planning approvals and construction/building permits
 - d. Proposed Timeline for the development including:
 - i. Site due diligence and preparation
 - ii. Bidding
 - iii. Financing and financial closing/Site disposition
 - iv. Construction commencement, completion, and close-out
 - v. Marketing and lease-up
 - vi. Stabilized Occupancy

B. Financing and Affordability – 20 points

1. Financing Narrative - a formal budget is not required, but respondents must include a financing narrative which includes the following elements in written form. The AAHDC understands that if the respondent is selected, that the financial narrative is not final, and the AAHDC, AAATA and respondent will work together to secure financing.
 - a. Financing Narrative with a description of potential sources and uses for the entire project, and each condominium (or similar) as needed. The Financing Narrative must clearly explain the proposed financing structure of the Project, and explicitly identify proposed subsidy/financing programs. The financing narrative should explain the strategies and challenges of obtaining the proposed sources and describe the respondents' history of successfully applying for the proposed sources or similar sources.

- b. Provide 3 examples of historical financing Letters of Intent/ Award Letters, as applicable.
- c. Income Targets - the Financing Narrative must include the Type of residential units (owner, rental, co-operative) and target household incomes (based on Area Median Income (AMI) for any proposed residential units that are not required in the existing PUD Supplemental Regulations. The AAHDC expects the project to include at least 100 residential units with incomes not exceeding 60%AMI. And at least 50 of those units will be permanent supportive housing for homeless and special needs households.
- d. Taxes- submissions must indicate which property or income tax (PILOT, TIF, New Market, LIHTC, IRA or other) programs the Project plans to utilize, if any.
- e. The Co-developer is encouraged to propose strategies for extended and permanent affordability. Submissions must explain any future financial and other resources needed from the governmental agencies to extend affordability beyond any regulatory period and indicate how the Submission budgets for future capital needs.
- f. Condominium, Ground lease or other ownership structure – discuss proposed ownership structure.

C. Partnership Structure – 20 points

1. Partnership Structure

- i. Explain how the Respondent conceptualizes the partnership with the AAHDC working? What does the Respondent need/expect from the AAHDC as a partner for this development to be successful?
- ii. What does the Respondent need/expect from the AAATA for this development to be successful?
- iii. Outline any roles and responsibilities of the proposed partnership that are in addition to or differs from the roles and responsibilities listed in section II of this RFP
- iv. Indicate how the Respondent would structure the partnership? What type of ownership and what is the percentage of ownership for the Respondent, the AAHDC's affiliated entity and any other parties proposed to participate in the development and ownership for each component of the project: affordable housing, other residential, and commercial

D. Developer Compensation – 40 points

The Developer shall submit the proposed compensation structure for the Developer and the AAHDC. This could include a fixed or variable fee for the project, a percentage of equity in the completed project, long-term operating income, or any other reasonable structure. The timeline for the proposed compensation should also be included. Proposals should include all proposed sources of equity necessary to execute the project, including those provided by the AAHDC and third-party sources. The Developer should also include the proposed fees for any other team members.

E. Attachments

Legal Status of Offeror and Conflict of Interest Form should be returned with the proposal. These elements should be included as attachments to the proposal submission.

PROPOSAL EVALUATION

SCORING

Submissions that meet all requirements will be comprehensively evaluated and rated according to the scoring criteria below. A proposal will be scored on how strongly it meets the submission requirements.

CRITERIA		SCORING (100)	
A. Professional Qualifications	Development Team Experience and Capacity	10	
	Development Plan	10	
B. Financing and Affordability	Ability to Finance and Innovation in Funding Sources	10	
	Feasibility of Submission	10	
C. Partnership Structure	Partnership Structure	20	
D. Developer Compensation	Compensation Proposal	40	

1. The selection committee will evaluate each proposal by the above-described criteria and point system (A through D) to select a short-list of firms for further consideration and interview. The AAHDC reserves the right to reject any proposal that it determines to be unresponsive and deficient in any of the information requested for evaluation. A proposal with all the requested information does not guarantee the proposing firm to be a candidate for an interview. The committee may contact references to verify material submitted by the offerors.
2. The committee will schedule interviews with the selected firms if necessary. The selected firms will be given the opportunity to discuss in more detail their qualifications, past experience, proposed work plan and fee proposal.
3. The interview must include the project team members expected to complete a majority of work on the project, but no more than six members total. The interview shall consist of a presentation of up to thirty minutes (or the length provided by the committee) by the offeror, including the person who will be the project manager on this contract, followed by approximately thirty minutes of questions and answers. Audiovisual aids may be used during the oral interviews. The committee may record the oral interviews.
4. The firms interviewed will then be re-evaluated by the above criteria (A through D), and adjustments to scoring will be made as appropriate. After evaluation of the proposals, further negotiation with the selected firm may be pursued leading to the award of a contract by the AAHC, if suitable proposals are received.

The AAHDC reserves the right to waive the interview process and evaluate the offerors based on their proposals and fee schedules alone and open fee schedules before or prior to interviews.

The AAHDC will determine whether the final scope of the project to be negotiated will be entirely as described in this RFP, a portion of the scope, or a revised scope.

Any proposal that does not conform fully to these instructions may be rejected.

PREPARATION OF PROPOSALS

Proposals should not be more than 60 pages, not including required attachments and resumes.

Each person signing the proposal certifies that they are a person in the offeror's firm/organization responsible for the decisions regarding the fees being offered in the Proposal and has not and will not participate in any action contrary to the terms of this provision.

ADDENDA

If it becomes necessary to revise any part of the RFP, notice of the addendum will be

posted to:

<https://www.a2gov.org/departments/Housing/development/Pages/350-S-Fifth-RFP.aspx>

Each offeror must acknowledge in its proposal all addenda it has received. The failure of an offeror to receive or acknowledge receipt of any addenda shall not relieve the offeror of the responsibility for complying with the terms thereof. The City will not be bound by oral responses to inquiries or written responses other than official written addenda.

SECTION IV - ATTACHMENTS

FORM 1 – Proposal Completeness Checklist

Attachment A – 350 S Fifth Ave PUD Zoning & Supplemental Regulations

Attachment B – 2023 Ann Arbor Area Media Income

Attachment C – Legal Status of Offeror

Attachment D – Vendor Conflict of Interest Disclosure Form

Attachment E – 350 S Fifth Ave Quitclaim Deed

Attachment F – SmithGroup Schematic Design Package
dated December 22, 2022

FORM 1	CONTENTS	YES	NO
Intro	DEVELOPMENT INTRODUCTION		
	Form 1 – Completeness Checklist		
	Respondent’s Cover Letter		
	Project Narrative / Development Summary		
	List 3 references including at least 1 municipal reference, and 1 financial institution		
TAB A	PROFESSIONAL EXPERIENCE		
	Co-developer Respondent Description		
	Development Team Experience and Capacity		
	Development Plan		
TAB B	FINANCING AND AFFORDABILITY		
	Financing Narrative		
TAB C	PARTNERSHIP STRUCTURE		
	Partnership Structure		
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	Compensation Proposal		
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	Attachment C - Legal Status of Offeror		
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ATTACHMENT A

350 S. FIFTH PUD ZONING

AN ORDINANCE TO AMEND THE ZONING MAP, BEING A PART OF CHAPTER 55 OF TITLE V OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. THE ZONING MAP, which, by Section 5.10.2 of Chapter 55 of Title V of the Code of the City of Ann Arbor is made a part of said Chapter 55, shall be so amended as to designate the zoning classification of property described as follows:

PARCEL 1:
LOTS 3 AND 4 IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

PARCEL 2:
LOT 5 AND 4 IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

PARCEL 3:
THE SOUTH 30 FEET OF LOT 6, AND THE NORTH 36 FEET OF LOT 6 [ALL OF LOT 6] IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

in the City of Ann Arbor, Washtenaw County, Michigan as PUD (Planned Unit Development District) in accordance with the attached 350 S. Fifth Avenue Supplemental Regulations, which are hereby adopted and incorporated into the 350 S. Fifth PUD zoning ordinance.

Section 2. This ordinance shall take effect and be in force on and after ten days from legal publication.

350 S. FIFTH PUD SUPPLEMENTAL REGULATIONS
City of Ann Arbor, Michigan

Section 1: Purpose

It is the purpose of the City Council in adopting these regulations to provide for the efficient and coordinated development of a 0.8 acre area. Any proposed development will be in a manner that results in a unified arrangement of affordable homes, expanded public transit and flexible first story use. These regulations seek to promote sustainable, mixed-income development at this location, integrated into the downtown fabric of the City.

Section 2: Applicability

The provisions of these regulations shall apply to the land described as follows:

PARCEL 1:

LOTS 3 AND 4 IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

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LOT 5 AND 4 IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

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THE SOUTH 30 FEET OF LOT 6, AND THE NORTH 36 FEET OF LOT 6 [ALL OF LOT 6] IN BLOCK 3 SOUTH OF HURON STREET, RANGE 5 EAST, ORIGINAL PLAT OF THE VILLAGE (NOW CITY) OF ANN ARBOR, AS RECORDED IN TRANSCRIPTS, PAGES 152 AND 153, WASHTENAW COUNTY RECORDS.

Parcel ID 09-09-29-404-001

Further, the provisions of these regulations shall be adopted and incorporated into the 350 S. Fifth Planned Unit Development (PUD) zoning district. These regulations are intended to supplement only those provisions in the City Code that may be modified as a part of a PUD and shall not be construed to replace or modify other provisions or regulations in the City Code.

Section 3: Findings

During the public hearings on this PUD, the Planning Commission and City Council determined that:

- (A) It is desirable to develop the land as a mixed-income development, furthering the City's goals to advance the development of affordable housing as identified in the 2015 Washtenaw County Affordability and Economic Equity Analysis.
- (B) The proposed development will advance the City's carbon neutrality goals through the development of sustainably-located and constructed housing.
- (C) The location of the site downtown, and its adjacency to the Blake Transit Center provide unique opportunities to emphasize alternative transportation methods than vehicular trips.
- (D) It is desirable to position the property for successful development, with emphasis on desired attributes.

- (E) The creation of this PUD zoning district as described above will allow a unique arrangement of development not permitted in any conventional established zoning district but which are reasonable, sustainable, beneficial, and pose no harm, threat or concern to the natural environment, surrounding area, or the City.
- (F) The land described above meets the standards for approval as a Planned Unit Development, and the regulations contained herein do not constitute the granting of special privilege or deprivation of property rights.

Section 4: PUD Regulations

The standards and regulations provided below shall regulate development in the 350 S. Fifth PUD district using the terms, definitions, interpretations and applicability set forth in Chapter 55, Unified Development Code. All of the standards and regulations provided in the UDC shall also apply unless specifically provided in these Supplemental Regulations.

- (A) **District Components.** The 350 S. Fifth PUD District shall be divided into two phases, an Affordable Phase and a Mixed-Income Phase. ~~The Phases:~~

The Affordable Phase shall be developed, constructed and occupied first, or concurrently with the Mixed-Income Phase.

Unless specifically distinguished, all of these regulations shall apply to both Phases.

- (B) **Principal Uses.** The permitted Principal and Special Exception Uses shall be those provided for in the D1 Zoning District as provided in Table 5.15-1: Primary Use Table of Section 5.15 of the Unified Development Code with the following exceptions, which are expressly prohibited:

1. Fueling Station
2. Automobile, Truck, Construction Equipment Repair
3. Vehicle Wash

- (C) **Accessory and Temporary Uses.** The permitted Accessory uses allowed in the D1 Zoning District as provided in Table 5.15.2 of Section 5.15 of the Unified Development Code, with ~~the following~~ exception of Drive Through Facilities, which ~~are~~ prohibited:

- ~~1. Drive Through Facilities~~

- (D) **Area, Height and Placement Standards**

1. **District Area.** The PUD zoning district shall be approximately .8 acres.
2. **Setbacks, Building Spacing, and Height**

All applicable area, height and placement regulations of the D1 zoning district shall apply with the following exceptions:

- a. **Streetwall** – Up to 50% of the property frontage along the secondary streets of Fourth Avenue and Fifth Avenue may exceed the required setbacks.
- b. **Front Setback** – The southern Front Setback adjacent to William Street shall be between 0-20 feet.
- c. **Height.** The maximum height permitted for any building in the district shall be 275 feet.

- (E) **Parking and Transportation**

1. **Vehicle** – No vehicular parking shall be required.
2. **Public Transit** – A provision of 30 feet in depth, 25 feet in height, and extending fully between Fourth and Fifth Avenue Right of Ways shall be provided to the Ann Arbor Area Transportation Authority, or successors, for the purpose of expanding and/or improving public transit access at the site and adjacent Blake Transit Center.
3. **Driveways** – There shall be no limitation on the number or width of driveways to the site. No driveways shall be permissible along the William Street Right of Way.

(F) Landscaping and Screening

1. A minimum of one Street Tree shall be required along the Fourth and Fifth Avenue Right of Ways. Street Trees along William Street Right of Way will be provided per current code requirements.

(G) Affordable Housing.

1. In the Affordable Phase, 100% of dwelling units shall be Affordable Housing Dwelling Units as defined by the Unified Development Code.
2. In the Mixed-Income Phase, a minimum of 20% of dwelling units shall be Affordable Housing Dwelling Units as defined by the Unified Development Code. ~~This requirement for Mixed-Income Phase only, may be satisfied by payment in lieu, based on the most recently adopted formula by the City at the time of payment.~~
3. The entire PUD District shall provide a minimum of 100 Affordable Dwelling Units and a minimum of 40% of the total number of dwelling units as Affordable Dwelling Units as defined by the Unified Development Code in combination of the Phased options above.
4. Verification of ongoing compliance with Affordable Housing requirements shall be required and verified by the City of Ann Arbor or its designee on a frequency established by the City.

(H) Sustainability

1. The buildings shall be built as fully electric buildings with the ability to meet the City's targets of all affordable housing being Net Zero by 2030. Natural gas connection shall only be permissible for back-up emergency generator purposes, or as required by law.
2. All buildings shall meet or exceed the Target Energy Use Intensity (EUI) for each building type ~~in-line~~consistent with 2030 Zero-Carbon Goals of the City.
3. All buildings shall meet or exceed the ~~Meet~~ 2021 International Energy Conservation Code (IECC), inclusive of the Zero Code Appendix.
4. ~~The~~ All buildings ~~will~~ shall meet or exceed the Enterprise Green Communities (EGS), National Green Building Standard (NGBS) or an equivalent national green building standard.

(Reflects Planning Commission modifications of 1/20/22 Revised and adopted by the City Council on April 4, 2022)

ATTACHMENT B

2023 Ann Arbor Area Media Income

2023 Ann Arbor Area Median Income

Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person
30%	\$26,040	\$29,760	\$33,480	\$37,200	\$40,200
50%	\$43,400	\$49,600	\$55,800	\$62,000	\$67,000
60%	\$52,080	\$59,520	\$66,960	\$74,400	\$80,400
80%	\$69,440	\$79,360	\$89,280	\$99,200	\$107,200
100%	\$86,800	\$99,200	\$111,600	\$124,000	\$134,000
120%	\$104,160	\$119,040	\$133,920	\$148,800	\$160,800

Ann Arbor Primary Metropolitan Statistical Area includes all of Washtenaw County – Median Family Income = \$124,000

HUD places the Area Median Income into the 100% AMI 4-person household slot, and all other incomes are a formula based off that number

<https://www.huduser.gov/portal/datasets/il.html>

ATTACHMENT C

LEGAL STATUS OF OFFEROR

(The Respondent shall fill out the provision and strike out the remaining ones.)

The Respondent is:

- A corporation organized and doing business under the laws of the state of _____, for whom _____ bearing the office title of _____, whose signature is affixed to this proposal, is authorized to execute contracts on behalf of respondent.*

*If not incorporated in Michigan, please attach the corporation's Certificate of Authority

- A limited liability company doing business under the laws of the State of _____, whom _____ bearing the title of _____ whose signature is affixed to this proposal, is authorized to execute contract on behalf of the LLC.
- A partnership organized under the laws of the State of _____ and filed with the County of _____, whose members are (attach list including street and mailing address for each.)
- An individual, whose signature with address, is affixed to this RFP.

Respondent has examined the basic requirements of this RFP and its scope of services, including all Addendum (if applicable) and hereby agrees to offer the services as specified in the RFP.

Signature

Date: _____,

(Print) Name _____ Title _____

Firm: _____

Address: _____

Contact Phone _____

Fax _____

Email _____



ATTACHMENT D

VENDOR CONFLICT OF INTEREST DISCLOSURE FORM
--

All vendors interested in conducting business with the City of Ann Arbor must complete and return the Vendor Conflict of Interest Disclosure Form in order to be eligible to be awarded a contract. Please note that all vendors are subject to comply with the City of Ann Arbor's conflict of interest policies as stated within the certification section below.

If a vendor has a relationship with a City of Ann Arbor official or employee, an immediate family member of a City of Ann Arbor official or employee, the vendor shall disclose the information required below.

1. No City official or employee or City employee's immediate family member has an ownership interest in vendor's company or is deriving personal financial gain from this contract.
2. No retired or separated City official or employee who has been retired or separated from the City for less than one (1) year has an ownership interest in vendor's Company.
3. No City employee is contemporaneously employed or prospectively to be employed with the vendor.
4. Vendor hereby declares it has not and will not provide gifts or hospitality of any dollar value or any other gratuities to any City employee or elected official to obtain or maintain a contract.
5. Please note any exceptions below:

Conflict of Interest Disclosure*	
Name of City of Ann Arbor employees, elected officials or immediate family members with whom there may be a potential conflict of interest.	<input type="checkbox"/> Relationship to employee <hr/> <input type="checkbox"/> Interest in vendor's company <input type="checkbox"/> Other (please describe in box below)

*Disclosing a potential conflict of interest does not disqualify vendors. In the event vendors do not disclose potential conflicts of interest and they are detected by the City, vendor will be exempt from doing business with the City.

I certify that this Conflict of Interest Disclosure has been examined by me and that its contents are true and correct to my knowledge and belief and I have the authority to so certify on behalf of the Vendor by my signature below:		
Vendor Name	Vendor Phone Number	
Signature of Vendor Authorized Representative	Date	Printed Name of Vendor Authorized Representative

ATTACHMENT E

L: 5533 P: 784 6700654 D
09/27/2023 03:37 PM Total Pages: 3
Lawrence Kestenbaum Washtenaw Co



QUITCLAIM DEED

The **CITY OF ANN ARBOR**, a Michigan municipal corporation, whose address is 301 E. Huron Street, Ann Arbor, Michigan 48104 ("Grantor"), quitclaims to the **ANN ARBOR HOUSING DEVELOPMENT CORPORATION**, a Michigan nonprofit corporation, whose address is 2000 S. Industrial Hwy, Ann Arbor, Michigan 48104 ("Grantee"), the real property commonly known as 350 S. Fifth Avenue, City of Ann Arbor, County of Washtenaw, State of Michigan, and described as:

Parcel 1

Lots 3 and 4 in Block 3 South of Huron Street, Range 5 East, Original Plat of the Village (now City) of Ann Arbor, as recorded in Transcripts, Pages 152 and 153, Washtenaw County Records

Parcel 2

Lot 5, Block 3 South of Huron Street, Range 5 East, Original Plat of the Village (now City) of Ann Arbor, as recorded in Transcripts, Pages 152 and 153, Washtenaw County Records

Parcel 3

The South 30 feet of Lot 6, and the North 36 feet of Lot 6, Block 3 South of Huron Street, Range 5 East, Original Plat of the Village (now City) of Ann Arbor, as recorded in Transcripts, Pages 152 and 153, Washtenaw County Records.

Tax Identification Number: 09-09-29-404-001

for six million two hundred thousand dollars (\$6,200,000.00), subject to any easements and restrictions of record, and subject to the following covenant and restriction:

The use of the property shall include a permanently affordable, low-income, multifamily housing development component, which is defined herein as multiple, residential housing units within one or more buildings where the housing units shall be rented only to individuals or families whose income does not exceed 60% of the area median income as defined by the United States Department of Housing & Urban Development ("U.S. HUD"), or a successor government

Time Submitted for Recording
Date 9/27/23 Time 10:50 am
Lawrence Kestenbaum
Washtenaw County Clerk/Register



Time Submitted for Recording
Date 9/27/23 Time 3:32 pm
Lawrence Kestenbaum
Washtenaw County Clerk/Register

department or agency that determines area median income. This requirement shall not preclude additional allowed uses to be developed on this site.

This covenant and restriction is for the benefit of the Grantor, the tenants, and the public, and shall run with the land and be enforceable by the Grantor. Enforcement shall be by proceedings at law or in equity against any violation or attempted violation of the covenant and restriction, either to restrain and enjoin the violation or to recover damages, at Grantor's option.

The Grantor grants to the Grantee the right to make all available divisions under Section 108 of the Michigan Land Division Act, Act No. 288 of the Public Acts of 1967, as amended.

The property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

Transfer Tax: Exempt from State Transfer Tax under MCL 207.526(h)
Exempt from County Transfer Tax under 207.505(h)

[INTENTIONALLY LEFT BLANK]
SIGNATURES BELOW]

Dated this 26th day of SEPTEMBER, 2023

GRANTOR:

CITY OF ANN ARBOR

By: Christopher Taylor
Christopher Taylor, Mayor

By: Stephen Gerhart
Stephen Gerhart, Acting City Clerk

STATE OF MICHIGAN
COUNTY OF WASHTENAW

The foregoing instrument was acknowledged before me this 26th day of September, 2023 by Christopher Taylor, Mayor and Stephen Gerhart, Acting City Clerk of the City of Ann Arbor, a Michigan municipal corporation, on behalf of the corporation.

Rachel Ann Weinberg
RACHEL ANN WEINBERG, Notary Public
WASHTENAW, Michigan
My Commission Expires NOV 02, 2027

Drafted by and when recorded,
return to:
Rochelle E. Lento, Esq.
Dykema Gossett PLLC
400 Renaissance Center
Detroit, MI 48243

RACHEL ANN WEINBERG
Notary Public, State of Michigan
County of Washtenaw
My Commission Expires Nov. 02, 2027
County of the County of WASHTENAW

Send subsequent tax bills to Grantee.

WASHTENAW

ATTACHMENT F

SmithGroup Schematic Design Package

The Schematic Design Package is available for viewing and downloading on the Housing Commission's website below:

<https://www.a2gov.org/departments/Housing/development/Pages/350-S-Fifth-RFP.aspx>