

REQUEST FOR PROPOSALS

Acquisition and Rehabilitation of Linwood Court I and II

INTRODUCTION

Through this Request for Proposals (“RFP”), Rhode Island Housing seeks proposals from qualified firms to purchase, renovate and operate as affordable rental housing both Linwood Court I (“Linwood I”) and Linwood Court II (Linwood II”; together, the “Properties”). Linwood I and II are multifamily housing developments located in Providence that for the past 15 years have provided housing for the homeless. The developments are described in further detail below

INSTRUCTIONS:

1. One (1) original and two (2) copies of your proposal must be delivered to Rhode Island Housing, 44 Washington Street, Providence, RI 02903-1721, Attn: Anne Berman, Asst. Director of Development. Proposals must be presented on business letterhead.
2. Proposals must be received no later than 5:00 p.m., February 2, 2012
3. Questions about this RFP should be directed in writing to Anne Berman at aberman@rhodeislandhousing.org. Detailed development-related questions should be directed in writing or by email so that answers may be shared more easily with the field of applicants.
4. Respondents are advised that all submissions (including those not selected) may be made available to the public on request upon completion of the process and award of a contract. Accordingly, any proprietary information included in the proposal that the respondent desires not to be disclosed should be clearly identified as such and segregated from the rest of the proposal.

SCOPE OF WORK

A. General Notes

In accordance with our mission and KeepSpace philosophy, Rhode Island Housing is committed to creating a broad and interactive partnership to build a better, sustainable neighborhood in Providence's West End. Rhode Island Housing's current ownership of Linwood I & II (the "Properties") has provided an opportunity to bring partners together to discuss redevelopment opportunities for the Properties and the surrounding community.

This RFP is seeking a developer with the experience, commitment, depth and financial capacity to undertake the redevelopment of Linwood I & II. Paramount among the qualities we are seeking in a developer are (i) the experience and track record of rehabilitating and restoring under-performing and troubled properties in a timely manner; (ii) strong, effective property management; and (iii) a strong practice of community engagement and relationship-building within the neighborhoods in which prior developments have operated.

The proposal submitted must be financially feasible and the developer should show a history of financially successful projects that were similar in scope.

Rhode Island Housing is inviting all interested and qualified developers to submit a proposal to acquire and re-develop both Linwood I & II. Both properties were originally developed with low income housing tax credits ("Tax Credits"). Linwood I is currently owned by the Rhode Island Housing Development Corporation ("RIHDC"). A deed-in-lieu is currently in process for Linwood II. When finalized, it too will be owned by the RIHDC.

B. Development Objectives

Rhode Island Housing's objective is a development which will create safe, healthy, and affordable properties that will contribute to the revitalization of the entire neighborhood. This contribution to revitalization is not limited to a residential use of the properties.

To achieve this objective, Rhode Island Housing is looking to respondents of the RFP to propose a development plan that they believe is appropriate, achievable which will continue the revitalization and stabilization of the area for the long-term.

Extensive renovations will be required to bring the existing buildings up to the standards typically required by Rhode Island Housing as a condition of financing.. These standards are outlined in the Guidelines for Development section of our Developer's Handbook which also includes underwriting guidelines, affordability terms, applicable fees and program eligibility. The Developer's Handbook is available on our website at <http://www.rhodeislandhousing.org/sp.cfm?pageid=557>

Section 44-5-13.11 of the Rhode Island General Laws provides that certain residential properties that provide long term affordable housing are entitled to a real estate tax cap equal to eight percent (8%) of their gross scheduled rental income. We encourage the buyer of the Properties to seek this tax treatment from the City of Providence

While not the entire list, Rhode Island Housing's priorities for the Properties include:

- Complements on-going neighborhood engagement process and enhances neighborhood revitalization efforts underway in the community, which can include opportunities to enhance economic development or provide services to the community.
- The project should be financially feasible and compatible with the neighborhood;
- Long term commitment to revitalization efforts underway in the community;
- Proposals that use the least amount of Rhode Island Housing resources and leverage other funding sources;
- Active and engaged on-going property management;
- Provision of some service enriched permanent housing units for homeless or formerly homeless individuals and/or families
- The provision of supportive services if the proposal seeks to serve populations that need supportive services to be successful; and
- Site security for the Properties

C. Linwood Court I Summary

Linwood Court I consists of two properties: a two-family building located at 96-98 Linwood Avenue and a garden-style apartment building located at 102 Linwood Avenue. Collectively, the two sites provide 44 units of housing in the following configuration:

- 42 - Single Room Occupancy ("SRO") units
- 2 – two bedroom units
- 2 – three bedroom units

The rents, which include utilities, are as follows:

- 34 SRO - \$626.00 McKinney Moderate Rehabilitation Section 8 ("Mod Rehab Contract") administered by Providence Housing Authority
- 6 SRO – \$520
- 2 two-bedroom – \$663
- 2 three- bedroom – \$783

Since its development as tax credit housing, Linwood I has provided housing to homeless individuals and families. The development was originally designed to provide

permanent secure housing and supportive services to promote tenant stability and self sufficiency. Linwood I has experienced tenancy and vacancy issues. Rhode Island Housing facilitated a Deed-in-Lieu transfer to the RIHDC in 2010. The current management agent has stabilized the property however there are still on-going operating deficiencies, significant rehabilitation needs and security issues.

Depending on the development proposal and any potential reconfiguration of units, the developer will need to evaluate the current Mod Rehab Contract and determine its value and relevance to the new proposal, the proposed tenancy, and the proposed use for the property that best meets the needs of the community and the neighborhood.

D. Linwood Court II Summary

Linwood II is a single building located at 126-130 Linwood Avenue. Originally a 15 unit apartment building, it has most recently been used as 30 SRO units. Like Linwood I, the site was developed using Housing Tax Credits in 1994 and was designed to serve the homeless. Linwood II has also experienced vacancy and tenancy issues. Rhode Island Housing is currently completing the deed-in-lieu process.

Rhode Island Housing recently relocating the tenants in this property to other sites, including Linwood I. The building has been secured and will remain vacant until a new developer is selected.

Linwood II also has a McKinney Moderate Rehabilitation Section 8 Contract administered by Rhode Island Housing. The monthly rents are as follows:

- 30 SRO: \$582

Given that the building is expected to be vacant for more than 30 days, the Mod Rehab Contract may be cancelled by HUD. Similar to Linwood I, depending on the development proposal and the potential reconfiguration of units, the the value of continuing the Mod Rehab Contract will need to be evaluated by the applicant. However, it is up to the applicant to determine the best use of this property within the scope of the objectives.

E. Property Tour:

Rhode Island Housing will conduct a tour of the properties at 10AM, January 9, 2012 beginning at the Linwood I site. Members of Rhode Island Housing staff and the current property manager will be available to respond to questions during the tour. All other requests for information should be made in an email or other written communication to Anne Berman at aberman@rhodeislandhousing.org.

F. Site Information & Plans

The web address for the RFP and supporting documents is located at:

<http://www.rhodeislandhousing.org/sp.cfm?pageid=442>

The link below the RFP will allow you to also access supporting documents. This function requires that you either log into the Builders and Developers secure area with your existing login or register to create a new login.

To register, click the Register Now link on the login page and use the Subscriber Code: RIH-BD-001.

The following documentation related to the site, operating expenses and physical needs is available for download:

LINWOOD I:

- McKinney Moderate Rehabilitation Section 8 Contract
- Audited Financial Statements for 2008, 2009, 2010
- Current Operating Budget
- YTD through November 20, 2011
- Capital Needs Assessment

LINWOOD II:

- McKinney Moderate Rehabilitation Section 8 Contract
- Audited Financial Statements for 2008, 2009, 2010
- Capital Needs Assessment

Respondents may obtain a copy of the existing architectural plans for Linwood I & II at their own expense by contacting:

Joseph Merritt & Co.
681 Westminster Street
Providence, R.I. 02903-4016
Phone: (401)272-9060

ITEMS TO BE INCLUDED WITH YOUR PROPOSAL

A. General Developer Information

Provide a brief description of your firm, including but not limited to the following:

- Name of the principal(s) of the firm;
- Name, telephone number and email address of a representative of the firm authorized to discuss your proposal; and
- Mailing address of the firm

B. Experience and Resources

- Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work.
- Indicate which principals and associates from your firm would be involved in providing services to Rhode Island Housing. Provide appropriate background information (such as a resume) for each such person and identify his or her responsibilities.
- Identify and provide relevant background information about expected development team members.
- Include two years of audited financial information for the sponsor/developer.
- Include a list of developments completed by your firm.
- Provide a detailed list of professional references.
- Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with Rhode Island Housing.

C. Workplans and Financing Structure

Please provide the following:

- Detailed narrative description of your project proposal for the Properties, including a description of proposed rehabilitation plans. This narrative is your primary opportunity to address each of the Evaluation and Selection criteria listed below, and differentiate your firm from other respondents;
- Proforma detailing proposed financial structure;
- Purchase offer;
- Description of services to be provided by development team members;

- List of relationships with equity providers if proposal includes Housing Tax Credits Please note any actual equity offers;
- Timeline for reaching key milestones ;
- A building and site security plan for the Properties;
- A Management Plan and Affirmative Fair Housing Marketing Plan;
- If the respondent proposes to provide permanent supportive housing, a service plan detailing the intended resident population and type and scope of ancillary services to be provided

D. Certifications

Please include a letter from your president, chairman or CEO certifying that (i) no member of your firm has made inquiries or contacts with respect to this Request for Proposals other than in an email or written communication to Anne Berman to seek clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until after , (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a Rhode Island Housing employee or Commissioner, or a relative of the same, based on any understanding that such person's action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

EVALUATION AND SELECTION

A selection committee composed of Rhode Island Housing staff (the "Committee") will review all proposals, select a developer, and make a recommendation to the Rhode Island Housing Board of Commissioners for approval. Rhode Island Housing may elect to interview a small number of respondents to this RFP prior to the selection of a developer.

The proposals will be evaluated under the following criteria:

- Creativity and feasibility of the proposed project, as set forth in the narrative description; suitability of the proposed use(s) to meet the needs of the West End community and complement other ongoing revitalization efforts;
- Evidence of the availability of debt and equity sources to fund acquisition and rehabilitation of the property and the ability to obtain subsidies and resources other than those offered by Rhode Island Housing;
- Proposals that use the least amount of Rhode Island Housing resources and leverage other funding sources;

- The extent to which the proposal addresses Rhode Island Housing priorities;
- The applicant's experience (including roles and outcomes) in transactions that included the redevelopment of under-performing properties;
- The applicant's demonstrated commitment to community engagement and neighborhood revitalization efforts;
- Past experience owning and/or developing Tax Credit deals on-time and within budget;
- The development experience and financial capacity of the applicant, equity investor and development team members;
- The applicant's prior effective working relationship with Rhode Island Housing and other community lenders;
- The quality of the Management Plan and draft Affirmative Fair Housing Marketing Plan to reach out to a diverse community, attract qualified and eligible residents and maintain a high percentage of occupancy;
- The quality of the building and site security plans for the Properties;
- The applicant's ability and commitment to establish and maintain strong community relations and to create a high quality housing environment for the residents of the Properties, surrounding property owners, and community partners; and
- If the applicant proposes to provide permanent supportive housing, the quality of the service plan.

Rhode Island Housing has not committed itself to undertake the work set forth in this RFP. Rhode Island Housing reserves the right to reject any and all bids, and to enter into negotiations with one or more bidders. Rhode Island Housing reserves the right to make those decisions after receipt of responses. Rhode Island Housing's decision on these matters is final.

For additional information contact: Anne Berman at aberman@rhodeislandhousing.org

About Rhode Island Housing

Together with its partners, Rhode Island Housing works to ensure that all people who live and work in Rhode Island can afford a healthy, attractive home that meets their needs. Rhode Island Housing uses all of its resources to provide low-interest loans, grants, education and assistance to help Rhode Islanders find, rent, buy, build and keep a good home. Created by the General Assembly in 1973, Rhode Island Housing is a privately funded public purpose corporation.