



BALTIMORE CITY
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

PROFESSIONAL SERVICES REQUEST FOR PROPOSALS
INCLUSIONARY HOUSING REQUIREMENTS

ISSUE DATE: May 8, 2020

SUBMISSION DUE DATE: June 12, 2020

Michael Braverman - Commissioner



TABLE OF CONTENTS

| | | |
|------|---|----|
| 1.0 | INTRODUCTION | 2 |
| 2.0 | SCHEDULE | 2 |
| 3.0 | BACKGROUND | 2 |
| 4.0 | SCOPE OF WORK | 4 |
| 5.0 | MINIMUM QUALIFICATIONS | 6 |
| 6.0 | PRE-PROPOSAL CONFERENCE AND WRITTEN QUESTIONS | 7 |
| 7.0 | SUBMISSION REQUIREMENTS | 7 |
| 8.0 | SUBMISSION EVALUATION AND SCORING | 9 |
| 9.0 | AMENDMENTS OR MODIFICATIONS TO RFP REQUIREMENTS | 10 |
| 10.0 | COST TO PREPARE AND SUBMIT RESPONSES | 10 |
| 11.0 | NOTIFICATION OF FINAL APPLICANT SELECTION | 10 |
| 12.0 | APPROVAL OF CONTRACT | 10 |
| 13.0 | INDEMNIFICATION | 11 |
| 14.0 | CONFLICTS OF INTEREST | 11 |
| 15.0 | RIGHTS RESERVED AND ADMINISTRATIVE INFORMATION | 12 |

1.0 INTRODUCTION

The Baltimore City Department of Housing and Community Development (“DHCD”) is issuing this Professional Services Request for Proposals (“RFP”) seeking qualified consultants with experience in affordable and mixed-income housing development, housing demand and feasibility analyses, zoning, and inclusionary housing ordinances. Key deliverables include an assessment and evaluation of the City’s current Inclusionary Housing Law, recommendations to increase its effectiveness and to work with DHCD, other City agencies and stakeholders to prepare revised legislation and program guidelines. Based on this RFP, the City may select an applicant, and negotiate and enter into a consultant agreement with such applicant.

2.0 SCHEDULE

| Event | Due Date |
|--|---------------|
| Issue Date | May 8, 2020 |
| Pre-Proposal Conference | May 14, 2020 |
| Deadline to Submit Written Questions | May 15, 2020 |
| Responses to Questions Posted | May 19, 2020 |
| SUBMISSIONS DEADLINE | June 12, 2020 |
| Estimated Award Notification | July 10, 2020 |
| Estimated Negotiation of Consulting Agreement and approval by Board of Estimates | July 29, 2020 |

3.0 BACKGROUND

3.1 Legislative Intent. In 2007, the Mayor and City Council approved Ordinance 07-474, Inclusionary Housing Requirements (the “Ordinance”). The Ordinance was intended to encourage economic diversity across city neighborhoods by providing affordable rental and homeownership units in communities experiencing high growth in market rate housing without imposing financial burdens on developers.

3.2 Key Requirements. Inclusionary Housing requirements apply to projects with 30 or more rental or homeownership units, projects with 30 or more units that are seeking a public subsidy and/or significant rezoning or purchasing City-owned land at a discount. Projects benefitting from a major public subsidy are

required to make 20 percent of units affordable; projects benefitting from rezoning or sale of City land are required to make 10 percent of all units affordable. Required units are further tiered by income. Inclusionary units are required to be affordable for 30 years. At least half of the units funded must be for households earning 60 percent or less of the Area Median Income.

The Ordinance establishes an Investment Threshold, the maximum amount of subsidy that the City can make available to make a unit affordable and qualify as an Inclusionary Housing Unit. In order to determine if units qualify as Inclusionary Housing units, DHCD undertakes an analysis based on bedroom size and rent and the cost to the City to make a unit affordable for the required 30-year affordability period. If the cost to make a unit affordable exceeds the Investment Threshold, the developer is not obligated to make units available. If the cost to make a unit affordable does not exceed the Investment Threshold, DHCD is obligated to make the unit available at its own cost. DHCD may exempt units if funds to make units affordable are not available. The Ordinance can be found at:

<https://dhcd.baltimorecity.gov/sites/default/files/Inclusionary%20Housing%20Legislation.pdf>.

A sample narrative is in the attachments, and a link to a sample analysis can be found at

https://docs.google.com/spreadsheets/d/1i9ZEPjg5-wkYWqjthFdr_IWCPNje06cG1v0qQ22KVZE/edit?usp=sharing

The Ordinance establishes a 15-member Advisory Board (“Advisory Board”) comprised of representatives from the financing, planning and development industries along with community leaders. The Advisory Board is responsible for reviewing and approving DHCD’s analysis and recommendations determining whether projects are required to provide Inclusionary units and to advise on policy-related matters.

The Ordinance is scheduled to sunset on June 30, 2020. City Council Bill 20-0482 would extend the sunset provision by an additional two (2) years to June 30, 2022. A copy of the proposed legislation can be found at:

<https://baltimore.legistar.com/LegislationDetail.aspx?ID=4303651&GUID=A60DFC4E-81EE-4F27-8A8E-C67678B1B5A1&Options=ID|Text|&Search=inclusionary+housing>

3.3 Funding. In 2007 DHCD received an appropriation of \$2 million to support the Inclusionary Housing program. No further appropriations have been provided. DHCD currently has approximately \$1.3 million available to support Inclusionary Units derived from interest payments from prior funding agreements and a

Payment-in-Lieu negotiated as part of a Tax Increment Financing (TIF) project to make units affordable. The City's recently approved Affordable Housing Trust Fund allocates \$750,000 in Fiscal Year 2022 and \$800,000 in Fiscal Year 2023 to support Inclusionary Housing units for households earning 50 percent or less of the Area Median Incomes as annually determined by the U.S. Department of Housing and Urban Development. Additional information about the Trust Fund can be found at:

<https://dhcd.baltimorecity.gov/nd/affordable-housing-trust-fund>.

3.4 Impact. Since the Ordinance's enactment, approximately 36 Inclusionary units have been produced predominantly to households earning 60 percent and above of the Area Median Income. In Fiscal Year 2020, DHCD has identified four (4) efficiency units that qualify as Inclusionary Housing Inventory all of which will be made available to households earning between 80-100 percent of the Area Median Income. The total cost to make these units affordable over the required 30-year affordability period is \$102,478.

3.5 Oversight. The Advisory Board is comprised of representatives from the development, finance and housing sectors as well as community leaders. The Mayor nominates 11 members, and the City Council Presidents nominates four members. The Advisory Board's primary responsibility is to review DHCD's recommendation whether projects qualify for Inclusionary Housing units.

4.0 SCOPE OF WORK

4.1 Review of Existing Ordinance. Review and evaluate current Ordinance, rules and regulations, feasibility analysis, policies and procedures and other documents as determined necessary and provide recommendations to increase the number of Inclusionary Housing units, allow DHCD to operate the program more efficiently, and more effectively integrate Inclusionary Housing requirements within its affordable housing platforms.

1. Create rules and regulations in accordance with the Ordinance that can be adopted for the duration of the Ordinance.
2. Provide a framework to assist the Department with developing an outreach strategy to the development community for the Inclusionary Housing program.
3. Work with DHCD senior staff to develop guidelines that can be used to certify potential tenants and to ensure ongoing monitoring and compliance.

4. Develop a simplified analysis to determine qualifying units and the cost to the City.
5. Create a template for the Ordinance's required Annual Report that will integrate the Inclusionary Housing requirements with DHCD's larger community development and affordable housing efforts.
6. Review Affordable Housing Trust Fund requirements and provide recommendations on how funds can be used to increase both rental and homeownership Inclusionary Housing units.

4.2 Policy and Legislative Framework for Revised Ordinance.

1. Recommend a framework for revisions to the Ordinance based on market trends, current and pipeline projects, City equity goals and requirements as described in Article I, Subtitle 39 of the Baltimore City Code, <https://civilrights.baltimorecity.gov/equity-division>, and other conditions.
2. Provide a demand analysis based on the current and projected pipeline of market rate rental units to help forecast the potential number of Inclusionary units and cost to make them affordable.
3. Work with DHCD senior staff to identify policies that can be used to increase homeownership opportunities.
4. Assess the impact of modifying current income and affordability requirements.
5. Assess potential compliance alternatives such as offsets, off-site units, payments in lieu, deed restrictions, capital investment in the financing stack to reserve units for low income families, and other best practices.

4.3 Community Engagement Process for Revised Ordinance.

1. Provide recommendations to create a broad-based collaborative process and community engagement strategy that provides a balance between advocates, developers, affordable housing consumers, public officials, funders and other public partners.
2. Develop and update presentations and other written materials that can be used as part of a community engagement process for the public, Advisory Board members and elected officials.
3. Attend a minimum of three (3) stakeholder meetings, two (2) meetings of the Advisory Board, three (3) meetings with the Steering Committee described in Section 4.6 of this RFP and two (2) meetings with the Baltimore City Council.

4.4 Program and System Design

1. Based on the demand analysis described in Section 4.2, develop an index that DHCD can use to support increases and or decreases to the Investment Threshold. (See Section 3.2 Paragraph 2)
2. Recommend additional strategies and best practices to further the production of Inclusionary Housing units.
3. Review and provide recommendations to the current structure and role of the Advisory Board.
4. Evaluate current subsidy implementation and provide recommendations to improve DHCD's monitoring and compliance processes to more effectively track and regulate Inclusionary Units.
5. Provide recommendations leading to a standardized process to identify, review, and monitor Inclusionary Housing units.

4.5 Deliverables

1. Unless otherwise indicated, all deliverables shall be provided electronically in a Microsoft Word, Excel, Power Point or other format identified by DHCD.
2. Technical and "plain English" memos, analyses and reports that can be used with a variety of constituencies.
3. Power Point presentations as necessary that describe and can be used for:
 - An analysis of existing legislation
 - Summarizing proposed rules and regulations
 - Describing revised legislation
4. Work with DHCD to develop draft agendas and materials for public meetings described in Section 4.3 of this RFP.

4.6 Steering Committee. DHCD reserves the right to assemble a Steering Committee comprised of representatives from the advocacy, affordable housing, development and finance industries to provide guidance and oversight.

5.0 MINIMUM QUALIFICATIONS

Applicants should have a minimum of ten (10) years of demonstrated experience and an understanding

of affordable housing production, financing and inclusionary housing programs. Applicants can include multiple firms and/or consultants; however, the submission must clearly indicate the project lead and their qualifications. The selected applicant will be required to demonstrate the ability to meet all City requirements.

6.0 PRE-PROPOSAL CONFERENCE AND WRITTEN QUESTIONS

DHCD will hold a pre-proposal telephonic conference call on May 14, 2020 from 12:30-2:00PM EST. Interested participants should use the following call-in information:

Dial In: 443-984-1696 Access Code: 0170953#

Following the pre-proposal conference, interested applicants can also submit written questions through COB on, May 15, 2020. All questions must be submitted electronically to Inclusionaryhousingsubmission@baltimorecity.gov. Only emailed questions will be accepted. DHCD will publish all questions along with their response on its website: www.dhcd.baltimorecity.gov no later than May 19, 2020. DHCD will maintain a list of interested applicants who participate in the pre-proposal conference call or submit written questions and may use the list to notify prospective applicants of changes to this RFP.

7.0 SUBMISSION REQUIREMENTS

Applicants must electronically submit all required information to Inclusionaryhousingsubmission@baltimorecity.gov no later than **June 12, 2020, 4:00 PM Eastern Standard Time**.

Late submissions will not be accepted.

7.1 Submission Format All submissions must be organized as per the table below and shall include a Table of Contents.

Section 1 **Letter of Submittal** signed and dated by person authorized to legally accept an award and execute an agreement with the City. The Letter should include a summary of all firms that will participate, their roles, a summary of their expertise, a summary of the cost proposal and should also identify any current consulting contracts with city agencies or projects with non-city agencies that

were awarded within the last 24 months. The summary of current contracts should include the lead organization, the term of the contract and the expiration date. The submission should consist of the following components: technical proposal; references; price proposal; Commitment to Comply; and Authorizations and Disclosures.

Section 2 Technical Proposal

1. Provide at least three (3) examples of comparable projects undertaken within the last five (5) years. Maximum of five (5) pages.
2. Provide at least three (3) samples that includes but is not necessarily limited to the following:
 - a. Policy Recommendations: written report summarizing findings; executive summary, presentation
 - b. Legislative Recommendations: written report summarizing legislative approaches and draft legislation
 - c. Community Engagement: presentation to community members
3. Experience and Capacity. Maximum of five (5) pages. Please include the following:
 - a. Please provide a brief description of your company's history
 - b. Describe relevant public sector experience
 - c. List all individuals who will be involved in delivering the project, their role, and their qualifications
 - d. Proposed approach, phasing, deliverables, and project schedule.
4. Provide three (3) references from comparable projects including the relationship to the project and current contact information.

Section 3 Price Proposal

Please provide a cost estimate for each phase described in the Technical Proposal. This should include a list of all personnel that will be involved and their hourly rates, total estimated hours and total estimated cost as well as reimbursable expenses.

Section 4 Financial Information

Please include the last two (2) years of audited financial statements for the lead consultant.

Section 5 City Requirements

Commitment to Comply

It is the policy of the City that minority- and women-owned businesses should have maximum opportunity to participate in any and all components of the Project. The Developer agrees to comply with Article 5, Subtitle 28 of the Baltimore City Code (2007 Edition) regarding participation by Minority Business Enterprises (“MBE”) and Women’s Business Enterprises (“WBE”). By signing the Commitment to Comply included as an attachment to this Request for Services, the Developer covenants and agrees to use all reasonable good-faith efforts to meet the MBE and WBE participation goals.

Employ Baltimore/Local Hire

Employ Baltimore is designed to create opportunities that receive municipal contracts to access qualified City residents to meet their workforce needs. The initiative will also ensure that City dollars contribute to the local economy and improve the lives of employable Baltimoreans. All applicants responding to this RFP shall complete the Certification Statement that is included as an attachment to this Request for Services. The selected contractor must contact the Mayor’s Office of Employment Development (OED) within two (2) weeks of receiving the award and shall be expected to comply with the reporting requirements. For additional information, please contact OED at (443) 984-3014.

Authorizations and Disclosures

All submissions must include the Certification and Authorization to Submit Form, Certification of Compliance and Organizational Disclosures found in the attachments. Failure to include these forms with your submission will disqualify your application from review.

8.0 SUBMISSION EVALUATION AND SCORING

A total of 130 points will be awarded based on the following criteria:

| | |
|---|----|
| Experience with Inclusionary Housing | 30 |
| Qualifications of key personnel | 20 |
| Proposed phasing, timeline & deliverables | 10 |
| Capacity to provide services | 20 |
| Price Proposal | 25 |
| Experience with Affordable Housing Production and Financing | 25 |

Proposals Submissions will be reviewed and scored by a designated Evaluation Committee comprised of DHCD and other City agency staff. The Committee reserves the right to request additional information or presentations. The Department will not be solely limited to information provided by applicants and may, at its sole discretion, utilize other sources of information that could be useful in evaluating an applicant's capabilities. All requests for additional information shall be made in writing and may be delivered electronically. Requests for additional information shall include a deadline for receipt of the additional information.

At its sole discretion, the Committee shall recommend one or more applicants to the Housing Commissioner. The Housing Commissioner shall make the final applicant selection in his sole discretion. **The City may then negotiate and enter into a consultant agreement with such applicant or reject all submissions and issue a new RFP at a later date.**

9.0 AMENDMENTS OR MODIFICATIONS TO RFP REQUIREMENTS

DHCD reserves the right in its sole discretion to change, amend, or modify the requirements of this RFP as it deems appropriate. All changes shall be posted on DHCD's website. DHCD reserves the right to notify prospective applicants who participate in the pre-proposal conference or who have submitted written questions of changes via email.

10.0 COST TO PREPARE AND SUBMIT RESPONSES

Neither the City of Baltimore nor DHCD shall be responsible for any cost incurred by any applicant in preparing and submitting a response or in preparing and submitting requests for additional information.

11.0 NOTIFICATION OF FINAL APPLICANT SELECTION

DHCD will notify the selected applicant in writing that they have been selected to negotiate and enter into a consultant agreement with the City.

12.0 APPROVAL OF CONTRACT

Prior to undertaking any work, the selected applicant shall enter into a Professional Services Consulting Agreement that is approved by the City's Board of Estimates. The Agreement shall include the final scope of

work, timeline, deliverables, pricing, payment information, terms for amending the agreement and City rules and regulations. Work undertaken prior to approval of this Agreement shall not be eligible for payment. As a condition to receiving approval, the applicant will be required to establish participation rates for minority and women's businesses with the Minority and Women's Business Opportunity (MWB00) Office and to submit Statements of Intent.

13.0 INDEMNIFICATION

Applicants agree to individually indemnify, defend and hold harmless the City and the City's officers, employees and agents from and against any and all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations and other liabilities (including settlement amounts) that arise directly or indirectly from:

- Any infringement of any copyright, trademark, patent, or other intellectual property rights, or any misappropriation of any trade secrets, in connection with any software, documentation, services or other products supplied directly or indirectly by the applicant in connection with the submission, or any allegation of any of the foregoing;
- Any act(s) of negligence or willful misconduct by the applicant or any of its agents, employees or subcontractors (or any allegations of any of the foregoing), including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal;
 - Breach of the Applicant's obligations, representations, and/or warranties under this RFP;
 - Breach of the Applicant's compliance with the law;
 - Any acts or omissions of the applicant with respect to any of the services provided by the applicant related to this RFP or its submission (or any allegations of any of the foregoing); and
 - The City's refusal to produce any item of confidential information of the applicant after receiving a request for such item and after being instructed by the applicant not to produce it.

14.0 CONFLICTS OF INTEREST

Applicants each individually asserts that it has not engaged in any practice or entered into any past or ongoing agreement that would be considered a conflict of interest with this RFP. Applicants each individually agrees

to refrain from entering into all such practices or agreements, including any agreements and/or practices that could give rise to even the appearance of a conflict of interest. Furthermore, Applicants each individually asserts that it has fully disclosed to DHCD any and all practices and/or agreements of whatever nature or duration that could give rise to even the appearance of a conflict of interest with the parties or subject matter of this RFP. An applicant agrees to continue to fully disclose potential conflicts to DHCD during the term of the subsequent Professional Services Consultant Agreement if one is awarded to such applicant.

15.0 RIGHTS RESERVED AND ADMINISTRATIVE INFORMATION

1. Issue Date. The issue date of this Request for Proposals shall be May 8, 2020.
2. Extension of Dates. The Department reserves the right to extend any dates in this RFP or to withdraw the RFP in part or in its entirety.
3. Pre-Proposal Conference is scheduled for May 14, 2020 from 12:30-2:00pm EST.
4. Confidentiality of Proposals. Proposals shall be reviewed with reasonable precautions to avoid disclosure of contents to competing offers during the evaluation process. A copy of the RFP is available electronically on DHCD's website at: <https://dhcd.baltimorecity.gov/>.
5. Compliance with Laws. By submitting an application and receiving an award, applicants agree that they will comply with all Federal, State, and City laws, rules, regulations and ordinances applicable to the activities and obligations under this RFP.
6. Attachments:
 - Commitment to Comply
 - Authorization to Submit
 - Certifications and Disclosures
 - Organizational Disclosure