

REQUEST FOR QUALIFICATIONS AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITY

1875 HOMESTAKE PARK CITY, UTAH

RELEASE DATE I April 30, 2021

SUBMISSION DEADLINE I May 28, 2021

NOTICE TO DEVELOPERS

REQUEST FOR QUALIFICATIONS FOR DEVELOPMENT PARTNERS

Homestake Development Partnership

PROPOSALS DUE: By 3:00 p.m. on Friday, May 28, 2021

Via e-mail to Jason Glidden Housing Development Manager at:

jglidden@parkcity.org.

PROJECT NAME: 1875 Homestake Road – Development Partnership

RFQ AVAILABLE: The RFQ is available from Housing Development Manager Jason Glidden at: iglidden@parkcity.org. Any modifications or addendums including questions to the RFQ will be made in redlined form on the website each week. Please check the RFQ on the website each Friday.

PROJECT LOCATION: 1875 Homestake Road, Park City, Utah

OWNER/CONTACT: Jason Glidden

Housing Development Mgr./Senior Project Mgr.

Park City Municipal Corporation

P.O. Box 1480

Park City, Utah 84060

All questions shall be submitted in writing by 2:00 p.m. on Friday, May 21, 2021, to Jason Glidden at: jglidden@parkcity.org.

Park City Municipal Corporation ("PCMC" or the "City") reserves the right to reject any or all proposals received for any reason. Furthermore, the City shall have the right to waive any informality or technicality in proposals received when in the best interest of the City.

In the event of difficulty submitting electronically, proposals can be dropped off to the City Recorder, located at 445 Marsac Avenue, Third Floor – Executive Department, Park City, UT 84060. Proposals submitted through the City Recorder should be received on a zip drive. No paper copies should be submitted.

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SECTION I - PROJECT INFORMATION

INTRODUCTION

Park City has a community goal of developing 800 affordable units by 2026. In an effort to further that goal, the City has identified public/private partnerships as a possible opportunity, as part of the 2021 Ammendment to the 2020 Housing Assessment and Plan. Park City Municipal Corporation ("PCMC") owns 1.86 acres located at 1875 Homestake Road ("Property") in the Bonanza Business District in close proximity to the proposed Art & Culture District as described in Exhibit A attached hereto and made a part hereof. PCMC requests Statements of Qualifications ("Responses") from experienced developers ("Respondents") interested in working with PCMC to design and construct a mixed income, multi-family housing project ("Project") on the Property. The Project goal is primarily a residential, rental development that contains 80% or more affordable units, but the City may consider an approach where residents could purchase individual housing units in the alternative. PCMC seeks to enter into a partnership to timely deliver a successful and financially viable residential development that maximizes the number of affordable units for the longest term.

To this end, PCMC seeks a developer experienced with affordable, multi-family residential rental projects, urban infill, brownfield redevelopment, public/private partnerships and associated tax, grant and regulatory matters, and the financing and operation of mixed-income housing.

PCMC will partner in the Project by providing all the land specified in Exhibit A: Property Description and may work with Developer to provide financial tools and incentives for a Project that achieves a high level of affordable housing and community benefits as outlined in Exhibit B: Project Requirements and Preferences. Refer to Section V – PCMC Development Tools for additional information.

The developer selected by PCMC ("Developer") must be willing to complete the following as part of the Project:

- Design a new Project for the Property containing a vibrant mix of uses, including, but not limited to,affordable and market rate housing, resident amenity spaces, walkability features, parking improvements, and possibly complimentary commercial space
- Lease the Property at a price to be negotiated with PCMC, taking into account the above requirements. Construct and operate the Project per future agreements with PCMC.

SITE CHARACTERISTICS

Located in the General Commercial Zoning District, the Property is 1.86 acres in size and is in close proximity to the Park City Mountain Resort, Historic Main Street, multiple Park City transit stops, and the proposed Art & Culture District. The property is currently a parking lot with no structures present. Developer will work with PCMC to conduct a thorough assessment of the soils on the Property and remove and/or remediate them as necessary in order to construct the selected developer's preferred

program on the Property. This includes removal and hauling of any contaminated soils, as well as capping remaining soils left on property in accordance with Park City's Soil ordinance. PCMC will provide assistance in remediation of contaminated soils. Condition of title is subject to the developer's due diligence. Please refer to Exhibit A Property Description for additional information about the Property.

Land is "as is" and all statements and descriptions herein are general in nature subject to responders' verification of site conditions and site inspection prior to submission and final agreements. The City makes no implied or express warranties or warranties for particular purpose regarding the Property.

WRITTEN AGREEMENTS REQUIRED

<u>Development Agreement.</u> Upon completion of the selection process, the successful respondent ("Developer") will be required to enter into a written Development Agreement ("DA") with PCMC. The responsibilities of the Developer shall be defined and detailed in that DA. The DA will likely contain, but will not be limited to, the below provisions. Developers responding to this RFQ shall acknowledge their receipt and review of these terms in their proposals.

- 1. Developer will develop a construction budget and a proposed operations and maintenance budget for the project, both of which require approval by the City.
- 2. Developer will investigate (City will provide previous conducted environmental studies) the environmental condition of the site and undertake any necessary remediation or management of any contamination of the site. Once a remediation plan has been developed and approved by the City, the City willprovide assistance in the remediation of contaminated soils.
- 3. Developer will be responsible for financing the entire cost of the project, including predevelopment costs such as design, engineering, and other studies along with development costs, such as infrastructure and construction costs, through its own equity, borrowing, tax credits, governmental incentives, or other sources of funds. In approaching the development of these projects, the Developer should be careful not to rely exclusively upon tax credit financing. PCMC believes that such an approach restricts the market of individuals who can reside at the project, and does not allow for the creation of a true mixed income community. PCMC encourages the development of profitable market rate units to serve as a mechanism for maximizing the number of affordable units to be developed.
- 4. Developer will prepare a timetable for beginning and completing construction of the project that is satisfactory to the City.
- 5. Developer will be responsible for procuring all necessary regulatory approvals for construction and operation of the project.
- 6. Developer must actively seek input from community stakeholders, neighborhood associations and residents, and the City during the planning phase of all projects. The final development plan must be approved by the City in accordance with all planning and zoning requirements. Transparency and communication are key components of community trust and confidence in public housing and the Housing Authority. Engagement and active participation of residents, businesses, neighborhood associations, governmental officials and agencies, and other community stakeholders is a

mandatory requirement under this solicitation. It is expected that the developers will schedule and coordinate meetings, community workshops and other public forums to assure that all stakeholders in the development process are continuously kept abreast of ongoing activity. All community activities and dissemination of public information shall be coordinated with the Housing Authority, PCMC's Public Information Officer, and the Housing Department Project Manager.

- 7. Developer will be responsible for monthly progress meetings with the Project Advisory Group (Developer, Architect, General Contractor, Housing Development Manager, City's Project Manager) throughout planning and construction of the project.
- 8. Developer will be responsible for long term operation and maintainance of the project, ensuring that the project continues to meet all federal, state, and local codes and provides a clean and healthy environment for all residents and guests.
- 9. In the event Developer does not commence active construction or have a substantial portion of the planning of the project completed (including Master Planned Development (MPD) approval) within one (1) year of the lease of the site, the City shall have the right to terminate the lease and take possession of the site. Extensions to this deadline may be negotiated.
- 10. Developer shall not sell, convey, sublease or otherwise transfer or assign any rights incorporated into any agreement with PCMC without prior and written consent of the City Council.
- 11. Developer will present conceptual design, schematic design, design development, and final construction documents for review and approval by PCMC. Approval by PCMC does not in any way relieve Developer of its obligation to comply with zoning regulations, building codes, and all other applicable regulations adopted by PCMC.
- 12. Developer will be responsible for obtaining and providing written proof to PCMC of adequate financing for all aspects of the development, including predevelopment, construction, and operations.
- 13. Developer will be responsible for designing and building the development in a manner that produces a high-quality, enduring living environment that promotes sustainable and environmentally friendly practices.
- 14. Developer's contractor will be required to obtain payment and performance bonds or an equivalent form of security approved by the City.
- 15. Developer will be required to maintain, or cause others to maintain, property, contractor, architect, and other applicable insurance through a contract in an amount and form (<u>City template</u>) approved by the City.
- 16. Developer will be required to prepare and record covenants, conditions, and restrictions ("CC&R's") against the Property in compliance with the Park City Housing Resolution in effect at the time of signing of the DA.
- 17. Developer will be responsible for managing and operating the development consistent with ground lease terms in a manner that ensures long-term financial viability and a high-quality living environment for its residents.
- 18. Developer will be responsible for a construction plan, including a construction mitigation plan, that helps to meet the <u>energy goals</u> of Park City. A financial loan through the City may be available to achieve energy goals.

<u>Additional Agreements.</u> Developer must be willing to enter into certain agreements in addition to the DA pertaining to the Project that outline the type, size, uses, and timeframe for development. These agreements include, but are not limited to:

- 1. Long term lease of the Property that shall include an option to cancel said agreementif the Project is not completed and used as agreed as well as a City purchase option and first right of refusal for all fixed improvements under Ground Lease or Purchase Agreement. City option to cure and take over in the event of foreclosure or bankruptcy.
- 2. Restrictive Use Agreement with restrictive covenants on the affordable housing units that run with the land for a period of at least fifty (50) years, including survival in the event of foreclosure or bankruptcy.
- 3. Easement Agreement that ensures public pedestrian access around and through the Property is maintained.

PROJECT MANAGER

For additional information concerning this Request for Qualifications, as well as any issued addenda, interested parties may contact Jason Glidden, Housing Development Manager, via email only at jglidden@parkcity.org.

SECTION II - SUBMISSION REQUIREMENTS AND PROCEDURE

SUBMISSION REQUIREMENTS

As part of a response to this RFQ, respondents shall provide the following information. Responses must address all items and clearly label all sections, graphics, and tables within the Response. The PCMC has not set a specific page limit for Responses; however, there is an expectation to receive Responses that are thorough but concise.

- 1. Development Interest and Approach
 - a. Briefly describe your interest in pursuing the Project.
 - b. Provide a description of your approach to dealing with the complexity of the Project, including dealing with contaminated soils, infrastructure deficiencies, and zoning relating to the improvements currently in-place on the Property.
 - c. Provide a brief narrative of your preliminary concepts for the site's development. This should provide insight into your general approach to development, proven ability to navigate complex projects, record of community responsive urban infill developments that provide public benefits, and understanding of creative solutions and financing tools. This is an opportunity to provide a preliminary high level vision. No architectural drawings or financial projections are expected at this stage. However, proposals should detail your plan to:
 - i. Provide housing affordable to a range of income levels in the Project Goals and Preferred Scope of Development described herein;
 - ii. Maintain long term affordability;
 - iii. Minimize need for City funding through leverage of outside funding;
 - iv. Utilize environmentally friendly and sustainable principles for development; and
 - v. Facilitate active transportation connections within and to the community and surrounding neighborhood in close coordination with PCMC.
- 2. Qualifications and Experience. Provide a description of your qualifications and relevant experience with comparable projects, including:
 - a. A description of the legal entity with whom PCMC would contract.
 - Identification, bios for and descriptions of the roles of key individuals in the development team and any consultants who would be involved in negotiations, project management, project design, and implementation, including their background and experience, reflecting their capabilities and experience with similar projects;
 - c. Examples of your experience with comparable projects. Provide no more than five (5) examples highlighting experience with development and operation of projects of similar size and scope, with particular emphasis on complex mixed-income projects located in an urban environment and projects developed through public-private partnerships. Examples should include images, location, development program, breakdown of residential affordability mix, members of the development team, total development cost, financing structure, project

- schedule, role of the public sector, information on challenges faced and solutions achieved, and a local reference.
- d. A description of your experience in financing mixed-use, affordable or mixed income housing, securing grants and public funding sources, and financing references. Provide the composition of the current real estate portfolio owned and/or managed by the respondent and a list of all projects in the development pipeline including location, status, schedule, estimated cost and financing structure. Please also describe the developer's capacity for completing the proposed Project in the context of the current development pipeline.
- e. A description of your financial capacity. The Developer will be required to submit additional financial information about the development entity and its owners while negotiating the Lease Agreement with PCMC. If a newly formed entity is proposed as the legal vehicle for acting as the developer, the proposed guarantors of the entity and their net worth must be identified. This description should include the following:
 - i. Evidence of your ability to fund predevelopment costs; and
 - ii. Anticipated sources of funds, current relationships with lenders and equity investors, and ability to obtain necessary financing for the proposed development, including recent history of obtaining debt and equity financing.
- f. PCMC requires the use of sustainable building practices and the inclusion of energy efficiency elements in all of its development projects. You may include as part of its qualifications a description of the sustainable building practices and/or energy efficiency measures that have been incorporated in previous projects.
- g. Disclosure of any litigation that could have a materially adverse effect on the development entity's financial condition and disclosure of any bankruptcy filings by the development entity or affiliates within the past five (5) years.
- h. A Conflict of Interest statement or disclosure that complies with <u>Section 3</u> of the Park City Municipal Code.

SUBMISSION PROCEDURE

Respondents shall submit an electronic copy of the Response in PDF format and send via email to Jason Glidden at jglidden@parkcity.org. Submissions lacking one or more of the required documents shall be considered incomplete and subject to disqualification from consideration by PCMC. All Responses, including attachments, supplementary materials, addenda, etc., shall become the property of the City and will not be returned. It is Respondents' sole responsibility to read and interpret this Request for Qualifications and the written instructions contained herein. The first page of the Response shall:

- 1. State that Respondent "has read and understands this Request for Qualifications and accepts the written instructions contained herein".
- 2. Include the signature of an officer or employee authorized to bind the Respondent contractually.
- 3. Provide the name, contact phone number, email address, and mailing address of the person to whom all correspondence should be sent regarding questions about the Response, requests for

interviews, or notifications regarding potential selection. (This person will be responsible for disseminating information to you and your development team.)

Responses shall be submitted in a sealed envelope with the Respondent's name, address, date of submittal, and the title "1875 Homestake" shown on the outside of the envelope.

Please submit Responses to the Request for Qualifications to:

Jason Glidden, Housing Development Manager Park City Municipal Corporation 445 Marsac Ave., P.O. Box 1480 Park City, Utah 84060 jglidden@parkcity.org

Responses are due by 3:00 p.m. on Friday, May 28, 2021. Responses to the Request for Qualifications that are not received by PCMC by the time and date specified will be considered late and thus subject to disqualification from consideration by PCMC. PCMC reserves the right to reject any late, incomplete, or irregular submissions and reserves the right to waive any non-material irregularity in submissions.

SECTION III – SELECTION PROCESS AND CRITERIA

SELECTION PROCESS

PCMC will make every effort to ensure that all Responses are treated fairly and equally throughout the selection process. PCMC intends to follow the following selection process:

- 1. Identify a short-list of Respondents: PCMC will form a Selection Advisory Committee comprised of representatives from public and private stakeholders to review the submitted Responses and provide recommendations to PCMC. PCMC will take the Selection Advisory Committee's recommendations into consideration and identify a shortlist of Respondents.
- 2. Identify a First- and Second-ranked Respondent: PCMC will notify the Respondents selected for the shortlist and may ask them to participate in an interview to discuss their qualifications in further detail. PCMC may select a first-ranked and second-ranked Respondent.
- 3. Negotiations with First-ranked Respondent: The first-ranked Respondent will be given a defined period of time to negotiate and execute a Lease Agreement with PCMC. In the event that exclusive negotiations are conducted and an agreement is not reached, PCMC reserves the right to enter into negotiations with the next highest ranked Respondent without the need to repeat the formal solicitation process.
- 4. Final selection and subsequent agreements are subject to approval by the Housing Authority and/or City Council in a public meeting.

SELECTION CRITERIA

The following is a guide to the criteria that will be used in evaluating development teams:

1. Development Team Characteristics

- a. Quality and completeness of information submitted in response to this RFQ;
- b. Evaluation of past projects and experience;
- c. Experience with planning and implementing similar urban infill projects;
- d. Experience with designing and developing mixed-income affordable housing projects;
- e. Experience with affordable housing financing mechanisms, including low income housing tax credits;
- f. Experience in effective property management of affordable housing, market rate housing, commercial space, parking facilities, and other components of urban infill projects;
- g. Evaluation of ownership structure and experience of key members; and
- h. Capacity to undertake and complete the Project in a timely manner.

2. Financial Capability

- a. Demonstrated ability to secure funding, including experience with public-private partnerships;
- b. Degree of capitalization as an entity;
- c. Degree to which the entity is leveraged; and
- d. Verifiable likelihood that sources and terms are realistic and accessible.

SECTION IV - DESIGN REVIEW AND PERMITTING

During the period specified in the DA, the Developer will work with PCMC to finalize the Project's design, including architectural, urban design and landscape architectural elements. Developer is also subject to PCMC's standard processes and requirements for obtaining the required development approvals/permits included but not limited to the following: Plat Amendments, Master Planned Development (or Affordable Master Planned Development), Conditional Use Permits, and Building Permits.

SECTION V – PCMC DEVELOPMENT TOOLS

Given the current status of the Property—as well as the public benefits envisioned for the Property's redevelopment—PCMC is willing to consider providing specific resources to fill the gap and assist the project in achieving financial viability for a Project that meets a high level of community benefit as outlined in Exhibit B: Project Requirements and Preferences Tools and resources may include the following:

- Long-Term Ground Lease: PCMC expects to provide a long-term ground lease retaining PCMC ownership of the land in perpetuity. By entering into a long-term (50 year or more) lease with PCMC, Developer receives the right to build and own the Project improvements without having to purchase the land. However, in the alternative, PCMC may consider a purchase agreement for Developer to purchase the land and thus convey title of the Property to Developer.
- 2. Rental Subsidies: PCMC may consider a below-market lease rates to decrease the overall development cost for a Project that results in a high number of affordable units with rental rates between 30% 50% AMI for Summit County.

- 3. Fee Reductions/Waivers: PCMC may consider requests to reduce or waive certain fees associated with approvals/permits needed for the Project, particularly for affordable units, in accordance with adopted Municipal Code and state law.
- 4. Soil Remediation Assistance: PCMC may provide assistance in the remediation of any contaminated soils on the site.
- 5. Energy Goal Loan: PCMC may provide grants or loans to help meet the City's energy goals.
- 6. Loans/Financing: PCMC could have the capability to help provide funding through various lending options such as: City-backed loans, tax-exempt financing, or conduit financing.
- 7. Direct Financial Participation: For proposals that exceed the Projects Requirements and Preferences identified in Exhibit B, PCMC may consider direct financial participation, including grant matches orland value, in accordance with applicable state and local regulations and policies.

SECTION VI – MISCELLANEOUS

All questions shall be submitted in writing no later than 2:00 p.m. on Friday, May 21, 2021, to: jglidden@parkcity.org. Final modification or addenda will be made on the website by 5:00 p.m. on Monday, May 24, 2021.

All submittals shall be public records in accordance with government records regulations ("GRAMA") unless otherwise designated by the applicant pursuant to UCA § 63G-2-309, as amended. All proposals shall remain vaild for sixty (60) days from submittal. PCMC reserves the right to change any dates or deadlines. It is PCMC's policy, subject to Federal and State and local procurement laws, to make reasonable attempts to support Park City businesses by purchasing goods and services through local vendors and service providers,

PCMC reserves the right to cancel or modify the terms of this RFQ and/or the project at any time and for any reason preceding contract award and reserves the right to accept or reject any or all proposals submitted pursuant to this RFQ. PCMC will provide respondents written notice of any cancellation and/or modification. Furthermore, the City shall have the right to waive any informality or technicality in proposals received when in the best interest of the City.

PCMC reserves the right to change any dates or deadlines.

No proposal shall be accepted from, or contract awarded to, any person, firm or corporation that is in arrears to the City, upon debt or contract or that is a defaulter, as surety or otherwise, upon any obligation to the City, or that may be deemed irresponsible or unreliable by the City. Offerors may be required to submit satisfactory evidence that they have the necessary financial resources to perform and complete the work outlined in this RFQ.

SECTION VII – PCMC AND CITY NON-LIABILITY & RELATED MATTERS

No Representation or Warranties - All facts and opinions stated herein, any additional data
including, but not limited to statistical and economic data and projections, are based on
available information, and no representation or warranty is made with respect thereto by the
Housing Authority or PCMC.

- 2. Building Permits, Zoning Variances, and Financial Viability PCMC through the lease or sale of the Property in no way guarantees or warrants the issuance of building permits, zoning variances, or the financial viability of the Project.
- 3. Housing Authority/PCMC Discretion, Non-Liability, Waivers, and Hold Harmless Developers acknowledge by submitting information and Responses to PCMC that PCMC does not undertake and shall have no liability with respect to the development program, the RFQ, and responses thereto or with respect to any matters related to any submission by a Respondent. By submitting a Response to the RFQ, the Respondent releases PCMC and the City from all liability with respect to the development program, the RFQ, and all matters related thereto, covenants not to sue regarding such matters, and agrees to hold PCMC harmless from any claims made by the Respondent or anyone claiming by, through, or under the Respondent in connection therewith.

SECTION VIII – EXHIBITS

Exhibit A: Property Description

Exhibit B: Project Requirements and Preferences

EXHIBIT A

PROPERTY DESCRIPTION

Property Address: 1875 Homestake Road, Park City, Utah

Parcel Number: YARD-B-1AM-X)

Total Acreage: 1.86

Zoning: General Commercial Zoning District

Legal Description: LOT B THE YARD SUBDIVISION FIRST AMENDED; ACCORDING TO THE OFFICIAL PLAT

ON FILE IN THE SUMMIT COUNTY RECORDERS OFFICE. CONT 1.86 AC. 2408-4



EXHIBIT B

PROJECT REQUIREMENTS AND PREFERENCES

The Project Requirements and Preferences are provided below to help articulate PCMC's vision for redevelopment of the Property. PCMC is willing to provide financial incentives for a Project that demonstrates a high level of consistency with the Requirements and Preferences stated below. Refer to Section V – PCMC Development Tools for additional information.

MINIMUM REQUIREMENTS

Developer will partner with PCMC to plan and construct a vertical mixed-use project that includes the following:

- A residential component with a minimum of eighty percent (80%) of the units offered at affordable rates that meets the standards of Housing Resolution 05-2021. Rents for these households should average sixty percent (60%) of the area median income ("AMI"). Affordable units will have a minimum affordability period of fifty (50) years;
- A parking strategy that provides the most efficient and cost-effective options but maximizes the number of units on the site as allowed by code;
- A site plan and building design consistent with PCMC's Land Management Code that promotes the pillars of the Park City 2020 Vision: Equity and Affordability, Environmental Leadership, Authentic Local Culture, and Transportation Innovation;
- A site plan that includes elements of walkability and connectivity to other areas of the district, to be publicly-accessible and privately owned and maintained;
- A high level of concern for architectural and mountain town design principles that meets the PCMC <u>Land Management Code</u>;
- Maximization of allowable density in a manner compatible with neighboring properties; and
- Constructed to promote enduring, healthy, and energy-efficient building(s) that utilize sustainable, environmentally friendly materials and methods.

PREFERENCES

In addition to the Minimum Requirements listed above, the City seeks a development partner interested in maximizing the public benefit derived from the Project. As such, Responses from developers with experience in the following areas will receive priority during the selection process:

- Devceloping more deeply affordable housing beyond the minimum requirements stated above, with a preference for maximizing housing affordable to households at or below fifty percent (50%) AMI;
- Housing that includes robust resident services programming, with a programming and operations plan provided;
- A project that is constructed to meet the <u>City's Net-Zero energy requirements</u>; and
- A parking plan that promotes accessibility beyond minimum code requirements, supports
 alternative modes of transportation, and contributes to reducing residents' reliance on personal
 vehicle use.