

Malcolm X

Square 5914, Portion of Lot 806

Release Date: July 30, 2020

Submission Deadline: October 1, 2020

*Only electronic proposals accepted, please send to stacy.meyer@dc.gov
Stacy Meyer ("Project Development Manager")*



REQUEST FOR PROPOSALS

District of Columbia
Office of the Deputy Mayor for Planning and Economic Development

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DMPED is releasing this Request for Proposals ("RFP") on behalf of the Government of the District of Columbia (the "District"). The RFP is posted on DMPED's website at dmped.dc.gov/page/MalcolmX (the "Project Website"). Questions regarding this RFP shall be submitted via e-mail only to stacy.meyer@dc.gov. Individuals and/or teams submitting proposals in response to this RFP (each a "Respondent" and collectively "Respondents") shall not direct questions to any other person within the District except as specified elsewhere in this RFP. Responses to Respondent questions will be aggregated and posted on the Project Website.

INTRODUCTION

The District, through the Office of the Deputy Mayor for Planning and Economic Development (“DMPED”), seeks to redevelop a portion of Lot 0806 in Square 5914, a parcel of land located at 1351 Alabama Avenue SE (the “Development Parcel”) (see Figure 1 for Development Parcel Map). The Development Parcel is approximately 45,000 square feet. in size and sits within the Congress Heights area of Washington, D.C.

DMPED seeks responses (each a “Proposal” and collectively “Proposals”) that encompass the goals set out in this RFP and shall consider both Proposals that rely on matter-of-right development and Proposals that assume pursuit of a Planned Unit Development (“PUD”). DMPED shall also consider Proposals that include nearby public or private parcels. Conveyance of the Development Parcel shall be via a ground lease of 99 years; a fee simple conveyance shall only be considered for that portion of the Development Parcel for which a Proposal offers for sale residential units. Each proposed development plan shall further reflect the important value of this site to the surrounding community and embody the following characteristics:

- Maximize affordable housing;
- Maximizes equity ownership and majority control opportunities for Disadvantaged Business Enterprises;
- Uses that are compatible with and leverage surrounding neighborhood development;
- Responsiveness to community and stakeholder preferences;
- Sustainable and energy efficient buildings;
- High architectural design quality;
- A transit-oriented development (“TOD”) that reflects the project’s adjacency to multiple public transit options; and
- Includes opportunities for teacher and/or educator housing.

The District’s Department of General Services (“DGS”) will be issuing a design/build request for proposals (“DGS RFP”) for the portion of Lot 806 that includes the physical school building, to be renovated or replaced for a new high school, and is exclusive of the Development Parcel. Respondents may submit an alternate Proposal for the entirety of Lot 806. Only in the event that a Respondent is awarded the DGS RFP will DMPED consider such alternate Proposal.

The Timeline

The District shall endeavor to follow the timetable set forth below; however, the activities and timetable represented below are a guideline only and are subject to change at the District’s sole discretion and without prior notice:

| <i>Selection Process Timetable (subject to change)</i> | |
|---|---------------------------------|
| 1. Issuance of RFP | July 30, 2020 |
| Pre-Response Question & Answer Period ¹ | July 30, 2020 – August 20, 2020 |
| 2. RFP Proposal Submission Due Date (3:00 PM ET) | October 14, 2020 |
| 3. Selection Recommendation Panel Interviews | Fall 2020 |
| Community Presentation by Respondents | Fall 2020 |
| Request for Best and Final Offer (“BAFO”) (If Applicable) | Fall 2020 |
| BAFO Submission Due Date (If Applicable) | Fall 2020 |
| 4. Final Selection of Respondent | Winter 2020 |

¹ Due to the COVID-19 pandemic, DMPED will have an online question and answer portal from July 20, 2020 to August 13, 2020 and post responses by August 20, 2020 in lieu of an information session and introductory site visit.

Submission Directions

All Proposals must be submitted electronically by 3:00 PM on the RFP Submission Due Date. Hand delivered or mailed Proposals shall not be accepted. Adherence to the deadline is essential. Incomplete applications or those submitted after the deadline shall not be accepted.

A copy of the \$50,000 deposit in the form of an executed, irrevocable standby letter of credit ("Letter of Credit") is required to be uploaded with a Respondent's electronic Proposal, with the original hardcopy provided to DMPED by close of business on the RFP Proposal Submission Due Date.

Development RFP Deposit

Amount: \$50,000
Format: Standby, irrevocable letter of credit (See Appendix D for form.)
Due At: RFP Proposal submission

Additional deposits will be required if selected and upon execution of the disposition agreement.

Conditions: If a Respondent's Proposal is not selected, the letter of credit shall be returned to the Respondent. If a Respondent's Proposal is selected, the letter of credit will only be returned upon the Respondent's successful completion of Closing as determined by the District through the terms of the disposition agreement.

PROJECT DESCRIPTION

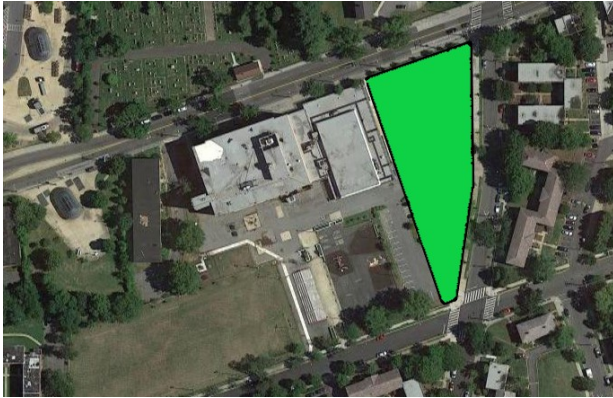


Figure 1: Development Parcel Map (not to scale)

| | |
|--------------------------------------|--|
| Location | 1351 Alabama Ave SE |
| Square | 5914 |
| Lot | Portion of 0806 |
| Total Square Footage | 45,000 sq. ft. (approximate) |
| Owner | District of Columbia |
| Status | Field |
| Zone | RA-1 |
| Adjacent Stakeholders/Property Owner | Congress Heights Metro Station (WMATA), Former Malcom X Elementary School (DC), 1331-1333 Alabama Ave SE (CityPartners 5914 LLC), 3232 - 3242 13 th St SE (Savannah Preservation Partners LLC), 1325 - 1345 Savannah St SE (Southeast Washington Development Associates LP) |

Location: The Development Parcel is located in Ward 8 and bounded by Alabama Avenue SE to the North, Congress Street SE to the East, Savannah Street SE to the South and 13th Street SE to the West. The Development Parcel is identified as a portion of Lot 0806 in Square 5914.

Frontage, Size, and Shape: The Development Parcel has frontage along Alabama Avenue SE, Congress Street SE and Savannah Street SE. The Development Parcel consists of approximately 45,000 square feet. The parcel is an unimproved lot and is largely triangular in shape as depicted in Figure 1.

Visibility/Access: The Development Parcel has good visibility from Congress Street SE and is adjacent to the Congress Heights Metro Station. See the Transportation Planning Framework section below regarding access. The Development Parcel may be over or within the zone of influence of above-grade and below-grade Metro improvements.

Soil and Environmental: The Development Parcel is offered "as-is". DMPED makes no representations or warranties as to any soil or environmental conditions at the Development Parcel.

Property Advantages: The Development Parcel is located within the Congress Heights neighborhood and has excellent multi-modal transportation access due to proximity to the Congress Heights Metro Station and multiple bus and circulator lines. The Development Parcel is located within a developing area of the city, with by-right RA-1 zoning. The Development Parcel is within blocks of St. Elizabeths' Entertainment and Sports Arena.

Neighborhood Context: The Development Parcel is on a portion of the former Malcolm X Elementary School campus. The campus includes the 110,000 square foot school building, a field, basketball courts, a playground, and a parking lot. The school was closed in 2013 and is now the home to the District Department of Parks and Recreation's Opportunity Center, a District Department of Human Services hypothermia center, and various community-based organizations. The Development Parcel is in Ward 8, within Advisory Neighborhood Commission ("ANC") 8E, and in the Congress Heights neighborhood. The Development Parcel is adjacent to the Congress Heights Metro Station (green line) and in close proximity to the St Elizabeths' Entertainment and Sports Arena. Congress Heights Community Association, Destination Congress Heights Main Street,) and Congress Heights Community Training and Development Corporation are examples of active community stakeholder groups.

EQUITABLE DEVELOPMENT FOCUS

Equitable Development Process

Mayor Bowser has charged her entire Administration with ensuring every Washingtonian gets a fair shot. The Mayor recognizes that the District is a powerful tool for investing in the economic vitality of residents and neighborhoods. As the District of Columbia continues to grow and change, the District's investments and decisions will continue to play an important role in shaping the future of our city and providing opportunity to those who have historically been locked out of prosperity. Building the District of Columbia into a more inclusive and equitable city will not happen by chance, it will be the result of intentional decisions that are designed to overcome long-standing inequities, that reflect our shared DC values, and that provide Washingtonians across all eight wards every opportunity to rise.

In the interest of advancing access to opportunities to manage meaningful development activities, DMPED has designated this project as an instance to serve the dual purpose of promoting economic activity and facilitating equitable access to the opportunities afforded by development projects. Equitable access to meaningful opportunities for development project management and delivery is a critical pathway towards ensuring that the District's growth reflects diverse needs and equitably benefits residents.

The District intends to take deliberate steps to assist small, local, and disadvantaged businesses and people to not just participate in larger opportunities but build the capacity necessary to lead and manage them in the future.

Equitable Inclusion Preferences

DMPED will prioritize Respondents that maximize by leadership and/or inclusion:

- Racial and ethnic minorities
- Other persons who are members of historically disadvantaged groups

Team Composition Priority

DMPED will prioritize Proposals that maximize, by percentage of ownership and control, entities designated as Disadvantaged Business Enterprise ("DBE") and Residence Owned Business ("ROB"), or any entities (including non-profits and community institutions) led by or majority controlled by individuals designated as socially disadvantaged under the Small Business Administration ("SBA") definition².

For projects with multiple parcels or components, the above prioritization can be met if the Proposal includes a parcel or component set aside, within the larger development plan, for a team lead by and majority owned by one of the persons described in the first paragraph of this section.

² 13 C.F.R. §124.103 - https://www.ecfr.gov/cgi-bin/text-idx?SID=e1ec97fa9394bf2190b27e524d4d03a1&mc=true&node=se13.1.124_1103&rgn=div8

DISTRICT POLICY GOALS AND REQUIREMENTS

First and foremost, the District requires that any proposed development program be economically viable to construct and operate. Additional District goals and requirements are explained below.

Development Program

DMPED encourages proposals that include the following:

- i. Opportunities for teacher and/or educator housing
- ii. If a Proposal includes a residential mixed-income component, maximize affordability (at a minimum, affordability levels must be compliant with the District's Inclusionary Zoning and D.C. Official Code §10-801, as amended, affordable housing requirements). Residential development shall provide a mixture of unit types and sizes across multiple MFI (as defined below) levels and affordable units must be comparable to market rate units;
- iii. An appropriate amount of parking that reflects the Development Parcel's proximity to a Metrorail station and other transportation infrastructure. All project amenities, including any rental of parking spaces, shall be offered to affordable housing units on the same terms as offered to the market rate housing units;
- iv. A commitment to build to the highest density allowable on-site;
- v. Architectural images of the proposed project to show how it complements the neighborhood character while accommodating necessary uses;
- vi. In addition to the "Equitable Development Focus" section, preferences for CBE's and/or businesses that hire District of Columbia residents.
- vii. High level of streetscape design, including building features that directly link to the sidewalk level, promote a pedestrian-friendly and walkable neighborhood character, and a high degree of visual continuity along street corridors;
- viii. Retail that serves the neighborhood and broader areas, if the Proposal includes a retail component. Proposals that include preferences for District-based businesses, and/or businesses that hire District of Columbia residents, are strongly encouraged. Additionally, Respondents are encouraged to include in their Proposals retail space for local and emerging businesses
- ix. Any other additional goals identified throughout this RFP.

Planning and Zoning Framework

Comprehensive Plan

The Comprehensive Plan Future Land Use Map designates the western portion of the Site for mixed-use Medium-Density Commercial and Medium-Density Residential; the easternmost portion of the Site is designated as Local Public Facilities. Mixed-use Medium-Density Commercial allows for retail, office, and service businesses while Medium Density Residential allows for mid-rise apartment buildings (4–7 stories). The Comprehensive Plan Policy Map identifies the Site as part of a Neighborhood Enhancement Area that is adjacent to the Congress Heights Metro Station. The Neighborhood Conservation Area designation presents an opportunity for compatible infill development, including new, dense housing types and mixed-use buildings.

The Development Parcel is located within the Far Southeast and Southwest Area Element of the Comprehensive Plan within the Congress Heights Metro Station Policy Focus Area. Targeted policy guidance for the Site includes the following:

- **Policy FSS-1.1.11: Workforce Development Centers**
Support the development of additional vocational schools, job training facilities, and workforce development centers. Encourage the retention of existing job training centers, and the development of new centers on such sites as the St. Elizabeths' Campus and DC Village to increase employment opportunities for local residents. (Comprehensive Plan citation 1808.12); and
- **Policy FSS-2.4.1: Congress Heights Metro Station Mixed Use**
Encourage reuse of the Congress Heights Metro Station site and its vicinity with mixed use medium density residential and commercial development through the use of planned unit developments that promote new economic development. Development on the site should be cognizant of the adjacent lower density neighborhood to the west and south, provide a connection to the future development on the St. Elizabeth's Campus, and create a stronger sense of identity and gateway for the Congress Heights neighborhood. Medium density development on the portions of the northwest quadrant of Square 5814 would be compatible with the adjacent lower density a neighborhood to the west and south with appropriate design review through a PUD process. Strongly encourage WMATA to make its land available for joint development around the Congress Heights Metro Station. (Comprehensive Plan citation 1814.3).

In spring 2016, the Office of Planning (“OP”) launched the second amendment cycle of the 2006 Comprehensive Plan (“Comp Plan”) for the National Capital: District Elements. The Comp Plan was last amended in 2011 and is being amended again to ensure that the plan is responsive to the dynamic changes in DC’s population, demographics, and policy priorities. While the Comp Plan amendment process is ongoing, the 2006 Comp Plan language still applies.

Zoning

The Development Parcel is currently zoned RA-1. The purpose of the RA-1 zone is to permit flexibility of design by permitting all types of urban residential development. The RA-1 zone provides for areas predominantly developed with low-to moderate-density development including detached dwellings, rowhouses, and low-rise apartments.

The Future Land Use Map (FLUM) designation of mixed-use Medium Density Residential / Medium Density Commercial could accommodate a higher density zone such as the MU-6, MU-8 or MU-10, with densities between a 5.0 Floor Area Ratio (“FAR”) and height of 90 feet as a matter of right to 8.6 FAR with a PUD.

Information on the Comprehensive Plan and Zoning may be found at the OP website: planning.dc.gov. For additional information regarding land use and zoning please contact Valecia Wilson at OP by e-mail at Valecia.Wilson@dc.gov.

Transportation Planning Framework

The District’s Department of Transportation’s (“DDOT”) commitment to building a safe and efficient transportation network will guide all review of transportation-related issues regarding the development of the Development Parcel. The Development Parcel has excellent multimodal transportation access as it is located immediately adjacent to the southern entrance to the Congress Heights Metrorail Station and a short distance from DC Circulator service. DDOT anticipates a sizable share of people accessing the Development Parcel will do so via non-automobile modes of travel. As such, DDOT expects the amount of vehicle parking provided on-site to be as close to zero as possible. DDOT’s preferred maximum parking rates based on distance to transit can be found in the 2019 Guidance for Comprehensive Transportation Review. Improved pedestrian and roadway connectivity will be critical components of this project. Since DDOT views this project as a TOD, Respondent Proposals should include new direct pedestrian connections to the Congress Heights Metro Station and other amenities on adjacent properties. DDOT would find a new north-south roadway connection between Alabama Avenue and Savannah Street SE and/or an east-west road along the northern edge of the site highly desirable. This may require coordination with and obtaining easements from other property owners, coordinating with the approved PUD to the north (ZC 13-08), and potentially dedicating right-of-way to DDOT. Aside from a potential new north-south street connection, no other new curb cuts will be permitted on the north side of Savannah Street SE. Vehicle and loading access to the Development Parcel must be from the new north-south street, east-west street, or other private driveways surrounding the Development Parcel.

Depending on the development program proposed and type of approval process the development goes through (i.e., Zoning Commission review), DDOT may require a Comprehensive Transportation Review (“CTR”) study to determine the impacts on the transportation network. Respondents should have a basic understanding of the projected number of trips by transportation mode generated by the proposed development program during the RFP process.

DDOT is committed to robust Transportation Demand Management (“TDM”) that encourages non-automobile travel. Respondent should discuss any proposed TDM measures aimed at reducing single-occupant vehicle travel to and from the Development Parcel. It is expected that the final development will meet or exceed zoning requirements for all bicycle parking and locker/changing facilities. Information regarding TDM can be found in the 2019 Guidance for Comprehensive Transportation Review (<https://ddot.dc.gov/node/470382>), on the goDCgo webpage <https://ddot.dc.gov/service/godcgo>, or by contacting info@godcgo.com.

Public Space Framework

DDOT, in partnership with OP, works to ensure the design of public space is of high quality and meets minimum requirements. To this end, the District has in place streetscape standards, guidelines, and policies to guide changes to public space uses that impact the character of public space include sidewalk cafes, vending, street festivals, and other non-permanent activities. Physical features that impact the character of public space can include sidewalk paving material, fences and retaining walls, street trees and their spacing, vault spaces, other infrastructure like streetlights or curb and gutters, and any building encroachments into the public right-of-way.

Restoration of the public space is expected as part of the redevelopment of the Development Parcel, including installation of missing street trees and sidewalks (minimum 6-foot clear path on Savannah Street SE). All sidewalks and curb ramps surrounding and within the Development Parcel must be upgraded to comply with Americans with Disabilities Act (“ADA”) guidance. Trash storage must be

accommodated on-site and not in DDOT-controlled public space. Designs for loading areas must allow front-in/front-out access from any public street.

Within the Savannah Street SE public right-of-way, DDOT anticipates power lines will be relocated underground, fences and retaining walls removed or relocated, and multi-space parking meters installed. Additionally, the selected team should coordinate with DDOT safety and capital projects to improve pedestrian, cyclist, and vehicular safety along Alabama Avenue SE as part of the District's Vision Zero effort.

Respondents may refer to Chapters 11, 12A, and 24 of the District of Columbia Municipal Regulations ("DCMR"), DDOT's Design and Engineering Manual ("DEM"), and the Public Realm Design Manual for public space design guidance. For further information on DDOT's development review process, please contact Aaron Zimmerman in DDOT's Planning and Sustainability Division ("PSD") at 202.671.2356 or aaron.zimmerman@dc.gov.

Evaluation Criteria

Responsive Proposals shall demonstrate that the Respondent has (i) a proposed use or uses for the Development Parcel that is consistent with the "District's Policy Goals and Requirements" section of this RFP, (ii) the financial capacity and ability to successfully close the transaction, and (iii) offered an attainable redevelopment timeline to convert the Development Parcel to its optimal utility.

Among other factors, Proposals will be evaluated for completeness, market feasibility, innovative ideas, strength of community benefits, and the strength of the financial response. The basis upon which Respondent will be evaluated includes, but is not limited to, the following:

Attainment of District Goals

The District shall prioritize Proposals that:

- i. Include opportunities for teacher and/or educator housing;
- ii. Maximize equitable development opportunities in line with the "Equitable Development Focus" section;
- iii. Maximize affordable housing in line with the "District Policy Goals and Requirements" section;
- iv. Maximize the economic value to the District;
- v. Respond to the goals and objectives of the Comp Plan;
- vi. Improve the quality of life for the surrounding neighborhood;
- vii. Address stakeholder concerns and requirements;
- viii. Provide employment opportunities for local residents and businesses;
- ix. Provide contracting opportunities for CBE certified businesses; and
- x. Address any additional goals identified in the "District Policy Goals and Requirements" section and any other District policy documents.

Additionally, the District shall prioritize Respondents whose Proposal indicates it shall achieve and exceed the above District policy goals by:

- i. Maximizing the overall economic benefit to the District, including:
 - Maximizing the development envelope such as through assemblage of adjacent land parcels or modification of current zoning;
 - Maximizing value to the District through land value proceeds (paid by Respondent to the District) and incremental property and sales taxes; and
 - Maximizing community benefits, including affordable housing and job creation and/or apprenticeship programs for District of Columbia residents, particularly for residents within 1-mile of the Development Parcel.
- ii. Seeking the least amount of subsidy (either through a reduction in fair market value or through other District or federal public financing tools) to fill anticipated financing and/or investment gaps in the project's capital structure; and
- iii. Providing District and Ward 8 residents and businesses with opportunities to participate in the project. Evidence of the inclusion of such businesses shall be in the form of written confirmation from such neighborhood-based businesses which shall include the scope and details of the said businesses' involvement in the project.

Development Vision

Respondent shall propose innovative, market-viable ideas for redevelopment of the Development Parcel. DMPED encourages Respondent to consider, in its development vision, the District's goals of:

- i. Promoting social equity;
- ii. Promoting a vibrant, walkable, community;
- iii. Developing mixed use neighborhoods and commercial corridors;
- iv. Achieving high architectural design quality to this important gateway site while maximizing density;

- v. If appropriate, creating strong retail activity on the Development Parcel; and
- vi. Providing a sustainable development that has minimal impact on the environment and achieves higher LEED certifications than required by DOEE.

Qualifications and Experience of Respondent

Proposals that satisfy the following criteria shall be prioritized:

- i. Demonstrating through Respondent entity experience and expertise of proposed key personnel that Respondent is qualified to execute the proposed development plan;
- ii. Having successfully served in lead developer roles for completed projects of a similar scale and scope to the project proposed by Respondent; and
- iii. Providing evidence of sufficient organizational and financial capability to ensure successful and timely delivery of the project.

Project Financial Feasibility and Team's Financial Capacity

Proposals that satisfy the following criteria shall be prioritized:

- i. Demonstrating that Respondent possesses the financial resources to execute the project requirements;
- ii. Providing an estimated construction budget prepared by a third-party general contractor or cost estimator;
- iii. Providing realistic and achievable funding plans, including sources and uses tables and multi-year pro-forma development budgets (pre-development through 18 years post-stabilization);
- iv. Providing a pro forma utilizing only non-competitive, by-right financing sources;
- v. Displaying a willingness to provide the District with fair consideration for its real property assets. Land payment(s) to the District shall be strongly considered;
- vi. Demonstrating significant investments of "at risk" capital during the pre-development and development process; and
- vii. Exhibiting a willingness to provide the District with a meaningful guarantee regarding payment and performance through final project completion.

COMMON ELEMENTS & REQUIREMENTS

Community & Stakeholder Outreach

The success of any development project hinges on the inclusion and support of the local community. Respondent is strongly encouraged to work with ANC 8E, local community groups and area residents to understand how the community's goals can be met in Respondent's Proposals. All proposed building designs should demonstrate architectural excellence, consistent with the surrounding buildings, and should be open and inviting as a complement to the existing and new developments in the surrounding area. Proposals should consider and incorporate stakeholder and community preferences, to the extent feasible and practicable.

Affordable Housing

In the District's efforts to provide a greater number of Affordable Dwelling Units (each an "ADU" and collectively "ADUs"), if a Respondent's proposed development plan includes a residential component, then Respondent's Proposal must include, at a minimum, the number of ADUs at Median Family Income ("MFI") levels that are required by the Inclusionary Zoning ("IZ") provisions of the District of Columbia Zoning Regulations (11-C DCMR §1000 *et seq.*), as applicable, and D.C. Official Code §10-801 (code.dccouncil.us/dc/council/code/sections/10-801.html). Under §10-801, Proposals that include multi-family residential units are required to reserve 30% of the units as affordable in perpetuity in the case of a fee simple proposal or for the term of the ground lease in the case of a long-term ground lease proposal. Respondent must ensure its Proposal complies with all applicable District laws including, but not limited to §10-801 and the specific affordability requirements set forth in §10-801(b-3). The District requires that all proposed ADUs be income restricted by recording an affordable housing covenant ("ADU Covenant") on the Development Parcel in order to be considered ADUs.

Affordable rental and for sale units administered in accordance with an ADU Covenant will provide that any buildings containing residential units shall have a proportional distribution of unit types and sizes across multiple MFI levels, so that ADUs are not clustered in any portion (floor, section, or tier) of the development. All project amenities, including any rental of parking spaces, shall be offered to ADUs on the same terms as offered to the market rate housing units.

As part of the Proposal, Respondent shall use the then-current Inclusionary Zoning Maximum Income, Rent, and Purchase Price Schedule that is published by the D.C. Department of Housing and Community Development ("DHCD") at dhcd.dc.gov. If Respondent is selected and ultimately purchases the Development Parcel, the initial maximum purchase price or rent for an ADU shall be the greater of: (a) the purchase price or rent set forth in the then-current Inclusionary Zoning Maximum Income, Rent, and Purchase Price Schedule on the date of the consummation of the transactions involving the conveyance of the Development Parcel ("Closing"), or (b) the purchase price or rent set forth in the then-current Inclusionary Zoning Maximum Income, Rent, and Purchase Price Schedule on the date the Development Parcel receives its final certificate of occupancy. All rent payments collected by the future property owner from the tenants or third parties on behalf of tenants may not exceed the Maximum Allowable Rent for an ADU. The initial sales price for an ADU may not exceed the Maximum Allowable Sales Price for ADUs. For more information, please contact Gene Bulmash, DHCD's Inclusionary Zoning Program Manager at (202) 442-7168 or gene.bulmash@dc.gov.

Respondent should conduct its own research into sub-market residential for sale prices and rental rates to ensure its estimated ADU rent or purchase prices are well below the market rates. If Respondent contemplates using a federal or local source of gap financing, such as Housing Production Trust Fund ("HPTF") or Low Income Housing Tax Credit ("LIHTC"), Respondent should propose rents or purchase prices that are no more than the lowest applicable income limit. HPTF program limits are published by DHCD at dhcd.dc.gov.

Respondent's financing proposals should seek to cross-subsidize any ADUs proposed with income generated from other uses in the project, such as market rate units or commercial development. If Respondent's Proposal has a financing gap due to the ADUs, Respondent should conduct a residual land value analysis and reduce its proposed ground lease payments for the Development Parcel to an amount that will allow the project budget to absorb the cost of the ADUs, without the need for additional subsidy or direct investment from the District.

If Respondent proposes more than the minimum amount of required ADUs or determines that the minimum ADU requirement is not financially feasible even after reducing its proposed ground lease payments, Respondent may submit a financing plan that assumes: (a) 9% LIHTC financing from the DHCD, (b) 4% LIHTC and Tax Exempt Bond financing from the D.C. Housing Finance Agency ("DCHFA"), or (c) HPTF. **Notwithstanding the forgoing, any pro forma included as part of Respondent's Proposal may only include non-competitive, by-right financing sources.**

DCHFA accepts applications for 4% LIHTC financing on a rolling basis, and the 4% LIHTC financing is a by-right program available to any project that meets the Threshold Eligibility Requirements of the District's Qualified Allocation Plan ("QAP"), the most current version of which is available on dhcd.dc.gov. At a minimum, 20% of a project's residential units and residential square footage must be reserved as affordable housing to qualify for 4% LIHTC financing. Accordingly, all Proposals that include a rental residential component, and meet the requirements of this RFP, will be eligible for 4% LIHTC financing. If Respondent proposes a rental residential component that requires gap financing, Respondent is strongly encouraged to utilize 4% LIHTC financing to reduce or eliminate the need for additional District subsidy.

DHCD accepts applications for HPTF and 9% LIHTC financing through competitive, Consolidated Requests for Proposals ("DHCD Consolidated RFP") at established intervals, approximately once every nine months. The DHCD Consolidated RFP is highly competitive (approximately 1 in 3 applications is selected for further underwriting); therefore, if Respondent assumes an award of HPTF or 9% LIHTC financing, Respondent should factor this uncertainty and timeline into its Proposal.

The amount of HPTF and 9% LIHTC financing available to a project is limited to the minimum amount necessary for the financial feasibility of the income eligible units. DHCD financing cannot be used to fund or offset a financing gap on uses that are not eligible for these sources of financing, such as workforce housing units (81-120% of MFI), market rate units, or non-residential units. If Respondent intends to later apply for DHCD financing through the DHCD Consolidated RFP, Respondent must become familiar with the selection criteria and underwriting guidelines contained in the most recent DHCD Consolidated RFP, available on dhcd.dc.gov. Respondent's Proposal must demonstrate a financing plan that will be competitive for DHCD funding and adheres to all applicable DHCD underwriting guidelines.

Additional District resources for affordable housing, such as Local Rent Supplement Program ("LRSP") operating subsidy from the D.C. Housing Authority ("DCHA"), case management supportive services funding from the Department of Human Services ("DHS"), and grant funding from the Department of Behavioral Health ("DBH") are also made available through the DHCD Consolidated RFP.

Separate from the DHCD Consolidated RFP, DHCD occasionally makes available Community Development Block Grant (CDBG) funding for Community Facilities. The last Community Facilities RFP was released in 2016, and, due to expected cuts to the federal budget, DHCD does not have immediate plans to make additional CDBG funds available for this purpose. If Respondent proposes a non-residential use, Respondent should not assume CDBG financing as part of its Proposal.

Sustainability and Green Building Requirements

The Development Parcel shall be developed in compliance with the District's Green Building Act of 2006, as amended, codified in D.C. Official Code §6-1451.01, *et seq.*, and the storm water management regulations published in [Chapter 5 of Title 21](#) of the DCMR and [Chapter 31 of Title 20](#) of the DCMR. Proposals shall be based on these regulations. Specific design criteria are stated in the Storm Water Guidebook which is available online at doee.dc.gov/publication/stormwater-guidebook.

The Sustainable DC 2.0 Plan establishes goals and targets to ensure that the District of Columbia is the healthiest, greenest, most livable city for all District of Columbia residents. It encompasses 167 actions and 36 goals across 13 separate topics. The Sustainable DC 2.0 Plan is found at sustainabledc.org/in-dc/sdc2/ Respondent should review the Sustainable DC 2.0 Plan and highlight its qualifications and experience in developing sustainable projects, if any, in its Proposal.

Clean Energy DC is the District's energy and climate action plan. It identifies what actions need to be taken between now and 2032 in our buildings, our energy infrastructure, and our transportation system to meet the District's ambitious greenhouse gas ("GHG") reduction targets. Included in the list of 57 proposed actions is the adoption of net-zero energy construction codes by 2026 for all new construction. Respondent should review the plan at doee.dc.gov/cleanenergydc and demonstrate how it has considered pursuing deep energy efficiency or net-zero energy performance in its Proposal.

Climate Ready DC is the District's strategy for making the city more resilient to climate change. It recommends adaptation strategies across four sectors: Transportation & Utilities, Buildings & Development, Neighborhoods & Communities, and Governance & Implementation. Buildings across the city are at risk from climate related hazards such as flooding, extreme weather, and heat. Respondent should review the Climate Ready DC plan at doee.dc.gov/climateready and demonstrate how they have evaluated the risks that climate change may pose to its project and designed its Proposal to mitigate those risks.

To meet the Green Building Act of 2006 and allow flexibility for Respondent to program the Development Parcel for uses beyond residential, the project shall be developed to LEED Silver or above. This is the substantially similar standard to Enterprise Green Communities.

In addition to the Green Building Act of 2006, Respondent is encouraged to demonstrate that it incorporates solar photovoltaics in its project and maximizes its rooftop generation potential to the extent allowable by District codes and regulations. Respondent is

also encouraged to consider coupling battery storage with solar photovoltaics to provide resilient backup power to the project. Any future Solar Renewable Energy Certificate ("SREC") income streams should be included as a revenue source in the project budget.

The existing laws and regulations, including the Green Building Act of 2006, the DC Green Construction and Energy Conservation Codes, and the updated stormwater regulations, among others, provide a strong foundation for the broader sustainability goals of the District. However, to achieve the targets set forth in the Sustainable DC Plan, the District plans to lead by example and give special consideration for projects that exceed the basic legal requirements and strive to achieve deeper levels of energy efficiency, greenhouse gas emissions reductions, and climate resilience.

Therefore, Respondent is encouraged to:

- i. Exhibit a commitment to environmental performance beyond the requirements set forth in existing laws and regulations, including commitments to LEED certification at the Platinum level or higher, OR
- ii. Surpass basic LEED certification by one or more of the following strategies:
 - o designing to be net zero energy "ready" (deep energy efficiency with energy use intensities below 30 kBtu/square foot/year);
 - o achieve net positive energy (either produced on-site and/or from the purchase of power from newly installed renewable energy in the region);
 - o zero waste (meaning above 90% diversion of waste both during construction and operation);
 - o retain stormwater volume for the 1.7-inch rain event, and collect and reuse rainwater and greywater on-site; and/or
 - o design and construct the project to achieve either full or partial certification under the International Living Future Institute's Living Building Challenge program.

There are strong financial incentives available in the District for deep energy efficiency, stormwater management, and renewable energy. These incentives include: DC Sustainable Energy Utility (dcseu.com/about), DC PACE Program (<http://dcpace.com/>), RiverSmart Communities (doee.dc.gov/service/riversmart-communities), RiverSmart Rewards (<https://doee.dc.gov/riversmartrewards>), RiverSmart Rooftops (doee.dc.gov/greenroofs), Stormwater Retention Credits (<https://doee.dc.gov/service/src-price-lock-program>), and the pending Green Bank (dcgreenbank.org/) programs.

For more information, please contact Casey Studhalter with the Department of Energy and Environment's Urban Sustainability Administration at (202) 535-2460 or casey.studhalter@dc.gov.

First Source

Pursuant to D.C. Official Code §10-801(b)(7), the Workforce Intermediary Establishment and Reform of the First Source Amendment Act of 2011 (D.C. Law 19-84, D.C. Official Code §2-219.01, et seq.), and the rules and regulations promulgated thereunder and Mayor's Order 83-265, one of the primary goals of the District is the creation of job opportunities for District of Columbia residents. Accordingly, Respondent selected by the District to negotiate a disposition agreement shall, prior to execution of a disposition agreement, enter into a First Source Employment Agreement ("First Source Agreement") with the Department of Employment Services ("DOES"). Collective bargaining agreements shall not be a basis for the waiver of these requirements. Respondent must complete the Form of Acknowledgement attached as Appendix A.

Please contact DOES to obtain a copy of the First Source Agreement. For more information on the District's DOES apprenticeship program, please visit the following website: does.dc.gov/service/apprenticeships. For more information, please contact Terry Kenner with DOES at 202-698-5849 or terry.kenner2@dc.gov.

Certified Business Enterprises

The selected Respondent shall, if the District and selected Respondent shall successfully negotiate a disposition agreement, comply with the requirements of the Small and Certified Business Enterprise Development and Assistance Act of 2005, D.C. Official Code §2-218.01, et seq. ("CBE Act"), including entering into a CBE Agreement with the District prior to execution of a disposition agreement. Pursuant to D.C. Official Code §10-801(b)(6) and the CBE Act, Respondent shall subcontract to Small Business Enterprises ("SBEs"). The District's Department of Small and Local Business Development ("DSLBD") determines which entities qualify as SBEs, CBEs, Small Investors, Disadvantaged Investors, and Certified Equity Participants pursuant to the CBE Act. Respondent is encouraged to exceed the District's SBE/CBE subcontracting and participation requirements. Respondents must sign, and submit with their Proposals, the Acknowledgement Form attached as Appendix A.

Davis Bacon

To the extent applicable, the selected Respondent shall be required to develop the Development Parcel in compliance with the provisions of the Davis-Bacon Act, 40 U.S.C. § 276(a), and the regulations promulgated therewith. It shall be Respondent's responsibility to determine if the Davis-Bacon Act is applicable to its project.

Hotel Uses

If Respondent's Proposal contemplates a hotel use, then Respondent shall be required to enter into a written agreement between Respondent and any labor organization that seeks to represent employees involved in hotel operations at the Development Parcel as a part of its Proposal, which agreement shall contain, at a minimum, a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppage, boycott, or other economic interference with Respondent's operations or the project ("Labor Peace Agreement") as required under Hotel Development Projects Labor Peace Agreement Act of 2002, D.C. Official Code §32-851, *et seq.*. The requirement above shall be included in any Proposal by Respondent that pertains to hotel operations at the Development Parcel.

Minimum Ground Lease Terms

The District has provided more information about the disposition structure in the "RFP Process" section of this RFP. A ground lease with a term in excess of 15 years (inclusive of options) shall require authorization of the Council of the District of Columbia ("Council") in accordance with D.C. Official Code §10-801, as amended, prior to the District's execution or contractual obligation to enter into the ground lease with the selected Respondent. Respondent should be aware that the Mayor's request for Council authorization must be accompanied by an appraisal, economic factors considered, and justification for the financial terms negotiated in the ground lease.

The selected Respondent shall be solely responsible for any and all costs of redevelopment, remediation, and future operation of the Development Parcel. The selected Respondent, upon execution of a disposition agreement, shall be solely responsible for the payment of all utilities, permit fees, assessments and taxes relating to the Development Parcel, including, if applicable, possessory interest tax assessed under D.C. Official Code §47-1005.01. DMPED shall not provide any public subsidy to fill any funding gaps or shortfalls.