

September 4, 2019

ADDENDUM NO 1. TO RRHA RFP 2019-38

Commodity: Construction of Single Family Homes

RFP Issued: August 21, 2019

Proposal Due Date: September 19, 2019 @ 2:00 p.m. Local Richmond Time

The above solicitation is not modified the following questions were presented post Pre-Proposal. The responses are indicated by the blue text.

1. The dimensions of the lots on St James Street (~19'x50' @ 708 and 16.5'x50' @ 710/712/714) are incompatible with the stated requirement to build homes with a minimum of 1300 sf, a maximum of 2 stories, and a covered front porch with front foundation landscaping. Which program element would RRHA like to vary to make the development of these lots viable?
 - a. Minimum house size
 - b. 2-story maximum height
 - c. Front porch and landscaping requirement (would potentially still require special considerations to build directly to front lot line)
 - d. Some combination of the above

Answer) A combination of the above. RRHA would like to see proposals that suit the aesthetic of the neighborhood while complying with lot size requirements.

2. The RFP requests that the respondent provide individual requested acquisition prices for each of the properties. We intend to submit offer prices in our proposal that are based on a business plan to develop all 8 properties, and are therefore contingent upon being awarded 8 properties. We can also develop alternate business plans to develop fewer of the properties, but that would have an obvious impact on our individual offer prices. Given the need, in the business plan for the 8-property development, for the five market rate properties to cross-subsidize the three affordable properties, it may be possible for us to *increase* certain offer prices depending on which combination of properties we are awarded. However, we do believe there is a clear benefit to having one developer build all 8 properties, both in terms of economies of scale and efficiency in design and implementation. Does RRHA intend to provide respondents who present a proposal on the full set of properties an opportunity to engage with RRHA and discuss how their individual property offers might change in the event RRHA considers splitting the properties between more than one developer? How does RRHA intend to deal with the variability in property values associated with the particular mix of parcels awarded to each developer?

Answer: RRHA will consider proposed business terms when evaluating each respondent's proposal. However, as part of the competitive negotiation procedure, RRHA expects to engage in active negotiations with the top-ranked offeror or offerors concerning their proposed business terms (including the number of units to be awarded, the respondent's acquisition cost, and the proposed sales price).

In this vein, respondents should respond with their strongest or most preferred scenario. However, to best ensure the most favorable review by RRHA's evaluation panel,

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respondents may wish to additionally propose terms on a per-property basis, or to propose business terms for alternative scenarios.

3. The compliance requirements that are listed (DBEs, DBRA, and Section 3) are conceptually reasonable requirements that address the broader strategic and mission goals of RRHA, but are more typical of a large-scale multifamily development project. For a smaller project such as the one contemplated in this RFP, the compliance requirements put a significantly outsized financial burden on the project, which likely make the project non-viable. How does RRHA suggest the developer appropriately meet the intent of these requirements in a practical manner, one that does not render the project non-viable? At the pre-conference meeting, RRHA also stated they could help connect developers with relevant organizations to facilitate the process – how do you propose to do this?

Answer: RRHA expects all development partners to make every effort to engage with DBE business and Section 3 employees. Upon award, RRHA is happy to make introductions to community and industry leaders that are experts in this work, as well as guiding developers to online resources that describe the requirements. Additionally, we can partner with selected developer to create a reporting strategy that works for everyone in the project. RRHA additionally wishes to clarify that due to the source of funding RRHA used to acquire 4½ West Jackson Street, the successful respondent must observe all applicable DBRA requirements when developing this property.

Note: A signed acknowledgement of this Addendum must be received at the submission location indicated on the RFP either prior to the proposal due date and hour or attached to your proposal.

Very truly yours,



Kerry L. James, MBA, VCO
Director of Procurement and Contract Administration
Phone: 804-780-4444

Name of Firm

Signature / Title

Date