



REQUEST FOR QUALIFICATIONS

(SOLICITATION NO. 4390)

for

MASTER DEVELOPMENT PARTNER FOR YESLER TERRACE

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RFQ Issued On:	Submittals Due:
Friday, June 1, 2012	4:00 p.m., Friday, August 31, 2012

Seattle Housing Authority

Request for Qualifications (Solicitation No. 4390)

MASTER DEVELOPMENT PARTNER FOR YESLER TERRACE

A. INTRODUCTION

- 1) **General:** The Seattle Housing Authority (SHA) is seeking a development entity (hereinafter referred to as “Master Development Partner” or “Respondent”) interested in serving as the Master Development Partner for the redevelopment of Yesler Terrace to respond to this Request for Qualifications (RFQ). The Master Development Partner selected through this process must demonstrate the expertise, capacity, and track record to implement a comprehensive, phased, mixed-income, mixed-use plan similar in scale and scope to the Yesler Terrace Development Plan (hereinafter referred to as “Development Plan”).
- 2) **Seattle Housing Authority Background:** SHA is a public body corporate and politic that provides affordable housing to about 28,000 low-income people in Seattle. SHA operates according to the following Mission and Values:

Our Mission

Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.

Our Values

As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.

SHA owns and operates approximately 5,400 conventional public housing units subsidized by the U.S. Department of Housing and Urban Development (HUD), nearly 1,000 additional units for seniors and people with disabilities as part of the Seattle Senior Housing Program, and about 2,319 low- and mixed-income units developed and acquired primarily through the use of debt financing. Approximately 9,400 SHA residents are children and approximately 10,300 SHA residents are elderly or disabled.

SHA owns and operates housing in neighborhoods throughout Seattle. These include the four large family communities of NewHolly and Rainier Vista in Southeast Seattle, High Point in West Seattle, and Yesler Terrace in Central Seattle.

SHA was established by the City of Seattle under State of Washington enabling legislation in 1939. SHA is governed by a seven-member Board of Commissioners appointed by the Mayor of Seattle and confirmed by the Seattle City Council. The Executive Director is appointed by, and reports to, the Board and is responsible for staff hiring and direction.

SHA has approximately 596 employees and a total budget of \$201 million for Calendar Year 2011. In addition to the housing SHA owns, it serves as General and Managing Partner for several Low Income Housing Tax Credit limited partnerships.

3) **The Yesler Terrace Redevelopment**

Yesler Terrace is a 30-acre public housing community built in 1939 just east of Seattle's central business district—the city's employment and transportation hub. Yesler Terrace has been owned and operated by SHA since 1939. It is the only remaining large public housing development in Seattle that has not been converted to a mixed-use, mixed-income community. SHA currently operates 561 public housing units on the site. As part of the redevelopment, those units will be replaced. In addition, the number of low-income housing opportunities will be expanded, market-rate residential and neighborhood commercial development will occur and infrastructure within Yesler Terrace will be updated or replaced due to its age and configuration.

Yesler Terrace is adjacent to downtown Seattle, one of the nation's strongest real estate markets. It is also close to the First Hill commercial center, the Harborview, Swedish/Providence and Virginia Mason Medical Centers, Seattle University as well as the Little Saigon, International District and Squire Park neighborhoods. The site will also have access to significant transit infrastructure in the form of light and heavy rail lines once construction is completed in 2014 of a new streetcar line. This line will provide direct access to current and planned Link light rail destinations such as the University of Washington, Sea Tac International Airport, and Redmond. The steeply-sloping (150' elevation change from north to south) Yesler Terrace site provides expansive views of the Seattle skyline and waterfront, Puget Sound, Mt. Rainier, and the Olympic and Cascade mountain ranges.

4) **Planning and Entitlements**

The required environmental review for the redevelopment of Yesler Terrace has been completed and covers all future development, assuming it stays within the studied envelope for the site. SHA has utilized a Planned-Action approach to complete the required federal and state environmental review, which allows the analysis to cover the anticipated build-out (25+ mid- and high-rise buildings over 10-20 years) in its entirety, as opposed to individual environmental review for each building. The City of Seattle has already approved a Comprehensive Plan amendment allowing for the site to be rezoned.

The following components of the entitlement process are currently before City Council for approval. The full entitlement package is available on line the following web address:

<http://www.seattle.gov/dpd/Planning/YeslerTerrace/RelatedDocuments/default.asp>

More details regarding the adopted Development Plan, Guiding Principles, and EIS can be found at:

<http://seattlehousing.org/redevelopment/yesler-terrace/>.

- *Zone Change:* A new Master Planned Communities zone will allow height and density similar to that of the First Hill neighborhood. See the Development Plan for additional details.
- *Design guidelines:* SHA is developing detailed design guidelines for the project in order to ensure high quality design and livability.
- *Street Vacation and Plat:* The street vacation petition has been filed and will be approved as a component of the larger City Council decision regarding the rezone and related actions. The final plat is anticipated to be approved at the conclusion of 2013.
- *Infrastructure:* SHA has developed an infrastructure master plan. Street improvement plans and related infrastructure design will be 30% complete by the end of 2012.

- *Cooperative Agreement:* This will cover replacement housing, relocation, city participation in the redevelopment project and district energy among other things.

5) **SHA Development Expertise**

SHA began developing mixed-income communities in 1995. In that regard SHA currently serves as general or managing partner in over fifteen Low Income Housing Tax Credit partnerships. The agency also manages over 400 properties and oversees community building, and resident self-sufficiency, construction management, and solid waste collection programs. Over the past ten years, SHA has served as the master developer of approximately 300 acres of land resulting in the development of over 4,000 units, including retail and social service components. This includes the redevelopment of the New Holly, Rainier Vista, and High Point sites into new mixed-use, mixed-income neighborhoods, as well as Lake City, Westwood, and Longfellow Courts, where the agency's responsibilities consisted of:

- Master plan development;
- Environmental review;
- Community and public outreach;
- Relocation, demolition, and site preparation;
- Securing public and private funding and financing;
- Full Entitlement;
- Design and construction of infrastructure; and
- Development of the majority of the public and affordable replacement rental housing.

In this role, SHA bore all development risk in financing and construction of the replacement housing and related infrastructure replacement, and it managed the sale of subdivided lots to builders for market-rate home homeownership development.

Given the scale and extended timeframe of the Yesler Terrace development program, SHA has concluded that the partnership with a Master Development Partner as contemplated by this RFQ is its preferred means to proceed with implementation of the plan.

B. SCOPE OF WORK

The Seattle Housing Authority (SHA) invites development teams interested in serving as the Master Development Partner for the redevelopment of Yesler Terrace to respond to this request for qualifications. The Master Development Partner selected through this process must demonstrate the expertise, capacity, and track record to implement a comprehensive, phased, mixed-income, mixed-use plan similar in scale and scope to the Yesler Terrace Development Plan (Development Plan):

<http://www.seattlehousing.org/redevelopment/pdf/DevPlanFinal-web.pdf>.

The selected Master Development Partner will be expected to take the lead in refining the existing Development Plan in order to optimize the value of the development while simultaneously advancing the agency's social equity, environmental, and economic objectives. The agency is open to a number of ways that a partnership can be formulated in order to achieve these outcomes. In general, SHA expects to take the lead in replacing the existing public housing at the site, as well as facilitating the development of the additional affordable non-public housing units identified within the Development Plan. For its part, the Master Development Partner, would be expected to be primarily responsible for development of public amenities, the development and/or disposition of land for market-rate housing, office and retail development, as well as partnering with SHA for the update or replacement of the infrastructure and required public amenities within Yesler Terrace.

1) **Expectations for the Public-Private Partnership**

SHA is willing to consider structures for the partnership that will allow it to achieve its objectives for the redevelopment of Yesler Terrace and which will allow the Master Development Partner to achieve its reasonable business objectives.

As a public housing agency with decades of experience in community redevelopment, SHA envisions this relationship with the Master Development Partner as a “public-private partnership”. Although not a partnership in the legal sense of that phrase, the success of the Yesler Terrace redevelopment will depend on both SHA and the Master Development Partner contributing their skills and resources to this “partnership”.

SHA will bring to the partnership its ownership of this extraordinary site, its years of experience in planning and obtaining entitlements for the project and its expertise in developing award winning mixed-income communities.

The Master Development Partner will be expected to contribute its expertise in developing communities of the scale and scope of Yesler Terrace, its access to capital, its sophistication in development, financial and project management as well as its ability to work successfully within a public-private partnership.

C. SUBMITTAL REQUIREMENTS

1) **Schedule**

Pre-Submittal Meeting: The Pre-Submittal meeting will be held at 1:00 p.m. on Tuesday, June 26, 2012 at Seattle Housing Authority Offices located at 190 Queen Anne Avenue North, Seattle, WA 98109. Please come to the 5th floor reception desk. For those that cannot attend in person, you may join the meeting by a conference call bridge by dialing the following number: 949-812-4500 and enter Access Code: 668536#.

Preceding the pre-submittal meeting, we will offer an optional tour of the Yesler Terrace site, beginning at 9:30 a.m. Those interested in participating should convene in front of the Yesler Community Center located at Yesler Terrace at 917 E. Yesler Way, Seattle, WA 98104.

Deadline for Questions: Any questions or requests for further information must be directed in writing no later than 4:00 p.m. on July 27, 2012 to Don Tucker, Sr. Contract Administrator by e-mail to dtucker@seattlehousing.org.

Addenda: Questions received by the deadline for questions mentioned above will be included in an Addendum along with SHA’s responses to those questions. Also, in the event there are changes or clarifications to this RFQ, SHA will include them in an addendum. Addenda will be published on SHA’s website at: <http://www.seattlehousing.org/business/consulting/requests/>.

It is the responsibility of respondents to check this website prior to submission of a proposal to review and download any addenda issued. If you are unable to download the addenda, you may call the Sr. Contract Administrator, Don Tucker at 206-615-3475 to have a copy of the addenda mailed or e-mailed to you.

Respondent Submittal: Submittals are to be received at the following address by no later than 4:00 p.m., Friday, August 31, 2012:

Seattle Housing Authority
Attn: Don Tucker, Purchasing
190 Queen Anne Avenue North
P.O. Box 19028
Seattle, WA 98109-1028

SHA will not consider any submittals received after the deadline and will return all such submittals unopened.

All submittals should be clearly marked when delivered or mailed to avoid any confusion about recording arrival dates and times. Respondents should take this practice into account and submit their materials early to avoid any risk of ineligibility caused by unanticipated delays or other delivery problems. *NOTE: A faxed or e-mailed proposal is not acceptable.*

Upon receipt of each submittal, SHA's Purchasing Division will date-stamp it to show the exact time and date of receipt. Upon request, Purchasing will provide the Respondent with an acknowledgment of receipt. All proposals received will become the property of the Seattle Housing Authority and will not be returned to the Respondent.

Your **cover letter** should express your interest in performing the work. A principal or officer of the firm authorized to execute contracts or other similar documents on the firm's behalf must sign the letter.

1) **Required number of copies:** Respondents responding to this RFQ shall submit **one original and five copies of their submittal** to the address indicated above.

2) **Proprietary Submittal Material:**

Any records or materials submitted to SHA in response to this RFQ become public records under the Washington State Public Records Act (Chapter 42.56 RCW, at <http://www1.leg.wa.gov/LawsAndAgencyRules>). The Act mandates that public records be promptly disclosed upon request unless disclosure of the requested document(s) is specifically exempted by statute. There is no specific exemption for bid documents. "Valuable formulae, designs, drawings, computer source code or object code, and research data," however, are exempt. (RCW 42.56.270). Statutory exemptions are fact specific and narrowly construed. Proposers are expected to be familiar with the Public Records Act, its exemptions, and the limits of those exemptions.

SHA has no obligation to assert an exemption on a Proposer's behalf. If SHA receives a public disclosure request for a Proposer's records, SHA will notify the Proposer of the request and delay disclosing the requested document(s) for ten calendar days to allow the Proposer to file a lawsuit under RCW 42.56.540 to enjoin disclosure. By submitting a proposal, Proposer acknowledges that SHA has no obligation to protect Proposer's documents and will have no liability to Proposer if records are disclosed.

3) **Cost of Preparing Submittals:** SHA will not be liable for any costs incurred by the Respondent in the preparation and presentation of submittals submitted in response to this RFQ including, but not limited to, costs incurred in connection with the Respondent's participation in demonstrations and the pre-submittal conference.

- 4) **Rights Reserved by SHA:** SHA reserves the right to waive, as an informality, any irregularities in submittals and/or to reject any or all submittals. SHA requests that companies refrain from requesting public disclosure of selection information until a contract has been executed as a measure to best protect the solicitation process, particularly in the event of a cancellation or re-solicitation. With this preference stated, SHA shall continue to properly fulfill all public disclosure requests for such information as required by State Law.

D. INFORMATION TO BE PROVIDED IN YOUR PROPOSAL

Response / Submittal Content: To facilitate evaluation, submittals should address and be organized in the order of the outline given below and include the following information:

- Cover Letter
 - Provide resumes for the key personnel named in your response.
 - Include a list of at least three references for whom the firm or team members have performed similar work in the last five years (including agency or business name of client, contact person, address, telephone number and e-mail address if available.) Include references for each of the projects listed in response to question # 2 above.
 - Address each of the evaluation criteria below: Your responses to the eight criteria below shall include the following information in a clear, comprehensive, and concise manner.
- 1) *Description of the proposed development entity and associated team's experience and composition:*
(Where applicable, indicate which specific individuals of the proposing team have experience in the areas listed below.)
- Proposed team and individual team members' experience, abilities, and skill;
 - Experience in planning and construction of mixed-use, mixed-income projects of size and complexity comparable to Yesler Terrace; Experience with managing the design, financing and construction of public infrastructure streets and roadways, green stormwater infrastructure, water, natural gas, electrical, and franchise utilities within existing neighborhoods and right of ways;
 - Examples of collaborative relationships that led to successful developments;
 - History of delivering projects on time and within budget;
 - Your team's philosophy, approach, lessons-learned, and core values for projects like Yesler Terrace; and
 - The role or involvement in project financing to be played by specific members of your team; and
 - An organizational chart that identifies specific roles and responsibilities for your proposed team members, such as project manager, sustainability coordinator, etc.
- 2) *Describe up to three recent projects you have completed, which due to their composition, size and complexity illustrate your experience to undertake a public-private partnership with SHA at Yesler Terrace:*
- Describe each project (including at a minimum its size, type, number of units, and financing) and your role in its planning and development;
 - Provide a description of the similarities and differences between each of the projects you have identified and the Yesler Terrace redevelopment;
 - Identify which of these projects contain elements of a public-private partnership;
 - Describe the nature and sources of financing for each project;
 - Provide examples of collaborative relationships that contributed to the success of these developments;

- Detail whether the projects were delivered on time and within budget and if not, why not;
- Describe the quality of construction and design for each of these projects; and
- Indicate current status of the build-out, occupancy and/or sale of each project, whether the project is available for a tour by SHA, and which members of the proposed development team were involved and their role(s).

3) *Project financing will be a critical factor in the success of the redevelopment of Yesler Terrace. Accordingly, please respond to the following:*

- What resources would you bring to this partnership to ensure that the project's needs for access to capital will be met;
- Describe your experience and skills in financial management of projects of the scope and scale of Yesler Terrace;
- Describe how you envision the project providing the financial resources to meet SHA's goals for public and affordable replacement rental housing;
- Describe the investment return requirements, including specific rates and timing that your potential capital sources of financing will likely expect; and
- Describe any special concerns you have with regard to project financing as well as any creative approaches you anticipate for such financing.
- An outline of key business terms that SHA considers to be important to its business relationship with a Master Development Partner is attached as Exhibit A. In your response to criterion 3, please also acknowledge acceptance of these key business terms or set forth any areas of disagreement, with suggested alternatives to address the business objectives.

4) The Yesler Terrace Redevelopment Plan is the culmination of an extensive public process. Minutes from these meetings are available at <http://www.seattlehousing.org/redevelopment/Yesler-terrace/archive/index.html#minutes>. The project's Citizen Review Committee (CRC) developed a set of Guiding Principles and planning concepts to guide the project (http://www.seattlehousing.org/redevelopment/pdf/YT_Guiding_Principles_English.pdf), which were adopted by the Seattle Housing Board of Commissioners and lay the foundation for all planning efforts.

Discuss and give examples from your previous experience of the approach and methods your team will utilize to assure meaningful participation by the residents of Yesler Terrace and the surrounding community in the planning and implementation of the redevelopment.

5) The City of Seattle and Seattle Housing Authority have a long-standing partnership to improve the performance of SHA buildings and communities. Early in the Yesler Terrace redevelopment planning process, the City and SHA identified this project as one with substantial opportunities for sustainability initiatives, which led to the development of the Yesler Terrace Sustainable District Study (http://www.seattlehousing.org/redevelopment/pdf/YT_Sustainable_District_Study.pdf) to identify district systems for infrastructure replacement, including opportunities for district energy and water reuse. Based upon initial feasibility analysis, SHA believes that a neighborhood or district water reuse system would achieve both substantial environmental and economic benefits for Yesler Terrace. The City of Seattle's Office of Sustainability and Environment is currently seeking interest from private utilities in providing a district heat system for the larger First Hill neighborhood. More information can be found at http://www.seattle.gov/environment/documents/First_Hill_RFQ_2-27-12.pdf.

Discuss your experience with the implementation of environmental sustainability objectives, such as on-site stormwater management and district-wide energy, heating, and water reuse systems as well as any concerns you have about implementing these types of systems.

- 6) Keeping in mind the desire for full alignment of interests, describe your concept for structuring a successful partnership with SHA for the first phase of development of Yesler Terrace, including any decision-making steps that would be required.
- 7) Describe your overall strategy for the redevelopment of Yesler Terrace, including how your proposed development team can optimize the value of the project for SHA, mitigate the risks to SHA and, otherwise achieve or exceed SHA's objectives.
- 8) The project will be subject to a number of social equity goals and requirements, some of which require participation by our partners. Please explain how your team would accomplish the following objectives:

A. Employment: Women and Minority and other Income or otherwise Disadvantaged Individuals:

Describe the approach and methods your team would use to help SHA maximize participation of women and minorities, SHA residents or other low income or disadvantaged individuals residing in the area. The respondent must include as part of its response how it would ensure compliance with equal employment opportunity and non-discrimination requirements, including any specific hiring goals established during the redevelopment of Yesler Terrace. Identify the extent to which these or similar programs and goals have been utilized and achieved in the past by the proposed development team. Additional information regarding the Section 3 employment program can be found at <http://www.seattlehousing.org/jobs/section3/index.html>.

B. Subcontracting: Women and Minority Owned Business and Section 3 Business Enterprise Participation:

Discuss the approach and methods your team would use to help SHA maximize participation of Women and Minority owned businesses and Section 3 businesses, including examples of how this approach, and any methods that will be proposed, have been successful in previous projects that the proposed development team has been responsible for. Additional information regarding the Section 3 business program can be found at:

<http://www.seattlehousing.org/jobs/section3/index.html>.

References

See Section F below which sets forth specific requirements for references, including references for each of the projects listed in response to question #2 above and at least one current credit reference.

E. MASTER DEVELOPMENT PARTNER EVALUATION CRITERIA

Respondents' submittals will be evaluated based on the criteria listed in this section and further described in Section D above. In preparing the submittal to SHA, it is important for respondents to clearly demonstrate their expertise in the areas described in this document. Because multiple areas of expertise are required for successfully performing this project, the Respondent, either through in-house staff or sub-consultants, must demonstrate expertise and have available adequate numbers of experienced personnel in all of the areas described.

Respondents are encouraged to identify and clearly label in their submittal how each criterion is being fully addressed. Evaluation of responses to this RFQ will be based only on the information provided in the submittal package, and if applicable, interviews, and reference responses. SHA reserves the right to request additional information or documentation from the firm regarding its submittal documents, personnel, financial viability, or other items in order to complete the selection process. If a responding firm chooses to provide additional materials in their submittal beyond those requested, those materials should be identified as such and included in a separate section of the submittal.

The following criteria with a point system of relative importance with an aggregate total of two hundred points will be utilized to evaluate the qualifications of each respondent:

Evaluation Criteria – Qualifications		Weighting (Max. Points)
1	Description of the proposed development entity and associated team’s experience and composition. <i>[See Section D, Criterion 1) above for a complete description of this Criterion.]</i>	40
2	Describe up to three recent projects you have completed, which due to their composition, size and complexity illustrate your experience to undertake a public-private partnership with SHA at Yesler Terrace. <i>[See Section D, Criterion 2) above for a complete description of this Criterion.]</i>	40
3	Project financing will be a critical factor in the success of the redevelopment of Yesler Terrace. Accordingly, please respond to the items listed in Criterion 3 above. <i>[See Section D, Criterion 3) above for a complete description of this Criterion.]</i>	40
4	Discuss and give examples from your previous experience of the approach and methods your team will utilize to assure meaningful participation by the residents of Yesler Terrace and the surrounding community in the planning and implementation of the redevelopment. <i>[See Section D, Criterion 4) above for a complete description of this Criterion.]</i>	15
5	Discuss your experience with the implementation of environmental sustainability objectives, such as on-site stormwater management and district-wide energy, heating, and water reuse systems as well as any concerns you have about implementing these types of systems. <i>[See Section D, Criterion 5) above for a complete description of this Criterion.]</i>	15
6	Describe your concept for how a successful partnership with SHA for development of the first phase of Yesler Terrace could be structured, including any decision-making steps that would be required. <i>[See Section D, Criterion 6) above for a complete description of this Criterion.]</i>	15
7	Indicate your approach to redevelopment of Yesler Terrace, including how your proposed development team can optimize the value of the project for SHA, mitigate the risks to SHA and, otherwise achieve or exceed SHA’s objectives. <i>[See Section D, Criterion 7) above for a complete description of this Criterion.]</i>	15
8	The project will be subject to a number of social equity goals, some of which require participation by our partners. Please explain how your team would accomplish the objectives described in Criterion 8 above. <i>[See Section D, Criterion 8) above for a complete description of this Criterion.]</i>	20
MAXIMUM TOTAL POINTS FOR QUALIFICATIONS		200

F. SELECTION PROCESS

RFQ responses will be used to identify a select number of respondents who may then be asked to provide additional clarifying information. SHA reserves the right to make its final selection based solely upon those initial steps. If SHA determines that another step is necessary to narrow the field of qualified respondents, a select number of respondents will be notified and additional information may be requested and/or interviews may be held to determine the final selection.

At the conclusion of the RFQ process, the selected respondent will be invited to enter into a period of exclusive negotiations with the goal of arriving at a mutually acceptable master development agreement.

SHA reserves the right to conduct reference checks, at either or at both of the following two points of the evaluation process:

1. After submittals are evaluated, for the respondent with the highest-scoring submittal;
2. In the event that interviews are held, for the respondent with the highest-scoring submittal and interview.

In the event that information obtained from the reference checks reveals concerns about the respondent's past performance and their ability to successfully perform the contract to be executed based on this RFQ, SHA may, at its sole discretion, determine that the Respondent is not a responsible respondent and may select the next highest-ranked Respondent whose reference checks validate the ability of the Respondent to successfully perform the contract to be executed based on this RFQ. In conducting reference checks, SHA may include itself as a reference if the Respondent has performed work for SHA, even if the Respondent did not identify SHA as a reference.

By submitting in response to this RFQ, the consultant accepts the procurement method used and acknowledges and accepts that the evaluation process will require subjective judgments by SHA and the evaluation panel.

Any protest of the selection process shall be resolved in accordance with SHA's Procurement Policies, which may be reviewed at the following web site address:

http://www.seattlehousing.org/business/guidelines/pdf/Procurement_Policies.pdf.

G. CONTRACT NEGOTIATIONS

SHA shall negotiate with the most qualified Respondent, as determined by evaluation of the responses and, if applicable, interviews. If SHA is unable to reach agreement with the highest ranked firm, it may negotiate with the second highest ranked firm, proceeding in turn to each firm, in order of rank, until a contract is executed.

H. ADMINISTRATIVE INFORMATION

- 1) **Social Equity Requirements:** Appropriate social equity provisions will be included in the Master Development Agreement resulting from the RFQ depending on the nature and funding of the Agreement. The successful Master Development Partner's response to Criterion 8 in the RFQ will be incorporated as part of any resulting social equity plan established for the work. The social equity provisions that will apply include but are not limited to employment of women and minorities as well

as SHA residents or other low income or disadvantaged persons (also know as Section 3 residents), Women and Minority Business Enterprise participation, and Section 3 business participation.

- 2) **Basic Eligibility:** Prior to signing a Contract for these services, the successful respondent must be licensed to do business in the State of Washington and must have a state Unified Business Identifier (UBI) number. In addition, the successful respondent must not be debarred, suspended, or otherwise ineligible to contract with SHA, and must not be included on the General Services Administration's "List of Parties Excluded From Federal Procurement and Non-procurement Programs" or the Department of Housing and Urban Development's "Limited Denial of Participation" list.

- 3) **Conflict of Interest:** It is understood that, in the absence of any actual or apparent conflict, by responding to this RFQ, the Respondent, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to its possible performance of the work to be covered by this solicitation. Conflict of interest is defined as a situation in which the nature of work under a proposed contract and a prospective Respondent's organizational, financial, contractual or other interest are such that: 1) Award of the contract may result in an unfair competitive advantage; 2) The Respondent's objectivity in performing the work may be impaired; or 3) The Respondent has disclosed all relevant information and requested the SHA to make a determination with respect to the contract.

- 4) **Contract Requirements:** The form of the contract to be negotiated as a result of this RFQ shall be a Master Development Partner Agreement. While the bulk of the terms and conditions for such Agreement have yet to be determined, the Respondent may view required contract clauses that may be included in the event federal assistance is used in funding the underlying Agreement. These provisions are included as Exhibit B to this RFQ.

- 5) **Insurance:** Depending on the nature of the agreement developed between SHA and the successful proposer, appropriate insurance requirements will apply. SHA's minimum general insurance requirements include:
 - Commercial General Liability Insurance including Additional Insured Endorsement - \$1,000,000 each occurrence - \$2,000,000 aggregate
 - Commercial Automobile Insurance - \$1,000,000 each occurrence
 - Professional Liability Insurance - \$1,000,000 per claim/aggregate

EXHIBIT A
KEY BUSINESS TERMS

This exhibit is intended to outline key business terms that Seattle Housing Authority (SHA) considers to be important to its business relationship with the Master Development Partner selected by SHA pursuant to its Request for Qualifications (RFQ) for the redevelopment of Yesler Terrace.

1. The Master Development Partner will be expected to make a significant financial commitment to the project.
2. The Master Development Partner will commit to a plan for development on the Property that fulfills SHA's objectives as stated in the RFQ.
3. The Master Development Partner will partner with SHA on a plan for financing and construction of the infrastructure necessary for the redevelopment of Yesler Terrace, including, but not limited to, the following:
 - a. Funded infrastructure investments (e.g., Neighborhood Park, 10th Avenue Hillclimb and cross-site pedestrian connections)
 - b. Core Infrastructure
 - i. On-site Stormwater System
 - ii. Sanitary Sewer
 - iii. Water
 - iv. Power/Lighting
 - c. Development Costs
 - i. Demolition
 - ii. Grading/Site Prep
 - iii. Access (e.g., woonerfs, pedestrian paths)
 - iv. Public and private open spaces
 - d. Coordination with District Utility System, if implemented
4. The Master Development Partner will develop and implement a plan to ensure adequate financing for those aspects of the redevelopment not undertaken by SHA.
5. The Master Development Partner will assist SHA in developing and implementing a plan to provide adequate financing for those aspects of the redevelopment to be undertaken by SHA, including through the sale or long-term lease of portions of the site not required for public purposes.
6. The Master Development Partner will commit to a schedule for the completion of all phases of

the redevelopment project, as mutually agreed upon by the Master Development Partner and SHA.

Master Development Partner and SHA will establish a mutually agreeable schedule for the completion of all phases for the project development.

7. The Master Development Partner will meet all SHA, state, and federal requirements for the permitting (e.g., zoning and other land use approvals) and environmental review (State Environmental Policy Act) for the redevelopment project.
8. The Master Development Partner will, unless otherwise determined by SHA, participate in formal community outreach, public meetings, and hearings where the redevelopment of Yesler Terrace is discussed.
9. The Master Development Partner will provide a plan for the marketing and leasing of the non-public aspects of the project.
10. The Master Development Partner and the SHA will agree on enforceable milestones for its performance under the terms of the Master Development Agreement.
11. The Master Development Partner will commit to performance guarantees and damages for failure to perform on the schedule and in the manner set forth in the Master Development Agreement.
12. The Master Development Partner will indemnify the SHA for any damages resulting from activities or omissions by the Master Development Partner.
13. As an alternative to the sale of individual properties, the Master Development Partner will evaluate the advantages of a long-term ground lease.

Exhibit B Contract Clauses

Contract Clauses for Inclusion in Master Development Agreement, as appropriate (inclusion shall be based on the nature and funding of the agreement established between SHA and the successful Master Development Partner):

ASSIGNMENT: The Master Development Partner shall not assign, subcontract or transfer any services, obligations, or interest in this Contract without prior written consent of SHA authorized in a Change Order. Any such approved assignment or subcontract shall be subject to each provision of this Contract and any procurement procedures required by SHA, the State of Washington, or the United States. In the event of any approved subcontract, SHA shall continue to hold the Master Development Partner responsible for proper performance of the Master Development Partner's obligations under this Contract.

In the event that the Master Development Partner enters into a subcontract for work or services to be provided under this Contract, the Master Development Partner shall cause all applicable provisions of this Contract to be inserted in all its subcontracts.

SUBSTITUTIONS: The Master Development Partner's key personnel identified in Attachment B to this Contract are considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the Master Development Partner shall notify SHA reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on this Contract. Any proposed substitute must have qualifications equal to or better than the key personnel being replaced. No diversion or substitution of such key personnel shall be made by the Master Development Partner without the prior written consent of SHA.

DISPUTES: Any disputes or misunderstandings that may arise under this Contract concerning the Master Development Partner's performance shall first be resolved through amicable negotiations, if possible, between the Master Development Partner's Project Manager and SHA's Project Manager, or if necessary, shall be referred to SHA's Executive Director and the Master Development Partner's senior executive(s). If such parties do not agree upon a decision within a reasonable period of time, the parties may pursue other legal means to resolve such disputes, including but not limited to, alternate dispute resolution processes.

This Contract shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be in the Superior Court for King County.

COMPLIANCE WITH LAWS: In performing the work and providing the services under this Contract, the Master Development Partner shall comply with all applicable laws of the United States, the State of Washington; and the City of Seattle; and the applicable rules, regulations, orders and directives of their administrative agencies and officers thereof. Such provisions include, but are not necessarily limited to:

- A. Anti-lobbying Certification: No Federal appropriated funds have been paid or will be paid, by or on behalf of the Master Development Partner, to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an officer or employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement, the Master Development Partner shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Master Development Partner further agrees to include the language of this certification in the award documents for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients and subcontractors shall certify and disclose accordingly.

- B. Nondiscrimination/Equality of Opportunity: The Master Development Partner shall comply with applicable non-discrimination and equal opportunity provisions of the laws and regulations of the United States, the State of Washington, and the City of Seattle.
- C. Compliance with Federal Section 3 Requirements: In order to meet SHA's goal of economic opportunity for lower-income persons, the Master Development Partner agrees to abide by the terms and conditions of this Section, established pursuant to the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C. 1701u (hereinafter referred to as "Section 3").
1. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
 2. The parties to this Contract shall comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
 3. The Master Development Partner agrees to send to each labor organization or representative of workers with which the Master Development Partner has a

collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Master Development Partner's commitments under this Section 3 clause, and will post copies of the notice in a conspicuous place at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

4. The Master Development Partner agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Master Development Partner will not subcontract with any subcontractor where the Master Development Partner has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
 5. The Master Development Partner will certify that any vacant employment positions, including training positions, that are filled (1) after the Master Development Partner is selected but before the Contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Master Development Partner's obligations under 24 CFR part 135.
 6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD-assisted contracts.
 7. With respect to work performed in connection with Section 3-covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- D. Clean Air and Water: On federally-funded contracts in excess of \$100,000, consistent with the provisions of 24 CFR 85.36(i) (12), the Master Development Partner shall comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40

CFR part 15). These provisions shall also apply to any subcontract of the Master Development Partner in excess of \$100,000.

- E. Energy Efficiency: When applicable, the Master Development Partner shall comply with all standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163) for the State in which the work under this Contract is performed.
- F. HOPE VI Certification and Assurances Form: The Master Development Partner shall obtain and submit to SHA a completed and signed HOPE VI Certifications and Assurances Form for itself and for each sub-Master Development Partner utilized on the Contract. Such form shall be submitted to SHA before work is performed by any sub-Master Development Partner.

INSURANCE AND INDEMNIFICATION: Depending on the nature of the agreement developed between SHA and the successful Master Development Partner, appropriate insurance and indemnification requirements will apply.

CONFLICT OF INTEREST:

- A. Non-Representation: Neither the Master Development Partner, the Subcontractor, employees, agents, or volunteers of the Master Development Partner or Subcontractor, shall be deemed or represent themselves as employees of SHA or the grantor funding this project on account of the services performed in connection with this Contract.
- B. Involvement of Former SHA Employees: The Master Development Partner agrees to inform SHA of any former SHA employee who terminated SHA employment in the last twelve (12) months prior to execution of any project specific contract, and who will be working on or subcontracting for any of the work. The Master Development Partner further agrees that no work will be done by a former SHA employee who terminated SHA employment in the last twelve (12) months prior to execution of any project specific contract, and who, in the course of official SHA duties, was involved in, participated in or acted on any matter related to this Contract.
- C. No Conflict of Interest: The Master Development Partner confirms that the Master Development Partner does not have a business interest or a close family relationship with any SHA employee who was, is, or will be involved in the Master Development Partner selection, negotiation, drafting, signing, administration, or evaluating the Master Development Partner's performance. As used in this section, the term "Master Development Partner" shall include any employee of the Master Development Partner who was, is, or will be involved in the negotiation, drafting, signing, administration, or performance of the Contract. As used in this section, the term "close family relationship" refers to the following: spouse or domestic partner; any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; or any parent, parent-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of an SHA employee described above.

Organizational Conflicts of Interest: The Master Development Partner warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that: 1) Award of the contract may result in an unfair competitive advantage; or 2) The Master Development Partner's objectivity in performing the contract work may be impaired.

The Master Development Partner agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the SHA which shall include a description of the action which the Master Development Partner has taken or intends to take to eliminate or neutralize the conflict. The SHA may, however, terminate the contract or task/delivery order for the convenience of the SHA if it would be in the best interest of the SHA.

In the event the Master Development Partner was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the SHA, the SHA may terminate the contract for default.

The terms of this clause shall be included in all subcontracts and agreements wherein the work to be performed is similar to the service provided by the Master Development Partner. The Master Development Partner shall include in such subcontracts and agreements any necessary provisions to eliminate or neutralize conflicts of interest.

The Master Development Partner hereby acknowledges the requirements of RCW 42.23.030, which prohibits anyone in the Master Development Partner's organization who has an official relationship with SHA, to receive compensation in excess of \$1,500 per month from this Contract.

TERMINATION FOR CONVENIENCE AND DEFAULT:

- A. SHA may terminate this Contract in whole, or from time to time in part, for SHA's convenience or the failure of the Master Development Partner to fulfill the contract obligations (default). SHA shall terminate by delivering to the Master Development Partner a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Master Development Partner shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to SHA all information, reports, papers, and other materials accumulated or generated in performing this Contract, whether completed or in process.
- B. If the termination is for the convenience of SHA, SHA shall be liable only for payment for services rendered before the effective date of the termination.
- C. If the termination is due to the failure of the Master Development Partner to fulfill its obligations under the Contract (default), SHA may (1) require the Master Development

Partner to deliver to it, in the manner and to the extent directed by SHA, any work as described in subparagraph A(2) above, and compensation be determined in accordance with the Extra Work section of this Contract; (2) take over the work and prosecute the same to completion by contract or otherwise, and the Master Development Partner shall be liable for any additional cost incurred by SHA; and (3) withhold any payments to the Master Development Partner, for the purpose of set-off or partial payments, as the case may be, of amounts owed SHA by the Master Development Partner.

- D. If, after termination for failure to fulfill contract obligations (default), it is determined that the Master Development Partner had not failed, the termination shall be deemed to have been effected for the convenience of SHA, and the Master Development Partner shall be entitled to payment as described in paragraph B above.
- E. Any disputes with regard to this section are expressly made subject to the terms of the Disputes section of this Contract.

ROYALTIES AND PATENTS: The Master Development Partner shall pay all royalties and license fees. It shall defend all suits or claims for infringement of any patent rights and shall save SHA harmless from loss on account thereof; except that SHA shall be responsible for all such loss when a particular design, process or the product of a particular manufacturer or manufacturers is specified and the Master Development Partner has no reason to believe that the specified design, process, or product is an infringement. If, however, the Master Development Partner has reason to believe that any design, process or product specified is an infringement of a patent, the Master Development Partner shall promptly notify the Project Manager. Failure to give such notice shall make the Master Development Partner responsible for resultant loss.

AUDITS AND RECORDS RETENTION:

- A. SHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this Contract, have access to and the right to examine any of the Master Development Partner's directly pertinent books, documents, papers, or other records involving transactions related to this Contract for the purpose of making audit, examination, excerpts, and transcriptions.
- B. The Master Development Partner agrees to include in first-tier subcontracts under this contract a clause substantially the same as in paragraph "A" above.
- C. The periods of access and examination in paragraphs A and B above for records relating to litigation or settlement of claims arising from the performance of this Contract, or costs and expenses of this Contract to which SHA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such litigation, claims, or exceptions.

In the event SHA funds any portion of the Master Development Partner's redevelopment work with federal funds and the work involves construction, the provisions below shall apply. It is

understand that any Agreement for such work would include with more specificity the administrative and legal requirements associated with these provisions.

- 1) Contractors shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60).
- 2) Contractors shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3).
- 3) Contractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5).
- 4) Contractors shall comply with Sections 103 and 107 of the Contract Work Hours, and Safety Standards Act (40 U.S.C. 3270330) as supplemented by Department of Labor regulations (29 CFR part 5).