

## Invest South / West Request for Proposals

### Questions and Answers

- 1. When and where will pre-bid conference attendee list be available?**
  - a. The attendee list will be available on the INVEST South/West website within 1 week from the pre-bid conference date ([https://www.chicago.gov/city/en/sites/invest\\_sw/home.html](https://www.chicago.gov/city/en/sites/invest_sw/home.html))
- 2. Will the PowerPoint be available after the pre-bid conference?**
  - a. Yes. The link to the PowerPoint and recording of the pre-bid conference is at [South Chicago RFP Pre-Bid Conference - YouTube](#).
- 3. Do prequalified firms have to submit the qualifications portion of the submission?**
  - a. All respondents need to submit qualifications as outlined in the submittal requirements.
- 4. Has thought been given to how resources can support operating businesses as well as job creation and retention?**
  - a. City funding is most effective and appropriate for capital projects, rather than operational costs. However, programs like TIF Works for job-training support and the ability to work with Cook County on tax abatements do provide some avenues for such support.
- 5. How does the City create wealth focusing on rental and not owner-occupied housing?**
  - a. The RFP represents only one of a number of strategies for strengthening and revitalizing Chicago's neighborhoods. Additional opportunities for encouraging and supporting home ownership are being developed through collaboration between the Department of Planning and Development and the Department of Housing.
- 6. How is the City promoting both design excellence and community development through this RFP?**
  - a. Through the release of this RFP, the City is expressing its commitment to community development and the building of local wealth. To support this work, the City is also committed to Design Excellence to ensure that the built and natural environments throughout the City benefit from high-quality design. The provided pre-qualified list of design firms were selected by an independent jury and should be considered a resource, not a requirement.
- 7. Will responses to the Q&A be recorded and posted in writing?**
  - a. The Q&A for all pre-bid conferences will be uploaded to the City's ISW website ([https://www.chicago.gov/city/en/sites/invest\\_sw/home.html](https://www.chicago.gov/city/en/sites/invest_sw/home.html))
- 8. Where can I find the List of Pre-qualified Designers?**

- a. The List of Pre-Qualified Designers is included in Appendix B.3. of the RFP.
- 9. Must investment go towards human capital and local ownership?**
- a. The City's commitment to local wealth-building is a focal point of the RFP. Projects are intended to encourage local ownership, which is included in the evaluation criteria.
- 10. Will there be a W/MBE commitment goal for soft costs?**
- a. The selected respondent must comply with the City of Chicago's construction requirements. During construction, at least 26% of qualified project costs, which will be determined by DPD, must be paid to City-certified Minority Business Enterprises (MBEs) and at least six percent must be paid to City-certified Woman Business Enterprises (WBEs). In addition, Chicago residents must perform at least half of all construction-worker hours. Projects that receive Tax Increment Financing (TIF) must pay prevailing wage rates for all construction jobs. There is no MBE/WBE requirement for soft costs, but awardees are strongly encouraged to utilize MBE/WBEs in all areas of the project and credit will be given accordingly.
- 11. Are original signatures required, or can electronic signatures be used?**
- a. As noted in the Submission Format section of the RFP, the original RFP response "must be left unbound, contain original signatures, and be marked ORIGINAL." All required signatures are noted in the RFP.
- 12. Can a single confidentiality agreement be submitted per firm?**
- a. As noted in the Submission Contents section of the RFP, "each principal, project manager, and key team member identified in the proposal" must sign a confidentiality agreement. As noted in Question #10 above, original signatures are required in the ORIGINAL submission.
- 13. Will City Hall be open for physical delivery of documents on March 30, 2021?**
- a. City Hall is not currently open to the public; however, a bin will be placed in the lobby of City Hall on March 29 through 4:00 p.m. C.S.T. on March 30, 2021 to collect responses. Staff will confirm receipt of the proposal via email message within two working days following receipt. Should this situation change prior to the March 30th RFP response deadline, notification will be made via the ISW RFP website.
- 14. Is the developer responsible for community engagement, or the City?**
- a. DPD will coordinate a community engagement strategy with the selected respondent.
- 15. Does the general contractor need to be part of the proposal?**
- a. Only if it is part of the development partnership.
- 16. When will the selected development team(s) be identified?**
- a. It is anticipated that such identification will occur Late 2<sup>nd</sup> quarter 2021.
- 17. Can a team submit to more than one RFP?**
- a. Yes, there are no restrictions on how many RFPs a given team can respond to.
- 18. Has a Phase I ESA been conducted?**
- a. No
- 19. What was the process for generating the List of Pre-Qualified Designers?**

- a. The list was compiled by the Chicago Architecture Center and identifies qualified local design firms whose work exhibits Design Excellence. Applicants are not required to select from this list.

**20. How will the City choose between similar proposals, one involving a pre-qualified design firm and one involving a separate firm?**

- a. Selecting one of the pre-qualified designers is not required. Each proposal will be evaluated based on the evaluation criteria set forth in the RFP.

**21. Who makes the final decision on the winning respondent?**

- a. DPD will make this decision based on the evaluation criteria set forth in the RFP. The land conveyance is subject to City Council approval.

**22. Regarding Acquisition costs: How was land valuation determined and is it strictly land or land and building costs? Their appraisal for city owned land on Parcel C was \$8,300.00. Even rounding up to \$10k for that land and assigning the same value per square foot for all parcels, only nets \$72,000 in land value. I'm assuming the difference would be the costs of the rehab buildings on parcels B and A, but would like to confirm?**

- a. Yes, this acquisition costs is the cost to acquire the site which includes the land and existing building at an estimated market price.

**23. If land value includes costs of buildings, what are the components of 'Financing & Fees' that make it greater than land and site work? Not sure if they did a break out between 'equity' in land and site prep and 'debt' for the rest of the acquisition through financing/fees, without actually breaking out what's really for land and what's for buildings or if there's something else we're missing?**

- a. The 'Financing & Fees' components are costs related to issuance of City's obligations and construction period. However, any financing and fees that are incurred in connection with land assembly (closing costs) are incorporated or tied to the acquisition costs.

**24. I'd like to know the methodology for coming up with the 4% LIHTC number of only \$3.3m? We're getting multiples higher of LIHTC based on a similar S&U amount than DPD's example, and when I back out their amounts, things don't seem to add up. Assuming only 100% applicable fraction vs 130%, and that everything is hard costs, their \$3.3m backs out to \$8.3m in residential hard costs. Their example has \$20m in hard costs, and 92% of their square footage is for residential use. So, I'd like to know where the disconnect is so we don't overlook some piece of information for the site that DPD might be incorporating?**

- a. Qualified Basis (QB) accounts only for the affordable residential use of the entire development. This means that only the costs linked to affordable housing can make up the QB. In this case to arrive to the QB of \$11,146,240, we took the construction cost estimates per sq. ft. and only applied it to the 28K sq. ft. associated with affordable housing, out of the total building sq. ft. of 61K. Once the QB is derived, that is figured is multiplied by applicable percentage of 3.2% to get the Annual Tax Credits of \$356K. The Annual Tax Credit is then multiplied by 10 years, for Total Tax Credits of \$3,566,797. Lastly, the Total Tax Credits is multiplied by the price per credit of \$0.93, leaving us with a 4% LIHTC of \$3,317,121.

**24. How does DPD recommend we obtain a legal description for the Offer to Purchase (OTP)?**

- a. DPD will not require a legal description to be included in Exhibit A of the Original OTP

**25. We are part of a team responding to the S. Chicago Invest SW RFP. Quick question on the RFP – Section 7. Financial Information section asks for: *b. Sources and uses of funds statement, Development budget and Pro-forma cash flow projection for rental projects or sales revenue projection for for-sale projects. (Sample format provided in appendix).* Does this needs to be provided in the City's format (included in the appendix) or can the developer present its own Sources and uses, development budget and cash flow?**

- a. It is preferred that respondents complete the City's form..