



**CITY OF CHICAGO - DEPARTMENT OF PLANNING AND DEVELOPMENT ("DPD")
ON BEHALF OF
THE CHICAGO HOUSING AUTHORITY ("CHA")
REQUEST FOR PROPOSALS ("RFP") FOR
THREE CABRINI-GREEN DEVELOPMENT PARCELS**

ISSUED ON: THURSDAY, DECEMBER 31, 2015

ISSUED BY: THE CHICAGO DEPARTMENT OF PLANNING AND DEVELOPMENT
ON BEHALF OF
THE CHICAGO HOUSING AUTHORITY

PROPOSALS MAY BE RECEIVED PRIOR TO, BUT NOT LATER THAN,
APRIL 29, 2016 AT 1:00 PM, LOCAL TIME

Sealed proposals must be received and time stamped no later than the date and time listed in the solicitation and submitted in sealed envelopes or packages. The outside of the envelope must clearly indicate the Respondent name and address, name of the project, the time and date specified for receipt.

PROPOSALS WILL NOT BE ACCEPTED AFTER THE DUE DATE AND TIME.

Respondent Name: _____

Contact Name: _____

Contact Telephone: _____

Contact Email: _____

This selection process is unique to the Scope of Work described herein and notwithstanding any other proposal, qualification or bid requests provided by the Chicago Department of Planning and Development on behalf of the Chicago Housing Authority. Proposers must comply with the requirements as defined in this RFP.

David L. Reifman, Commissioner
Chicago, Department of Planning and Development

Eugene Jones, Acting Chief Executive
Chicago Housing Authority

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KEY INFORMATION

1. **RESPONDENT CONTACT:** The Key Contact identified below is the *sole point of contact* regarding this RFP from the date of issuance until selection of the successful proposer(s).

Benet Haller
Director, Urban Design and Planning
Chicago, Department of Planning and Development
(312) 744-2850
cbhaller@cityofchicago.org

2. **SUBMISSION DEADLINE AND PROCUREMENT TIMETABLE:** The following dates are set forth for informational and planning purposes; however, DPD reserves the right to change the dates.

- Date of Issuance.....Thursday, December 31, 2015
- Questions Due Date and Time.....Friday, February 5, 2016 by 11:00 am
- Pre-Submittal Conference..... Friday February 5, 2016 at 1:00 pm
CHA and DPD encourage all interested firms to attend the pre-submittal conference
- Addendum Released.....Tentatively, Friday, February 12, 2016
- Proposal Due Date and TimeFriday, April 29, 2016 by 1:00 pm Local Time

3. QUESTIONS

All questions must be made in writing and sent by email to the Key Contact identified above, no later than,
Friday, February 5th, 2016 at 11:00 am CST.

Respondents shall only communicate with the Key Contact regarding this RFP and the proposal submitted under it. Questions will be answered to all Respondents, in the form of an Addendum to the RFP if DPD determines that it is in their best interest. Any questions received after the above-mentioned due date and time will likely be unanswered. The DPD and CHA reserve the right, at its sole discretion, to respond to such questions.

4. SUBMISSION INFORMATION

Manual Submission: Any proposal submission must be submitted in a sealed envelope or package and delivered by certified mail or hand-delivered ("manual submission"). Manual submissions require the following number of copies as described below and in "ARTICLE VI Submittal Requirements:"

5. NUMBER OF COPIES (For Manual Submission only):

Submit **1 signed original**
Submit **9 additional copy unbound**
Submit **1 (CD) or (USB) for the Technical Proposal**

IMPORTANT: Do NOT staple, combine or punch holes in any submitted materials. Use binder clips or paper clips only to hold documents together.

FACSIMILE AND/OR E-MAIL TRANSMITTED PROPOSALS WILL NOT BE ACCEPTED

Respondent shall bear all costs of responding to this solicitation.

6. SUBMIT MANUAL PROPOSAL TO:

Benet Haller
Department of Planning and Development
121 North LaSalle Street #1000
Chicago, Illinois 60602

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ARTICLE I INTRODUCTION

The Chicago Department of Planning and Development ("DPD") is the City of Chicago department most responsible for guiding private development, through zoning regulations, financial assistance and coordination with other city and state agencies. DPD includes the Housing Bureau which helps with the development and preservation of affordable housing.

The Chicago Housing Authority ("CHA" or "Authority") is a municipal corporation established in 1937 pursuant to the Illinois Housing Authority Act, 310 ILCS10/1, et seq., to administer federal housing programs to provide temporary housing for people with incomes insufficient to obtain "decent, safe and sanitary" dwellings in the private market. Today the CHA's mission is to ensure the provision of affordable housing opportunities in a variety of communities for lower-income households.

The CHA receives certain funding from the United States Department of Housing and Urban Development (hereinafter, "HUD") and is entitled to apply for funding to acquire, construct, modernize, maintain, and operate public housing. In addition, the CHA administers several programs funded and regulated by the State of Illinois and the City of Chicago. These programs are parallel to federal housing programs and include conventional, rental assistance and community development components.

CHA is the third largest public housing agency in the United States and has been fully engaged in completing the Plan for Transformation since 2000. In 2013, CHA launched a new strategic plan, Plan Forward, which lays out strategies to fulfill CHA's obligations under the original Plan for Transformation and for a new future for CHA, residents and communities. In 2015, the CHA affirmed its commitment to return a minimum of 1800 public housing units in the Cabrini-Green Development Area. This RFP will result in the minimum creation of 970 public housing units towards this goal.

A. DEFINITIONS

1. "Business Day" means Monday through Friday, excluding Federal or state holidays.
2. "Calendar Days" means a day, relating to any day of the week, month or year.
3. "Contract" means the development agreement entered into between the CHA and the "Selected Respondent(s)" resulting from the RFP.
4. "Contracting Officer" means the Deputy Chief Procurement Officer of the CHA Department of Procurement and Contracts or such other party as the CHA may designate.
5. "Competitive Range" means the scoring range as determined during the evaluation process for competitive negotiation, which includes only those Respondent's proposals considered to have a reasonable chance of being selected for award and who are therefore chosen for additional discussions and negotiations.
6. "Respondent" means the firm, company, organization, vendor, etc. responding to the RFP.
7. "Selected Respondent(s)" means the firm, company, organization, vendor, etc. awarded a contract.
8. "Services" means duties and responsibilities described in the Scope of Services and any and all work necessary to complete them or carry them out fully as required and in accordance with the terms of the Contract.

ARTICLE II INTENT AND PURPOSE

The Chicago Department of Planning and Development (“DPD”) on behalf of the Chicago Housing Authority (“the CHA”) invite submissions of proposals for Development Teams through this Request for Proposals (RFP) for the planning, design, finance, development and management of mixed-income/mixed-use development at three specific sites in the Cabrini-Green (“the “Cabrini-Green Development Area” or “Development Area”) area, in accordance with the goals and requirements articulated in the following RFP.

The redevelopment efforts in the Cabrini-Green Development Area provide a unique opportunity to create an affordable, diverse, connected and vibrant community for Chicago residents. Through this RFP and subsequent RFPs for parcels in the Development Area, the Near North Working Group seeks to: 1) create a healthy mixed-income residential neighborhood including schools, parks, churches, community facilities, shopping and employment opportunities; (2) reduce or eliminate blighting condition; and (3) employ residents in jobs in the project area.

The Chicago Department of Planning and Development (DPD) may recommend and CHA may award each of the three parcels to a different development team.

ARTICLE III BACKGROUND

All CHA development is subject to the judgment order in *Gautreaux v. CHA*, a federal court case. Because of restrictions in the judgment order, the Selected Respondent(s) and the CHA will need to achieve compliance with the applicable provisions of the judgment order and, where necessary, to obtain authorization by the Gautreaux Court. (Exhibit 1)

A. Revitalization Scope

In 2012, the CHA and Near North Working Group (“NNWG”) undertook an extensive community planning process that resulted in a Development Zone Plan (“DZP”) for the approximately 65 acres of land that will be redeveloped in the Cabrini-Green area. The DZP was presented to the Near North community in April 2015 and identified a physical framework and basis for this RFP including, land use, density, and unit mix. The DZP identifies a community that is vibrant, walkable, connected and based on the principles of Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND).

This revitalization must provide new housing for both ownership and rental opportunities. It must also ensure availability of varied unit sizes to individuals/families of different incomes (i.e. public housing, affordable, and market-rate). To that end, the CHA has committed to returning public housing rental units of which are to be no less than thirty-three percent (33%) and no more than forty percent (40%) of the total units of the development. Extra points will be awarded in the scoring of proposals with financially sound deals that provide the maximum number of public housing units.

Where appropriate, retail/commercial proposals and the long term viability and sustainability, need within the neighborhood of proposed tenants, and number of employment opportunities for CHA residents are also highly encouraged. Please review the DZP when putting together a response to this RFP. Attachment A identifies the three (3) sites that are subject to this RFP. Respondents may submit for one site or multiple sites, each site must be an independent proposal. Failure to do so may render the submittal(s) non-responsive.

B. The Cabrini Green Property

The Cabrini redevelopment area is bounded by North Avenue to the north, Chicago Avenue to the south, Chicago River to the west, and Wells Street to the east. The Cabrini Green CHA development was developed between 1942 through 1962 consisting of four developments comprising more than 3,600 units of public housing:

- Frances Cabrini Rowhouses: Built in 1942, 586 units (deemed eligible for listing on the National Register of Historic properties) – All buildings remain
- Cabrini Extension North and South: Built in 1958, 1,921 units – All demolished
- William Green Home: Built in 1962, 1,102 units – All demolished

In 1994, CHA received a HOPE VI grant for redevelopment of Cabrini Extension North, but demolition and construction plans were halted in 1996 due to a lawsuit filed by Cabrini public housing residents through the Cabrini-Green Local Advisory (“Cabrini LAC”). On August 15, 2000, CHA entered into a Cabrini-Green Consent Decree (“Consent Decree”), which allowed redevelopment to proceed. (*Cabrini-Green Local Advisory Council vs. CHA and et.al.* (96 C 6949) (Exhibit 2))

At the beginning of the Plan for Transformation (October 1, 1999), only 1,748 units at Cabrini were occupied out of the original 3,609 units. CHA started demolition of the buildings in 1995 and continued through 2011. Only the Francis Cabrini Rowhouses comprised of 586 units remain: 146 were renovated in 2009 and the other 440 units are vacant.

C. The Near North Redevelopment Initiative (NNRI)

The Near North Redevelopment Initiative (“NNRI”) and the CHA HOPE VI revitalization plan adopted June 30, 1997; (Exhibit 3) provides a framework for redevelopment of the Cabrini-Green Extension North and other surrounding property in the neighborhood. Several key relevant goals of the Near North Redevelopment Initiative plan include: (1) creating a healthy mixed-income residential neighborhood including schools, parks, churches, community facilities, shopping and employment opportunities; (2) reducing or eliminating blighting condition; and (3) employing residents in jobs in the project area. The NNRI outlined the locations for residential developments and for public improvements such as expanded park facilities, new schools, and a new police station. Further, it proposed the creation of a commercial center at the intersection of Clybourn Avenue and Division Street.

Objectives that have been established to further these goals include: (1) stimulating private investment to facilitate development of economically integrated residential neighborhood that includes public and private housing units; (2) promoting the development of new low, very low, and moderate income housing in the area; and (3) promoting the development of neighborhood shopping areas as part of a town center concept that integrates commercial, community support and recreational uses.

The City’s actions to encourage development to achieve the goals and objectives include: (1) achieving significant, new economically integrated residential and commercial growth that results in the provision of affordable and accessible housing for all income levels; (2) implementing a plan that addresses redevelopment costs including land assembly, relocation, environmental remediation, site improvements and other activities to encourage new development; and (3) entering into redevelopment agreements and exercising other powers necessary to implement the Near North Redevelopment Plan.

The area has seen a number of new residential developments including several multi-unit residential developments contributing to the Consent Decree. Over 2,282 units of housing have been built at thirteen

mixed-income sites in the neighborhood. Substantial new public infrastructure has been constructed (including new police, library, park and school facilities) in addition to a new community center located on Division Street.

D. The Near North Tax Increment Financing (TIF)

The Near North TIF was designated in 1997 to support the transformation of the Cabrini-Green public housing complex and adjacent blighted properties into a healthy, mixed-income community that is connected to adjacent Near North Side neighborhoods. At the time of its designation, the 340-acre district was characterized by partially occupied high- and mid-rise housing projects, irregular lot sizes and street patterns, vacant lots, and random institutional and open space uses. Private investment in the area was non-existent due to the abundance of publicly-owned properties. The TIF is designed to provide resources to revitalize the area with new mixed-income townhomes, single-family houses, multi-unit buildings, new commercial facilities and institutional projects. Funds are targeted to support land assembly and demolition efforts, rehabilitation costs, public works improvements, job training initiatives, and relocation assistance. Respondents are encouraged to read the TIF plan in detail. The complete Near North Redevelopment Plan can be found on the City of Chicago Department of Planning and Development website at: http://www.cityofchicago.org/content/dam/city/depts/dcd/tif/plans/T_030_NearNorthRDP.pdf.

E. The Cabrini-Green Consent Decree and Other Requirements

1. Consent Decree

This RFP is issued in the context of the NNRI and the Consent Decree between the Cabrini-Green Local Advisory Council, the CHA, and the City of Chicago regarding the process for the redevelopment of the Cabrini Extension North public housing development. (*Cabrini-Green Local Advisory Council vs. CHA and et.al. (96 C 6949)*) Both of these documents are included as Exhibits 2 & 3. The goal of these two documents is the creation of a mixed-income community with a minimum of 700 public housing units and 270 affordable rental units within the boundaries of the Near North Redevelopment Project Area. Proposals that identify a workable and specific long-term strategy to maintain affordability for both rental and for-sale units are encouraged.

To date, 434 mixed-income public housing units have been built and occupied and 62 mixed-income public housing units are under construction or targeted for closing by the end of 2015 and 180 affordable units have been built and occupied and 62 affordable units are under construction or will close by the end of 2015.

2. Income Mix

a) Consent Decree Land

Sites 1 and 3 are on land governed by the Cabrini Consent Decree. For development on Consent Decree land, the mixed-income residential developments are to contain: 1) no more than 50% market rate units; 2) no more than 20% affordable units as defined by the Consent Decree; and 3) no more than 40% and no less than 33% public housing units.

b) Non Consent Decree Land

Site 2 is considered non-Consent Decree land. For development on non-Consent Decree land, the mixed-income residential developments are to contain: 1) no less than 33% nor more than 40% public housing units and a mix of affordable and market rate housing.

3. Ownership/Partnership Opportunity for Residents

Sites 1 and 3 are governed by the Consent Decree provision that requires that Cabrini “LAC or its affiliated Development entity be a partner, or other form of owner, with up to 50% interest in the ownership of the partnership (or other entity) chosen to be the developer of housing” and that “the LAC (or its affiliated development entity) participate in (i) the receipt of developers’ fees and profits (provided the LAC uses such fees and profits for not-for-profit purposes to benefit current and displaced Cabrini-Green residents...(ii) the selection of property managers and construction contractors, (iii) the planning of the development and (iv) the development of resident and other programs.”

F. Working Group

The Near North Working Group (“Working Group”) has guided the planning and implementation of the Cabrini-Green redevelopment sites. The Working Group makes recommendations to CHA on Developer selection. The Working Group will have on-going participation with the Selected Developer and includes representatives from:

- The Chicago Housing Authority
- Cabrini-Green Local Advisory Council (LAC)
- Business and Professional People for the Public Interest (BPI), the Plaintiff Counsel in *Gautreaux vs. CHA*
- City of Chicago Department of Planning and Development.

G. Surrounding Community

Cabrini is in Chicago’s 27th Ward (Alderman Walter Burnett). The development is at the intersection of the following neighborhoods: River North; Gold Coast; Goose Island; Lincoln Park; and Old Town.

H. Community Amenities

Parks

Stanton Park is 6.56 acres located along Evergreen Avenue between Burling Street and west of Cambridge Street. Seward Park is 7.32 acres located along Division Street between Orleans Street and Hudson Avenue and was significantly expanded as part of the Near North Redevelopment Initiative. Durso Park is 1.29 acres located along Locust Street between Hudson Avenue and just west of Sedgwick Street.

Schools

The area has several schools including: Jenner Academy for the Arts (elementary school) at Cleveland Avenue and Elm Street; Walter Payton Academy at Oak and Wells Street; Skinner Classical North on Scott Street; and new Chicago Quest on Clybourn Avenue and Ogden Avenue.

Police and Fire

As part of the Near North Redevelopment Initiative a new police station was built at the southwest corner of Division and Larrabee. The Fire Station for the neighborhood is kitty corner to the police station at the northeast corner of Division and Larrabee

Libraries

A new near north library was built in the late 1990s just east of the brown line tracks at 310 West Division Street.

I. Retail Corridors

The North and Clybourn Corridor is among the largest agglomerations of retail in the city outside the central business district, in recent years the corridor has been extended further south along both Clybourn and Halsted. This puts many shopping and employment opportunities in close proximity to these development parcels and all Respondents are asked to consider the type of retail spaces and the best locations to build on the overall growth of this retail corridor. Beyond streets such as Halsted, Clybourn and Division, Larrabee south from Clybourn to Division would be a good opportunity for smaller scale retail store fronts to connect the Target at Division Street into the larger Clybourn Corridor.

J. Transportation and Access

The neighborhood is well served by public transportation including the Chicago Transit Authority rapid transit rail stations for the Red Line (at Division and Clark Streets) and the Brown Line (south of North Avenue on Sedgewick Street) and bus routes along Division Street, North Avenue, Sedgewick Street and Halsted Street.

K. Residential Development

The past ten years has seen the completion of residential developments including the Homes of Mohawk North, Mohawk Partners, Orchard Park, North Town Village, Renaissance North, River Village South, River Village Pointe, The Larrabee, and Parkside of Old Town. Other developments include public housing as a part of mixed-income redevelopment and serve as additional examples that mixed-income development can aid in the creation of a vibrant neighborhood.

Three sites have been developed according to the standards of the Near North Redevelopment Initiative and the Cabrini-Green Consent Decree with 50% market rate, 30% public housing replacement units and 20% affordable units. They are: North Town Village, a 261-unit development on the east side of Halsted Street at Evergreen Avenue developed jointly by Holsten and Kenard Development; Renaissance North, a 59-unit apartment building at Larrabee and North Avenue developed by the Renaissance Companies; and five (5) three-flats on city lots in the 1500 block of North Mohawk Street.

Holsten and Cabrini-Green LAC Community Development Corporation (the development arm of the Cabrini LAC) are the selected development team for Parkside of Old Town, the 18-acre Cabrini North Extension property (south of Division and east of Larrabee Street). Two (2) of the three (3) phases of the 790 mixed-income unit development known as Parkside of Old Town are completed.

L. Cabrini-Green Development Zone Plan

In March 2011, CHA began the planning process which created the Development Zone Plan (DZP) for the vacant land in the Cabrini area. The planning team analyzed the current conditions of the area and made recommendations for future development to enhance the neighborhood and achieve the overall housing goals of the previous plans and legal agreements among the parties within the Near North Working Group. Extensive meetings were conducted with city agencies, the Near North Working Group, and the community. In April 2015, two additional community meetings were held to present the final plan to the community. The DZP will be used to provide a physical framework for development in the community that is vibrant, walkable, connected, and based on the principles of LEED-ND. The recommendations in the DZP are intended to guide redevelopment on density, new streets, open space and uses, and will provide a basis for an RFP. (Exhibit 4)

ARTICLE IV

SCOPE OF SERVICES/ STATEMENT OF WORK

A. SCOPE OF SERVICES

This new mixed-income, mixed-use residential development should establish a welcoming, diverse neighborhood that promotes healthy living and empowerment via education, economic development and civic participation. It should foster retail, commercial and small-business development, and creation of neighborhood jobs. It should also reinforce the strong commercial identity along major thoroughfares, and build on the character of the surrounding community. The new development should be built to last, with quality materials and practices sustained and maintained over time. It will apply the best “green” and “clean” approaches to support a healthy community.

The Selected Respondent(s) will assume responsibility of the overall development process, including but not limited to predevelopment work, design and site planning, infrastructure and utility planning, site preparation, environmental engineering and remediation, preparing funding applications, assembling and securing financing, obtaining necessary governmental approvals such as zoning and building permits, residential and commercial marketing and leasing, ongoing property management, community building, and community and supportive services. Completion of the entire redevelopment in a timely fashion is critical; however, DPD and the CHA are open to exploring a phased development approach.

Cabrini-Green Development Zone Plan Sites (2015)

The Cabrini-Green Development Zone Plan 2015 (DZP) development sites total approximately 14 acres. The DZP Development Area is roughly bounded by North Avenue on the north, Orleans Street on the east, Chicago Avenue on the south, and Halsted Street on the west.

This RFP seeks development proposals for three (3) sites. The DZP Sites are: 1) the old Near North High School between Clybourn Avenue and Larrabee Street; 2) land north and east of Halsted and Division; and 3) land south and east of Oak and Larrabee. Respondents may submit a proposal for one or more sites, however each site must have a separate proposal submittal. A map of each of the sites targeted for development is provided in Attachment 1.

B. STATEMENT OF WORK

The revitalization proposal (“proposal”) should provide a minimum of number of units at each site as outlined in Attachment 1 and meet the requirements for the proportions of public housing, affordable, and market rate units. The unit mix percentage for each site is contingent on whether the site is governed by the Consent Decree. The proposal should provide for both rental and for-sale options, including affordable homeownership. The affordable homeownership-option should be based on viable and feasible programs such as CHA’s “Choose to Own” program. A portion of both the rental and homeownership component should be classified as “Affordable” and made available to households across a continuum of affordability. The proposal should also foster retail/commercial development for local job creation. It is expected that these developments and their individual buildings will achieve LEED and/or Energy Star certification.

The LEED-ND rating system integrates the principles of smart-growth, urbanism and green building into the first national system for neighborhood design. It is important that the development proposals advance the standards of LEED-ND and the development location and design meet accepted high levels of environmentally responsible and sustainable development. Respondents shall consider design, construction of buildings and infrastructure, walkability, high quality public transit access, reintroduction of

neighborhood scale retail uses, permeable alleys, neighborhood-scale open space, and reducing automobile dependence by providing transportation alternatives. In addition, CHA will seek LEED-ND benefits for residents-including improved health, lower energy costs, on-site jobs, and lower maintenance costs. For more information on LEED-ND, visit <http://www.usgbc.org>.

Redevelopment Goals: In an effort to guide the development proposal, CHA established the following goals as critical to the success of revitalizing this site.

Overall Goals

- Create a quality environment that is stable, secure, and sustainable, with amenities, services, and other attributes that attract a diverse range of incomes and backgrounds and foster a cohesive, mixed-income community.
- Maximize opportunities for meaningful ongoing participation for community residents of all incomes in the redevelopment process.
- Provide supportive services, including the implementation of community building measures that promote communication among residents of all housing types and incomes.
- First floor commercial/retail development encouraged where appropriate.
- Maximize long-term employment and business opportunities for CHA and community residents

Housing Goals

- Maximize the opportunity for affordable housing (rental and ownership) in the Near North area by creating a continuum of affordability, permitting community residents to stay in and return to neighborhood; opening paths to renters to own, etc.
- Create an attractive, safe and sustainable mixed-income mixed-use neighborhood, where public housing, affordable housing and market-rate housing are seamlessly integrated with the surrounding community.
- Several public housing units should be available for residents earning between 60-120% of Area Median Income (AMI).
- Provide high-quality management of the newly developed housing. Provide security to ensure the safety of residents.
- Ensure that the public housing is externally indistinguishable in quality and visual appearance from the other housing and maximize the extent to which units at different levels of affordability and for larger households are dispersed within each building and across the development sites, and among a variety of housing types.
- Maintain the long-term affordability and preservation of the affordable (whether for-sale or rental) and public housing units and provide homeownership opportunities for qualified public housing residents.

- Construct durable, healthy, and energy-efficient buildings which utilize sustainable, environmentally friendly materials and methods.
- Ensure compliance with all applicable local, state, and federal laws and CHA's commitment to HUD regarding housing and site accessibility for people with disabilities.
- Maximize the number of accessible, adaptable and visitable units for people with disabilities, and ensure compliance with all applicable laws concerning housing and site accessibility.

Public Facilities and Infrastructure

- Reestablish a walkable street network by dedicating new rights-of-way in specific locations
- Ensure that existing utility easements are not compromised during site development.

Financing

- Maximize the use of private equity and other sources of public funding beyond traditional CHA and City sources.
- Provide a fair return to CHA for CHA-owned land and capital contributions. This may take the form of a monetary offer for the use of land, a partnership structure where the value of CHA's land is considered equity in deal or CHA's participation in any project earnings in excess of negotiated fees. CHA understands the final form and amount of any excess earnings will be a function of the structure of each transaction.
- Proceed with redevelopment within 12-18 months of selection. The amount of public funds will be contingent upon proposals that provide a timeline for redevelopment.

Accessibility Requirements

The Selected Respondent(s) shall be responsible for ensuring that the development as a whole, and each building in the development in particular, meets all federal, state, and local standards, codes, regulations, statutes, laws, and/or any other requirements relating to or arising under all applicable federal, state, and local building codes, including, but not limited to, the Uniform Federal Accessibility Standards, the Americans with Disabilities Act of 1990, as amended, Section 504 of the Rehabilitation Act of 1973, as amended and as implemented in 24 CFR Part 8, the Fair Housing Act Design Manual, the design and construction requirements of the U.S. Department of Housing and Urban Development, the Architectural Barriers Act of 1968, and Chapter 18-11 of the Chicago Building Code. In addition to requirements under other applicable federal, state and local standards, codes, regulations, statutes, and laws, the developer shall meet the specific requirement that it make 5.3% of the inventory used to house public housing residents accessible to persons with mobility impairments in compliance with the standards set forth above, and 2.1% of the inventory used to house public housing residents accessible to persons with sensory impairments in compliance with the standards set forth above.

The Selected Respondent(s) shall utilize certain resources provided by the CHA with respect to compliance with the laws, regulations, and standards set forth above. In particular, the Selected Respondent(s) shall utilize the third-party contracted by the CHA to perform inspections at both the 50% and 90% stages of construction progress; shall implement corrections noted by the third-party during said inspections; shall utilize the third-party contracted by the CHA to conduct a final inspection at such time that the Selected

Respondent(s) contends that construction is complete; and shall implement any necessary corrections, all prior to closing. The Selected Respondent(s) shall provide the CHA with 15 business days' notice that the 50%, 90%, and final completion benchmarks are to be attained and shall fully cooperate with both the CHA and its third-party contractor in providing access to the site to perform the necessary inspections and so that the CHA may obtain from the third-party contractor a certification that the applicable disability accessible units and common areas of the development are in compliance with all applicable disability accessibility and housing use standards set forth above.

In the event that any governmental entity, authority, or agency which has jurisdiction over all or any part of the development finds that any part of the development does not meet some, any, or all of the standards set forth in paragraphs above, the Selected Respondent(s) shall, at its sole cost and expense, and at no cost to the CHA, correct every deficiency identified by the governmental entity, authority, or agency having such jurisdiction, unless the identified standard which has not been met was enacted or promulgated subsequent to final completion and acceptance of the development.

Development Incentives

Given the limited amount of public funding available for the redevelopment of public housing, the extent to which respondents have been able to leverage public housing development funds with sources of private funds, such as developer equity or developer debt or some combination of the two, will be an important element in determining which development team will be selected. This section lists some of the public funds, which have been used in the past for mixed income housing development. The availability, sources and extent of funding for this project have yet to be determined.

1. Public Housing Capital Funds

CHA plans to make funds available for the development of the CHA units required as part of this RFP with HUD's Total Development Cost regulations. In addition, public housing funds may be available for environmental remediation on a phase-by-phase basis and need is reasonably demonstrated that without such funds construction of such phase would be infeasible. The Selected Respondent(s) will utilize the public housing funds to secure additional private and public funding. Market rate housing is not eligible for public subsidies.

2. **Near North Tax Increment Finance ("TIF") Redevelopment Project Area:** The property is located in the Near North TIF Redevelopment Project Area and development of the property must advance the goals of the Near North Redevelopment Project Area Plan. The Near North Redevelopment Area is an irregularly shaped area located in the area bound by North Avenue, Wells Street, Chicago Avenue and the North Branch Canal of the Chicago River. TIF assistance will be considered for proposals that provide tangible public benefits, however, such assistance is not guaranteed. Public benefits may consist of affordable housing units, new or retained permanent jobs, new retail services in an underserved community, cultural activities, preservation of a historic building, social services, fiscal benefits, innovative environmentally sustainable features or other desired benefits identified in the TIF district's redevelopment plan. Proposals that request TIF assistance must demonstrate the need for such assistance. Refer to the Development Incentives section of this RFP for more information concerning the benefits and responsibilities of TIF assistance. The document can be viewed and/or downloaded from this location: http://www.cityofchicago.org/city/en/depts/dcd/supp_info/tif/near_north_tif_.html.

3. Other Affordable Housing Development Subsidies

The City of Chicago Department of Planning and Development ("DPD") makes allocation of Low

Income Housing Tax Credits (LIHTC), tax-exempt bond financing, Community Development Block Grant (CDBG) and HOME funds. Use of these funds is subject to approval by the City Council. Tax-exempt bond funding, LIHTC's, loans and mortgage insurance may also be available from the Illinois Housing Development Agency (IHDA) upon application. The Federal Home Loan Bank also makes soft loan funds available for affordable and mixed income housing development. DPD also manages the New Homes for Chicago program which makes home ownership affordable to individuals and families earning up to 80% of area median income through a combination of developer and buyer subsidies. Resources in the New Homes for Chicago program are limited.

4. "Choose To Own" Program

CHA encourages the creation of home ownership opportunities for public housing residents. The CHA Board of Commissioners has approved a home ownership policy for qualified public housing residents. The program utilizes the Section 8 Housing Choice Voucher to supplement earned income to assist in making mortgage payments. This "Choose to Own" program would allow public housing residents to purchase for-sale housing, if they apply and meet criteria for employment, income and self-sufficiency. The Home Ownership Policy is included as Exhibit 5.

5. *CHA Property Rental Assistance Program and/or Rental Demonstration Program

a. The Property Rental Assistance Program (PRA) provides developers and residential property owners with a rental subsidy for a period of 5-30 years for new construction and rehabilitation developments, as well as existing units ready for occupancy. Developers or owners of approved properties will enter into a long-term Housing Assistance Payments (HAP) contract with CHA for a specified number of units. The HAP contract provides monthly rental payments from CHA equal to the difference between the contract rent for that unit and the tenant's portion of their income based rent, minus a utility allowance. Units must be leased to families on CHA's waiting lists.

Generally, contract rents are set at 110% of HUD's published Fair Market Rents (FMR) or the neighborhood market rent, whichever is less, minus an allowance for tenant-paid utilities. For developments located in a CHA-designated Opportunity Area, contract rents are set at 150% of the HUD published FMR or the neighborhood market, whichever is less, minus an allowance for tenant-paid utilities. All contract rents must be supported by neighborhood comparables.

Please note that PRA assistance may not be combined with CHA Capital Funds for the same unit.

For more detailed information and to access the application for PRA assistance, please visit CHA's website at www.thecha.org/developmentfinancing.

b. The Rental Assistance Demonstration (RAD) is an initiative developed by HUD that focuses on the long-term affordability, preservation and upkeep of public housing. The program has two primary benefits: 1) the provision to secure a long-term Housing Assistance Payment (HAP) contract for publicly-assisted units that provides a more consistent funding stream; and 2) the ability to leverage private financing for capital improvements to publicly-assisted units.

In June 2015, CHA received a RAD portfolio award for more than 10,000 units, representing the largest award in the country. CHA properties within the portfolio will transition to PBV assistance under RAD with initial contract rents set by HUD.

Contract rents are adjusted annually based on the Operating Cost Adjustment Factors (OCAF). Under RAD, residents' share of the contract rent will continue to be based on 30% of their adjusted

household income. The RAD funding commitment is currently for 20 years with an automatic renewal every 20 years.

The availability of RAD assistance is at the discretion of the CHA and should not be assumed in the proposed development budgets.

Employment, Community Participation, and Supportive Services Requirements

1. Community Employment

The Selected Respondent(s) shall include a workable plan for hiring Chicago residents in conjunction with the Chicago Hiring Ordinance and hiring strategy and workforce development for local community residents.

2. Resident and Community Participation

Pursuant to the Consent Decree, the Selected Respondent(s) will be required to include an ownership participation component for the Cabrini Local Advisory Council for Consent Decree parcels (Attachment 1 Sites 1 and 3). The Consent Decree requires that “the LAC or its affiliated development entity be a partner, or other form of owner, with up to 50% interest in the ownership of partnership (or other entity) chosen to be the developer....” And that the “LAC (or its affiliated development entity) participate in (i) the receipt of developers’ fees and profits (provided the LAC uses such fees and profits for not-for-profit purposes to benefit current and displaced Cabrini-Green residents as further described in subparagraph (6) [of the Consent Decree], (ii) the selection of property managers and construction contractors, (iii) the planning of the development, and (iv) the development of resident and other programs.” “One of the criteria ranking of the proposals in response to the RFP shall be Respondents’ proposed process and programmatic strategies for achieving meaningful participation by residents and stakeholders of the redeveloped community in the decision-making and ongoing operations of the development. “

Respondent submissions/proposals must specifically articulate any proposed extent and limitations of the LAC’s participation (financial or otherwise). Once a Respondent is selected, the proposed extent and limitations shall be set forth in the “rights and responsibilities” section of the partnership (or other joint ownership) agreement between the Selected Respondent(s) and the LAC. Ownership interest/component cannot be negotiated or “re-negotiated” after a Development Team has been selected. Direct contact with the Cabrini LAC and/or its affiliated development entity or members of either entity is prohibited until after a Development team has been selected and approved by the CHA Board of Commissioners. Violation of this directive may result in the invalidation of the entire procurement and/or disqualification of Respondents and/or Evaluators. Specific details are provided on this issue in Section IIIA of the attached Consent Decree (Exhibit 2).

The Cabrini-Green LAC is the federally recognized tenant organization charged with representing the residents of the Cabrini-Green Public Housing Development. The LAC board is composed of building presidents who are elected every three years. It is the desire of the Cabrini residents, through their LAC, to meaningfully participate in the development and management of their new homes. Such ownership participation may count towards satisfying the “Resident and Community Participation” criterion described in the Evaluation Criteria (Section VI).

Since its formation, the Cabrini LAC has played an active role in the engagement of a large number

of public housing residents in the community planning and development process that resulted in the Near North Redevelopment Initiative.

Currently, the Cabrini LAC's development arm, Cabrini Green LAC Community Development Corporation, is a joint partner with Holsten Development Corporation to develop the 18-acre property known as Parkside of Old Town. Members of the LAC also have experience in property management of public housing.

The LAC has participated in several collaborative efforts with stakeholders in the community. These efforts have fostered opportunities for the construction of new housing units, retail centers, creation of jobs and job training, increase in social services, and improvements in public facilities, all of which serve residents within the broader context of the Near North Community. The LAC has direct and ongoing relations with staff of the CHA, and the City Departments of Human Services, Housing, and Planning & Development. Additionally, many social service providers seek the assistance of the LAC in creating and/or expanding services within the community. The working relationships that the LAC has with these stakeholders illustrate the LAC's access to resources essential to building viable communities. Overall, members of the LAC are experienced in working to shape the physical design and social dynamics of their community.

The CHA will encourage the short-listed respondents or the Selected Respondent(s) to solicit community involvement in the preparation of their response with the exception of direct contact with the Cabrini LAC or LAC-CDC, which is prohibited. Redevelopment must be sensitive to the issues facing Cabrini-Green residents, including the disruption that accompanies construction and relocation.

3. Property Management

The public housing units developed pursuant to this RFP must be maintained and operated by the Selected Respondent(s) in compliance with all requirements of applicable law, HUD, and CHA rules, policies and regulations, and all applicable decrees and orders. The Selected Respondent(s) will be expected to develop a property management plan that articulates a strategy to achieve and maintain a sustainably affordable community. Goals for property management include long-term, high-performance resident satisfaction. Property management shall include plans to address leasing, occupancy, social service referrals, and grievance procedures. Successful property management will also include working with existing social service networks and community groups.

4. Community and Supportive Services

Community and Supportive Services ("CSS") are a critical component to the success of this project in part to ensure that residents and other eligible CHA families become and remain lease compliant and meet the property specific requirements. The Respondents proposal will need to contain a Social Service Plan that addresses the provisions and funding of social services across pre-construction, construction, initial and post occupancy phases. Social service plans will identify funding for social services, leveraged resources, strategic partnerships, community integration, employment, employability training programs and other services to all residents of the mixed income community. Currently the CHA through its FamilyWorks program contracts out to a social service agency that is responsible for providing services to families assigned to its caseload. Through FamilyWorks, the Cabrini-Green community can access workforce, youth and, counseling services as well as housing stability services for those in need.

ARTICLE V REQUIREMENTS

Due to the nature and scope of this redevelopment effort, DPD and CHA expect that Selected Respondent(s) will have diverse team composition with significant experience by team members in the following specific areas:

- Lead Respondent (Developer) has a minimum of five (5) years' experience in affordable and mixed-income housing development in an urban setting.
- Lead commercial/retail developer has a minimum of five (5) years' experience in mixed-use buildings.
- Lead Architectural firm has a minimum of five (5) years' experience in large scale site planning, green/sustainable and mix-use development.
- Property Management firm has a minimum of (5) years' experience servicing all income levels; specifically public housing and affordable units and associated reporting requirements.
- General Contractor has a minimum of (5) years' experience in delivering successful multi-family, multi-use developments.

ARTICLE VI QUALIFICATIONS

The successful Respondent will have the following capabilities:

- Urban Planning – especially the demonstrated experience creating plans, which integrate existing or former public housing development sites into the surrounding cultural and urban community fabric.
- Retail and Commercial Development – especially the demonstrated ability to attract both national and local business interest to a mixed-use development.
- Urban Landscaping – especially in the form of promoting natural resources, green spaces and recreational resources.
- Green Technology and Housing Design – including LEED or Enterprise Green Communities and Energy Star.
- Accessibility – expertise in ADA/ Uniform Federal Accessibility Standards according to Section 504 of the Rehabilitation Act of 1973.
- Property Management - management of mixed-income mixed-finance housing.

ARTICLE VII GENERAL INSTRUCTIONS

A. Acceptance of Proposals

Proposals in response to this RFP can be received by paper (manually), must be signed, sealed and received in complete form at the Chicago Department of Planning and Development located at 121 North LaSalle Street, #1000, Chicago, IL 60602 no later than the proposal submission date and time. **Proposals submitted after the designated date and time will not be accepted for any reason and shall be returned, unopened, to the originator.**

DPD and the CHA reserves the right to accept or reject any or all proposals, issue addenda, or to waive any informalities. A Respondent whose proposal fails to fully comply with the requirements of the RFP may be determined to be nonresponsive and excluded from further consideration.

B. Time for Receiving Proposals

Proposals received prior to the due date and time will be maintained in a secure place, unopened. No proposal received after the deadline set forth on the cover page of this RFP will be considered. Proposals will not be publicly opened. Once submitted, proposals will become the property of DPD and the CHA.

C. Right To Cancel

DPD and the CHA reserves the right to cancel this procurement process whenever the best interest of DPD and the CHA is served. DPD and the CHA shall not be liable for costs incurred by Respondents associated with this procurement process.

D. Addenda

Any interpretations, corrections, or changes to the RFP will be made by addenda issued by DPD. It is the responsibility of the Respondent to inquire of the issuance of any addenda. Respondents shall acknowledge receipt of all addenda in the cover letter of the response. If DPD and the CHA determines this RFP should be modified, it will inform all prospective Respondents by distributing addendum/addenda to this RFP before the date set for receipt of proposals.

E. False Statements

Any false statement(s) made by the Respondent (s) will void the response and eliminate the Respondent(s) from further consideration.

F. Withdrawal of Proposals

Proposals may be withdrawn by written or faxed request that is dispatched by the Respondent in time for delivery in the normal course of business prior to the time fixed for receipt. A written withdrawal of a Proposal must be accompanied by a signed confirmation of the faxed withdrawal, placed in the mail and postmarked by the Respondent, prior to the time set for opening of Proposals. A Respondent's negligence in preparing a Proposal creates no right of withdrawal or modification after the date and time set for opening of the Proposals.

G. Award of Development Agreement(s)

DPD will recommend a firm(s) to the CHA for award. The CHA may award one or more Development Agreement(s) according to the Evaluation Criteria contained in this RFP to responsible and responsive respondents, provided their Proposals are in the best interest of DPD and the CHA. The Selected Respondent(s) will be notified at the earliest practical date. Each award may be subject to HUD approval. No award may be made to a contractor or firm that is on the list of contractors ineligible to receive awards from the CHA or the United States, as furnished by HUD.

DPD and the CHA reserve the right to reject any and all proposals and reserve the right to secure services solicited by this RFP by means of a non-competitive procurement in accordance with applicable HUD regulations or to re-solicit competitive proposals.

H. Notice of Contract Award

Unsuccessful Respondents will be notified in writing after an award of contract has been made by the Contracting Officer and/or Board approval if required.

I. Right to Protest

In accordance with CHA's Procurement Protest Procedures (copies may be obtained by contacting the Department of Procurement and Contracts), all protests regarding this solicitation document must be filed no later than five (5) business days before the due date for proposals. All other protests regarding the evaluation of proposals or award of contract by the Authority must be filed no later than ten (10) business days after the notice of contract award. Any protest filed after such date will not be considered.

J. Preparatory Costs

All costs incurred in the preparation and presentation of Proposals shall be wholly borne by each Respondent. All supporting documentation and manuals submitted with each Proposal will become the property of DPD and the CHA unless otherwise indicated by the Respondent at the time of submission. DPD and the CHA are not liable for any costs incurred by any Respondent prior to issuance of a Notice to Proceed.

K. Confidential Material

Any material submitted by a Respondent as part of a proposal that is to be considered confidential must be clearly marked as such, but may be subject to disclosure under applicable law.

L. Subcontract / Sub consultants

All subcontractors proposed to be used under the Contract must be identified within the proposal. If the proposed services include the use of subcontractors, the CHA will hold the prime contractor responsible for the proposed services to be provided by the subcontractors.

M. Minimum Wage Requirements

It is anticipated that any award under this solicitation shall be subject to a minimum wage requirement of Thirteen Dollars per hour (\$13.00/hr.) upon final approval and implementation of such Minimum Wage Requirement by the Chicago Housing Authority, which would be specifically incorporated as a contractual requirement in any agreement resulting from this solicitation.

ARTICLE VI

SUBMITTAL REQUIREMENTS

A. Format

Respondents shall present their proposals as a firm offer which, if accepted by DPD and the CHA in its entirety, shall be binding between the parties.

Each Respondent is required to submit one (1) package of original materials; one (1) original copy of the material on plain paper; nine (9) additional copies unbound; and one (1) (CD) or (USB) for the Technical Proposal. The proposals must be typed on standard 8 ½ x 11, letter size paper with **printed material on one side only**. Please include the following in the proposal in the order that is listed, separated by a tab insert identifying the section title as listed below. **Copies of proposal on CD or USB shall include a separate file (e.g. .doc, .pdf) for each submittal section below.** Respondents are encouraged to organize their submittal in such a way as to follow the submittal requirements listed herein.

Proposals not containing the following submittal requirements may be deemed non-responsive to this RFP:

B. Letter of Interest

A cover letter shall be submitted on the Respondent's letterhead, signed by a principal and the joint venture partners, if applicable. The cover letter must contain a commitment to provide the services described in the Request for Proposal and indicate that the offer is good for at least one hundred eighty (180) days. The cover letter shall include the name of the Respondent, its legal status (e.g., partnership, corporation (if a corporation, the State of incorporation), sole proprietorship, etc.) the location of the Respondent's principal place of business, including any joint venture partners as they pertain to the RFP, and a brief narrative description of the Respondent's professional services as they relate to the RFP. In the cover letter the Respondent shall also include an acknowledgement that the respondent has read and understands the requirements of the RFP including, but not limited to, the terms and conditions of the attached Sample HUD Development Agreement Mandatory Provisions Exhibit 6 and the attached insurance requirements and will comply with these requirements if awarded a contract.

C. Development Proposal

For each Site for which the Respondent is interested in submitting a proposal, the Respondent must describe the development proposal specific to each site, Scope of Services and corresponding Statement of Work. The Respondent must provide a detailed narrative and supplemental documents that addresses each of the following nine (9) areas.

1. The Respondent shall submit an Executive Project Summary that outlines its development vision and the major components of its development program including total number of housing units, total square footage of proposed retail/commercial, variety of building types, total costs of the proposed development plan, and time span to complete the plan.
2. The Respondent shall submit its detailed development proposal for each Cabrini-Green DZP Site separately, specifying how its plan will achieve the required development goals set forth in the corresponding Statement of Work. The Respondent can submit a separate development proposal for one or more of the Cabrini-Green DZP Sites. The Respondent must provide details on its proposed unit count, income mix, number of rental and for sale

housing units, preliminary unit mix, variation of building types, proposed retail and/or commercial spaces and square feet, projected phasing (phases of development), and any other site amenities.

3. The Respondent shall submit site plans with landscape, parking spaces/areas, and traffic plans, schematics, renderings and elevations of the potential architectural design of the various building types, initial floor plans based on the Cabrini-Green DZP Sites, Scope of Services and corresponding Statement of Work. Illustrations shall identify massing, and note any proposed variations in density at particular locations within the development site. Additionally, a master site plan for each site shall be submitted separately that includes a matrix on the proposed unit mix.

The Respondent must describe its development proposal as it pertains to the evaluation criteria and scoring questions in Article IX

4. Redevelopment Program Budget (Sources & Uses Development Budget): The Respondent shall submit an Executive Summary and development budget detailing the Respondent's deal structuring (business approach) for a public housing, mixed-income, mixed-use development project, including a pre-development budget clearly outlining third party pre-development cost and requested funds from CHA, sources and uses including, tax credit equity, residential and commercial (if appropriate) debt and debt ratio, per unit costs, total development costs (TDC), Developer compensation structure, permanent and construction budgets, and overall total development budget with associated operating Proforma.
5. Business Approach and CHA Return on Investment: In consideration for making significant land, improvements and funding available for redevelopment, CHA expects to participate in development returns. CHA understands that the final form and amount of its return on investment will be a function of the structure of each development transaction. However, responses under this RFP will be rated and scored in part upon the strength of a conceptual approach to structuring such a return on investment and profit sharing, and its consistency with the long-term affordability of the proposed undertaking.

CHA will direct the proceeds of all such returns on investments to public housing uses.

The Respondent must describe its Business Approach and CHA Return on Investments as it pertains to the evaluation criteria and scoring questions in Article IX.

6. Market Assessment and Analysis: The Respondent must provide a detailed description of the market conditions, including rental, for-sale, and if appropriate commercial/retail analysis that support its proposed initial phase of development.
7. Property Management (Management Plan): The Respondent must provide a narrative of its plan to achieve and maintain a mixed-income mixed-use community and provide a quality living environment, including how it will address leasing, occupancy, grievance procedures, maintenance, and security.
8. Community & Supportive Service: The Respondent must provide a narrative of its plan for funding and providing supportive services including how the Respondent will work with CHA's FamilyWorks Program. Work with public housing resident in particular residents of the

former Cabrini-Green and work with existing social service networks, neighboring developments and community groups; and how it will promote ongoing participation by residents of all income levels of the new development in community activities.

The Respondent must describe its Property Management Plan & Community and Supportive Services Plan as it pertains to the evaluation criteria and scoring questions in Article IX

9. Project Schedule: The Respondent must provide a project schedule with high-level milestones regarding the various tasks and timing necessary to complete the entire proposed redevelopment program. The schedule shall breakout each proposed phase of development within the overall redevelopment program time period.

D. Team Qualifications and Experience

The Respondent shall submit evidence of the firm's ability to perform the work requested, as indicated by profiles of the principals and a description of the staff's professional and technical competence, for those principals and staff members who will be involved in the work requested herein. Respondent shall submit, the resumes of the principals detailing each individual's education, technical training and work experience. Respondent's Proposal **shall** include the following information: (1) the name of the firm, (2) a description of the primary area of expertise of the firm, (3) the names of the firm's principal(s), (4) the address, telephone number and names of individuals to be contacted, (5) the size of the enterprise, (6) all of the firm's registration/license numbers(s) in Illinois, (7) the length of time the firm has worked in its area of expertise generally, and in Illinois if different for a different length of time, and (8) the firm may submit a general brochure of their work.

The Respondent must describe its qualifications and experience as it pertains to the evaluation criteria and scoring questions in Article IX

E. Past Performance

The Respondent must provide a minimum of three (3) and a maximum of five (5) project descriptions that best demonstrate the Respondent's ability to perform the work outlined in the Scope of Services. The project descriptions shall include, at a minimum, the scope of work performed, the location, dollar value, and list the Respondent's key personnel on the project. For each project listed, the Respondent shall provide the client's name, the contact person and their title, address, phone number, and e-mail address. Include in this information all details regarding the process used to complete these projects, the gross value at project completion, project partners and whether projects met design, budgetary and scheduling goals, including all relevant experience in the design and implementation of planning processes similar to this type of redevelopment program.

F. References

Respondents must provide business references from at least three (3) current or former clients who can address the Respondents' specific capabilities as they relate to the requirements of this RFP, including the references' names, addresses, telephone numbers, fax numbers, e-mail address, and contact persons. Respondent should provide information whether the reference is a former or current client, and if a former client, provide the timeframe of when the services were performed.

G. Organization Structure and Key Personnel

1. The Respondent must provide the name and resume of the program executive who will be accountable for the CHA project.
2. The Respondent must provide an organization/structure chart and include its key technical and consulting personnel who will be assigned to the CHA project team along with their resumes and provide the following information including, but not limited to:
 - i. Detail concerning each primary team member working with the Respondent, as well as those working in a subcontracting capacity. List all current projects that each primary team member may be working on during the term of the Contract, and indicate which team member will have primary responsibility for the CHA account;
 - ii. Correlation of team members to the tasks each will be performing;
 - iii. Describe previous, related experiences and projects (preferably public housing); and
 - iv. If Respondent proposes staff to work on the CHA account, who are not located in a Chicago area office (within 25 miles of the city), indicate their office location.
3. If a Respondent is planning to joint venture or subcontract with other companies, incorporate the relationship on the organization chart and provide, letters of interest from those firms, the names and credentials of their principals and key personnel, and include their resumes along with evidence of any required licenses. The Respondent should describe the roles and responsibilities of their subcontractors, including the key personnel as they relate to the Scope of Services for the RFP.
4. Key Personnel shall not be replaced without the prior written approval of the CHA.

The Respondent must describe its organizational structure and key personnel as it pertains to the evaluation criteria and scoring questions in Article IX.

H. Insurance (refer to Exhibit 7)

The Respondent must submit a current certificate of insurance in the form required by this RFP. At the time of contract award, the Selected Respondent(s) shall be required to provide an updated certificate of insurance, and all required endorsements adding the CHA and any other required party as an additional insured at contract award that meets the CHA's minimum insurance requirements.

K. Joint Venture Agreement

Firms entering into a joint venture must submit a copy of its joint venture agreement and all required submittals must be signed by a principal of each joint venture partner including, but not limited to, subcontractors' information submittals, MBE/WBE/DBE and Section 3 Utilization Plans.

L. Liens, Suits and Judgments

Respondents shall include a detailed description of any disputes they currently are involved in, as well as, a complete list of any lawsuits, judgments occurring within the last five (5) years, and all current liens pending.

M. Audit Findings and Other Compliance Reports/Evaluations

Respondents shall submit to DPD and the CHA Department of Procurement and Contracts any third party reports or evaluations of Respondents' compliance with any applicable laws, rules, regulations, policies procedures, contract provisions, or requirements with respect to Respondents' performance of services similar in nature to those being solicited by this RFP in the past five years, including, but not limited to, any and all final findings made by the Office of the Inspector General ("OIG") or Internal Auditor including (including those conducted by CHA's Inspector General and/or CHA's Internal Auditor) with respect to Respondents' performance of services, compliance with terms of the contract, findings in an Administrative or Internal Investigations, or any findings of failure to cooperate in an OIG inquiry or with internal Auditors.

N. Financial Information (Must be provided in a separate sealed envelope)

The Respondent/Financially Responsible Party shall demonstrate its financial responsibility by submitting the most recent two years of audited, reviewed or compiled financial statements prepared by a third party licensed Certified Public Accountant (CPA). Listed below are the minimum acceptable required documents based upon the amount of the procurement:

The Respondent must provide Financial Statements, which are compiled, reviewed and/or audited as defined below (which may be subject different levels depending upon the Respondent's proposal and the projected contract value of the award), and which consist of:

- Accountant's Report
- Balance Sheet (last 2 years)
- Income Statement (last 2 years)
- Cash Flow Statement (last 2 years)
- Financial Statement Footnotes (if applicable)

For proposals or contract awards valued at less than \$2,500,000.00, the Respondent must provide compiled financial statements. Compiled financial statements represent the **most basic level of financial statements** prepared by a licensed certified public accountant. In a compilation, the certified public accountant assists management in presenting financial information in the form of financial statements and **does not provide any assurance** that there are no material modifications that should be made to the financial statements. The certified public accountant does not perform inquiry, analytical procedures or other procedures that would be performed in a review, or obtain the understanding of the entity's internal control, assess fraud risk or test accounting records as would be performed in an audit.

For proposals or contract awards valued between \$2,500,000.00 and \$10,000,000.00, the Respondent must provide reviewed financial statements. Reviewed financial statements provide the user with comfort that the certified public accountant is not aware of any material modification that should be made to the financial statements for the statements to be in conformity with the applicable financial reporting framework. A review involves the certified public accountant performing analytical procedures and inquiries that will provide a reasonable basis for obtaining **limited assurance** that there are no material modifications required to the financial statements. A review does not require the certified public accountant to obtain the understanding of the entity's internal control, assess fraud risk or test accounting records as would be performed in an audit.

For proposals or contract awards valued in excess of \$10,000,000.00, the Respondent must provide audited financial statements. Audited financial statements provide the user with the **certified public accountant's opinion letter that the financial statements are presented accurately**, in all material respects, in conformity with accounting standards. The auditor is required to obtain an understanding of the entity's internal control, assess fraud risk, perform analytical procedures and test accounting records.

DPD and the CHA will also evaluate the respondents based upon analysis of third party reporting agencies, regulatory agencies, bureaus, etc., as it deems necessary to determine the financial adequacy of the respondent entity and confirm that the entity is in good financial standing with governmental agencies.

Other considerations in the evaluation of the financial condition of Respondents follow:

- Financial statements must be from a legal business entity (i.e. corporation, partnership, LLC, etc.).
- Newly created entities (partnerships, LLC's, etc.) must provide financial statements from the entity's general partner and/or any other financially responsible entity that collectively can demonstrate the capability to complete the contract.
- Internally prepared business entity financial reports generated by the respondent will not be accepted.
- Personal financial statements or tax returns will not be accepted.
- DPD and the CHA reserve the right to request additional information to complete the financial evaluation and review of any respondents.

O. Debarment Statement

Respondent shall submit a statement that the Respondent, its joint venture partner, if applicable, its subcontractors, vendors and staff are not debarred, suspended or otherwise prohibited from conducting business with any Federal, State or local agency.

P. MBE/WBE/DBE Compliance Plan (refer to Article IX MBE/WBE/DBE and Section 3 Participation)

Respondent shall complete all MBE/WBE/DBE forms in their entirety and submit with their proposal.

Q. Section 3 Compliance Efforts (refer to Article IX MBE/WBE/DBE and Section 3 Participation)

Respondent shall develop and submit a Section 3 Utilization Plan to include the possibility of long term employment and/or a career path that may include, e.g., employment opportunities on other projects with the Respondent, union sponsorship, mentor-protégé scenario, or internship, etc. This approach is requested in an effort to maximize the economic opportunities available to CHA's Section 3 residents, and increase the potential for a career track.

The areas that should be addressed in the submittal document and which will be evaluated are:

1. A strategic plan for the hiring of CHA residents for this project that must include job descriptions and potential duties to be performed. (Completion of Schedule B is required in addition to this plan.)
2. A job description and employment plan that outlines how this engagement can lead to continuous employment and a career path within your organization.

3. A strategic plan to subcontract with section 3 business concerns for this project in accordance with the requirements of 24 CFR Part 135
4. If applicable to the Respondent, provide information that outlines any CHA Section 3 hiring plan, as well as any past low-income individual hiring efforts, within the last 12 months, that either have/have not involved a CHA project.
5. Past hiring of low-income individuals (within the past 12 months), and current employment status of same individuals (verification will be requested)

R. Additional Submittal Requirement (Forms)

The following documents, properly executed and notarized shall be submitted with the proposal.

Proposals not containing ALL submittal requirements may be deemed Non-Responsive. These documents can be located on the CHA website at <http://www.thecha.org/doing-business/forms-and-documents/>:

1. Statement of Bidder's Qualifications
2. Subcontractor Information Submittal Form
3. Contractor's Affidavit
4. Schedule A - M/W/DBE Utilization Plan
5. Schedule B – Section 3 Utilization Plan
6. Schedule C – MWDBE and Section 3 Subcontractors, Suppliers, Consultants
7. Waiver Request- M/W/DBE Participation Commitments, if a waiver is being requested
8. HUD Form 5369-C Certifications & Representations of Offerors - Non Construction Contracts
9. Equal Employment Opportunity Compliance Certificate

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ARTICLE VII

EVALUATION PROCESS

Proposals will be scored on a ninety-five (95) point scale for non-Consent Decree sites and one hundred and five (105) point scale for Consent Decree sites by an evaluation committee in accordance with the evaluation criteria set forth below. Materials, information or explanations shall be included in each Respondent's proposal as required in Article VIII Submittal Requirements and/or as otherwise necessary to allow the following evaluation factors to be considered. DPD and the CHA will make an award to the responsive and responsible Respondent whose proposal conforms to the solicitation and whose total score for development proposal and technical factors is the highest and provides the best value.

EVALUATION CRITERIA FOR NON-CONSENT DECREE SITES (DZP Site 2)

Development Proposal	Maximum Points
<ul style="list-style-type: none">The redevelopment approach will be evaluated based on the mixed-income development model, methodology of the proposed site layout, and variation of building types that accommodates a diverse population of families.	5
<ul style="list-style-type: none">Additional points will be awarded to proposals with 34% and up to 37% public housing units if such proposal is financially sound.	3
<ul style="list-style-type: none">Additional points will be awarded to proposals with 38% and up to 40% public housing units if such proposal is financially sound.	3
<ul style="list-style-type: none">Additional points will be awarded to proposals that provide approximately 2% 3 bedroom units and 1% 4- bedroom units of the total units proposed.	2
<ul style="list-style-type: none">Additional points will be awarded to proposals that incorporate workforce housing units for households earning between 60% and 120% of area median income.	2
<ul style="list-style-type: none">The proposed development plan will be evaluated on its long term viability in relation to the redevelopment activities underway and planned in the surrounding communities.	2
<ul style="list-style-type: none">The retail/commercial proposals consistent with the needs of future residents of the neighborhood and create employment opportunities for CHA residents.	5
<ul style="list-style-type: none">The proposed redevelopment program that incorporates both rental and homeownership components with market rate, public housing, and affordable units dispersed across the site to the greatest extent feasible.	5
TOTAL	27
Budget and Business Approach	
<ul style="list-style-type: none">The Respondent's Business Approach and Sources & Uses development budget will be evaluated on the funding feasibility including timeline for securing of the proposed funding approach that must be reasonable and justifiable. It must also reflect the proposed development activities for which it is being evaluated.	5
<ul style="list-style-type: none">The Respondent's proposed CHA Return on Investment model will be evaluated on clarity of detail on both the transaction vehicle by which the CHA Return on Investment is accomplished and the timing of the returns in relation to the overall development timeline.	3
TOTAL	8
Management Plan and Community and Supportive Services Plan	
<ul style="list-style-type: none">The Respondent's Management Plan will be evaluated on the demonstrated quality of the Management Plan and the success of the Respondent's previous management plans with similar mixed-income, mixed-use redevelopment programs.	5
<ul style="list-style-type: none">The Respondent's Community and Supportive Services Plan will be evaluated on the demonstrated quality of the Community and Supportive Services Plan and the success of the Respondent's previous community and supportive services plan with similar mixed-income, mixed-use redevelopment programs.	5
TOTAL	10
Team Qualifications & Experience	
<ul style="list-style-type: none">The Respondent will be evaluated on the experience and demonstrated success with other similar public/private arrangements in which the Respondent and its Team members have participated on revitalization initiatives commensurate with the scope and nature of this redevelopment program.	7
<ul style="list-style-type: none">The Respondent will be evaluated on the demonstrated success detail in developing processes used to complete these	7

redevelopment programs, and whether the projects met design, budgetary and scheduling goals.	
TOTAL	14
Organization Structure & Key Personnel	
<ul style="list-style-type: none"> Efficiency and Effectiveness of anticipated Respondent team structure, organization and key team staff, including current resumes for key individuals with direct responsibility to the redevelopment program. 	4
<ul style="list-style-type: none"> Organization chart that clearly shows all legal entities involved in the Respondent team (existing and proposed), illustrates the roles and responsibilities of all team members (joint venture partners, subcontractors, etc.) and identifies the primary individual and key staff responsible for performance in each role/responsibility, which establishes capability to efficiently deliver a quality product. 	4
TOTAL	8
MBE/WBE/DBE and SECTION 3 PLAN (TECHNICAL):	
<ul style="list-style-type: none"> Demonstrated understanding and quality of the MBE/WBE/DBE Utilization Plan. 	5
<ul style="list-style-type: none"> The Respondent's proposal will be evaluated on the experience and demonstrated success with other similar public/private arrangements in which the Respondent and its Team members have participated on previous projects in addition to the clarity of plan, quality and quantity of Section 3 hires and Section 3 Business opportunities. 	4
<ul style="list-style-type: none"> Demonstrated strategy for hiring Section 3 Residents and subcontracting opportunities for Section 3 business concerns for this solicitation. 	4
TOTAL	13
<ul style="list-style-type: none"> The Respondent will be evaluated on the ability to obtain structure and implement layered public and private financing (including LIHTC in Illinois) for such development program. 	10
<ul style="list-style-type: none"> The Respondent will be evaluated on the results of the audited financial statements from the last 2 years. 	5
TOTAL	15
TOTAL POINTS FOR NON-CONSENT DECREE SITES	95

EVALUATION CRITERIA FOR CONSENT DECREE SITES (DZP Sites 1 and 3)

Development Proposal	Maximum Points
<ul style="list-style-type: none"> The redevelopment approach will be evaluated based on the mixed-income development model, methodology of the proposed site layout, and variation of building types that accommodates a diverse population of families. 	5
<ul style="list-style-type: none"> Additional points will be awarded to proposals with 34% and up to 37% public housing units if such proposal is financially sound. 	3
<ul style="list-style-type: none"> Additional points will be awarded to proposals with 38% and up to 40% public housing units if such proposal is financially sound. 	3
<ul style="list-style-type: none"> Additional points will be awarded to proposals that provide approximately 2% 3 bedroom units and 1% 4- bedroom units of the total units proposed. 	2
<ul style="list-style-type: none"> Additional points will be awarded to proposals that incorporate workforce housing units for households earning between 60% and 120% of area median income. 	2
<ul style="list-style-type: none"> The proposed development plan will be evaluated on its long term viability in relation to the redevelopment activities underway and planned in the surrounding communities. 	2
<ul style="list-style-type: none"> The retail/commercial proposals consistent with the needs of future residents of the neighborhood and create employment opportunities for CHA residents. 	5
<ul style="list-style-type: none"> The proposed redevelopment program that incorporates both rental and homeownership components with market rate, public housing, and affordable units dispersed across the site to the greatest extent feasible. 	5
TOTAL	27
Budget and Business Approach	
<ul style="list-style-type: none"> The Respondent's Business Approach and Sources & Uses development budget will be evaluated on the funding feasibility including timeline for securing of the proposed funding approach that must be reasonable and justifiable. It must also reflect the proposed development activities for which it is being evaluated. 	5
<ul style="list-style-type: none"> The Respondent's proposed CHA Return on Investment model will be evaluated on clarity of detail on both the transaction vehicle by which the CHA Return on Investment is accomplished and the timing of the returns in relation to the overall development timeline. 	3
TOTAL	8

Management Plan and Community and Supportive Services Plan	
<ul style="list-style-type: none"> The Respondent's Management Plan will be evaluated on the demonstrated quality of the Management Plan and the success of the Respondent's previous management plans with similar mixed-income, mixed-use redevelopment programs. 	5
<ul style="list-style-type: none"> The Respondent's Community and Supportive Services Plan will be evaluated on the demonstrated quality of the Community and Supportive Services Plan and the success of the Respondent's previous community and supportive services plan with similar mixed-income, mixed-use redevelopment programs. 	5
TOTAL	10
Team Qualifications & Experience	
<ul style="list-style-type: none"> The Respondent will be evaluated on the experience and demonstrated success with other similar public/private arrangements in which the Respondent and its Team members have participated on revitalization initiatives commensurate with the scope and nature of this redevelopment program. 	7
<ul style="list-style-type: none"> The Respondent will be evaluated on the demonstrated success detail in developing processes used to complete these redevelopment programs, and whether the projects met design, budgetary and scheduling goals. 	7
TOTAL	14
Organization Structure & Key Personnel	
<ul style="list-style-type: none"> Efficiency and Effectiveness of anticipated Respondent team structure, organization and key team staff, including current resumes for key individuals with direct responsibility to the redevelopment program. 	4
<ul style="list-style-type: none"> Organization chart that clearly shows all legal entities involved in the Respondent team (existing and proposed), illustrates the roles and responsibilities of all team members (joint venture partners, subcontractors, etc.) and identifies the primary individual and key staff responsible for performance in each role/responsibility, which establishes capability to efficiently deliver a quality product. 	4
TOTAL	8
MBE/WBE/DBE and SECTION 3 PLAN (TECHNICAL):	
<ul style="list-style-type: none"> Demonstrated understanding and quality of the MBE/WBE/DBE Utilization Plan. 	5
<ul style="list-style-type: none"> The Respondent's proposal will be evaluated on the experience and demonstrated success with other similar public/private arrangements in which the Respondent and its Team members have participated on previous projects in addition to the clarity of plan, quality and quantity of Section 3 hires and Section 3 Business opportunities. 	4
<ul style="list-style-type: none"> Demonstrated strategy for hiring Section 3 Residents and subcontracting opportunities for Section 3 business concerns for this solicitation. 	4
TOTAL	13
Capacity to Obtain/Implement Financing and Financial Capacity	
<ul style="list-style-type: none"> The Respondent will be evaluated on the ability to obtain structure and implement layered public and private financing (including LIHTC in Illinois) for such development program. 	10
<ul style="list-style-type: none"> The Respondent will be evaluated on the results of the audited financial statements from the last 2 years. 	5
TOTAL	15
Consent Decree Resident participation requirement	
<ul style="list-style-type: none"> The Respondents proposal(s) will be evaluated on the extent to which to it maximizes ownership interest and participation of the Cabrini Green Local Advisory Council or its affiliated development entity. 	10
Total Points for Consent Decree Sites	105

After the evaluation committee has evaluated and scored the respondents proposals submitted in response to the RFP, and the MBE/WBE/DBE, Section 3 Hiring Plan have been evaluated and scored, DPD and the CHA Contracting Officer shall establish the competitive range. If deemed necessary for the purpose of efficiency and economy, DPD and the CHA have the right to limit the number of Respondents in the competitive range. Respondents within the competitive range will be notified and unless otherwise indicated, will be required to participate in presentations/discussions with DPD and the CHA. DPD and the CHA may also require further information or clarification from the Respondents in the competitive range regarding their proposals prior to the presentations/discussions.

DPD and the CHA, however, reserve the right to make its decision to award a contract based solely on the written submitted Proposals without any requests for presentations, formal interviews, negotiations or further discussions.

The objective of the presentations/discussions is to answer questions, clarify issues, and/or provide additional information regarding a Respondent's proposal. DPD and the CHA reserve the right to negotiate further. Presentations will be evaluated according to the criteria referenced below by an evaluation committee. Respondents in the competitive range will be scored on a thirty 30 point scale in accordance with the presentation evaluation criteria set forth below and the resulting points will be added to their written proposal scores for a total score.

ORAL PRESENTATION EVALUATION CRITERIA	MAXIMUM POINTS
Team Experience	10
Redevelopment Vision	10
Business Approach	10
TOTAL ORAL PRESENTATION POINTS	30

Following the presentations, the evaluation committee members will evaluate and summarize their findings for each firm that participates in the presentations and submit scores to DPD's Key Contact.

ARTICLE VIII SAMPLE HUD DEVELOPMENT AGREEMENT MANDATORY PROVISIONS

Upon the award of a contract, the Selected Respondent(s) will execute CHA's Master Development Agreement in substantially the same form with the terms and conditions as set forth in the attached Sample HUD Development Agreement Mandatory Provisions. A Respondent shall include, as part of its cover letter for its proposal to the CHA, an acknowledgement that it has read, understands and accepts the terms and conditions of the Agreement. If there are any terms and conditions to which the Respondent has objections, such objections and the specific section numbers must be noted in the cover letter. The Respondent's proposed alternative language, if any, must be included as an attachment to the cover letter. A Respondent who fails to provide objections and propose alternative language shall waive its right to subsequently object to any terms of the agreement if awarded a contract by the CHA.

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ARTICLE IX

MBE/WBE/DBE AND SECTION 3 PARTICIPATION

A. MBE/WBE/DBE PARTICIPATION

It is the policy of the CHA that Minority, Women and Disadvantaged Business Enterprises ("MBE/WBE/DBE") shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds and that Respondents and their subcontractors or suppliers shall take all necessary and reasonable steps to ensure that MBE/WBE/DBEs shall have the maximum opportunity to compete for and perform contracts financed in whole or in part by federal funds. To the greatest extent feasible, the Selected Respondent(s) shall comply with CHA's MBE/WBE/DBE Policy under the Contract.

CHA encourages joint ventures between minority and non-minority firms. A Respondent's MBE/WBE/DBE Utilization Plan must be submitted as an attachment to, and made a part of its Proposal. See the reporting requirements and a copy of the Policy on the CHA website at http://www.thecha.org/pages/forms_documents/66.php.

1. **One (1) current letter of certification** from CHA-approved certifying agencies must be submitted with the bid for each subcontractor for the price proposed to count towards the Chicago Housing Authority's M/W/DBE Program. The certifying agencies are as follows:
 - i. City of Chicago
 - ii. Cook County
 - iii. Pace
 - iv. Metra
 - v. Chicago Transit Authority
 - vi. State of Illinois Central Management Services (CMS)
 - vii. Small Business Administration
 - viii. Chicago Minority Business Development Council (CMBDC)
 - ix. Metropolitan Water Reclamation District of Greater Chicago
 - x. Women's Business development Center (WBDC)
 - xi. Illinois Department of Transportation (IDOT)
2. Certification Letters from other States may be considered for M/W/DBE certification, as long as the certifying agency has similar program requirements to those agencies listed above.

B. SECTION 3 REQUIREMENTS

Section 3 – Compliance: The CHA has determined that the contract awarded under this solicitation is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, (Section 3), and Title 24 of Subchapter B, Part 135 – Economic Opportunities for Low- and Very Low-Income Persons, 24 CFR 135.3. Section 3 Compliance requires that any contract or subcontract entered into for the benefit of public housing residents shall require that, to the greatest extent feasible, economic opportunity in the form of training, employment, contracting, and other economic opportunities arising from the expenditure of public housing assistance for housing rehabilitation and housing construction be directed to low- and very low-income persons.

a. Section 3 - Clause

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 (section 3). 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 agree to 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 contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places 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 contractor 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 contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor 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 contractor'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.

b. Section 3 Compliance Goals

1. Contractors and their subcontractors may demonstrate compliance by committing to employ section 3 residents and by subcontracting with section 3 business concerns in accordance with the requirements of 24 CFR Part 135.

A Section 3 Business concern is a business concern under HUD Regulations:

- (1) 51 percent or more owned by section 3 residents; or
 - (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
 - (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."
2. Contractor and sub-contractors may demonstrate compliance with the requirements for contracting with Section 3 Business Concerns by committing to award to Section 3 Business Concerns at least 10 percent of the total dollar amount of the contract awarded to the contractor for building trades work for maintenance, repair modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction and at least 3 percent of the total dollar amount of all other Section 3 covered contracts.
 3. In evaluating compliance with 24 CFR Part 135, contractors and their subcontractors have the burden of demonstrating to the greatest extent feasible their ability or inability to meet the goals set forth in 24

CFR Part 135 for providing training, employment and contracting opportunities to section 3 residents and section 3 business concerns.

4. Contractors and their subcontractors are also encouraged to provide other economic opportunities to train and employ section 3 residents including, but not limited to, use of “upward mobility”, “bridge” and trainee positions to fill vacancies, and hiring section 3 residents in part-time positions (24 CFR 135.40).

c. Documenting and Reporting

1. Contractor agrees to comply with the above Section 3 requirements in accordance with the Contractor's Section 3 Utilization Plan, which shall be prepared by the Contractor and agreed to by CHA. CHA shall not be required to agree to the Contractor's Utilization Plan until the Contractor meets its burden to establish that it will comply with 24 CFR Part 135 and otherwise comply with CHA's Section 3 Policy (see http://www.thecha.org/pages/section_3/65.php or the copy included in the solicitation) as may be required. Contractor's Section 3 Utilization Plan as attached to the RFP is incorporated into the contract by this reference herein.
2. The Contractor and its subcontractors shall provide all required compliance data with respect to Contractor's Section 3 requirements to the CHA via CHA's electronic system available at <https://cha.diversitycompliance.com/>. The Contractor and its subcontractors shall be responsible for responding to any requests for data or information by the noted response due dates, and shall check the electronic system on a regular basis to manage contact information and contract records. The Contractor shall also be responsible for ensuring that all subcontractors have completed all requested items with complete and accurate information and that their contact information is current.

This Section 3 Contract Provision shall flow down to each subcontract at every tier.

C. SECTION 3 REQUIREMENTS

Section 3 has two minimum requirements that must be reflected in response to this RFP. Respondents cannot choose between the two and receive full points under the evaluation criteria. First, 30% of the new hires required for the project must be Section 3 residents. The term “Section 3 resident” is defined as (1) a public housing resident or (2) a low-income or very low-income person who resides in the metropolitan area. Second, 3% of the contract value must be subcontracted to Section 3 business concerns. A Section 3 business concern is a business (1) that is 51% or more owned by Section 3 residents; or (2) whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within 3 years of the date of first employment with the business concern were Section 3 residents; or (3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in (1) and (2).

If a Respondent has no plans or need to hire or subcontract, or can demonstrate that it is unable to hire or subcontract to fully meet the minimum requirements set forth above, the Respondent may offer other economic opportunities that directly benefit Section 3 residents or Section 3 business concerns (such as internships, mentor-protégé programs, contribution to the Section 3 Fund, etc.). To offer other economic opportunities, a Respondent's submittal must detail why it has no plans or need to hire or subcontract, or detail all of the efforts the Respondent has undertaken to hire or subcontract (including the names of the Section 3 residents or Section 3 business concerns that were contacted and why they could not be utilized for the project). Detail must also be provided to describe the other economic opportunity being offered and how it will benefit Section 3 residents or Section 3 business concerns.

Respondents that fail to clearly set forth these minimum requirements risk losing points under the evaluation criteria. Therefore, Respondents are urged to submit any questions regarding Section 3 prior to the proposal due date.

D. VENDOR COMPLIANCE REPORTING SYSTEM

The Chicago Housing Authority (CHA) utilizes B2Gnow and LCPtracker in order to monitor the compliance requirements for the M/W/DBE, Davis-Bacon, and Section 3 policy requirements.

The **Vendor Compliance Reporting System** replaces paper reporting processes with a streamlined online process to help facilitate compliance reporting requirements for all companies doing business with the CHA.

The system is accessible to **ALL** CHA prime contractors (as well as subcontractors) and each contractor is required to utilize the secure web-based system for electronic submission of information related to M/W/DBE, Davis-Bacon, and Section 3 compliance.

KEY FEATURES:

- Automated communication with contractors via email regarding compliance issues
- Submission of contractors' utilization reports online with automated tracking of contract goals and participation, as well as verification of subcontractor payments through the B2Gnow System
- Certified Payroll Reporting online through LCPtracker eliminates paper reporting and streamlines the process for vendors and CHA staff

Please know that the CHA remains committed to helping each contractor use this product and service. The following resources are available:

1. **Vendor Technical Assistance and Support**
 - Technical and/or training questions, please send an email to cha@diversitycompliance.com
2. **Online, downloadable training aids**
 - On Line manual
 - Webinars

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Quick Guide Contract Compliance Requirements

Section 3

Under CHA's Section 3 policy, there are multiple requirements. Hiring and Subcontracting are required under Section 3, and vendors cannot choose between the two. Section 3 does not apply to Supply & Delivery contracts.

- Hiring** – 30% of all of new hires must be Section 3 employees. This includes CHA and low-income Chicago area residents. The Prime will be required to complete the Schedule B and outline all of the employees who are needed to complete this scope of work. Through the hiring chart on Schedule B- Section 3 Utilization Plan, Compliance is able to determine how many Section 3 employees are needed for the contract. The 30% of all new hires covers new hires for the Prime Contractor and the Subcontractors. Contractors will be required to utilize CHA's Section 3 Job Opportunities website, which allows Section 3 individuals to apply for open positions on CHA contracts. The Section 3 Opportunities system is replacing the Job Order Form process and will require Applicants to actively apply for jobs and Employers to interview and hire for their Section 3 positions based on a streamlined process in accordance with HUD's Code of Federal Regulations (CFR). Section 3 Hiring Specialists will be responsible for initiating the job postings and approving the job profiles prior to the new jobs posting to the website available to the public.
- Subcontracting** – Prime Contractors are required to subcontract 10% of the total contract value for construction contracts and 3% of the total contract value for all other contracts to Section 3 Business Concerns. CHA's Section 3 Business Concern Registry is a great place to start when looking for Section 3 Businesses to contract with. HUD does perform random audits of the businesses in this registry.

What makes a business a Section 3 Business Concern? There are three ways a business can qualify as a Section 3 Business Concern:

1. A business that is 51 percent or more owned by section 3 residents, meaning a CHA resident or low-income Chicago area resident;
2. A business whose permanent, full-time employees are made up of at least 30 percent of section 3 residents (including CHA and low-income residents), or within three years of the date of first employment with the business concern were section 3 residents; or
3. A business that subcontracts 25 percent or more of their total subcontracts to business concerns that meet the qualifications in the first two options (this is identified on a project by project basis).

PLEASE NOTE: A business who is self-identified as a Section 3 Business Concern and also certified as an M/W/DBE will count towards the subcontracting goals for both the M/W/DBE and Section 3 Policies.

- Other Economic Opportunities-** A Prime Contractor who has demonstrated its attempts, to the maximum extent feasible, to meet its Section 3 hiring and contracting goals may satisfy Section 3 obligations by engaging in Indirect Participation, Mentorship Program Participation, and/or Other Results-Oriented Economic Opportunities as alternative means to achieving Section 3 goals. In addition, a contribution to the Section 3 Fund is allowable under Other Economic Opportunities, as long as it is outlined in accordance with the Section 3 Policy. Please note that all Other Economic Opportunities must benefit the Section 3 resident and business community.

Required Section 3 Documents:

Document Name	To be Completed By	Details
Schedule B SECTION 3 UTILIZATION PLAN	Prime Contractor	This form will outline your hiring, subcontracting, and other economic opportunities that the Prime is committing to.
Schedule C LETTER OF INTENT (also used for M/W/DBE subcontractors)	Each Section 3 Business Concern listed on the Schedule B, including a self-performing Prime Contractor	This will be submitted by each subcontractor listed on the Schedule B. If the self-identified Section 3 Business Concern is also a certified M/W/DBE, they can submit one Schedule C and indicate their status by checking off both qualifications.



Quick Guide Contract Compliance Requirements

Section 3 Clause:

Construction Contractors must post the Section 3 Clause on-site. Each Prime Contractor is required to provide a copy of the notice to the CHA upon issuance of the notice to proceed. The Prime Contractor will also be required to demonstrate that the notice has been posted at the worksite in accordance with the Section 3 clause. This may be verified through site visits or a request by the CHA for proof of posting and notification to employees.

"The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places 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."

The Davis-Bacon & Related Acts apply to construction contracts over \$2,000 and ensure that all construction employees are paid in accordance with the Department of Labor's wage decision. If there are union contractors, please ensure that Davis-Bacon wages are met, in accordance with the contract.

CERTIFIED PAYROLL SUBMITTAL & REPORTING

- Certified Payroll Reports must be entered into LCPTracker on a weekly basis.
- All wage rates and job classifications are available through LCPTracker, and will be utilized when entering weekly payroll updates.
- Schedule D- Hiring Reports are also uploaded through LCPTracker, for proof of hiring your Section 3 employees.
- If you ever have a question about job classifications that may not be listed on the wage decision, ask your Contract Compliance Specialist.

In addition to certified payroll reports, the CHA Compliance Team will perform random unannounced site visits. These site visits are then compared to payment information and certified payrolls submitted through B2Gnow and LCPTracker.

Please note that as long as your firm and all subcontractors are in compliance throughout this project, with everything we just covered, there should be no need for payment holds on our end. If you are ever concerned about invoices being placed on hold, always contact your Contract Compliance Specialist first, in order to ensure that your contract is in compliance and that CHA has no reason to hold your payment.



Quick Guide Contract Compliance Requirements

Compliance Utilization Plans

Below is a list of items needed to evaluate a full Compliance plan for CHA's M/W/DBE and Section 3 Policies:

Schedule A- M/W/DBE Utilization Plan

Detailed Requirement	
Schedule A	The Schedule A must be submitted, signed and notarized
Contract Amount	This amount must match all other bid documents
M/W/DBE Total	This amount must be the correct sum of all subcontract amounts listed on the Schedule A
Subcontractor Company Name	This must be listed for each Subcontractor listed on the Schedule A
Subcontractor Original MBE/WBE/DBE Dollars	The subcontract amount must be included for each Subcontractor
Subcontractor Work To Be Performed/Materials To Be Supplied	The scope of work, even if brief, must be included for each Subcontractor

Schedule B- Section 3 Utilization Plan

Detailed Requirement	
Schedule B was submitted	The Schedule B must be submitted, signed and notarized
Prime Contractor Acknowledgement of Section 3 Requirements	Page 4 of the Schedule B must be completed by a Principal of the Prime Contractor
All elements of the Hiring Chart	This includes all required fields (1) through (8) for the Prime <u>and</u> Subcontractors- refer to the instructions on page 2 of the Schedule B
Section 3 Business Concern must have their Business Name, Original Contract Value, and Scope of work outlined	This must be listed for each Section 3 Business Concern listed on the Schedule B
Other Economic Opportunities	If there is a shortfall in the hiring or contracting plans, Other Economic Opportunities must be proposed

Schedule C- Letter of Intent M/W/DBE and/or Section 3 Business Concern Subcontractors, Suppliers, Consultants

Detailed Requirement	
Schedule Cs for every Subcontractor listed on the Schedule A and/or B must be submitted	The dollar values must correspond with the Schedule A and/or B
M/W/DBE or SECTION 3 BUSINESS CONCERN NAME	Subcontractor's Business Name must be indicated on page 1 of the Schedule C
M/W/DBE Certification Status	If the Subcontractor is listed on the Schedule A, they must identify their M/W/DBE certification status
Section 3 Business Concern Status	If the Subcontractor is listed on the Schedule B, they must identify their Section 3 status
Contract Value	The contract value outlined on the Schedule C must match the Schedule A- M/W/DBE Utilization Plan or B- Section 3 Utilization Plan

ARTICLE X

BRIBERY, PRICE FIXING, OR FRAUD

No person or business entity shall be awarded a contract or subcontract for a period of five years from the date of conviction or entry of a plea or admission of guilt, if that person or business entity:

- A. has been convicted of an act committed of bribery or attempting to bribe an officer or employee of a unit of state or local government or school district in that officer's or employee's official capacity; or
- B. has been convicted of an act of bid-rigging or attempting to rig bids as defined in the Sherman Anti-Trust Act and Clayton Act (15 U.S.C. §1 et seq.), or under the laws of the State of Illinois; or has been convicted of an act of price-fixing or attempting to fix prices as defined by the Sherman Anti-Trust Act (15 U.S.C. §1 et seq.) or under the laws of the State of Illinois; or
- C. has been convicted of defrauding or attempting to defraud any unit of state or local government or school district; or
- D. has made an admission of guilt of such conduct as set forth in subparagraph A through C above, which admission is a matter of record, whether or not such person or business entity was subject to prosecution for the offense or offense admitted to; or
- E. has entered into a plea of nolo contendere to charges of such conduct, as is set forth in subparagraphs A through C above.

For purpose of the Paragraph, "business entity" means a corporation, partnership, trust, association, unincorporated business or individually owned business. Where an official, agent or employee of a business entity committed the acts as set forth in subparagraphs A through E above on behalf of such entity and pursuant to the direction or authorization of a responsible official thereof, the business entity shall be chargeable with the conduct and be disqualified.

A business entity shall also be disqualified if it employs as an officer any individual who was an officer of another business entity at the time the latter committed a disqualifying act as set forth in subparagraphs A through D above.

A business entity shall also be disqualified if any owner directly or indirectly controls 20% or more of the business entity and was an owner who directly or indirectly controlled 20% of another business entity at the time, such business entity committed a disqualifying act as set forth in subparagraphs A through C above.

Any contract found to have been awarded in violation of this Paragraph may be voided at the discretion of the CHA.

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ARTICLE XI ATTACHMENTS

1. Cabrini-Green Development Zone Plan Sites & Housing Tenure Requirements
2. Schedule A - MBE/WBE/DBE Utilization Plan
3. Schedule B – Section 3 Utilization Plan and Guide to Completing the Schedule B
4. Schedule C – MWDBE and Section 3 Subcontractors, Suppliers, Consultants
5. Waiver Request- MBE/WBE/DBE, if a waiver is being requested
6. Site Surveys

ARTICLE XII EXHIBITS

1. Gautreaux Order
2. Cabrini-Green Consent Decree
3. Near North Redevelopment Initiative
4. Cabrini-Green Development Zone Plan (DZP)
5. CHA's Choose to Own Program
6. Sample HUD Development Agreement Mandatory Provisions
7. Insurance Requirements

The following documents are incorporated as exhibits to this RFP and located on the CHA website at http://www.thecha.org/pages/forms_documents/66.php:

- Statement of Bidder's Qualifications
- Subcontractor Information Submittal
- Disclosure Affidavit
- CHA Ethics Policy
- Amendment to Special Conditions MBE/WBE Utilization Plan
- Schedule A - MBE/WBE/DBE Utilization Plan
- Schedule B – Section 3 Utilization Plan
- Schedule C – MWDBE and Section 3 Subcontractors, Suppliers, Consultants
- Waiver Request - MBE/WBE/DBE
- Section 3 Policy
- HUD 5369-B Instructions to Offerors Non-Construction
- HUD 5369-C Certifications and Representation of Offerors Non-Construction Contract
- HUD 5370-C General Contract Conditions Non-Construction
- Equal Employment Opportunity Compliance Certificate

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