



## **Conversion of Apartment Buildings to Affordable Housing**

### **Request for Proposals**

- July 11, 2019: RFP issued
- July 25, 2019: Last date to request site tour
- July 29, 2019: Site tour – 9:00 a.m.
- August 16, 2019: Last date for questions regarding this RFP
- August 30, 2019: Submittals due, 4:00 p.m. (EST)

# Request for Proposal – Conversion of Apartment Buildings to Affordable Housing

## July 11, 2019

Pittsburgh Theological Seminary (PTS) is pleased to issue this Request for Proposal (RFP) for the conversion of three apartment buildings to affordable housing. The Seminary is seeking proposals from highly qualified housing developers with the capacity and experience to repurpose all units in the buildings with a provision for the Seminary to retain access to a number of units for their own needs.

## Introduction to Pittsburgh Theological Seminary

### Seminary History

Pittsburgh Theological Seminary is a non-profit corporation founded in 1794, which is comprised of a single campus located in Pittsburgh. The academic program includes graduate-level and continuing education programs in ministry and theological training. The campus is approximately 13 acres and includes a chapel, academic buildings, a library, and student apartments and dormitories. The buildings on campus were constructed between 1952 and 2003 in a predominately Georgian colonial style.

### PTS Mission Statement

Participating in God's ongoing mission in the world, Pittsburgh Theological Seminary is a community of Christ joining in the Spirit's work of forming and equipping both people for ministries familiar and yet to unfold and communities present and yet to be gathered.

### PTS Master Plan and Key Themes

PTS completed a new facilities master plan in 2018 and the plan was approved by the Board at the May 2018 meeting. This plan included a recommendation to pursue options concerning Seminary-owned apartment buildings on the corner of N. Highland and Stanton Avenues. These apartments are called Highlander, Anderson, and McMillan. Consideration of the disposition of these apartments is linked to the overall theme of the master plan as well as two of the plan's general goals as listed below:

- Master Plan Key Theme: *Strengthen the Core – Develop the Edge*
- Right-size our buildings & grounds to meet anticipated need and efficiently utilize our space
- Address expected future residential housing needs and aging apartment buildings

The Seminary has a current Institutional Master Plan (IMP) on file with the City of Pittsburgh which is valid until June 2020. In addition, PTS is currently in the application process with the City of Pittsburgh for a new IMP based on the board-approved master plan. We anticipate final approval of the new IMP by the end of calendar year 2019.

## Project Overview

The Seminary will pursue a partner to convert the three buildings to affordable housing. This would both align the buildings with the mission and values of PTS and provide an opportunity to meet a clear need in the East Liberty neighborhood as well as Pittsburgh in general.

## Solicitation and Selection Timeline

- July 11, 2019: RFP issued
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- July 29, 2019: Site tour – 9:00 a.m.
- August 16, 2019: Last date for questions regarding this RFP
- August 30, 2019: Submittals due, 4:00 p.m. (EST)
- Tentative: Sep 1 – Sep 30, 2019: Review of submittals
- Tentative: October 2019: Selection of developer announced

## Property Description

The three apartment buildings being repurposed in this project are named Highlander, Anderson, and McMillian

- The property is located at 738 N. Highland Avenue at the corner of Stanton Avenue and North Highland Avenue
- The property is currently located in an Educational-Medical-Institution (EMI) district
- The apartments are currently used predominately for graduate student housing
- There is no dedicated parking associated with the property

## Site Tour

The Seminary will offer potential RFP respondents a tour of the three buildings at 9:00 a.m. on 29 July 2019. See the Point of Contact section for information concerning requesting a site tour.

## PTS Project Requirements

1. Method of Disposition
  - a. Outright sale of land and buildings, subject to affordable housing restriction in Item 2 below.

- b. Alternate proposal – Sale of buildings with a ground lease on the land, subject to affordable housing restriction in Item 2 below.
2. Restricting Use of Property
  - a. Affordable housing:

The City of Pittsburgh’s Affordable Housing Task Force (AHTF) determined in 2015 that there is a citywide shortage of over 17,000 affordable and available rental units in Pittsburgh for households at or below 50% of Pittsburgh median household income. Project proposals should take this into consideration.

PTS anticipates that affordable housing commitments will be memorialized in a recorded restriction.
3. Existing Leases with Students
  - a. The expectation of PTS is that existing leases for tenants of the three apartment buildings will be honored until the end date of 31 May 2020.
4. Minimum Requirements for Development
  - a. For proposal planning purposes, PTS anticipates a need for 12 - 15 apartments (including 10 2-bedroom units) that will be master leased back to PTS at fair market rent. The appropriate mix of units will be determined in consultation with the developer. The initial term of the master lease will be for 5 years with the possibility of renewal.
5. The property will be offered at fair market value; PTS will not be providing any loan, subsidies, etc. beyond the guaranteed rent on the master leased units for the initial term.

## Scope of Services

The selected development firm will present a proposal that meets all the expectations of this RFP and creatively responds to the need for affordable housing.

## Proposal Format and Submittal Requirements

Please provide the following information in the order listed below (use of elaborate bindings, tabs, and presentation materials is discouraged, as is the inclusion of irrelevant or general marketing materials):

1. **Cover Letter:** Letter stating concisely why PTS should consider your firm for this work.
2. **Table of Contents**
3. **General Firm Information:** Firm name, full contact information, firm history, areas of expertise, and other helpful general qualifications.
4. **Development Team and Management Agent Profiles:** Description of the development team and management agent; this should include, at a minimum, the general contractor, the architect and the entity providing supportive services to residents.
5. **Team Member Qualifications:** Provide résumés for all key proposed project team members, including both prime firm and sub consultants.
6. **Relevant Experience:** List relevant project experience that provides evidence of qualifications for PTS project – include the specific issues addressed and identify the participation of individual team members, particularly including your experience with affordable housing.
7. **Development Concept:** Provide a narrative and conceptual plan for the conversion of the three apartment buildings into affordable housing that addresses the following:
  - a. General Project Description:
  - b. Summary of Proposed Use:
  - c. Development Schedule:
8. **Financing/Project Lenders:** Identify anticipated project lenders and proposed financing mechanisms.

## Selection Process

Proposals will be reviewed, and shortlisted firms will be invited for a proposal presentation and interview session. PTS will initiate negotiations with the firm having the highest ranking by the Apartment RFP Committee following the interviews. If an agreement cannot be reached with the highest-ranked firm, PTS will commence negotiations with the second highest-ranked firm, and so on, until a firm has been retained for the Project. Respondents will be evaluated on the following criteria:

- Developer experience in completing similar projects;
- Ability to assemble a team with appropriate specialties;
- Unique qualities of your firm or service offering in comparison with other firms;

- Commitment to a high quality design as expressed in previous projects;
- Demonstration of ability to attract and secure financing;
- Demonstrated ability to manage the affordable housing community after project completion;
- Demonstration of experience with providing relevant supportive services to residents;
- Commitment to operating the buildings as affordable housing for a significant period of time;
- Commitment to Minority and Women-Owned Business Enterprise (MWBE) participation;
- Willingness to enter into a Letter of Intent describing development scope and each party's due diligence activities through to closing.

## Reference Documents

The following reference documents are available. These will be provided via access to a website with the associated link provided upon request via e-mail.

- Apartment Building Floor Plans
- PTS Facilities Master Plan

## Legal Counsel

The Seminary has retained the services of Michelle Yarbrough Korb of Buchanan Ingersoll & Rooney (<https://www.bipc.com/michelle-korb>) to serve as legal counsel for this RFP, selection process and negotiation with selected developer.

## Additional Questions and Updates

In the event there are changes or clarifications to this RFP, PTS will issue an addendum. Addenda will only be sent to those parties who have specifically requested in writing to be notified of addenda. Addenda, as well as all questions and responses will be provided to interested developers who send an e-mail request to James Downey at [jdowney@pts.edu](mailto:jdowney@pts.edu). Any questions or requests for further information must be submitted no later than August 16, 2019.

## Point of Contact

The primary point of contact for this solicitation is James Downey, Vice President for Planning & Institutional Effectiveness, Pittsburgh Theological Seminary ([jdowney@pts.edu](mailto:jdowney@pts.edu) / 412-924-1450). The point of contact for the site tour is Thomas Hinds ([thinds@pts.edu](mailto:thinds@pts.edu) / 412-924-1369). Contact with any other employee or Board Member of PTS may be grounds for disqualification. Questions regarding the RFP must be submitted in writing by the deadline listed above. Questions received by the deadline will be answered to the entire group of potential respondents.

Please submit six (6) hard copies of your qualifications and one (1) USB drive containing a single PDF file with the same content as the hard copies to James Downey, Vice President for Planning & Institutional Effectiveness, Pittsburgh Theological Seminary, 616 North Highland Avenue, Pittsburgh, PA 15206 by 4:00 p.m. on August 30, 2019. PTS reserves the right to discard late submissions at its sole discretion. Submissions will not be returned.

## **Disclaimer**

Any and all costs related to responding to this RFP are the responsibility of the Respondent. PTS reserves the right to award the work discussed in this RFP to the firm or firms it deems, in its sole discretion, most beneficial to the goals of the project and of the Seminary. PTS is not obligated by this RFP to award this work to any firm, and may postpone, cancel or void this solicitation at any time.