RFP Developer Selection Process

1. Resolution 611: February 1, 2016
Board of Commissioners approves Top-Ranked Developers, per Developer Site

"No decisions shall be made on sequencing until after review and evaluation of the Part 2B Proposals and approval by the ARHA Board of Commissioners of the Selected Developers for each Development Site." (RFP p.3)

2. Staff executes a (non-binding) Letter of Intent (LOI) with Top-Ranked Developers. The purpose of the LOI is to:

Allow negotiation of the Term Sheet and Key Business Criteria in order to finalize them so that they can inform the Developer Agreement.

Simultaneous to Term Sheet negotiations, ARHA executes Right-of-Entry Agreement with Top-Ranked Developer.

ARHA staff is working with City staff to determine the ability to stagger submissions in order to have not more than two tax credit applications 'in the queue' at any given time, one serving as contingency for another.
RFP Key Business Criteria and Top-Ranked Developer's responses in Tab 1.0 are negotiated and modifications are presented in a Final Term Sheet which goes to Board for approval so that CEO may begin to negotiate Development Agreements.

RFP Appendix A: Definition of Development Agreement:

Development Agreement shall mean the legal document(s) (ground lease, sales contract, combination ground lease/sale contract, development services agreement or other agreements) that constitutes the binding contract between ARHA and the Selected Developer once it is approved by the ARHA Board of Commissioners and HUD (if applicable) and signed by both parties (and by any third party whose property is included for the completed development of a particular Development Site).

Board approval of Final Term Sheet. This advances Top-Ranked Developer to the status of Selected Developer.

The Selected Developer is granted the exclusive right by the ARHA Board to negotiate a Development Agreement with ARHA for the applicable Development Site.
Selected Developer pays Earnest Money Deposit of $100,000 within 10 days of Board approval of Final Term Sheet.

At this point the federal procurement process is concluded and the information in Proposals is no longer privileged/confidential.

Development Agreement negotiations take place, informed by:
- Final Term Sheet
- Due Diligence
- Development Review Process
- HUD Disposition Application
- HUD Mixed-Finance Proposal

CEO returns to Board for approval to execute Development Agreement

"The Development Agreement will, among other things, define the roles and responsibilities of ARHA and the Selected Developer, including the fee structure and purchase/lease price while recognizing that there are guidelines in place for such development efforts. The ultimate purchase/lease price is subject to modification after zoning entitlements are received and shall be handled as such in the Development Agreement."

(RFP p. 5)
Development Agreement
Executed between ARHA and Selected Developer(s)

CEO requests approval through Board Resolution to submit HUD Disposition Applications
City approval also required.

CEO requests approval through Board Resolution to submit HUD Mixed-Finance Proposals
City approval also required.

November 2017: development approvals for one Development Site

January 2018: ARHA informs VHDA of the plan of development it intends to submit for March 2018 tax credit round
March 2018: ARHA Submits Low-Income Housing Tax Credit Application to VHDA

December 2018: Financial Closing

Board Memo Dated February 1, 2016

No closing shall occur until such time that the following have been satisfied:

(i) all approvals, including, without limitation, the appropriate rezoning approvals, subdivision approvals (including the recordation of the subdivision plat creating the record lots upon which any ARHA Assisted Units will be constructed), and final site plan approval (collectively, the "Development Approvals") have been obtained from the City of Alexandria on terms acceptable to ARHA; and

(ii) the financing for the applicable Project has been obtained in accordance with the financing plan and budget for the Project which shall have been approved by ARHA and the funding sources providing such financing are prepared to close on such financing as of the Closing Date; and

(iii) all necessary approvals for the development of the ARHA Assisted Units, including but not limited to any HUD approvals, have been obtained on terms acceptable to ARHA, including, without limitation, the recordation of a release of the existing Declaration of Trust encumbering the applicable Development Site, the recordation of a new Declaration of Trust encumbering solely the ARHA Assisted Units, if applicable, and approval of Tenant Protection Vouchers; and

(iv) 100% construction documents have been completed and competitively bid and the construction documents and associated bids have been validated by an ARHA 3rd Party Cost Estimator, with the costs incurred by ARHA to engage a 3rd Party Cost Estimator being deemed a Project expense, and a construction contract, in a format agreed upon by ARHA, has been executed with a contractor approved by ARHA; and

(v) all other conditions of Closing as set forth in any respective Development Agreement have been satisfied.