REQUEST FOR PROPOSALS

FOR THE

DEVELOPMENT OF

35 CHERRY STREET

CAMBRIDGE

CAMBRIDGE AFFORDABLE HOUSING TRUST

_____, 2023

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FOR THE

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I. INTRODUCTION

Project Overview

The Cambridge Affordable Housing Trust (hereinafter the "Trust") invites proposals for an affordable homeownership development in the City of Cambridge, Massachusetts. The property being offered through this Request for Proposals ("RFP") consists of a parcel of land with a street address of 35 Cherry Street (hereinafter the "Property") at the corner of Cherry Street and School Street, Cambridge, MA.

The creation of affordable housing is a top priority of the City. The City, informed by a community process, has determined that 35 Cherry Street is best developed as affordable homeownership.

In 2013, the Massachusetts Institute of Technology filed a zoning petition seeking amended zoning for the PUD-5 Zoning District. In that petition, MIT committed to convey the Property to the City for a use that directly benefits residents in The Port neighborhood and surrounding community after completion of a public process to determine that use. The City completed that public process and the result was a consensus that the Property be used for the development of new affordable housing building(s) that fit the scale of the surrounding neighborhood.

Starting in June 2021, the City's Community Development Department ("CDD") hosted a series of public meetings and focus groups to understand the community's vision and priorities for the development of affordable housing at 35 Cherry Street. CDD held two community meetings and six focus groups. The community meetings were open to the public, and the focus groups were held with Spanish-speaking, Haitian Creole-speaking, and American-born Black residents. This public process yielded a set of advisory recommendations for the future development of 35 Cherry Street. These advisory recommendations consist of affordable housing goals and a set of design principles and guidelines to guide the size, scale, and quality of the development of 35 Cherry Street in a way that best supports the community. CDD submitted the advisory recommendations to the City Manager, who then submitted the recommendations to the City Council in March 2022. The advisory recommendations as submitted to the City Council from the City Manager are included in Appendix 3 to provide guidance as to the quality of design envisioned for the site.

The City, through CDD, has established Project Guidelines for the development of 35 Cherry Street. These guidelines incorporate the goals of neighborhood residents, the Trust, and the City to meet the need for affordable homeownership housing, and to ensure that the development of the 35 Cherry Street will have a positive impact on the neighborhood.

The Trust is requesting proposals from qualified developers for the development of affordable ownership housing and affiliated residential open space.

The Trust will select one developer for the site from the applicants who submit complete development proposals in response to this RFP. Applicants should meet the Trust's criteria for conceptual development and design as described in the Project Guidelines, and demonstrate sufficient capacity and experience in the development of similar developments. The Trust will rank proposals according to the criteria listed in this RFP.

There will be a Bidder's Conference on [April ____], 2023 at 10:30 a.m at City Hall [virtual option?]. Proposals are due [June __], 2023 at 11:00 a.m. at the Purchasing Department, City of Cambridge, Room 303, City Hall, 795 Massachusetts Avenue, Cambridge, MA 02139.

The Project Review Committee, made up of Trust members and the City's Community Development Department staff, will review the proposals and designate a developer shortly thereafter. The Trust will convey the site to the designated developer at the time of the initial construction closing.

II. SITE INFORMATION

Background

The City of Cambridge acquired 35 Cherry Street from the Massachusetts Institute of Technology ("MIT") in March 2022.

Site Description

The 35 Cherry Street site is located on the corner of Cherry Street and School Street in the Port neighborhood of Cambridge and consists of a single 10,593 square foot parcel. Street frontage includes approximately 135 feet along School Street and approximately 67 feet along Cherry Street. The site can be accessed from a curb cut along School Street.

The site is partially paved and entirely vacant. The entire lot is fenced and is not currently used.

Zoning

The applicant/developer is solely responsible for obtaining any necessary permits and public approvals for this project including without limitation any approvals required by the Cambridge Zoning Ordinance. Applicants shall include a detailed zoning analysis which outlines how the proposed development scenario will meet zoning requirements The following overview on zoning is being provided for informational purposes and should not be used as a substitute for a formal zoning analysis of the site.

35 Cherry Street is located in the Residence C-1 zoning district on a 10,593 square foot lot. Base zoning information for this site can be found in the following sections of the Zoning Ordinance:
Article 4.000 - Use Regulations
Article 5.00 - Development Standards
Article 6.00 - Parking Requirements (including bicycle parking)
Section 11.200 - Inclusionary Housing

In addition to reviewing what could be developed on the site under base zoning, applicants are encouraged to also consider how the site could be developed under the provisions of the Affordable Housing Overlay (AHO). The AHO is designed to help affordable housing developers create new affordable housing more quickly and efficiently. The AHO allows the creation of new, permanently affordable housing that may be denser than what might be allowed under base zoning and creates a stream-lined review process through which new affordable housing can be approved more efficiently without the need for discretionary permits. The AHO standards are outlined in Section 11.207 of the Zoning Ordinance.

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Environmental Testing

The applicant/developer shall be solely responsible for determining the need for and scope of environmental testing as well as the cost for testing and for the removal and disposal of any identified hazardous materials necessary to complete this project.

Deed Restriction

The site will be conveyed to the selected developer with a permanent deed restriction to ensure that the use of the site provides a permanent public benefit. The deed restriction will describe the requirements of the affordable housing as described in the Project Guidelines. Upon the conveyance of the site to the selected developer, the Trust will require other binding legal instruments and resale restrictions to ensure the affordability and use restrictions of the site.

III. DEVELOPMENT GUIDELINES

The City conducted a community engagement process to establish guidelines for the development of the Property. These guidelines address both the development program and the design of the site.

The selected developer will be responsible for all aspects of the development including conducting a community process to review proposed site and building designs, assembling necessary funding and obtaining all necessary permits and approvals to build the homes, and constructing and selling the homes to eligible homebuyers.

As described in Section V, Selection Criteria, proposals will be evaluated to determine the extent to which the proposal satisfies the following guidelines:

A. Project Guidelines

1. Site Design: The proposed use of this site shall include affordable ownership housing, and high-quality private open space for children to play and residents to gather. Applicant proposals should include information on how their proposed homeownership development would address the following:

    a. Affordable Ownership Housing: Homeownership units should be priced to be affordable to a range of incomes for low, moderate, and middle-income Cambridge residents as defined in the current Area Median Income (AMI) guidelines provided in Appendix 6. Affordable is defined as owners paying no more than 30% of their income for housing, including mortgage principal and interest, condominium fees, property taxes, and insurance.

    Applicants are encouraged to propose units with a mix of affordability levels that will be feasible to finance and develop, and will be feasible for low and moderate-income first-time homebuyers to own and maintain.

    b. Unit Type: The housing proposed may include a mix of bedroom sizes but should prioritize maximizing the number of family-sized units (three-bedrooms or larger) to address the overwhelming need for affordable family-sized units in Cambridge.

    c. Open Space: High quality private open space should be included on the site. The location of the open space should be programmed on the site in a way that meets the needs and enhances the experience of residents.

    d. Parking, bicycle parking, and transportation: It is expected that the selected applicant will develop a plan based on an assessment of the anticipated transportation needs of the residents. The proposed plan will need to meet zoning requirements with respect to vehicle and bicycle

parking and may include Parking and Transportation Demand Management (PTDM) measures such MBTA transit passes, Blue Bike stations and discounted memberships, Zip Car spaces and discounted memberships, transit information screens in common areas, as may be encouraged or required.

2. Zoning and Community Review Process: Developers are required to conduct a community review process as they develop and refine designs for the site. Applicants should propose a community process which includes methods to encourage engagement with historically excluded, underheard, and underserved communities. The community review process should include at least two public meetings.

   In addition to this public review, the developer shall be solely responsible for satisfying all other zoning, permitting and regulatory requirements as may be necessary to permit and complete the project.

3. Development Team: Applicants shall identify all known and proposed members of the development team (i.e. architect, engineer(s), general contractor, attorney, consultants). Each team member should have a track record that demonstrates timely and successful completion of past projects and the capacity to complete the proposed project on a tight urban site. The development team shall demonstrate evidence of experience in completing all aspects of an affordable housing project, and in working successfully with community members and City staff in designing developments in an urban setting. The development team should highlight any experience developing for-sale housing. This should include any experience with marketing available units; buyer selection; the closing process; working with condominium associations and offering post-closing homeowner engagement, technical assistance and support. The development information shall be submitted on the Form #2 included in Section 7.

4. Financial Requirements: Applicants must submit a complete development pro forma, outlining anticipated sources and uses of funds. The proforma shall include estimated project hard and soft cost estimates, as well as anticipated reserves and proposed developer fee and overhead. The development pro forma shall be submitted on the Form #3 included in Section 7.

   The applicant shall also submit an estimated operating budget which shall specify the projected uses of operating funds for maintenance of common elements, operating costs, and sufficient reserve funds. For proposals which contemplate fee simple ownership structure, applicants should submit estimated operating budget for homeowner association, if applicable.

   (For condominium project, prior to project completion, the selected developer shall establish a condominium association for the development in a form acceptable to the Trust. The developer shall identify common areas under the control of the

condominium association along with the responsibilities of both the condominium association and individual unit owners)

In its financial review of the proposal, the Trust shall determine: 1) the reasonableness of the projected development costs in relation to the proposed project; 2) the developer's history of financing similar development projects; and 3) the likelihood that projected sources of financing for the project will be committed in a timely manner.

Developers are encouraged to explore the availability of other funding and subsidy sources to leverage the resources being provided by the Trust and City, including the provision of the land at no cost. Requests for additional funding from the City and/or the Trust will be considered separately from this RFP and will follow the Trust and City customary affordable housing funding application and review process.

Marketing & Buyer Selection: It is anticipated that the City, in partnership with the selected developer, will conduct a lottery process to select buyers for the completed project. Applicants should include in the project narrative and budget the following:

- Projected sales prices
- Anticipated absorption rate after initial occupancy
- Marketing expenses and carrying cost assumptions on vacant units

The Trust reserves the right to require the selected developer to conduct the marketing and buyer selection process for the homeownership units in accordance with City guidelines and fair housing requirements.

Applicants should also include a description of previous experience setting up a condominium association or other homeowner's association and successfully transitioning the association to resident control. Applicants should also describe their plans for providing support to new owners, including the proposed term and coverage of the warranty period.

5. Development Schedule: Proposals shall include an anticipated project schedule that indicates when project milestones will be met with respect to the design, community review, financing, permitting, and construction of the proposed project. The anticipated project scheduled shall be submitted on the Form #5 included in Section 7.

6. Compliance with All Applicable Codes: The project shall be constructed in compliance with all applicable local and State building codes.

B. Design Guidelines

Applicants are not required to prepare and submit detailed design proposals in response to this Request for Proposals. However, in order to enable the Trust to evaluate the capacity of the applicant team to meet expectations for high-quality design, applicants must submit a design concept and project narrative which describes their intended design approach. Applicant teams are encouraged to provide examples of other completed developments which reflect their anticipated design for the Property.

Developers are encouraged to consider both site and building design that (1) is compatible with, and complements, the existing neighborhood; (2) can result in lower construction and maintenance (including energy) costs; (3) uses interior and exterior space to enhance the quality of life of the residents and the neighborhood; and, (4) responds to the desire for high-quality site and building design as expressed in the Design Principles included in Appendix 4.

Selected developers will be required to consider the Design Principles when developing and refining the site plan and building design. These include the following:

I. Neighborhood Context: Size and scale of new building(s) should fit within the existing neighborhood context. For example:
   - Buildings of four stories and/or buildings which include a step-back or gabled top floor
   - Articulated top floors with features such as dormers, terraces, sloped roofs
   - Use of colors and materials that complement the surroundings
   - Inclusion of multiple entrances and architectural detail to activate the public realm

II. Site Amenities and Environmental Comfort:
   - Maximization of street trees along Cherry Street and School Street
   - Provision of amenities, such as stoops, porches, and seating areas
   - Provision of small, landscaped areas and open space that can serve as gathering spaces for residents
   - Consider inclusion of balconies and/or upper-level decks

III. Prioritize Sustainability & Resilience
   - Design for energy efficiency and natural ventilation
   - Design for flood protection
   - Minimize the urban heat island effect with high albedo roofs or green roofs, and canopy trees
   - Consider including photovoltaics

IV. Unit Design:
   - Provision of in-unit laundry equipment
   - Provision of large storage spaces adequate to meet resident needs
   - Provision of large windows for interior daylighting

- Meet or exceed the Homeownership Unit Livability Standards (Appendix 5) for size and layout in the conceptual design stage. The selected developer will be expected to meet or exceed all standards in the final design.

V. Accessibility: The proposed design must conform to local, state, and federal requirements relating to accessibility for individuals with disabilities.

VI. Zoning: All construction is subject to the zoning regulations of the City of Cambridge.

C. Quality of Construction

The Trust expects that all construction shall be of high quality in terms of materials and workmanship. The type and brand of materials, including surface finishes and appliances proposed to be used by the developer will be reviewed by the Trust to ensure a quality product is produced. There shall be a preference for construction quality that results in lower maintenance and energy costs without unreasonably increasing the construction costs of the building.

IV. REVIEW, SELECTION AND CONVEYANCE PROCESS

Upon receipt of proposals, a Project Review Committee, made up of Trust members and the City's Community Development Department staff, will review all proposals and make recommendations to the Trust.

The review, selection, and disposition process will include the following steps:

1. REQUEST FOR PROPOSALS ISSUED: This RFP has been issued by the [Trust] on Month X, 2023. There will be Bidder's Conference on Month X, 2023 at 10:30 a.m. at City Hall [by zoom?]. All applicants are required to attend the Bidder's Conference. The deadline for responses is [XXX XXX, 2023] at 11:00 a.m. at the Purchasing Department.

2. QUALIFIED DEVELOPERS SELECTED: The Project Review Committee will review all proposals and select for further review those that best satisfy the Selection Criteria outlined in Section V, Selection Criteria.

3. DEVELOPER SELECTED: The Project Review Committee will evaluate and rank proposals according to the Level 2 Selection Criteria. The Project Review Committee or the Trust may request a presentation of the proposals by each qualified developer. Taking into consideration the recommendation of the Project Review Committee as well as its own review, the Trust will designate a developer for the site.

4. COMMUNITY REVIEW: The selected developer shall propose and follow the Community Review Process as approved by the Trust.

5. ONGOING TRUST REVIEW: The Trust shall monitor the progress of the developer in preparing the project for construction to ensure that it is both timely and consistent with the proposal submitted to the Trust.

6. FINAL PROJECT REVIEW: The Trust shall grant final approval to the developer upon the securing of all necessary financing and subsidy funding commitments and final design approval.

7. DISPOSITION OF THE SITE: After the Trust has issued its Final Project Review, the Trust shall convey the site to the developer at the time of the initial construction closing with the deed restrictions as described in this RFP.

V. MINIMUM QUALITY REQUIREMENTS / SELECTION CRITERIA

["Minimum Quality Requirements" are being developed in consultation with Purchasing Department]

VI. SUBMISSION REQUIREMENTS

Sealed proposals must be submitted no later than [Month Day, 2023] to:

Elizabeth Unger, Purchasing Agent
City of Cambridge
Cambridge City Hall, Room 303
795 Massachusetts Avenue
Cambridge, MA 02139

Application

One (1) original and five (5) complete copies applications with all forms and attachments, with reduced drawings (11"x17"). Proposals must include the following:

1. Letter of Interest

2. Project Summary: please complete form included in Appendix 7.

3. Design Submission:

   Site Plan: Developers shall include 11"x17" drawing(s) in the original and each copy of the application along with two full-size drawings (24"x36" which can be enlargements of the 11x17" drawings) of a conceptual Site Plan which shows the conceptual approach to design, which may include proposed structure(s), open space areas, and other proposed site improvements including parking, fences, walkways, driveways, and landscaping etc at 1" = 20'.

   Design Narrative: Developers shall describe the design concept shown on the Site Plan in terms of the scale of proposed building(s), anticipated interior and exterior building materials and finishes, building systems, landscaping, and how the design of both the site and proposed building(s) will fit into the context of the surrounding neighborhood and address the design guidelines included in this RFP.

   Rather than requesting schematic design work from development teams at this stage, the Trust is requesting that teams describe how they would approach the site and select projects from both the developer and architect's portfolios that most relate to this site in terms of appropriate height, density, building articulation, income and tenure mix, etc. Applicants should discuss the critical issues that they have identified at the 35 Cherry Street site and, through projects in their portfolio, discuss how these critical issues and solutions may be addressed at 35 Cherry Street with examples from projects with similar challenges.

4. Development Team Information: please complete form included in Appendix 7 and describe the organizational experience of each member of the development team. Please include résumés for each member of the development team.

Please refer to the section above, Design Submission, for additional information about how development teams are expected to demonstrate their analysis and understanding of the critical issues in designing and developing the 35 Cherry Street site.

5. Developer Financial Statements: please include the developer's most recent audited financial statements.

6. Development Pro Forma: please complete forms included in Appendix 7.

7. Community Review Process: please describe community review process.

8. Development Schedule: please complete form included in Appendix 7.

9. Use Restriction Statement: please complete form included in Appendix 7.

Bidder's Conference

A bidder's conference is scheduled for [Month XX, 2023 at [XX:XX a.m]. at City Hall, 795 Massachusetts Avenue, to help answer any questions developers may have about the RFP guidelines or submission requirements.

For More Information

If you have any questions regarding the Request for Proposals, please submit them in writing to the address listed below by MONTH XX, 2023. Only written representations are valid. Answers to all questions will be posted via addendum.

Elizabeth Unger, Purchasing Agent
City of Cambridge
Cambridge City Hall, Room 303
795 Massachusetts Avenue
Cambridge, MA 02139
Fax: (617) 349-4008

VII. APPENDICES

1. Site Plan of the Property
2. Legal Description of the Property
3. City Manager's Letter of March 7, 2022, to Cambridge City Council
4. 35 Cherry Street Affordable Housing Design Principles
5. Homeownership Unit Design Standards
6. Current Income Guidelines
7. Application Forms