

Welcome Home, Boston Phase 2 Pre-Application Conference



Mayor's Office of Housing
October 17, 2023

CITY OF BOSTON

Meeting Agenda

- **Introduction** (10 mins)
- **Welcome Home, Boston & Phase 2 RFP Overview** (10 mins)
- **Homeownership Development Fundamentals** (20 mins)
- **Introduction of Predevelopment Loans and Technical Assistance Coalition** (10 mins)
- **Basics of Development Financing** (15 mins)
- **Breakout Session** (15 mins)
- **Next Steps** (5 mins)



Welcome Home, Boston & Phase 2 RFP Overview

Supporting Homeownership

The City of Boston has **launched a new initiative** to help low to moderate income Bostonians become **homeowners**

- The Mayor's Office of Housing has identified approximately 150 parcels of City-owned land suitable for homeownership development

Mayor Wu has allocated **\$58M in time-limited Federal ARPA Funds** to support the initiative

- First-time homebuyer assistance
- Funding to develop ~150 parcels

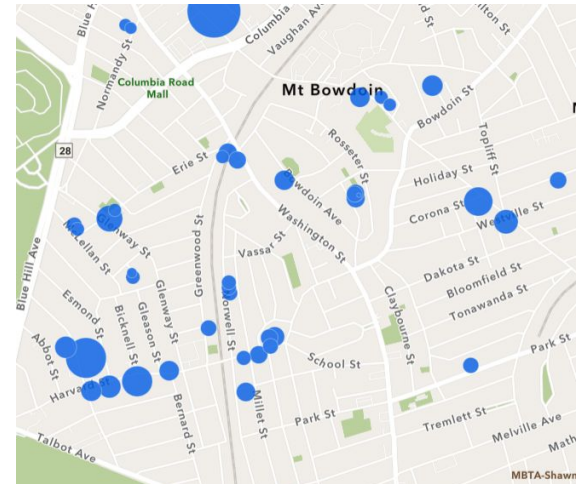
Timeline for Funds:

- Committed to specific projects by end of 2024
- Spent Fully by end of 2026



Community Engagement

- **Survey:** 331 People Responded (240 Black, 44 Hispanic/Latinx, 205 were from Dorchester, Mattapan, or Roxbury)
- **3 Focus Groups:** Young Adults, BHA Tenants, First Generation homebuyers
- **Open House Community Meeting:** 120+ attended
- **Office Hours:** Opportunities for one-to-one engagement with City staff
- **Neighborhood Briefings:** Briefings for neighborhood leaders
- **Site Walks:** Two neighborhood walks to visit proposed sites and discuss development potential



What We Learned

- **High Support for Welcome Home, Boston:** Emphases on excitement, gratitude, hope, the American Dream, building generational wealth, stability for families and owning in your home neighborhood/city.
- **Requests:** The top three preferences:
 - Create as many new homeownership opportunities as feasible
 - Maximize affordability
 - Include family sized units
- **Large, Intergenerational & Non-Traditional Households:** Housing needed for intergenerational and non-traditional households (ex. single parents, roommates, large families, student debt).
- **Open Space:** People want yard space, porches and trees, for peace and quiet and so kids can safely play.
- **Fears:** Small or low-quality units and crowded neighborhoods.

Increasing Opportunity

- **Increase economic opportunity for BIPOC-led developers:** Through the engagement process, we also found a strong interest in making these development opportunities more accessible to local developers of color
 - **Steps to achieve this goal:**
 - ✓ Conducted targeted outreach to BIPOC-led emerging developers to raise awareness of Welcome Home, Boston & learn more about what MOH can do to make opportunities more accessible
 - ✓ RFP and bidding process will be expanded to support successful responses from new-to-MOH-process developers
 - ✓ MOH has released an RFP to engage a lending entity to provide enhanced technical assistance and predevelopment loans to help underrepresented developers create affordable housing.
 - ✓ Grant funding opportunity (up to \$15K) from other COB sources including Boston Contracting Opportunity Fund via the Economic Opportunity and Inclusion Department

Development Guidelines

Based on current feedback, MOH is asking proposers to do the following:

1. Maximize use of public land available to create affordable homeownership opportunities for low to moderate income homebuyers
2. Focus on providing family-sized units (2BR+)
3. Provide complimentary open space where feasible
4. Provide parking appropriate to the site context and access to transit



Potential Sales Prices:

Unit Size	80% AMI Sales Price	100% AMI Sales Price
2BR (condo)	\$252,000	\$326,000
3BR (condo)	\$290,300	\$368,500

WHB Phase 2 RFP Overview

The Phase 2 RFP is current offering twenty (26) city-owned vacant parcels in the Dorchester, Mattapan, and Roxbury neighborhood for development. Totaling approximately 124,000 square feet of vacant land are intended for sale by the City pursuant to the RFP. The properties are being offered as-is. Applicants must submit a combined proposal for each site based on the details provided in the RFP.

As outlined in Phase 2 Request for Proposals (RFP), the development objectives are to:

- Promote affordable homeownership housing;
- Promote opportunities for residents and businesses to contribute to and participate in neighborhood development;
- Maximize efforts at equity and inclusion, outreach, and support so that historically underrepresented residents and businesses can achieve success in the plan;
- Support development through public funding including up to \$150,000/unit and \$20,000/parcel subsidy from MOH, and providing city-owned parcels at a nominal fee of \$100/parcel.

WHB Phase 2 Parcel Map

SELDON - 3 Parcels

NORFOLK, CAPEN - 3 Parcels

BALLOU - 2 Parcels

CALENDER - 2 Parcels

COLONIAL, STRATTON - 4 Parcels

DEERING, WILDWOOD - 3 Parcels

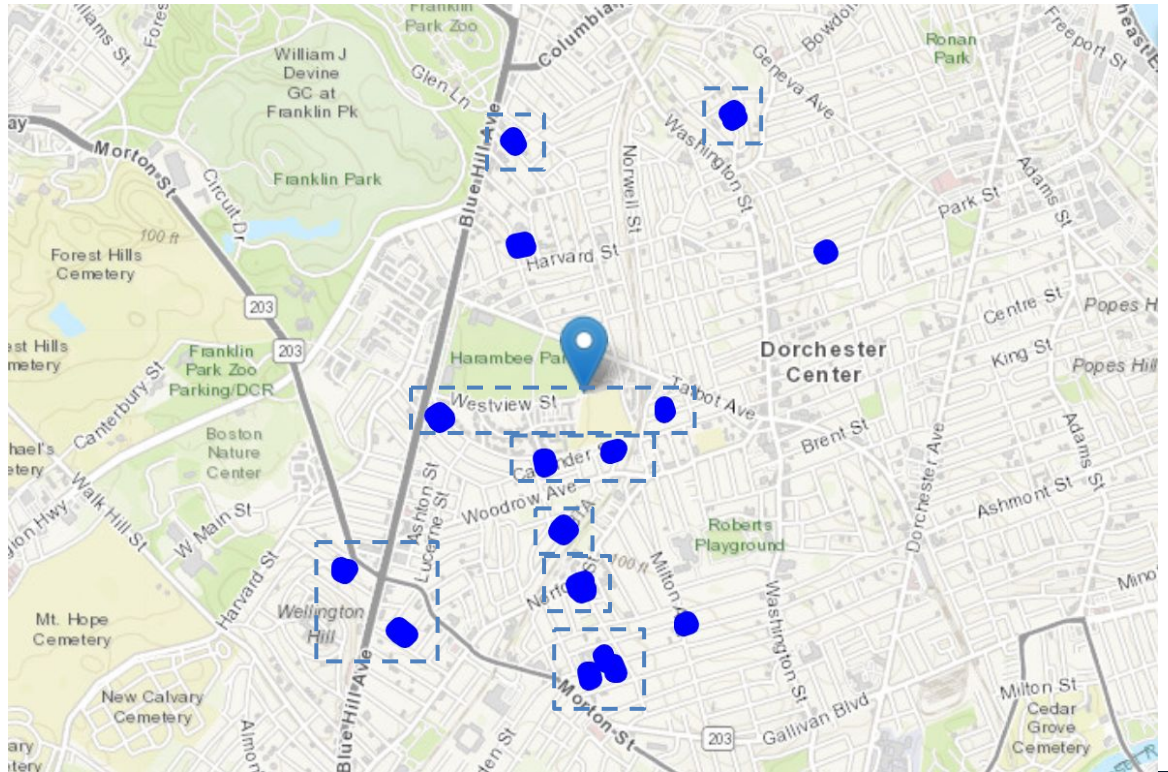
MCLELLAN - 2 Parcels

NOTTINGHAM - 4 Parcels

MILTON - 1 Parcels

WALES - 1 Parcels

PARK - 1 Parcels



Next Steps

Fall 2022

MOH began engaging with the community about the development of ~70 parcels in Dorchester and Mattapan for the Welcome Home, Boston Program

Summer 2023

MOH presented the parcel offering for WHB Phase 2 RFP to the community on August 10, 2023.

Winter 2023-24

MOH will conduct an initial evaluation of eligible proposals in response to the Phase 2 RFP and present eligible proposals at a virtual community meeting, followed by a 10-day public comment period.

Winter 2022-23

MOH held walking tours, conducted surveys, and hosted community meetings & discussions centered around possible uses. We collect feedback and requirements to help shape the forthcoming RFPs.

Fall 2023

Phase 2 RFP issued for 20 parcels in the Dorchester, Mattapan, and Roxbury neighborhoods. Proposals are due on **December 4, 2023**.

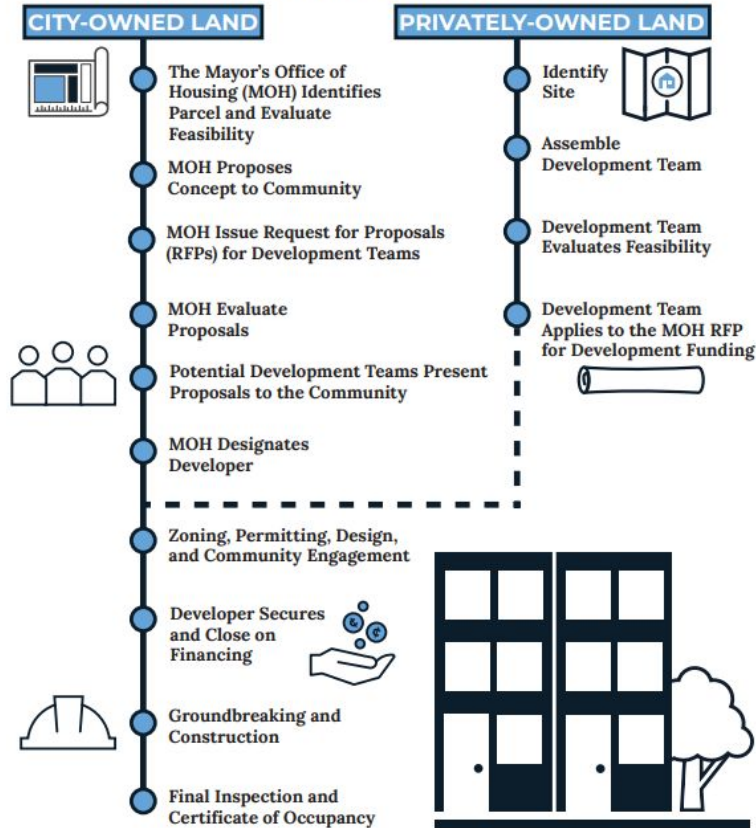
Spring 2024

MOH will complete the evaluation of Phase 2 proposals and make recommendations for Tentatively Developer Designation.



Homeownership Development Fundamentals

HOW INCOME-RESTRICTED HOUSING IS BUILT IN THE CITY OF BOSTON



Key Roles Within A Development Team:

- Project Manager
- Architect
- Consultants
- Lender/Financing Partners
- General Contractor/Builder
- Attorney
- Marketing/Property Management

Key Elements in the RFP

SCOPE OF PROJECT

- *RFP Objectives*
- *Properties Offered*
- *Additional Resources*

DEVELOPMENT GUIDELINES

- *Preferred Uses*
- *Design Guidelines*
- *Existing Site Conditions*

PROJECT REQUIREMENTS

- *As-Is Appraised Value*
- *Offer Price Information*
- *Applicant Guidelines*
- *Budget Review and Cost*

EVALUATION PROCESS

- *Minimum Eligibility*
- *Evaluation Criteria*
- *RFP Review Committee*

COMMUNITY PARTICIPATION AND AWARD OF CONTRACT

- *Developer Designation*
- *Development Schedule*

SUBMISSION INSTRUCTIONS

RFP FORMS

Submitting A Proposal

Successful applicants will need to ensure their proposal complies with [MOH's Housing Development and Underwriting Policies](#). Proposals must include all of the following sections as part of the minimum eligibility criteria; see Section 16 of the RFP: Submission Checklist & Required Forms

- | | |
|--|--|
| <ul style="list-style-type: none">● Original Application Submitted● Proposal Summary and Narrative● Development Timetable● Development Budget and Sources● Evidence of Financing - Letter of Interest or Commitment Letter from an established Financial Institution● Pre-Development Sources and Uses Budget (w/ proof of cash availability)● Evidence of Acquisition of Privately-owned Land, if applicable● Design Submittal including 1 Plan Set (schematic design) | <ul style="list-style-type: none">● Green Narrative that addresses, at a minimum, Integrated Design Process, Green and LEED Silver “Certifiable” strategy and sources of green funding, including LEED checklist demonstrating LEED Silver “Certifiable” strategy● Audited Financial Statement (most recent) or alternative documentation● Equity & Inclusion Plan● Qualifications, experience, and resumes of Development Team● Complete and sign all forms included in the RFP.● MOH required forms |
|--|--|

RFP Forms

Additionally, the following forms must be completed and submitted with your application:

<u>MOH Proposal Form</u>	<u>c.803 Disclosure Form</u>
<u>Project Summary Form</u>	<u>M.G.L. c.7C Disclosure Form (DCAMM)</u>
<u>Proposer's Qualification Form</u>	<u>Disclosure/Beneficial Interest Statement Form</u>
<u>Employment Statement Form</u>	<u>Beneficiary Affidavit Form</u>
<u>Property Affidavit Form</u>	<u>Beneficiaries of Assistance Form</u>
<u>Affidavit of Eligibility Form</u>	<u>Notice to Beneficiaries</u>
<u>Conflict of Interest Form</u>	

Note: The above is not a comprehensive list of all federal, state, and City laws and regulations that govern affordable housing projects within the City of Boston. For further questions and guidance on the City of Boston or MOH's development and construction requirements, please contact Christine O'Keefe at (617) 635-0351 or christine.okeefe@boston.gov

Evaluation Criteria

- **Minimum Eligibility-** Proposal received by deadline, contains all necessary forms and documents, and is compliant with development objectives.
- **Development Plan-** Applicant's development plan relative to the development guidelines & objectives set out in the RFP.
- **Design Concept-** Applicant's development plan relative to the design considerations.
- **Applicant Experience and Capacity-** Applicant's experience and capacity to undertake the proposed project.
- **Applicant's Financial Capacity-** The relative strength of the Applicant's financing plan relative to other proposals.
- **Development Cost Feasibility-** Evaluation of the relative strength and completeness of the applicant's development budget relative to other proposals.
- **Diversity and Inclusion-** Applicant's comprehensive planned approach to achieve minority participation.
- **Housing Affordability-** Applicant's housing affordability plan relative to other proposals.
- **Ownership Structure-** Applicant's plan for the ownership structure of the units to be sold that will support homebuyers' success.

Development Teams Should Prepare

- ❑ **Project Description including building size, number of floors, tenant mix.**
- ❑ **Budget**– *Sources and Uses*
- ❑ Condo budget **Operating Proforma**
 - *How reliable is the revenue?*
- ❑ **Construction Cost Estimate**
 - *Contingency for increasing costs and unexpected conditions.*
- ❑ **Financials**– *tax returns, Profit & Loss, Balance Sheet for the developer/owner*
- ❑ **Development Schedule with Milestones**
- ❑ **Third Party Reports**– *Phase 1 Environmental Site Assessment, Geotechnical Report*
- ❑ **Property Management Plan**
- ❑ **Appropriate experience across team members to execute the development plan**

Submission Instructions

How To Submit Your RFP Response:

- NOTE: RFP submission requires a G-Suite or Gmail account. If you do not have access to a G-Suite or Gmail account, visit <https://accounts.google.com/signup> to create your own account in advance of the proposal due date.
- In a web browser (preferably Google Chrome), click the link below, or input <https://bit.ly/Boston-MoH-RFP> in the URL bar.
- Select the RFP to which you are responding from the options listed and fill in all required fields.
- Upload all required RFP documents in the document upload page and submit the form.

What To Expect After Submitting An RFP Response

When you submit an RFP response, a copy of your submission materials will be emailed to the account associated with the form submitter. Applicants will be able to review and edit their responses up to the RFP submission deadline. Applicants are encouraged to edit an existing submission rather than creating a new submission.

Responses must be submitted by the following deadline: **December 4, 2023, no later than 4:00 P.M. (EST). Late proposal submissions will not be accepted.** Please have your proposal submission ready and uploaded as soon as possible to avoid issues at the time of submission.

Q&A

Short break for questions and answers



**Welcome Home Boston
Pre-Development Loans and
Technical Assistance Coalition**

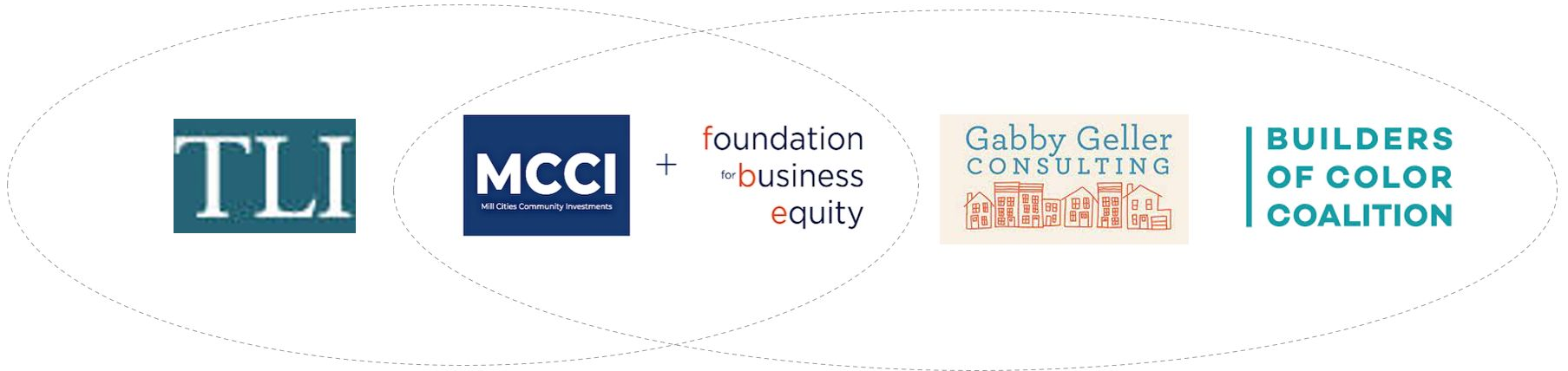


About Us: Pre-Development Financing & Technical Assistance Coalition

This Coalition of experts was selected by the City of Boston to provide both **Technical Assistance** and **Pre-Development Financing** to historically underrepresented development teams.

Financing Capital Partners

Technical Assistance Partners



About Us: Mill Cities Community Investments + Foundation for Business Equity

MCCI+FBE is a mission-driven Black-led CDFI with a strong track record of executing loan programs and high-quality advisory services to BIPOC and LMI business owners and communities.

About MCCI+FBE

- ✓ 86% of all-time loans to BIPOC entrepreneurs
- ✓ Lending team with deep community ties and significant experience
- ✓ Culturally and linguistically pre- and post-loan advisory support
- ✓ Business Equity Initiative provides high-touch strategic advisory to BIPOC businesses to plan for and drive sustainable growth

Leadership + Staff



Glynn Lloyd
Executive Director



Tameka Moss
*BEI Advisory
Services Lead*



Aaron Lackman
*Commercial
Services Manager*



Ken Berard
Portfolio Manager



Kristin Wallace
Commercial Lender

About Us: The Life Initiative

The Life Initiative (TLI) is mission-driven investment fund and one of the most prolific early stage lenders to for-profit BIPOC developers in the City of Boston and statewide.

About TLI

- ✓ \$24M currently invested and committed to BIPOC developers, including \$14M in the City of Boston
- ✓ Investing in MWBEs is an explicit mandate for the fund
- ✓ Lending team with 20+ years of lending and development experience
- ✓ TLI financing has supported 19,210 housing units, 1,908 permanent jobs and 11,253 construction jobs

Leadership + Staff



Kristen Harol
President



Mollye Lockwood
Senior Vice President



Brandon Braxton
Vice President



Laura Rijo Florimon
Portfolio Manager

About Us: Gabby Geller Consulting

Gabby Geller is an expert in affordable housing and community development advising, including supporting BIPOC developers through each step of the pre-development process.

About Gabby Geller Consulting

- ✓ MWBE business
- ✓ 25+ years of experience in supporting BIPOC developers navigate planning, policy and financing processes and challenges of real estate, including affordable housing
- ✓ Provides support and coaching through an end-to-end process, including on development applications, strategies ahead of public presentations, and assembling talented and diverse teams

Leadership + Staff



Gabrielle Geller
Owner

About Us: Builders of Color Coalition

Builders of Color Coalition increases access and diversity in Boston's commercial real estate sector and creates a generational impact in expanding economic opportunity.

About BCC

- ✓ Designed and directed through a racial equity lens, originating from needs identified by real estate professionals of color
- ✓ Recruits and trains participants eligible for technical assistance and consulting support
- ✓ Develops strategies to attract a diverse pool of participants
- ✓ *Umbrella organization for two predecessors: African American Real Estate Professionals New England and Minority Developers Association*

Leadership + Staff



Colleen Fonseca
Executive Director



Sai Boddupalli
Program Administrator

Next Steps

Contact Antonio Leite at the City of Boston for next steps on how to engage with the Pre-Development Financing and TA Coalition:

Antonio Leite

Senior Development Officer for the City of Boston

Mayor's Office of Housing

[617.635.1024](tel:617.635.1024) (w)

antonio.leite@boston.gov



Development Financing Overview

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Laura Rijo Florimon
Portfolio Manager

Key Development Stages

Acquisition and/or Predevelopment Period

Risks & Long Lead Items:
Permitting, financing and
feasibility
Securing state and local
subsidy takes time

Term: 2-5 years,
determined in large part
by the ability to secure
subsidies

Repayment Event:
Typically repaid upon
closing of construction
financing

Special Requirements:
Financing plan,
contingency plan (Plan B)

Construction Period

Risks & Long Lead Items:
Unexpected conditions,
cost overruns and
delayed sales

Term: 18-30 months

Repayment Event:
Typically repaid upon
completion and sale

Special Requirements:
10% contingency,
payment and
performance bonds
typical

Financing & Development Challenges

A project can stall at any stage for a variety of reasons. Here are some examples:

**Community
Opposition**

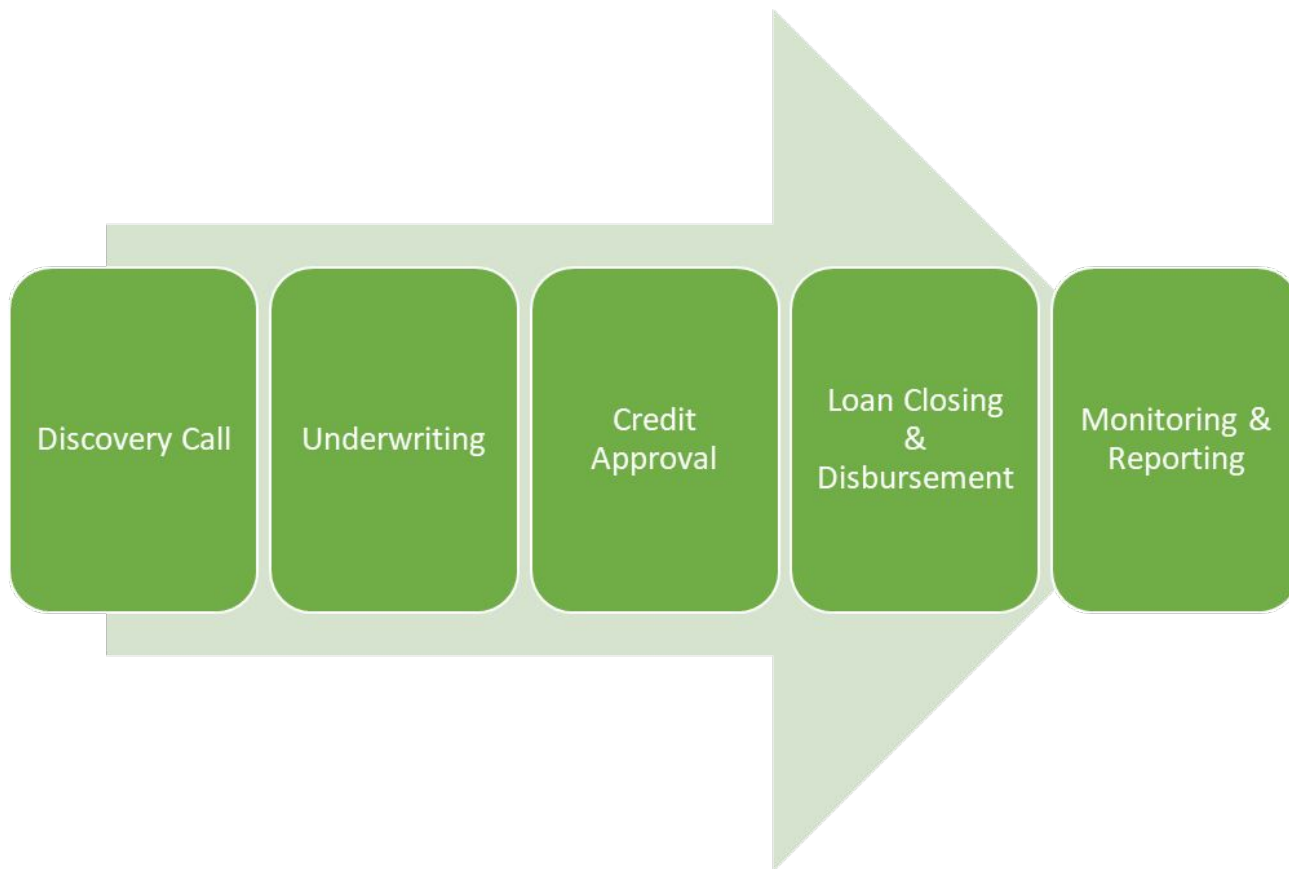
**Changing Market
Conditions**

**Difficulty Securing
Financing**

**Construction
Costs Higher Than
Expected**

**Environmental
Conditions**

Financing Approval Process & Timeline



Financing Evaluation & Diligence

Organizational Capacity

- Development Capacity
 - Staff personnel
 - Board Members, if applicable
 - Project Development Team including architect, counsel, and consultants
- Financial Capacity
 - Tax Returns,
 - Profit & Loss,
 - Statement of Activities and
 - Real Estate Owned Schedule

Project Feasibility

- Project Site
- Market Analysis
- Project Schedule
- Development Budget
- Operating Pro Forma
- Financing – conventional debt and subsidy programs, if applicable
- Property Management Plan or Marketing Plan, depending on type of project

Other Pre-Development Financing Capital Sources

In addition to MCCI and TLI, there are other organizations that provide pre-development lending programs and/or technical assistance available to Developers in the City of Boston (non-exhaustive list below):



The Life Initiative

*Pre-Development lending
(in addition to this program)*



BlueHub Capital

Pre-Development financing



Community Economic Development Assistance Corporation (CEDAC)

Pre-Development lending and Technical Assistance for non-profits



The Property and Casualty Initiative

Pre-Development financing



Massachusetts Housing Investment Corporation (MHIC)

Pre-Development financing



Local Enterprise Assistance Fund

Pre-Development financing



Local Initiatives Support Corp (LISC)

Pre-Development financing



Breakout Session

Zoom Breakout Rooms

Room 1: Questions for the City (COB Staff)

Room 2: Finance Basics & Funding Options (TLI/MCCI Team)



Next Steps

Visit the project project page for the most up to date information, including, project updates, and upcoming events.

<https://www.boston.gov/housing/welcome-home-boston#upcoming-events>

MOH will host a second Pre-Applicant Conference/Networking Session on Wednesday, November 1, 2023, from 2:00 pm to 4:30 pm. Attendees will have an opportunity to network with other potential applicants and industry professionals. To register visit the project website listed above.

RFP proposals will be received until December 4, 2023, at 4:00 p.m. EST. Late proposal submissions will not be accepted.



MOH Contacts

Welcome Home, Boston

Antonio Leite, Senior Housing Development Officer, (617) 635-1024 or antonio.leite@boston.gov.

Julio Pilier, Development Officer, (617) 635-0214 or julio.pilier@boston.gov.

Tiera Satchebell, Development Officer, (617) 635-4201 or tiera.satchebell@boston.gov.

New project ideas & questions on MOH development and construction requirements - Christine O'Keefe, Associate Director, (617) 635-0351 or christine.okeefe@boston.gov.

Questions about City-owned parcels

James Smith, Senior Project Manager, (617) 635-0103 or james.smith@boston.gov.

MOH Developer mailing list -

Visit boston.gov/builders-signup or contact Carol Owens, Director, (617) 635-0621, carol.owens@boston.gov.

Additional Resources

MOH RFP Portal - boston.gov/departments/housing/requests-proposals

HUD Income Limits -

boston.gov/departments/housing/housing-and-urban-development-income-limits

Active Developments & MOH-Owned Land - boston.gov/buildinghousing

HomeBuyers & Homeowners - Boston Home Center (BHC)-

boston.gov/departments/housing/boston-home-center

Renters & Landlords - Office of Housing Stability (OHS)-

boston.gov/departments/housing/office-housing-stability

Affordable Housing Search - Metrolist- boston.gov/metrolist

Welcome Home, Boston - boston.gov/housing/welcome-home-boston

A photograph of Independence Hall in Philadelphia at dusk. The building is illuminated, and its iconic clock tower is visible. The scene is surrounded by modern skyscrapers, creating a contrast between old and new architecture. The sky is a deep blue, and the overall atmosphere is serene. A large, textured concrete pillar is visible on the right side of the frame.

MOH THANKS YOU FOR YOUR INTEREST!

Mayor Michelle Wu