

**Request for Action  
By  
Board of Commissioners**

**Approval of Developer for Barbara Jordan II Apartments**

**A. SUMMARY**

This Request for Action (“RFA”) is for approval to designate a developer for the acquisition and redevelopment of Barbara Jordan II Apartments (“BJII” or the “Development”).

BJII is an existing scattered site family housing development consisting of 74 units in 26 walk-up apartment buildings on multiple streets in 2 areas of South Providence. The first area, referred to as the “north area” and comprised of 18 buildings, is primarily bounded by Pine, Somerset, Hayward and Pearl Streets. The second area, the “south area,” is comprised of 8 buildings and is focused primarily along Taylor Street.

On April 24, 2018 the U.S. Department of Housing and Urban Development (“HUD”) foreclosed on the original owner of BJII. In June 2018, to ensure the revitalization and redevelopment of BJII, HUD transferred ownership of the property to the Rhode Island Housing Development Corporation (“RIHDC”), a subsidiary of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) and required the redevelopment to be completed by December 2020. Due to a lengthy request for proposal (“RFP”) and community engagement process, RIHousing will seek an extension of the December 2020 redevelopment deadline from HUD. RIHousing, in concert with HUD and the PHA, helped to facilitate the relocation of the 34 families still living at BJII at the time of the foreclosure. The buildings have been vacant since 2018.

In April 2018, RIHousing engaged Camiros, Ltd. (“Camiros”), who partnered with Borderless Studio LLC, to conduct a community engagement process. The BJII community engagement process (the “Community Engagement Process”) was designed to foster a meaningful dialogue with residents, anchor institutions, neighborhood organizations and other stakeholders located in the upper south side of Providence to create a vision for the redevelopment of BJII. These stakeholders participated in a full range of public engagement activities over a seven-month period. At the conclusion of the Community Engagement Process, Camiros issued a Community Engagement Process summary report, which helped shape the criteria in the RFP to select a developer.

In June 2019, RIHousing issued an RFP to designate a qualified developer for the redevelopment of BJII. The RFP was posted on the RIHousing website, the State of Rhode Island purchasing website, a RIHousing website specifically dedicated to BJII and sent to approximately 578 recipients, including developers and participants in the community engagement process via an email announcement. The RFP set forth RIHousing’s goal to promote the redevelopment of BJII in a way that will:

- Revitalize vacant, abandoned and blighted properties in the upper south side of Providence;

- Increase the number of housing opportunities including homeownership and rental in the City of Providence;
- Provide housing opportunities for a range of household sizes and incomes;
- Promote the development of commercial and public facilities appropriate for the neighborhood;
- Incorporate best practices regarding safety and accessibility, particularly crime prevention through environmental design (“CPTED”) standards;
- Ensure an affordability period of more than 30 years for all affordable units; and
- Encourage the participation of up to 50% of MBE/WBE Rhode Island based construction firms.

Paramount among the resident and community concerns incorporated into the evaluation criteria for the RFP were the developer’s ability to turn around under-performing properties as well as the quality and responsiveness of the property management entity. Other evaluative factors in the RFP included:

- the developer’s experience and commitment to community engagement and working together with residents and community partners;
- the development team’s past experience with multi-family affordable housing, management, and operational practices;
- the experience and financial capacity of the development team members;
- the availability of debt and equity resources needed for the acquisition and rehabilitation of the properties; and
- the anticipated marketability of the proposal.

As part of the RFP process, an external selection committee (the “Selection Committee”) was created to review the proposals and select a developer. The Selection Committee was comprised of representatives from the City of Providence, Providence Housing Authority (“PHA”), Local Initiatives Support Corporation (“LISC”), the RI Housing Resources Commission (“HRC”), RIHousing staff and a retired executive with Enterprise Community Investment, Inc. Several of the members of the Selection Committee also participated in the Community Engagement Process.

The RFP included threshold criteria and evaluation criteria. The 4 threshold criteria were (i) readiness to proceed (ii) financial feasibility, (iii) development team capacity and (iv) demand/marketability. A project had to meet all 4 threshold criteria in order to be evaluated.

RIHousing received 6 responses to the RFP from the following entities: Omni America, LLC, Trinity Financial, Inc., Dakota Partners, Inc., S.W.A.P., INC. (STOP WASTING ABANDONED PROPERTY) (“SWAP”), a joint venture partnership proposal from Omni Development Corporation (“ODC”) and The Wingate Companies, LLC (“Wingate,” together with ODC, referred to collectively as “Omni/Wingate”), and a joint venture partnership proposal from WinnDevelopment and Crossroads Rhode Island.

Staff of RIHousing analyzed the RFP responses against the evaluation criteria. Two of the proposals did not pass threshold criteria and were disqualified. The remaining 4 proposals were further analyzed and scored. The 4 proposals were competitively ranked on each evaluation factor. RIHousing staff presented the 4 proposals to the Selection Committee. The Selection Committee subsequently interviewed each applicant over a 2-week period in March 2020. Subsequent to the interviews, the Selection Committee narrowed the field to the 2 proposals that best met the concerns voiced by the community, the SWAP and Omni/Wingate proposals. SWAP and Omni/Wingate were then given 30 days to respond to questions and feedback from the Selection Committee. RIHousing staff then evaluated the proposal responses and provided their recommendation to the Selection Committee. The Selection Committee evaluated the recommendation and unanimously approved Omni/Wingate as the selected developer for BJII.

Both SWAP and Omni/Wingate have a strong presence in the neighborhood as well as reliable past performance as partners on other developments. Both proposals exhibited strong financial viability, however, each will require further refinement to secure preliminary commitment of financing within the next year. Notwithstanding these similarities, there were 2 primary factors that differentiated the Omni/Wingate proposal. The first is the deep property management resume that Wingate brings to the redevelopment effort. HUD had indicated a preference in the selected developer possessing substantive experience owning and/or managing properties of similar size. Wingate has over 30 years of top-to-bottom property management experience. Wingate manages over 15,000 residential apartments in 18 states and 1,500 units in 19 developments in Rhode Island. The second is Omni/Wingate's transformational design which envisions demolishing all of the existing properties and replacing them with new energy efficient buildings that provide modern amenities for an enhanced tenant experience. These 2 factors were of paramount importance to the Selection Committee, which was representing the larger stakeholder community.

Additionally, both ODC and Wingate have strong balance sheets and collectively make a strong, attractive partner for any number of syndicators. As a result of the COVID crisis, staff has had several conversations with syndicators who have stressed the importance of strong balance sheets and the ability to have significant liquidity for guarantees as well as, relationships, and track record.

Staff is recommending that the Board of Commissioners approve the attached resolution approving the Omni/Wingate partnership as the development entity for the redevelopment of BJII, subject to the following conditions:

- HUD approval of the property conveyance to Omni/Wingate and the redevelopment plan;
- Omni/Wingate's satisfaction, in the sole judgment of RIHousing, of all terms and conditions set forth in the RFP;
- an initial funding application for resources necessary to the redevelopment of BJII must be submitted to the applicable funding entity, with preliminary approval of funding received within 12 months of this designation;

- Omni/Wingate must close on all financing and take title to the properties within a timeframe satisfactory to HUD and RIHousing;
- RIHousing approval of all development team members;
- RIHousing approval of the construction budget, scope of work, and construction contractor;
- RIHousing approval of the operating budget for the Development;
- Omni/Wingate and the selected development team members will continue to participate in the community engagement process;
- Omni/Wingate agrees to purchase the Development for no less than the amount in their initial proposal;
- Omni/Wingate must include a resident services coordinator/community outreach specialist; Tenant Management Committee; and Neighborhood Improvement Association in the planning, implementation and operational phases of the redevelopment; and
- Omni/Wingate and the approved development team must meet all HUD requirements as may be prescribed, including the terms, covenants, restrictions set forth in the contract of sale by and between HUD and RIHDC.

## **B. ATTACHMENT**

1. Resolution

## Attachment 1

### Resolution of the Board of Commissioners of Rhode Island Housing and Mortgage Finance Corporation

- WHEREAS,** in 2018, the U.S. Department of Housing and Urban Development foreclosed on the Barbara Jordan II Apartments located in Providence, Rhode Island (the “BJII” or the “Development”), and transferred ownership of the property for redevelopment to the Rhode Island Housing Development Corporation (“RIHDC”), a subsidiary of the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”);
- WHEREAS,** RIHousing issued a Request for Proposals (“RFP”) seeking a developer for the acquisition and redevelopment of BJII; and
- WHEREAS,** in response to the RFP, RIHousing received 6 proposals to redevelop BJII; and
- WHEREAS,** the staff has completed a thorough evaluation of the 6 proposals submitted for the redevelopment; and
- WHEREAS,** RIHousing senior staff, in deliberation with a Selection Committee comprised of community stakeholders, has determined that the partnership of Omni Development Corporation and The Wingate Companies, LLC (collectively “Omni/Wingate”) submitted the proposal that best meets the goals of RIHousing, HUD and the external selection committee in accordance with the criteria set forth in the RFP for the selection of a developer.

#### **NOW, THEREFORE, IT IS HEREBY:**

- RESOLVED,** that RIHousing does hereby approve and designate the Omni/Wingate partnership as the development entity for the redevelopment of Barbara Jordan II Apartments located in Providence, Rhode Island.
- RESOLVED,** that the foregoing resolution is subject to the following conditions:
- HUD approval of the property conveyance to Omni/Wingate and the redevelopment plan;
  - Omni/Wingate’s satisfaction, in the sole judgment of RIHousing, of all terms and conditions set forth in the RFP;
  - an initial funding application for resources necessary to the redevelopment of BJII must be submitted to the applicable funding entity, with preliminary approval of funding received within 12 months of this designation;

- Omni/Wingate must close on all financing and take title to the properties within a timeframe satisfactory to HUD and RIHousing;
- RIHousing approval of all development team members;
- RIHousing approval of the construction budget, scope of work, and construction contractor;
- RIHousing approval of the operating budget for the Development;
- Omni/Wingate and the selected development team members will continue to participate in the community engagement process;
- Omni/Wingate agrees to purchase the Development for no less than the amount in their initial proposal;
- Omni/Wingate must include a resident services coordinator/community outreach specialist; Tenant Management Committee; and Neighborhood Improvement Association in the planning, implementation and operational phases of the redevelopment; and
- Omni/Wingate and the approved development team must meet all HUD requirements as may be prescribed, including the terms, covenants, restrictions set forth in the contract of sale by and between HUD and RIHDC.

**RESOLVED,** that the Executive Director, Deputy Executive Director and the Director of Development be, and each hereby is, authorized to take any and all actions, including specifically the authority to execute a development agreement, as well as any and all documents, instruments and other agreements and to take such further actions as he or she deems necessary to carry out the above resolution.