

# Guide Form of Turnkey Developer's Packet

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a public housing project pursuant to HUD regulations 24 CFR 94I. The information will be used to provide HUD with sufficient information to enable a determination that funds should or should not be reserved or a contractual commitment made. This information is not to be used for any other purpose.

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1. **Purpose.** This form provides a potential turnkey developer with all the information necessary to prepare a turnkey proposal. It also provides the format for PHAs to request proposals.
2. **Prepared by:** The Request for Proposals and Part I will be prepared by the PHA. Parts II, III and IV may be used as printed. Some of the forms and other material in Part IV must be obtained from the HUD field office. Approval must be obtained for any modifications to the Packet not previously authorized by the HUD field office.
3. **Number:** The PHA shall prepare sufficient developer's packets to provide for distribution to all interested developers.
4. **Distribution:** The PHA shall provide one copy of the completed packet to any interested developer. One copy shall be submitted to HUD along with the PHA proposal.
5. **PHA instructions concerning preparation:** The Request for Proposals (RFP) and Part I, Project Description, are to be completed by the PHA based upon local preferences or requirements. Format sentences are typed in regular type. PHA notes or instructions are typed in another distinctive style and are not meant to be included in the final text.  
  
The remaining parts may be used as printed here. Part II outlines the general requirements of the program. Part III discusses the proposal contents. Part IV lists the various forms and documents which are attachments to this Packet. Copies of these forms may be obtained from the HUD field office. If quantities are limited, they may be reproduced locally by the PHA along with this Packet.

# Requests for Proposals

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 1/31/2017)

The \_\_\_\_\_ (Insert Legal Name of PHA)  
will accept proposals for \_\_\_\_\_ (Insert "Newly Constructed" or "Substantially Rehabilitated") housing units under the  
Public Housing Program to be located in \_\_\_\_\_ (Insert Name of Community and State), and  
known as \_\_\_\_\_ (Insert Project Number).

Turnkey proposals may be submitted for not more than \_\_\_\_\_ (Insert Total Number of Units) units to be provided in \_\_\_\_\_ (Insert Structure Types)  
structures.

The following is the maximum number of units for each size by bedroom count:

**(Insert number of each size desired.) Delete inapplicable sizes.**

| No. of Bedrooms | Maximum No. of Units |        |
|-----------------|----------------------|--------|
|                 | Elderly              | Family |
| _____           | _____                | _____  |
| _____           | _____                | _____  |
| _____           | _____                | _____  |
| _____           | _____                | _____  |
| _____           | _____                | _____  |
| _____           | _____                | _____  |

The project will also consist of the following maximum amounts and types of non-dwelling space:

**(Insert the maximum amount calculated for each type of space.)**

Management Space \_\_\_\_\_ square feet  
Maintenance Space \_\_\_\_\_ square feet  
Community Space \_\_\_\_\_ square feet

If proposals are submitted for less than the total number of units requested, non-dwelling space will be subject to limitations stated in the  
Developer's Packet.

Turnkey proposals must be received by \_\_\_\_\_ (Insert Time of Deadline) of \_\_\_\_\_ (Date of Deadline) at the address identified below.

Turnkey proposals received after the deadline will be returned to the developer without being considered.

Interested developers should obtain a Turnkey Developer's Packet, which provides detailed project information and submission requirements  
from: (Insert Name of PHA Official, PHA Name and Address, and PHA Telephone Number).

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## Introduction

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The United States Department of Housing and Urban Development (HUD) is providing financial assistances to this Public Housing Agency (PHA) to develop a low-income housing project pursuant to Sections 4 and 5 of the United States Housing Act of 1937. The PHA has selected the Turnkey method to develop the housing identified in this Turnkey Developer's Packet (Packet).

Under the Turnkey method, developers submit proposals in response to a Request for Proposals (RFP) from the PHA. The proposals that meet the requirements of this Packet are reviewed, rated, and ranked by the PHA. The highest rated turnkey proposal which represents the best "total package" is submitted to HUD for approval. After HUD approval of the turnkey proposal, the developer's architect prepares the preliminary design and working drawings and the construction specifications for PHA and HUD approval.

Prior to start of construction of rehabilitation, the PHA and the developer execute a Contract of Sale under which the PHA agrees to purchase the completed project from the developer for a specified price. The developer is fully responsible for all development and construction activities, such as purchasing sites or properties, completing all site improvements (including structures), obtaining utility hook-ups and local building permits and approvals, and obtaining construction financing. After satisfactory project completion, the PHA purchases the project from the developer.

The completed project will be owned and managed by this PHA to provide rental housing for low-income households. The structures, housing units, and non-dwelling facilities shall be designed to provide a wholesome living environment. Emphasis shall also be placed on durable construction, efficiency and economy of maintenance, energy conservation, and suitable recreation space to enhance a wholesome living environment, over the thirty-year term of the PHA's permanent financing for purchase of the project.

In order to be considered by the PHA and HUD, turnkey proposals must comply with the program and submission requirements identified in this Packet. Accordingly, interested developers should review the project description (Part I), the program requirements (Part II), the turnkey proposal content (Part III) and the required program documents and forms (Part IV), prior to preparing and submitting a turnkey proposal to the PHA.

Interested developers must submit their turnkey proposals to the PHA by the deadline date identified in the RFP. Turnkey proposals that are not received by the deadline, or which are determined to be incomplete or non-responsive will not be considered by the PHA. Any questions that you may have should be directed to the individual identified in the RFP.

## Part I. Project Description

**PHA Instructions:** This Part shall be completed by the PHA to provide specific details about the proposed project. The PHA shall ensure that the information and requirements stated in this part comply with the Public Housing Development Regulation (24 CFR 841), The Public Housing Development Handbook (HB 7417.1 Rev-1), related state and local building requirements, and special regional requirements identified in accordance with Handbook 7417.1, Chapter 3, par. 3-143 and agreements reached by the PHA and HUD at the project planning conference.

1. **Community.** Identify the name of the community for which the housing project is proposed. State whether or not the community is a Community Development Block Grant (CDBG) recipient that has an approved Housing Assistance Plan (HAP).
2. **Site Location.** Identify the general locations for assisted housing stated in the HAP, and any local preferences for sites (e.g., CDBG Activities, Neighborhood Preservation Areas). For communities not covered by a HAP, state any local preferences for sites in areas that are consistent with the public housing site and neighborhood standards and local planning and housing development activities.
3. **Housing Type.** State whether the proposed housing is to be newly constructed or substantially rehabilitated.
4. **Housing Units.** Identify the number of units for each structure type and household type by number of bedrooms as follows:

|                                      | Number of Bedrooms |   |   |        |   |   |   |   |   |
|--------------------------------------|--------------------|---|---|--------|---|---|---|---|---|
|                                      | Elderly            |   |   | Family |   |   |   |   |   |
|                                      | 0                  | 1 | 2 | 1      | 2 | 3 | 4 | 5 | 6 |
| Elevator                             |                    |   |   |        |   |   |   |   |   |
| Detached                             |                    |   |   |        |   |   |   |   |   |
| Semi-Detached                        |                    |   |   |        |   |   |   |   |   |
| Townhouse/Row                        |                    |   |   |        |   |   |   |   |   |
| Walk-up Apartment                    |                    |   |   |        |   |   |   |   |   |
| <b>Total Units</b>                   |                    |   |   |        |   |   |   |   |   |
| Handicapped Units Included in Above* |                    |   |   |        |   |   |   |   |   |

\*Identify the number of units to be designed specifically for use by handicapped individuals.

The number of units identified above shall not vary from the unit distribution identified in the area office invitation for a PHA proposal. In the case of a project involving **Substantial Rehabilitation** provide a statement that:

- A. The total number of units for elderly and family households are maximum amounts;
- B. The number of units by structure type are preferred, but the PHA will consider substitution of less expensive structure type (e.g., townhouse/row instead of detached) if appropriate for household type provided that the number of units does not exceed the totals shown for a specific number of bedrooms;
- C. If the larger units (number of bedrooms) are not available, a one-for-one substitution of smaller units will be consistent with the applicable housing assistance plan; and
- D. The PHA will give preference in selecting turnkey proposals to those proposals that most clearly adhere to the proposed distribution.

5. **Special Building Requirements.** State any local preferences or building requirements or limitations. These may include such items as:

- A. Security Systems (access, surveillance, standby power, etc.);
- B. Central TV Antenna System;
- C. Same key for both housing unit door and mail box;
- D. Design requirements to complement neighborhood architecture and standards;
- E. Energy Conservation Requirements;
- F. Air Conditioning Systems;
- G. Building Height Restrictions;
- H. Number of buildings and distribution of unit sizes (number of bedrooms) among buildings; and
- I. Space for child care which meets local standards and codes.

6. **Special Site Requirements.** State any local preferences or building requirements or limitations. This may include such items as:
- A. Preference or requirement for more than one site
  - B. Limitation on number of units per site by bedroom size
  - C. Parking Requirements - Number of spaces outside, inside, covered, for handicapped, and parking space per dwelling unit ratio
  - D. Recreation space and equipment
  - E. Accessibility to commercial areas, churches, schools, transportation
  - F. Reference site and neighborhood standards in Part II, Section 3
  - G. Statement that PHA will not pay for off-site work to bring utilities to site unless it is local practice and developers normally pay costs of extending utilities for privately owned projects.
7. **Prototype Costs.** State that costs for dwelling construction and equipment (defined in Part II of this packet) are limited by law to no more than 10 percent above the published amount for the size and structure type for the area. Indicate the applicable prototype costs for this project and the date they were published in the *Federal Register* (a legible photocopy of the appropriate *Federal Register* page may be used instead of the following table, if desired).

| Bedroom Size |    |    |    |     |     |     |     |
|--------------|----|----|----|-----|-----|-----|-----|
|              | 0  | 1  | 2  | 3   | 4   | 5   | 6   |
| Detached     | \$ | \$ | \$ | \$  | \$  | \$  | \$  |
| Row          | \$ | \$ | \$ | \$  | \$  | \$  | \$  |
| Walk-up      | \$ | \$ | \$ | \$  | \$  | \$  | \$  |
| Elevator     | \$ | \$ | \$ | XXX | XXX | XXX | XXX |

Insert a statement that HUD will adjust the prototype cost base for the project (using a commercial cost index) to recognize actual changes (increases or decreases) in construction costs from the effective date of the unit costs published in the *Federal Register*. This is done for comparison purposes only at early stages of processing. The developer's costs should always reflect current conditions.

8. **Utilities.** State the utilities preferred for the project. Enclose the HUD prepared form HUD-51994. Indicate that any other proposed utility combination and heating and cooling systems must be demonstrated to be the most cost effective on the bland form HUD-51994.
9. **Non-Dwelling Space.** This section should be a detailed statement of the requirements and limitations for non-dwelling space such as a community rooms\*, maintenance and office space and space for child care facilities, health care facilities, or congregate dining facilities, if justified. If there is a requirement for several sites, the proration or consolidation requirements for the non-dwelling space must be clearly defined. The PHA may require a separate proposal for part or all of this space especially for proposals for less than the total number of units requested.

\*Includes recreation or hobby rooms, but not hallways, stairways, mail rooms, boiler rooms, closets, lobby, or laundry.

10. **Special Project Requirements and Instructions.** This section should include any other information, requirements or instructions pertaining to this project. Examples of items are:
- 1. Whether staged construction will be allowed.

- 2. Any dwelling or non-dwelling installed equipment to be furnished by the PHA and its estimated cost.
11. **Proposal Evaluation Criteria.** The standard rating procedure is described in Part IV. If the PHA desires to use the optional procedure, the additional criteria and the point value to be assigned shall be described in this section.
12. **Proposal Instructions.** Provide specific details for submitting proposals, such as:
- A. The deadline time and date for submitting proposals. Proposals received after the deadline will not be considered.
  - B. The official address for submitting proposals.
  - C. Statement that proposals must be complete. The PHA will determine if any omission makes the proposal "non-responsive". A proposal is considered to be "non-responsive" if critical information is missing or the proposal represents a major deviation from this packet. In such cases the developer will be notified, the reason stated, and the proposal will not be considered by the PHA. In the event of minor omissions, the PHA may give the developer additional time to submit the missing information. A minor omission is one which generally will not affect any of the proposal evaluation criteria considerations.
  - D. Statement that all requirements for Part II of this packet must be considered in developing the project.
  - E. Procedures for sealed envelope submissions. Although

proposals will be opened after the deadline, a selection will not be announced until all proposals have been rated under the proposal evaluation criteria and HUD approval has been obtained. A proposal is not a bid and price is

only one element to be considered.

F. Number of copies of proposals required.

G. Reference project number assigned to the project.

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## Part II. General Program Requirements

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### Section 1. General

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**Introduction.** This part explains the general program standards and policies and the statutory requirements related to the development of public housing. These requirements are applicable to all turnkey proposals. Developers are advised to review this part thoroughly to ensure a complete understanding of their responsibilities. The regulations for this program may be found at 24 CFR 841 and the applicable HUD Handbook is 7417.1 Rev-1.

1. **State and Local Requirements.** The developer must comply with all State and local laws and ordinances relating to the development of a project. This includes State and local requirements relating to employment, obtaining bonds and licenses, and complying with building codes and zoning requirements.
2. **Prevailing Wage Rates.** Development related contracts entered into by the developer provide for the payment of prevailing wages.
  - a. **Architects and Technicians.** All architects, technical engineers, draftsmen and technicians employed in the development of the project shall be paid not less than the wages prevailing in the locality.
  - b. **Laborers and Mechanics.** All laborers and mechanics employed in the development of a project shall be paid not less than the wage prevailing in the locality, as determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276).
3. **Developer's Price.** The turnkey developer's price for the proposed project shall be based on construction costs as of the deadline date specified in the Request for Proposals. The price in the proposal shall be subject to the following modification.
  - a. The price shall be subject to reduction to the extent that the HUD appraisal indicates a site value less than the proposed amount for the site and/or to the extent that the proposal substantially exceeds the HUD estimated replacement cost for the project.
  - b. The portion of the developer's estimated price for dwelling construction and equipment may not exceed the project prototype cost limits by more than 10 percent.
  - c. At each subsequent processing stage, HUD will adjust the price to reflect changes (increases or decreases) in construction costs as identified by a commercial cost index. Any time lost due to the developer's failure to adhere to schedules set by HUD or the PHA will not be recognized.
  - d. At the time the Contract of Sale is executed the maximum price that can be approved is the lower of:
    - (1) the revised price submitted by the developer, or

- (2) the original proposal price as updated by HUD, or
- (3) the project replacement cost identified by HUD.

- e. The price to be stated in the Contract of Sale shall also be adjusted to reflect the developer's actual interest cost for construction financing.
  - f. The estimate of all State and local taxes, other than Real Property taxes and assessment, payable by the developer with respect to the project shall be included in the total developer's price and shall be itemized by type, rate and estimated amount. In the event these taxes are exempt or abated after execution of the Contract of Sale, the amount applicable shall be subtracted from the total contract price at settlement.
  - g. The total developer's price shall not include any amount for real property taxes and assessment. The amount paid or payable by the developer as evidenced by the original tax bills or receipts will be added to the contract price at settlement.
4. **Proposal Evaluation System.** Proposals will be selected on the basis of free and open competition. They will be evaluated objectively according to the procedures and criteria set forth in the Proposal evaluation System which is included in Part IV of this Packet and any additional criteria identified in Part I.
  5. **Previous Participation.** Developers must successfully complete HUD Previous Participation clearance before selection is approved by HUD. Clearance is initiated by the developer furnishing (as part of the turnkey proposal) completed forms HUD-2530 with respect to the developer and other principals. HUD will review its experience with the developer and the other principals on the projects listed on the forms. An opportunity will be afforded the developer or other principals to explain any adverse information found during the clearance process.
  6. **Contract of Sale.** The Contract of Sale, form HUD-53015, included in Part IV of this packet, will be executed by the PHA and the selected developer. Both parties should carefully review the Contract of Sale to ensure an awareness of its requirements. The turnkey developer must certify (as part of the proposal) that the developer has read, understands, and will comply with its provisions.
  7. **Insurance Requirements.** Any risks and insurance protection during construction are solely the turnkey developer's responsibility as owner and seller.

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## Section 2. Fair Housing and Equal Opportunity

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**Introduction.** The fair housing and equal opportunity requirements stated in this section apply to contractors and turnkey developer activities during project development. This includes site selection, award of contracts and sub-contracts, employment of minority and women-owned business enterprises, and employment practices.

1. **Titles VI and VIII and Executive Order 11063.** Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and Executive Order 11063, prohibit discrimination on the basis of race, color, creed or national origin in Federally assisted programs. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601), prohibits discrimination based on race, color, religion, sex or national origin in the sale or rental of housing.
2. **Section 504 of the Rehabilitation Act of 1973.** Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), prohibits discrimination in Federally assisted programs against any otherwise qualified individual solely by reason of a handicap as defined by the Secretary of Health and Human Services.
3. **Age Discrimination Act of 1975.** The Age Discrimination Act of 1975 prohibits with certain stated exceptions, discrimination in Federally assisted programs against any otherwise qualified individual solely on the basis of age.
4. **Executive Order 11246.** Contracts for construction work are subject to Executive Order 11246 (30 FR 12319) as amended by Executive Order 11375 (32 FR 14303), and applicable implementing regulations (24 CFR 130; 41 CFR 60), rules and orders of HUD and the Office of Federal Contract Compliance Programs of the Department of Labor. Executive Order 11246 prohibits discrimination and requires affirmative action to ensure that employee or applicants for employment are treated with regard to their race, color,

religion, sex or national origin. An affirmative action plan pursuant to 24 CFR 135 must be prepared prior to execution of the Contract of Sale.

5. **Section 3 of the HUD Act of 1968.** Projects under development are subject to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701), which requires that, to the greatest extent feasible, opportunities for training and employment be given lower income residents of the unit of local government or the metropolitan area (or nonmetropolitan county), as determined by the Secretary, in which the project is located; and contracts for work in connection with a project be awarded to business concerns which are located in or owned in substantial part by persons residing in such area.
6. **Minority and Women-Owned Business Enterprise.** Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprise, encourages participation in Federal programs by business concerns owned by minority group members. Executive Order 12138, Creating a National Women's Business Enterprise Policy, encourages participation in Federal programs by business concerns owned by women. In accordance with these Executive Orders, program participants (e.g., PHAs, contractors, turnkey developers) shall take affirmative action to encourage participation by businesses owned and operated by minority groups and women. These affirmative actions may include: conducting out-reach programs to expand opportunities for participation by such businesses in the public housing program; providing assistance and guidance to such firms that have demonstrated a desire to participate in public housing development activities; and establishing goals for such businesses, in terms of the dollar value of contracts.

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## Section 3. Site and Neighborhood Standards

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**Introduction.** Each site proposed for a public housing project must comply with the site and neighborhood standards identified in this section. The PHA and turnkey developer shall make every effort to select sites that will minimize the number of households to be displaced for purposes of developing a public housing project. In addition, proposed sites must comply with all environmental requirements and displacement, relocation and acquisition requirements. These standards should be reviewed by the turnkey developer before a site is selected and a purchase option is obtained.

1. **Section 213 of the HCD Act of 1974.** Each site must be consistent with any applicable Housing Assistance Plan (HAP). Sites proposed for newly constructed or rehabilitated projects must be within the general locations specified in any applicable HAPS. The community's HAP is submitted to HUD as part of the Community Development Block Grant (CDBG) application. A community that is not participating in the CDBG programs may also submit a HAP.
2. **Facilities and Services.** The developer should select project sites to make use of existing and proposed public facilities and services identified in State, local and regional plans.

Generally, the locations identified in HAPs should have adequate public facilities and services available or planned for the immediate future.

- a. **Access and Utilities.** Sites must be accessible to public utilities, such as water and sewer, electric, natural gas, and trash collection and must be accessible to vehicular traffic. Access streets and utilities should be available at the boundary of each site in time for project construction or occupancy and should be capable of serving the proposed project.
  - b. **Transportation.** Sites must be convenient to public transportation or to places of employment, which provide a range of jobs for low-income workers.
  - c. **Other.** Sites must be accessible to social, religious, recreational, educational, commercial, and health facilities that are adequate to serve the intended occupants of the project.
3. **Density.** There is no rigid standard to determine an acceptable level of density. One means of measuring density levels is the land use intensity method provided in the HUD Manual of Acceptable Practices (Handbook 4930.1). The determina-

tion of an acceptable density level varies with each community and with each site and consideration should be given to such factors as land costs, topography, planned site use, the number and types of buildings, the anticipated age and number of residents based on the number of bedrooms, local building requirements, and the density prevailing in the neighborhood.

4. **Physical Characteristics.** Each site shall be adequate in size, exposure, and contour to accommodate the number and type of units proposed. The topography and subsurface conditions shall promote economical and efficient development and operation of the project.

a. **Grades.** Sites with grades exceeding ten (10) percent will significantly increase development and management costs and should be avoided. Sites for housing for the elderly or handicapped with grades exceeding five (5) percent should be avoided unless site development (e.g., sidewalks) will provide for not more than a five (5) percent grade without undue development costs. Low-lying and flat sites should also be avoided unless practical and economical means of surface drainage can be provided.

b. **Bearing Qualities.** Sites with unsuitable soil bearing qualities for foundations and underground utilities or with excessive rock or shale will increase site improvement costs and should be avoided.

c. **Earth Slides.** Sites that are exposed to the potential hazard of earth slides should not be selected.

5. **Housing Opportunities.** Sites for public housing projects must comply with the following requirements:

a. **General.** The site and neighborhood for new construction and rehabilitation projects must be suitable from the standpoint of facilitating and furthering full compliance

with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 and Executive Order 11063.

b. **New Construction.** The site for new construction projects shall:

(1) not be located in an area of minority concentration unless,

(a) sufficient, comparable opportunities exist for housing for minority families, in the income range to be served by the proposed project, outside areas of minority concentration; or

(b) the project is necessary to meet overriding housing needs which cannot otherwise feasibly be met in that housing market area. (An overriding need may not serve as the basis for determining that a site is acceptable if the only reason the need cannot otherwise feasibly be met is that discrimination on the basis of race, color, religion, creed, sex, or national origin renders sites outside areas of minority concentration unavailable.);

(2) not be located in a racially mixed area, if the project will cause a significant increase in the proportion of minority to non-minority residents in the area; and

(3) promote greater choice of housing opportunities and avoid undue concentrations of assisted persons in areas containing a high proportion of low-income persons.

c. **Rehabilitation.** Sites for rehabilitation projects shall promote greater choice of housing opportunities and avoid undue concentrations of assisted persons in areas containing a high proportion of low-income persons.

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## Section 4. Environmental Requirements

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**Introduction.** This section identifies the laws, Executive Orders and regulations relating to environmental protection. The development of public housing projects must comply with these requirements except when excluded.

1. **NEPA.** The National Environmental Policy Act of 1969 (42 U.S.C. 4321) establishes the national policy, goals and procedures for protecting and enhancing environmental quality. The HUD implementing regulation at 24 CFR 50 establishes the policies and procedures for HUD environmental clearances (including procedures for automatic requirements for a Special Clearance or Environmental Impact Statement and criteria for determining when several projects built near each other may be considered as a single action) and establishes categorical exclusions that are not subject to an environmental assessment under NEPA. This does not exempt them from the other requirements identified in this section.

2. **Historic Properties.** The National Historic Preservation Act of 1966 (P.L. 89-665), the Archeological and Historic Preservation Act of 1974 (P.L. 93-291), Executive Order 11593, Protection and Enhancement of the Cultural Environment, and the Procedures for Protection of Historic and Cultural Properties, Advisory Council on Historic Preservation (36 CFR 800). Establish national policy and procedures for protecting properties, sites and artifacts of historic, architec-

tural, or archeological significance listed (or eligible to be listed) in the national Register of Historic Places. These laws and procedures require that proposed projects be reviewed to determine whether they would affect any district, site, building or other structure listed (or eligible to be listed) in the National Register of Historic Places. These procedures require consultation with the State Historic Preservation Officer and may require a determination of eligibility by the Department of Interior and a determination of effect by the Advisory Council on Historic Preservation.

3. **Noise Abatement.** The Environmental Criteria and Standards (24 CFR 51, Subpart B) establish minimum HUD standards to protect citizens against excessive noise in their community and place of residence. This regulation also establishes criteria for determining acceptable noise levels and special requirements and mitigation measures to be followed in normally unacceptable and unacceptable noise zones.

4. **Explosive or Flammable Fuels or Chemicals.** The Environmental Criteria and Standards (24 CFR 51, Subpart C) establish standards indicating how close a project can be located to hazardous operations handling conventional fuels or chemicals of an explosive or flammable nature.

5. **Floodplains and Wetlands.** The Flood Disaster Protection



Act of 1973 (P.L. 93-234) and implementing regulation at 24 CFR 55, the National Flood Insurance Act of 1968 (42 U.S.C. 4001), Executive Order 11988, Floodplain Management, and Executive Order 11990, Protection of Wetlands, require, if a project is to be located in such an area, that specific review and notification procedures be followed and that appropriate measures be taken to protect the property, to protect the life and safety of the occupants, and to minimize any harm to the floodplain or wetland.

6. Coastal Zones. The Coastal Zone Management Act of 1972 (16 U.S.C. 1451) and the implementing regulation at 44 CFR 123 require that projects to be located in the coastal zone (which includes the Great Lakes) be consistent with the State Coastal Zone Management Program.
7. Air Quality. The Clean Air Act (P.L. 90-148), the Clean Air Acts Amendments of 1970 (P.L. 91-604), the Clean Air Act Amendments of 1977 (P.L. 95-95), and the implementing regulations of the Environmental Protection Agency (40 CFR 50, 51 and 52) establish national ambient air quality standards.
8. Water Quality. The Federal Water Pollution Control Act of

1973 (P.L. 92-500), the Safe Drinking Water Act of 1974 (P.L. 93-523) and the implementing regulations of the Environmental Protection Agency (40 CFR 120) establish measures to protect the quality of water if a project is to be located in the recharge area of a community's sole water supply.

9. Fish and Wildlife. The Fish and Wildlife Coordination Act (P.L. 85-624) requires that HUD consult with the Fish and Wildlife Service (Department of Interior) and the appropriate State agency if the project will affect control or require modifications to any stream or other body of water.
10. Endangered Species. The Endangered Species Act of 1973 (P.L. 93-205), the Endangered Species Act Amendments of 1978 (P.L. 95-632) and 43 CFR 870, require that HUD consult with the Department of Interior and the Department of Commerce if the project may affect any species (including its habitat) identified by the Department of Interior as an endangered species.
11. Toxic Chemicals and Radioactive Material. HUD Notice 79-33 identifies the contact person for guidance on protection of persons and property from man-made environmental hazards such as toxic chemicals and radioactive materials.

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## Section 5. Uniform Act and Relocation Requirements

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The Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) is not applicable to public housing projects developed under the turnkey method. However, in line with its policy regarding other HUD-assisted activities not covered by the uniform Act, HUD administratively requires that relocation assistance, including advisory services and reasonable moving and related expenses, be provided for eligible residential tenant-occupants (not owner-occupants) who are displaced as a result of turnkey development.

When required, relocation assistance and related payments are provided and financed by the PHA. However, the developer may be required to reimburse the PHA for all or part of the costs for such assistance if the developer fails to provide the PHA with specific information regarding the occupants of a proposed site or property, or to furnish notifications to such occupants in accordance with the PHA's instructions, or to meet any other applicable relocation requirements.

If there are any tenant occupants of the site(s) or property(ies) identified in the turnkey proposal, prior to its preparation and submission, the developer should ask the PHA to provide detailed information regarding the relocation notification requirements.

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## Section 6. Facilities and Services

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**Introduction.** The developer shall make every effort to select sites that are accessible to existing or proposed public facilities and services. This may not be possible because sites may not be available near required facilities or the facilities may not have the capacity to serve the proposed project. In such instances, necessary facilities and services may be provided to the extent authorized in this section.

1. Project Non-Dwelling Facilities. Necessary non-dwelling space and equipment may be provided for management, maintenance and community activities and may be included in the development cost of a public housing project provided that the amount of space does not exceed the limitations identified below. These facilities may be provided on a project-by-project basis or as central space for several closely situated public housing projects operated by the PHA. Developers should review Part I of this packet for the specific PHA requirements for this project.

- a. Management Facilities. General purpose office space and equipment may be required by the PHA to perform administrative functions. Space for necessary facilities may be provided not to exceed the following limitations:

| Number of Public Housing Units Served | Maximum Management Space Allowed (sq. ft.) |
|---------------------------------------|--|
| 0-15                                  | 150  |
| 16-50                                 | 325  |
| 51-100                                | 500  |
| 101-150                               | 600  |
| 151-200                               | 775  |
| 201-300                               | 1000                                       |
| 301-400                               | 1200                                       |
| 401-500                               | 1400                                       |

b. **Maintenance Facilities.** Space and equipment may be required to perform operation and maintenance activities. Included are facilities for a central repair shop and storage of tools, parts and outdoor equipment (e.g., lawn mowers, snow blowers, and maintenance vehicles). Space for necessary maintenance facilities may be provided not to exceed the following limitations:

| Number of Public Housing Units Served | Maximum Maintenance Space Allowed (sq. ft.) |
|---------------------------------------|---|
| 0-15                                  | 125   |
| 16-50                                 | 400   |
| 51-100                                | 800   |
| 101-150                               | 1100  |
| 151-200                               | 1400  |
| 201-300                               | 1900  |
| 301-400                               | 2300  |
| 401-500                               | 2700  |

c. **Community Facilities.** Community space and related equipment may be required to provide social and recreational opportunities for project occupants. Included are such facilities as game rooms, meeting rooms or craft rooms. In determining the amount of community space to be provided, consideration shall be given to whether space will be provided for a child care facility and whether such space could be used for both purposes. Space for necessary community facilities may be provided not to exceed the following limitations:

(1) **Projects Designed for the Elderly:**

| Number of Public Housing Units Served | Maximum Community Space Allowed  |
|---------------------------------------|--|
| Under 51                              | 25 sq. ft. per unit.   |
| 51-100                                | 1,250 sq. ft. for the first 50 units, plus 20 sq. ft. for each additional unit.  |
| 101 or more                           | 2,250 sq. ft. for the first 100 units, plus 15 sq. ft. for each additional unit. |

(2) **Projects for Family Occupancy:**

| Number of Public Housing Units Served | Maximum Community Space Allowed   |
|---------------------------------------|---|
| Under 101                             | 8 sq. ft. per bedroom.  |
| 101 or more                           | 800 sq. ft. for the first 100 bedrooms, plus 4 sq. ft. for each additional bedroom. |

(3) **Projects for Elderly and Family Occupancy.** The maximum amount of community space for a project to be occupied both by elderly and family households is the sum of the amounts determined in accordance with (1) and (2) above.

2. **Child Care Facilities.** Space may be provided for a child care center for the project occupants if such a facility is not otherwise available, or existing facilities are inadequate, to serve the proposed project. Such space may be provided in addition to the amount allowed for community facilities. Refer to Part I of this Packet for specific requirements.

3. **Health Care Facilities.** In projects for elderly occupancy, space may be provided, if required, for preventive health programs for the project occupants. This may include space for such facilities as examination rooms and health clinics only if they are not accessible in the neighborhood but shall not include general medical care or hospital care facilities such as laboratories and treatment rooms. If health care facilities are necessary, a maximum of five square feet for each unit may be provided. Such space may be provided in addition to the other amounts allowed. Refer to Part I of this Packet for any specific requirements.

4. **Off-Site Facilities.** Off-site improvements and facilities, such as extensions of water and sewage systems and access streets to the site boundary, may be required. The cost for off-site facilities may be included in the developer's price only if it is local practice that a developer or builder normally pays for such facilities when developing comparable privately owned housing. The amount authorized for off-site facilities shall be limited to the Area Office estimate of either the cost of such facilities or the increase in the site value that is attributable to such facilities, whichever is lower. If the cost exceeds the amount that may be approved by the Area Office, the additional amount would have to be off-set by a donation.

5. **Congregate Facilities.** As defined in the Act, congregate housing provides a living environment in which some or all of the dwelling units do not have kitchen facilities. Such housing must have or be connected with a central dining facility to provide wholesome and economical meals for the occupants in a generally self-supporting operation. The space required for a central kitchen and dining facility is in addition to the allowable non-dwelling facilities identified in this section. The amount of space for the dining room shall not exceed fifteen (15) square feet per finer, accommodating one-half of the project occupants at one sitting, and the kitchen shall be adequate to serve the dining facility. The turnkey developer's price may only include the cost of the following:

- space for the common kitchen and dining facility, including food storage areas;
- equipment for the central kitchen facility, including cooking utensils, ranges, refrigerators, storage cabinets, dishwashers, and waste disposal equipment, and;
- furniture and equipment for the central dining facility, including tables, chairs, linen, glassware and eating utensils.

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## Section 7. Design and Construction Standards

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Introduction. This section discusses the design and construction standards applicable to all projects developed for the public housing program. If the standard is optional, Part I will indicate if it is required for this specific project.

1. **Basic Standards.** Projects developed under the public housing program must comply with:
  - a. either the HUD Minimum Property Standards (MPS) for New Construction or the HUD Minimum Design Standards for Rehabilitation of Residential Properties. The MPS for multifamily Housing apply to walk-up and elevator structures and sites and are contained in Handbook 4910.1. The MPS which apply to detached, semi-detached and row structures and sites are contained in Handbook 4900.1. An up-to-date copy of the MPS is available for examination in each HUD Regional, Area and Service Office. Copies may be purchased from the United States Government Printing Office, Washington, D.C. 20402. The MPS for Rehabilitation of Residential Properties is Handbook 4940.4 which applies to all types of structures. It may be obtained free of charge from any HUD Office.
  - b. HUD environmental requirements and requirements for accessibility and usability by the physically handicapped (24 CFR 40 and 24 CFR 8); and
  - c. any applicable local requirements, such as State or local building codes and ordinances.
2. **Local MPS Variations.** The Area Manager may approve variations from the MPS to meet special local conditions for a specific project. Variations may include modifications to design and construction standards, use of alternate building materials and fixtures, and the use of innovative construction methods and materials. In such cases, the Area Manager must determine that the alternate standards or materials will provide for a level of structural soundness, useful life, and economy in maintenance or operation that is at least equivalent to the MPS. Where a variation is expected to be used for future projects on a repetitive basis, the Area Manager should recommend that an appropriate Local Acceptable Standard be established.
3. **Additional Program Standards.** The basic standards identified above provide minimum design and construction requirements. The construction of public housing projects may exceed the basic standards provided that projects do not involve elaborate or extravagant design or materials. For example, increasing the MPS insulation or glazing standard may be required to conserve energy and provide for more economical operations over the projected life of the housing.
  - a. **Additional Quality Standards.** The Area Manager is required to develop specific additional quality standards necessary to comply with the requirements of Section 6(b) of the Act. Specifically, the law requires that the design and cost of a public housing project take into account the extra durability required for safety and security and economical maintenance of such housing; the provision of amenities designed to guarantee a safe and healthy family life and neighborhood environment; the

application of good design as an essential component of such housing for safety and security as well as other purposes; the maintenance of quality in architecture to reflect the standards of the neighborhood and community; the need for maximizing the conservation of energy for heating, lighting, and other purposes; the effectiveness of existing cost limits in the area; and the advice and recommendation of local housing producers. The additional quality standards for this project may be found in Part IV of this Packet.

- b. **Density.** The density requirements are stated in Section 3 of this Part.
  - c. **Non-Dwelling Facilities.** The requirements and limitations for required facilities and services are stated in Section 6 of this Part.
4. **Carpeting.** Carpeting, instead of other types of finished flooring, may be provided only in projects proposed for occupancy by the elderly or handicapped. Carpeting may not be used in bathrooms or kitchens.
5. **Basements.** Unfinished basements may only be provided in public housing projects if the cost of constructing basements was reflected in the published prototype dwelling construction and equipment (DC&E) costs for the area developed by the Area Office. In establishing prototype costs, the Area Office may consider the cost of constructing basements but only in those areas where it is common local practice for moderate income housing.
6. **Parking Spaces.** The number of parking spaces to be provided for a public housing project is generally determined by local building codes and ordinances. In the absence of local parking requirements, the Manual of Acceptable Practices (HB 4930.1) should be used as a guide for determining the number of parking spaces to be provided. Parking spaces, generally, will be provided in the form of parking pads for detached and semi-detached structures, or a parking lot for other structure types, and would be an allowable expense for site improvements (Account 1450.1).
  - a. **Highrise Elevator Structures.** Parking spaces for the occupants of highrise elevator projects may be included as an integral part of the structure. This may be necessary to comply with local requirements or to provide for economical construction of the proposed project because of the limited availability or high cost of acquiring adjacent land solely for a parking lot. In such instances, parking spaces may be provided in a basement or sub-basement garage and would be an allowable expense for site improvements (Account 1450.1).
  - b. **Detached and Semi-Detached Structures.** Garages or carports (as distinguished from parking pads) are occupant storage spaces and must be included in dwelling construction (Account 1460). One-car garages or carports for a specific project being developed as scattered site housing may be provided if this can be accomplished within the prototype dwelling construction and equipment cost limitation.
7. **Air Conditioning.** Air conditioning systems may be pro-

vided in public housing projects. This may be necessary to provide flexibility in the design and layout of the housing units, provide for a healthy living environment, assure continued occupancy, and prevent premature obsolescence. Although air conditioning may be desirable, it is not required unless specified in Part I of this Packet.

8. Utilities. It is important that the best types and utility combinations be selected. If the best system is not installed initially, the cost of converting to another system at some later date is usually prohibitive. All selected utilities must be available in time for project construction or occupancy.

a. Utility Analysis. The PHA will provide a completed Comparative Analysis of Utility Costs (Form HUD-51994) for the proposed project with this Packet.

b. Utility Selection. The utility combination identified by the PHA shall be selected unless the developer can demonstrate that a more efficient and economical combination is available. If the developer wishes to propose an alternative combination, the developer must prepare and submit with its proposal a revised Form HUD-51994.

c. Individual Non-Dwelling Meters. Utilities for non-dwelling facilities (e.g., maintenance, management and community space) shall have meters separate from residential meters.

9. Solar Energy. The developer shall make use of solar energy, if it is economical to do so. Solar energy systems are required only if stated in Part I of this Packet. Any addition, alteration, or improvement to an existing or new structure designed to use solar energy to reduce the demand for other energy sources may be considered.

a. HUD Standards. The Intermediate Minimum Property Standards for Solar Heating and Domestic Hot Water Systems (Handbook 4930.2) identifies various types of active and passive systems that may be considered. A solar heating or domestic hot water system may be approved only if an operational conventional system will be provided as a “back-up”

b. Allowable Project Costs. The cost of solar energy equip-

ment is an allowable expense for project development.

(1) Site Improvements (Account 1450.1). The purchase and installation cost of energy generating or collecting equipment shall be included in Account 1450.1. Included are the costs of related structure alterations; distribution systems (e.g., wiring, ducts, piping, pumps, insulation and heat exchangers); storage tanks, rock bin or heat sink elements; and control systems, sensors and logic devices.

(2) Dwelling Construction (Account 1460). The cost of all energy distribution systems within the dwelling unit shall be included in Account 1460. Included are all costs for the conventional “back-up” system, as well as the related dwelling unit costs for the solar heating or domestic hot water system such as wiring, ducts, piping, radiators, grills, dampers and thermostat. In addition, the cost of building construction common to both the solar system and the housing (e.g., sturdier roof framing to support solar collecting equipment) shall be included in Account 1460.

10. Works of Art. Works of art, such as sculptures, mosaics or murals, may be incorporated in a public housing project. Selection of the artist is the responsibility of the architect or developer with the approval of the PHA. Works of art may be provided only in common buildings areas or grounds of the proposed project. In selecting art objects, consideration must be given to their appeal and acceptance by project and neighborhood residents. The materials selected should be permanent and capable of withstanding exposure to the elements and preclude the possibility of theft. The cost of all works of art for a specific project shall not exceed one percent of the amount budgeted for dwelling construction and equipment. The cost of art objects that are part of the structure is an allowable expense for non-dwelling construction (Account 1470), otherwise, the cost shall be included in site improvements (Account 1450.1).

## Section 8. Prototype Costs

Introduction. Section 6(b) of the Act requires that HUD establish prototype costs at least annually for various structure types and unit sizes in different areas of the country. The prototype costs established by HUD represent the ceiling amounts that may be approved for construction and equipment in the project development budget and construction contract. The Act also provides that the prototype costs established by HUD for any area may be exceeded by up to ten (10) percent if necessary for individual projects.

1. Federal Register Publication. The unit prototype cost schedule is published at least annually as a Notice in the Federal Register and is effective upon publication. The published prototype cost schedule identifies the current per unit dwelling construction and equipment cost based on the number of bedrooms and structure types for various geographic areas. The unit prototype cost schedule for a specific geographic area may be revised based on public comments or other

evidence that construction costs exceed the limits determined by HUD. Any revisions approved by HUD also will be published as a Notice in the Federal Register.

2. Prototype Cost Area. A “prototype cost area” is a geographic area, established by the Area Office, within which there is no appreciable difference in the cost of material, labor, and equipment for the housing construction industry. A separate prototype cost area may be established if construction costs in a community consistently differ from other communities within the same prototype cost area. Prototype cost areas are identified by county, city, or other political boundaries. A map, identifying the current prototype cost areas, is maintained in the Area Office and is available for public inspection.

3. Structure Types. The unit prototype cost schedule is established on the basis of the number of bedrooms per unit for the following structure types:

- a. Detached (D). A structure which consists of a single living unit and is surrounded by permanent open spaces.
  - b. Semi-Detached (SD). A structure containing two living units separated by a common vertical wall.
  - c. Row Dwelling (R). A structure containing three or more living units, each separated by vertical walls, and generally having individual entrances and interior stairs.
  - d. Walk-Up Apartments (AW). A multi-level low-rise structure containing two or more living units, each separate horizontally (ceiling/floor), and by vertical walls.
  - e. Elevator Structure (AE). Any high-rise structure for which an elevator is required under the Minimum Property Standards or local building codes.
4. Dwelling Construction and Equipment Costs. The construction cost of new housing, for the purposes of establishing prototype costs, includes the cost allowed for dwelling structures (Account 1460) and dwelling equipment (Account 1465). The following is a description of the construction items included in prototype costs:
- a. General Construction. This includes the costs for:
    - (1) normal excavation and backfill for dwelling structures, but not the cost for excessive excavation and backfill or site improvements such as grading, installation of utility service, streets, walks and landscaping;
    - (2) normal foundations but, not the cost of special improvements such as pilings, caissons, or underpinnings required for unusual site topography or sub-soil conditions;
    - (3) structural framing and interior and exterior finish;
    - (4) dwelling structures, including closets and other occupant storage spaces, and common spaces such as entrances, corridors and lobbies, janitorial closets, and laundry, heating and equipment spaces; and
    - (5) fixed equipment such as cabinets, cupboards and shelving, including installation.
  - b. Plumbing. This includes all costs relating to domestic gas, water and sewage distribution systems within dwelling structure walls, such as piping, kitchen and bathroom fixtures and accessories, domestic hot-water heaters, circulating pumps, and utility meters or checkmeters.
  - c. Heating and Air Conditioning. This includes all costs relating to air handling and distribution systems, such as furnaces, piping, ducts, radiators, filters, vents, and fans. This applies to costs related to dwelling structures whether such items are within the dwelling structure walls or part of a central heating plant or system. If a central plant will serve both dwelling and non-dwelling areas, a proportionate cost of the structure, equipment, heating mains, and pipe tunnels is also included. The cost of air conditioning systems and equipment is also included where it has been justified.
  - d. Electrical. This includes all costs relating to interior electrical systems from the service drops, such as wiring, receptacles, switches, fixtures and electric meters or check meters.
  - e. Elevators. This includes the cost of elevators and related equipment for high-rise structures.
  - f. Other. This includes a proportionate share of the builder's cost of labor, insurance, Social Security and sales taxes, and the builder's general overhead, profit, and bond premiums. Not included are a turnkey developer's fee, overhead, or interest on construction financing.
  - g. Dwelling Equipment. This includes the cost of ranges, refrigerators, shades, screens, and similar equipment provided in dwelling structures and the installation cost.
5. Unit Prototype Cost. The published unit prototype cost represents the current dwelling construction and equipment costs for modest housing that is built in compliance with the MPS and local building codes and requirements and the additional public housing program standards.
  6. Base Project Prototype Cost. The base project prototype cost is computed by multiplying the then current applicable unit prototype cost by the number of units for that unit size and structure type and then adding the amount for all units in the proposed project.
  7. Prototype Cost Adjustment Factor. A cost adjustment factor is developed to recognize actual changes (increases or decreases) in construction costs from the effective date of the unit prototype cost (used to determine the base project prototype cost) to the execution date of the contract of sale (turnkey). The cost adjustment factor is based on actual changes in construction cost using the Boeckh's Index. However, if another commercial index (e.g., Marshall Swift's) is customarily used by the Area Office for routine processing, it may be used instead of the Boeckh's Index.
  8. Project Prototype Cost Limit. The project prototype cost limit is the ceiling amount that may be approved for dwelling construction and equipment (Account 1460 and Account 1465) in the contract of sale. The project prototype cost limit is determined at the time that the contract of sale is to be executed. This is determined by multiplying the base project prototype cost by the prototype cost adjustment factor.
- In limited circumstances, it may be necessary to exceed the project prototype cost limit to carry out the objectives of the Act. Section 6(b) of the Act provides that the prototype cost may be exceeded by up to ten (10) percent. If the additional cost does not exceed ten (10) percent, the Area Manager may approve a higher project prototype cost for the following reasons:
- a. Local Building Requirements. Increases attributable to changes in local building requirements (e.g., codes, ordinances) which were imposed after the unit prototype cost schedule was published.
  - b. Minimum Property Standards. Increases attributable to changes in the HUD Minimum Property Standards or the additional public housing program standards which were imposed after the unit prototype cost schedule was published.
  - c. Scattered Site Housing. Higher development costs are anticipated because the project is being developed as scattered site housing.
  - d. Increases During Construction. Change orders, that are beyond the scope of the construction contract or contract of sale, which are required to provide a necessity, appropriate betterment, or equivalent, for the proposed project.

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### Part III. Contents of Turnkey Proposal

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Turnkey proposals must comply with all requirements of the Turnkey Developer's Packet to be considered by the PHA. Each turnkey proposal shall include:

1. **Form HUD-52651-A.** The proposal shall contain an original of the Site, Design and Cost Report (Form HUD-52651-A) for each individual site (or a site comprising several contiguous parcels having exhibits and information applicable to all parcels). This form must be completed with all attachments and all questions answered. Where more than one site is proposed, a separate Form HUD-52651-A shall be submitted as a summary for the proposed project as a whole.
2. **Developer's Experience.** The developer and the developer's contractor shall provide the following information relating to their housing construction and development experience in connection with:
  - a. **HUD projects:** a Previous Participation Certificate (Form HUD-2530), which identifies the project number, location, units, and current development status for all HUD assisted housing projects (e.g., Public Housing, Section 8, Section 202) and HUD insured projects (e.g., Section 221(d) (4), Section 236, Section 207);
  - b. **Other projects:** a list of other projects (excluding HUD assisted and HUD insured projects) developed, identifying the number of units, structure type, community, total project cost and current development status; and
  - c. **Financial statement:** a Personal Financial and Credit Statement (Form FHA 2417). The PHA will not be authorized to release any financial information, except to the Area Office, without the express written consent of the developer or contractor.
3. **Developer's Certification.** The developer shall submit a written certification which indicates that:
  - a. the developer has read and understood the provisions of the turnkey contract of sale; and
  - b. if the developer's turnkey proposal is selected, the developer will comply and assure that any contractors or subcontractors employed by the developer will comply with the requirements of the contract of sale.

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### Section IV. Forms and Documents

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The following forms and documents are provided with this Packet.

1. PHA's Proposal Evaluation System
2. Prepared Form HUD-51994 (Comparative Analysis of Utility Costs)
3. Blank Form HUD-51994
4. Form HUD-53015 (Format for Turnkey Contract of Sale)
5. Form HUD-52651-A (Site, Design and Cost Report)
6. Form HUD-2530 (Previous Participation Certificate)
7. Form HUD-5087 (Outline Specification)
8. Program Regulation 24 CFR 841
9. A copy of the locally adopted HUD additional quality standards
10. Handbook 7417.1 REV-1, Chapters 9 and 10 Sections on PHA submission of drawings
11. Form FHA-2417 (Personal Financial and Credit Statement)
12. Form HUD-92800-3 (FHA Underwriting Report) - only if the project involves single family (1-4 family) units

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### PHA's Proposal Evaluation System

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**Proposal Evaluation Criteria.** The PHA will evaluate and rate each turnkey proposal objectively on the basis of the following criteria:

1. **Developer's Price:** the total developer's price as a percent of the median developer's price for all responsive turnkey proposals;
2. **DC&E Cost:** the developer's dwelling construction and equipment cost as a percent of the base project prototype cost;
3. **Developer's Experience:** the ability of the turnkey developer and contractor, if applicable, to build a housing project of the type and scale proposed, including the number, complexity and location of construction activities currently underway;
4. **Physical Site Characteristics:** the suitability of the site for housing use and freedom from adverse environmental conditions;
5. **Site Plan:** the extent that the site is appropriate for the intended use (e.g., occupants, density) and the site plan provides open spaces, outdoor recreation areas, and promotes economical project construction and maintenance, and minimizes displacement of site or property occupants.
6. **Site Location:** the proximity and accessibility of the site to transportation, employment, recreation and similar facilities and the adequacy of such facilities;
7. **Housing and Employment Opportunities:** the absence of low income or assisted housing concentrated in the proposed neighborhood or area of the community and extent that the developer proposes to employ minority or women-owned businesses in project development activities.

8. **Architectural Treatment:** the degree to which the design, and placement of buildings is aesthetic and complements adjacent development, and the building and unit floor plans and layout provide functional housing arrangements;
9. **Special Design Features:** the degree to which the design incorporates features that provide for efficient project operations, lower maintenance costs, and the safety and security of the occupants;
10. **Energy Savings:** the extent that the design provides for long-term energy savings by incorporating the use of solar energy or other energy conservation features;
11. **Materials and Equipment:** the extent that durable, low maintenance, construction material and equipment will be used;
12. **Overall Project Design:** the extent that the proposed housing, including non-dwelling facilities, meets the design and functional objectives indicated in the Turnkey Developer's Packet;
13. **Other PHA Criteria:** any other objective criteria established by the PHA and identified in Part I of this Turnkey Developer's Packet.

**Proposal Rating and Selection.** The PHA will rate each responsive turnkey proposal on the basis of the criteria above. If the highest rated turnkey proposal was assigned a zero by the PHA for any criterion, the PHA may select the next highest rated turnkey proposal for which no criterion was assigned a zero.

- a. **Standard Rating System.** The standard rating system shall be used if special PHA criteria were not established. (See Part I, Proposal Evaluation Criteria.) The maximum rating under the standard system is 84 points. However, a turnkey proposal must receive a score of at least 50 points to be selected by the PHA based on the following rating procedure:

- (1) **Developer's Price.** A turnkey proposal will be considered as average, if the developer's price is between 90 percent and 100 percent of the median developer's price for all responsive turnkey proposals; poor, if the developer's price is more than 100 percent; and superior, if the developer's price is less than 90 percent. Points for developer's price shall be assigned as either superior (10 points), average (5 points), or poor (zero points).

- (2) **DC&E Cost.** A turnkey proposal will be considered as average, if the Dwelling Construction and Equipment (DC&E) portion of the developer's price is between 90 percent and 100 percent of the base project prototype cost, poor, if the DC&E cost is more than 100 percent; and superior, if it is less than 90 percent. Points for DC&E cost shall be assigned as either superior (10 points), average (5 points), or poor (zero points).

- (3) **Developer's Experience.** The PHA shall evaluate the developer's and, if applicable, the contractor's previous experience in housing construction. Points for developer and contractor experience shall be assigned as either: superior (10 points), average (5 points), or poor (zero points).

- (4) **Site and Design Criteria.** The PHA shall evaluate the turnkey proposals for each of the other nine criteria and shall assign points as superior (6 points), average (3 points), or poor (zero points).

- b. **Optional Rating System.** The optional rating system shall be used if special PHA criteria were established. The maximum rating under the optional system is 100 points which provide sixteen (16) discretionary points for use by the PHA. Under this system, a turnkey proposal must receive a score of at least 60 points to be selected by the PHA. The sixteen (16) discretionary points shall be distributed among the PHA established criteria and shall be assigned as follows: superior (the number of points, not exceeding 16, assigned to the criterion by the PHA), average (one-half of the maximum number of points assigned to the criterion), or poor (zero points).