

REQUEST FOR QUALIFICATIONS (RFQ) FOR WORKFORCE HOUSING DEVELOPMENT

Issued by:

Town of Mooresville

Planning and Community Development Department

413 North Main St.

Mooresville, NC 28115

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Responses due: June 18, 2018

RFQ 018-04-0017

CONTENTS

1. INTRODUCTION.....3

2. ELIGIBLE RESPONDENTS.....3

3. PROJECT SCOPE.....3

4. EVALUATION AND SELECTION CRITERIA.....6

5. SUBMITTAL REQUIREMENTS.....6

6. TOWN CONTACTS AND RESOURCES.....7

7. DISCLOSURES AND CHANGES TO RFQ PROCESS.....7

8. TOWN PROPERTIES UNDER CONSIDERATION FOR AFFORDABLE HOUSING USAGE.....8

1. INTRODUCTION

General Information

The Town of Mooresville hereby requests qualifications from qualified and experienced housing developers interested in developing workforce housing on Town-owned properties. A list of properties is provided in Section 8 of this Request for Qualifications (RFQ).

The Town is seeking housing developers that will provide high quality workforce housing developments, demonstrate an understanding of the Mooresville community, its affordable housing needs, and the unique attributes and opportunities of the Mooresville area and surrounding neighborhoods. Developers should provide evidence of successful experience in developing and managing workforce housing in the area and a commitment to an inclusive and informative public participation process regarding proposed projects.

The selected developer or developers will be invited to submit a detailed proposal for the proposed development. Proposals will be reviewed by staff and the Town Board. If the proposal results in an approved project, the Town and developer will negotiate an agreement for conveyance of a possessory interest and the development of the project. The agreement would set forth additional detail regarding the property disposition, performance milestones for the developer, project development timeline, indemnities and insurance requirements, ongoing affordability covenants, financing plan, tenant selection plan and any other Town requirements for the development.

Town Objectives

The Town desires to facilitate construction of workforce housing developments that will:

- Provide a mix of affordable housing units;
- Be attractive and compatible with the character of the neighborhood and larger community, both aesthetically and functionally;
- Utilize environmentally-friendly and sustainable principles in project design and construction; and
- Incorporate community input on the proposed development unit mix, affordability and physical design.

2. ELIGIBLE RESPONDENTS

Eligible respondents may include one entity or a team, including for-profit and non-profit housing developers. Respondents that include several entities must include a lead entity which has demonstrated experience and capacity in the development and management of affordable housing, and shall have successfully completed at least three affordable housing developments of similar size and complexity as the proposed development, within (preferred) the Mooresville region, or another County in North Carolina within the past three years, to be eligible to submit a proposal. Entities with prior experience building residential projects in Mooresville are encouraged to submit proposals.

Proposers' capacity and experience will be evaluated based on, but not limited to the following:

- Prior experience and technical competence of the proposer in completing and managing affordable housing developments of similar scope, complexity, and magnitude;
- Proposer's experience in partnering with the Town of Mooresville or other local agencies;
- Proposer's track record in use of public funds, properties or other public resources;
- Proposer's experience in working with the community to garner support for residential developments;
- Proposer's financial standing, financial references, possibly including review of materials such as audited financial statements, annual reports, operating budgets, available resources;
- Proposer's capacity to work cooperatively with Town representatives and the community in design and development of the project; and
- Proposer's track record in obtaining required financing and permits within time frames and ability to complete development of the project within the time frames set forth in the agreement and based on applicant's track record on similar projects.

PLEASE NOTE: Any proposals using federal or state funds will be required to comply with applicable state and/or federal procurement, wage, and contracting requirements.

3. PROJECT SCOPE

The Town is soliciting qualified developers to partner in affordable housing development using Town-owned parcels located throughout Mooresville, North Carolina. In addition to developer qualifications, the following information outlines desired project characteristics.

Site Control

The Town is open to a variety of site control options including fee simple ownership and ground lease.

Development Parameters

A. Project Size

Proposed developments may include up to the maximum allowable number of units consistent with the land use policies, objectives, guidelines, and the goals of this RFQ.

B. Unit Size and Tenure

All units are expected to be a mix of rental and/or owner-occupied units accommodating a mix of income levels. Proposals shall explain the basis for the proposed mix of unit sizes in the development and its relationship to the target tenant population described in the proposal.

C. Affordability Requirements

A majority of the units shall be affordable to households serving at or below 80% Area Median Income (AMI). Strong consideration will be given to proposals serving a range of household incomes. Income levels are defined using the income limits published by the Housing and Urban Development (HUD) for low income households in Iredell County, as published by HUD and located at:

<https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>

D. Length of Affordability Term

The Town desires long term affordability periods with a minimum of 20 years.

E. Green Building and Energy Efficiency Requirements

All new construction projects must comply with Energy Star standards set forth by the Environmental Protection Agency. Developments are encouraged to incorporate green building techniques including but not limited to the following areas:

- Energy efficiency and renewable energy
- Sustainable site planning
- Safeguarding water quality and water efficiency
- Conservation of materials and resources
- Indoor environmental quality

F. On-Site Amenities

Proposals that include resident amenities within the development, consistent with Town zoning, to improve the quality of life of future residents of the proposed housing development and/or the surrounding neighborhood, are encouraged.

G. Special Populations, if Applicable

Proposals shall describe special populations served by the project, if any. The Town of Mooresville supports diverse populations and does not discriminate in housing based on race, color, religion, sex, national origin, physical or mental handicaps, or family status.

Financial Terms and Assumptions

A. Terms

Proposals will be evaluated on a variety of factors including the quality of the proposal, desirability of the public benefits of the proposed development, and financial feasibility. The proposed sale price or lease rate shall be included in the project financial pro forma, which shall also identify anticipated funding sources (including possible Town sources) that will be sought to finance the project. If any Town funds are contemplated in the proposal's financing plan, the proposal shall indicate what type of Town funding is contemplated, the amount to be requested, and proposed use(s) of such funds (i.e., predevelopment, lease payment, soft costs, and/or construction), as well as a timeline indicating when such funds would be required by the developer.

B. Assumptions

The following assumptions should be used when preparing the financial pro forma, unless alternative funding sources are subject to different or more restrictive terms.

- Contingencies: use at least 5% for hard construction and soft costs;
- Operating cash flow projections: use Housing Trust Fund/ North Carolina Housing Finance Agency standards;
- Leverage: it is anticipated that the selected developer will obtain the majority of financing for development of the project from non-Town sources (leverage). The amount of leverage included in the proposed financing plan will be evaluated competitively against other proposals received, with **proposals with higher leverage ratios evaluated favorably**; and
- Federal requirements: if the proposed financing plan includes federal funding sources such as

HOME, CDBG, or Section 8, include costs and time for compliance with all applicable federal requirements (Section 3, Davis Bacon, etc.) in project pro-forma and timeline.

Zoning and Land Use Requirements

The project site is subject to the zoning provisions and the developer shall take full responsibility for any required rezoning and zoning ordinance compliance. The Town's municipal codes and General Plan are also available online at: <http://ci.mooreville.nc.us/218/1744/Planning-Community-Development>. Proposers may contact the Planning Department for details on the Town's development review processes (contact information provided in Section 6).

Environmental Review

Environmental review of the proposed site will be completed after a complete planning application for the project has been submitted by the selected developer. If federal funding is included in the proposal's financing plan, the agency providing those federal funds will be required to complete federal environmental review under the National Environmental Protection Act (NEPA).

Other Legal Matters

The property disposition contemplated through subsequent agreements would not be a surplus property sale, but rather a Town-sponsored development of an affordable housing development on Town property. Any successful proposer will be required to take full responsibility for the costs and execution of any activities needed to take possession and develop the project site, which may need to be cleared of structures, vegetation or other debris. The property will be offered "as is" to the selected developer, who shall have full responsibility for completing a survey, environmental studies, site preparation, permits, (and federal law, if any federal funding is proposed by applicant), environmental remediation, if needed, and any other predevelopment costs. Any property tax liability during the term of the lease or following developer's taking possession of the project site shall be the sole responsibility of the Developer.

4. EVALUATION AND SELECTION CRITERIA

Staff will evaluate qualifications received by the submittal deadline. Based on the qualifications of the applicant, types and locations of projects and how well the submittal responds to the requested criteria, staff will recommend a developer or developers who will be invited to provide full proposals for Town consideration.

5. SUBMITTAL REQUIREMENTS

Application materials must also be submitted via drop box or electronic devices including a cover letter with an original signature from a principal or executive director of proposer.

PLEASE NOTE: *The Town may, at its sole discretion, request that proposers modify or supplement their proposal with additional information following initial submittal. The Town reserves the right to reject any or all proposals submitted, to cancel this RFQ, and/or to modify and reissue the RFQ at any time.*

PUBLIC RECORDS:

Pursuant to the North Carolina Public Records Act, all documents submitted in response to this RFQ will be considered public records and will be made available to the public upon request.

1. Statement of Interest: Provide a statement of proposer's interest in development of the project; highlights of the proposer's qualifications; proposer's understanding of the objectives of the RFQ; and a

brief description of project team. Please limit Statement of Interest to three pages.

2. Applicant Qualifications: Provide an organizational chart describing the entities and key personnel on the proposer's team; CV's for lead personnel, and a brief description of similar projects completed by the team in the past fifteen years. Provide at least three letters of reference for each entity included on the project team from parties or agencies involved in the projects listed.

3. Project Description: Provide a narrative description of the general development concept and affordable housing program proposed for the project site, addressing the details noted in Section 1 of this RFQ, such as unit mix, target population, financing plan, etc. Describe how the proposed concept addresses the objectives listed in this RFQ. Renderings or graphic portrayals of the proposed project are not requested at this time. Please limit each project description to one page per property you are proposing to develop. Available parcels are listed in Section 8.

**Deadline to Submit:
5:00 P.M. on June 18, 2018
Proposals received after this time will not be considered.**

For additional information, please contact:

Terrell Blackmon, Community & Economic Development Manager

Planning and Community Development Department

704-799-4291

eblackmon@ci.mooresville.nc.us

6. TOWN CONTACTS AND RESOURCES

For further information about this RFQ, please contact Terrell Blackmon at (704) 799-4291 or at eblackmon@ci.mooresville.nc.us.

For information regarding the Town's development review procedures, zoning, and other Planning information relevant to the Project Site, contact Senior Planner, Craig Culberson of the Mooresville Planning and Community Development Department at 704-662-7041 or cculberson@ci.mooresville.nc.us.

For information on specific parcels or applicable Town Engineering policies and procedures, please contact Jon Young at 704-799-4065 or jyoung@ci.mooresville.nc.us.

7. DISCLOSURES AND CHANGES TO RFQ PROCESS

All proposals will become the property of the Town, and may be reproduced **in full or in part and/or** published online and/or on paper for public review, and will not be returned to the proposers. Proposals will be public records. Please do not submit any information that is confidential.

The Town of Mooresville reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFQ at any time. If such an action occurs, the Town will notify all applicants, and any other parties requesting such notice, by posting updates online at: <http://www.ci.mooresville.nc.us>.

8. TOWN PROPERTIES UNDER CONSIDERATION FOR AFFORDABLE HOUSING USAGE

| Town of Mooresville Workforce Housing RFQ Surplus Properties | | | |
|---|----------------------|--------------|---------------|
| | Parcel Number | Acres | Zoning |
| 1 | 4666015010 | 20.19 | R-2 |
| | | | |
| 2 | 4667387198 | 0.27 | R-5 |
| | 4667480118 | 1 | |
| | 4667389289 | 0.67 | |
| | | | |
| 3 | 4667362676 | 1.82 | RMXMH |
| | 4667360749 | 0.5 | |
| | 4667363799 | 0.65 | |





