

Request for Proposals

Town of Scarborough

Affordable/Workforce Housing Partnership Initiative

INVITATION

The Town of Scarborough (hereinafter referred to as “the Town”) is soliciting proposals for the advancement of affordable housing opportunities.

Applicants with relevant experience and qualifications to meet the requirements are encouraged to submit a response. The purpose of the RFP process is to identify the most qualified Applicants to support the Town in this important initiative. Following analysis of the responses to this RFP, firms may be invited for interviews conducted by an evaluation committee. Any firm ultimately awarded a subsidy will initially enter into a Memorandum of Understanding and ultimately a formal agreement with the Town which will more fully outline the expectations of the specific project to meet the stated initiative. All projects must be located in the Town’s designated “growth areas” (see Exhibit A) and must have a minimum affordability commitment of twenty years.

This RFP is available on our website (<http://www.scarborough.me.us>) or by contacting:

Thomas Hall, Town Manager at 259 US Route One, Scarborough, ME 04070-0360,
(207)730-4031, or thall@scarboroughmaine.org

Please continue below for the complete Request for Proposals document.

THE PROJECT

The Town is soliciting submittals for the advancement of affordable housing in Scarborough. Affordable housing is identified as a key priority in the Comprehensive Plan and the Scarborough Housing Alliance (hereinafter the “Alliance”) is designated to advance related initiatives. For purposes of this RFP the terms affordable housing and workforce housing are used interchangeably.

Applicants are encouraged to consider a range of housing types for a variety of households that may include either homeownership or rental units. The intent is to add additional affordable units to the market.

To achieve these objectives, the Town is seeking Developers with the experience, technical capacity, financial capacity, initiative, and creativity to work collaboratively with the Town on designing, permitting, and implementing such a project.

The Town will consider all approaches, and views the relationship as a partnership. The intent is to leverage Town resources to maximize affordable housing opportunities to the most economically-diverse populations. All projects must be located in the Town’s designated “growth areas” (see Exhibit A) and must have a minimum affordability commitment of twenty years.

Definition of Affordable Housing:

Affordable Housing means decent, safe and sanitary living accommodations that are affordable to households, in accordance with following provisions:

- A. *An Owner-Occupied Affordable Housing Unit is a unit which (i) is occupied by its owner; (ii) is owned by Qualifying Household and (iii) has a maximum sales price that is reasonably anticipated to result in Annual Housing Costs that are less than or equal to 30% of the Imputed Income Limitation applicable to the unit.*
 - (I) *A Qualifying Household is one with a total household income that, at the time of purchase, is 80% or less than the most recently published Median Family Income for the Portland, Maine Metropolitan Statistical Area, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development (the "MFI Standard").*
 - (II) *Annual Housing Costs shall equal the sum of (i) the total annual payments of principal and mortgage interest, (ii) the total property insurance premium, (iii) the real estate taxes due (iv) any homeowners association or condominium fees that are due; and (v) a reasonable estimate of the annual cost of any additional water, sewer, heat, hot water and electricity in the home.*
 - (III) *The total annual payments of principal and mortgage interest referred to in A(I)(i) may, in the absence of other reasonable estimates, be estimated based on the assumed interest rate and loan term established by the U.S. Department of Housing and Urban Development for housing affordability limits. In the case of a unit which has one or fewer bedrooms, the Imputed Income Limitation referred to in A(iii) shall be 80% of the MFI Standard for a household of two (2) people. In the case of a unit which has more than one bedroom, the Imputed Income Limitation referred to in A(iii) shall be 80% of the MFI standard for a household of four (4) people.*
- B. *A Renter-Occupied Affordable Housing Unit is a unit which is leased by a Qualifying Household at an Annual Gross Rent that is less than or equal to 30% of the Imputed Income Limitation applicable to the unit.*
 - (I) *A Qualifying Household is one with a total household income that, at the time of move-in, is 80% or less than the most recently published Median Family Income for the Portland, Maine, MSA, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development (the "MFI Standard"). To remain a Qualifying Household, the household's income must remain at or below 140% of the income limitation described in the preceding sentence.*
 - (II) *Annual Gross Rent shall equal twelve (12) times the sum of (i) monthly rent due to the landlord, (ii) any required monthly payments to the landlord for additional services or facilities and (iii) a reasonable estimate of the monthly utility costs (not including television, internet or telephone) that the household is responsible for paying. In the case of a unit which does not have a separate bedroom, the Imputed Income Limitation used to determine the maximum annual gross rent shall be 80% of the MFI Standard for a household of one (1) person. In the case of a unit which has one or more bedrooms, the Imputed Income Limitation used to determine the maximum annual gross rent shall be 80% of the MFI standard for a household with a size equal to one and one half (1.50) people per bedroom.*

Although at least 80% AMI is required, this is the maximum threshold and the Town Will show preference to projects that target low to moderate incomes (i.e. 40% or 60% AMI)

Definition of Workforce Housing:

Workforce Housing means decent, safe and sanitary living accommodations that are available to households, in accordance with following provisions:

- A. *An Owner-Occupied Workforce Housing Unit is a unit which (i) is occupied by its owner; (ii) is owned by Qualifying WF Household and (iii) has a maximum sales price that is reasonably anticipated to result in Annual Housing Costs that are less than or equal to 30% of the Imputed WF Income Limitation applicable to the unit.*
 - (I) *A Qualifying WF Household is one with a total household income that, at the time of purchase, is 120% or less than the most recently published Median Family Income for the Portland, Maine Metropolitan Statistical Area, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development (the "MFI Standard").*
 - (II) *Annual Housing Costs shall equal the sum of (i) the total annual payments of principal and mortgage interest, (ii) the total property insurance premium, (iii) the real estate taxes due (iv) any homeowners association or condominium fees that are due; and (v) a reasonable estimate of the annual cost of any additional water, sewer, heat, hot water and electricity in the home.*
 - (III) *In the case of a unit which has one or fewer bedrooms, the Imputed WF Income Limitation referred to in A(iii) shall be 120% of the MFI Standard for a household of two (2) people. In the case of a unit which has more than one bedroom, the Imputed WF Income Limitation referred to in A(iii) shall be 120% of the WF MFI Standard for a household of four (4) people.*
- B. *A Renter-Occupied Workforce Housing Unit is a unit which is leased by a Qualifying WF Household at an Annual Gross Rent that is less than or equal to 30% of the Imputed WF Income Limitation applicable to the unit.*
 - (I) *A Qualifying WF Household is one with a total household income that, at the time of move-in, is 120% or less than the most recently published Median Family Income for the Portland, Maine, MSA, adjusted for family size, as determined by the U.S. Department of Housing and Urban Development (the "MFI Standard"). To remain a Qualifying WF Household, the household's income must remain at or below 140% of the income limitation described in the preceding sentence.*
 - (II) *Annual Gross Rent shall equal twelve (12) times the sum of (i) monthly rent due to the landlord, (ii) any required monthly payments to the landlord for additional services or facilities and (iii) a reasonable estimate of the monthly utility costs (not including television, internet or telephone) that the household is responsible for paying. In the case of a unit which does not have a separate bedroom, the Imputed WF Income Limitation used to determine the maximum annual gross rent shall be 120% of the MFI Standard for a household of one (1) person. In the case of a unit which has one or more bedrooms, the Imputed WF Income Limitation used to determine the maximum annual gross rent shall be 120% of the MFI standard for a household with a size equal to one and one half (1.50) people per bedroom.*

Types of Qualified Subsidy

The Town has collected affordable housing in-lieu fees that must be used to further the establishment of affordable housing within the Town. More specifically, these funds may be used for land acquisition, infrastructure, and/or building construction costs of an affordable housing project. These funds may not be used to fund the construction of affordable housing required to meet a residential density bonus for the creation of affordable housing or as required in an inclusionary zone. Applicants must specifically identify the uses of these funds for their project, which could include:

1. A portion of these funds may be used for administrative, legal, engineering, or other costs related to the planning, design, permitting, and property acquisition for an affordable housing project.
2. A portion of these funds may be used to establish a revolving loan program to provide direct financial assistance to qualified homebuyers with down payments and other financing needs for purchasing affordable housing units.
3. The Affordable Housing Fund may be used in combination with other Town funds, and other private, non-profit, and government funding for establishing affordable housing within the Town.

THE PROCESS

This is an open-ended process whereby Applicants will be received on an ongoing basis; however, funds are limited and will be awarded on a first come, first served basis. Each Applicant is expected to prepare a written response to the requested elements of this RFP. Submittals should be directed to:

Thomas Hall, Town Manager
Town of Scarborough
259 US ROUTE ONE
PO BOX 360
Scarborough, ME 04070-0360

SUBMITTAL REQUIREMENTS

A. Submittal Documents – Format

Follow these instructions carefully:

In total, seven (7) hard copies of the Submittals, including attachments, are required as well as an electronic copy. Six (6) of the copies shall be spirally bound (or other semi-permanent binding method) to ensure that pages are not lost. One (1) copy should be clipped together to facilitate document reproduction. The Town will not impose a limit to the number of pages in the submittal response.

The envelope in which the Submittals are delivered must be clearly labeled on the outside with the Respondent's name and the project identification, "RFP- Affordable/Workforce Housing Partnership Initiative."

B. Submittal Contents: Each Submittal shall be organized in the following order:

Cover Letter - A cover letter signed by an authorized representative of the company outlining:

- a) a brief description of the project
- b) amount of Qualified Subsidy requested c) anticipated use of Qualified Subsidy

Proposed Project Description – The submission should include a preliminary description of relevant factors, including development design, program, housing types, sizes, bedrooms, unit totals, desired number of units to receive subsidy, income affordability details, and other elements that meet or exceed the desired outcome of developing affordable housing.

Basic Site Plan – A conceptual site plan showing the development layout, buildings, building elevations (if available), parking areas, vehicular and pedestrian ways and circulation patterns, open space, common areas, buffers, and connections to the surrounding area.

Company Profile - Provide a description of your company or business, its purpose, history, and successes. List any similar projects completed or underway, the client/owner, and the approximate value of the work. Identify key leadership personnel who would be involved in this project, including a resume/CV of their relevant experience in affordable housing.

Development Team – The submission shall include the identification of the entities and vendors involved in the initiative and a description of the roles of each (such as developer, engineer, architect, property manager, etc.). Further, a summary shall be provided of the development team's experience with similar projects that demonstrate the team's experience, capacity, and competency in executing such a project.

Preliminary Pro Forma – A preliminary pro forma showing the Applicant's financial ability to execute the project as conceptually proposed. In addition, this section should demonstrate the Applicant's ability to meet the affordability expectations.

Town Assistance – A general explanation of any additional Town assistance that will be required to support this development.

Preliminary Schedule – A preliminary schedule for the development process that outlines the design, zoning, permitting, financing, construction, phasing, and occupancy timeframe planned by the Applicant.

References Include a list of at least three (3) projects that the Applicant has successfully completed and provide associated contact information for the persons or organizations that engaged the Applicant. By submitting a proposal, the Applicant consents to the Town contacting these references, and consents to the Town also contacting any other organization for the purposes of evaluating the Proposal.

PROJECT PARTICIPANTS

Members of the Alliance and the Town Manager's Office will be responsible for administering the RFP process and for determining which Applicants will be invited for an interview. The Scarborough Town Council will make the final award decision.

REAL ESTATE BROKER PARTICIPATION

Although Brokers are encouraged to work with prospective clients to inform them of this opportunity, the Town will not compensate Brokers for their work. Accordingly, Brokers should arrange for compensation from their respective clients. Brokers will also be required to provide the Town with a copy of their client agreement to become involved in the RFP process.

REVIEW PROCESS/SELECTION

Once an application is selected and an interview conducted, it is expected that the Alliance will make a recommendation(s) to the Scarborough Town Council, who will make the final award decision.

The Town reserves the right to reject any and all proposals, in whole or in part.

EVALUATION CRITERIA

The purpose of this RFP process, as previously stated, is to identify a qualified firm that is the most capable of providing the described services. The Town will assess the qualifications of the Applicants from their presentations and the accompanying materials. Three categories will be graded and the preferred Applicant will be identified by the highest cumulative score. Evaluation criteria and their point value to be used by the Town shall be, but not necessarily be limited to:

RATING CATEGORY	WEIGHT
Company Capability & Experience <ul style="list-style-type: none">☒ Respondent demonstrates strong knowledge in affordable housing and related development experience☒ Experience with similar partnerships with municipalities and/or municipal collaborations☒ Experience and capability of providing financing☒ Project references	20
Qualifications & Experience of Development Team <ul style="list-style-type: none">☒ Sufficient staff and vendors to support project implementation☒ Employees who will lead this project have experience performing or managing all aspects of the project	30
Project Proposal <ul style="list-style-type: none">☒ Describes a coherent, convincing plan to meet or exceed the stated goal of increasing the Town's affordable housing inventory<ul style="list-style-type: none">o Higher total number of unitso Targeting of low to moderate incomes (40% to 60% AMI).o Adaptive Reuse and Historic Preservationo Length of affordability commitmento Mixed income projects	50

AWARD

Once identified, successful Applicants will then be invited to take part in negotiating a Memorandum of Understanding to memorialize the mutual expectations and obligations.

Should the Town be unable to negotiate an agreement with a selected Applicant to sufficiently meet the goals and objectives for the project, the Town reserves the right to terminate that selection.

Award Limit: Any single award will be capped at an overall maximum of \$200,000.

Expiration of Award: Recognizing that these types of projects take time, all awards will be valid for twenty-four (24) months, and the Town has the option to extend one (1) twenty-four (24) month extension. During the time between award and start of the project, the Town expects at least quarterly progress reports in order to remain aware of the project status.

RESERVATION OF RIGHTS

The Town reserves the right to reject all Proposals, decline to proceed with selection of any Applicants, to request additional qualifications, to make inquiries as may be necessary to verify qualifications, to negotiate changes in the scope of work and other RFP requirements, to waive technicalities and informalities, and to make an award deemed in its best interest.

ADDITIONAL INSTRUCTIONS, NOTIFICATIONS AND INFORMATION This RFP including any attachments can also be obtained from the Town's web site at <http://www.scarborough.me.us/>

- ☒ The Town welcomes questions regarding this solicitation. Questions should be emailed to: Thomas Hall, Town Manager via email at thall@scarboroughmaine.org.
- ☒ The written Request for Proposals document supersedes any verbal or written prior communication between parties.