

CITY OF FAYETTEVILLE REQUEST FOR PROPOSALS



DEVELOPMENT OF AFFORDABLE HOUSING ON CITY-OWNED VACANT LOTS COF1516926

ISSUED: DECEMBER 16, 2024

DUE: FEBRUARY 14, 2025

The City of Fayetteville is soliciting proposals from qualified for profit and non-profit organizations for the development of affordable for-sale units on approximately 45 city-owned vacant lots.

ISSUED BY:
CITY OF FAYETTEVILLE

PRIMARY CONTACT:
KIMBERLY TOON,
PROCUREMENT MANAGER
kimberlytoon@fayettevillenc.gov

(910) 433-1942

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.



A message from the City of Fayetteville City Manager, Douglas J. Hewett, ICMA-CM

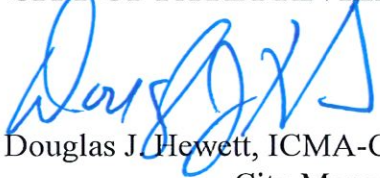
The City of Fayetteville is fully committed to provide Small Local Business Enterprises (SLBE's) an equal opportunity to participate in all aspects of City contracting including, but not limited to participation in the procurement of contracts relating to the construction of and improvements to facilities throughout the City. It is also the policy of the City to prohibit discrimination against any person or business in pursuit of these opportunities on the basis of race, sex, color, religion or national origin and to conduct its contracting and purchasing programs so as to prevent such discrimination. The City is also committed to follow all applicable State and Federal law as they relate to procurement practices.

The City will actively seek and identify qualified SLBE's and offer them the opportunity to participate in the procurement of contracts for all City purchasing and service contracts as well as construction and repair contracts.

The City aspires to spend 40% of its eligible contract dollars with small local suppliers and contractors. Towards this end the City's Charter has been amended by the General Assembly (H.B. 198) to allow the City to establish a race and gender neutral small business enterprise program to promote the development of small local businesses. The City is authorized to establish bid and proposal specifications that include subcontracting goals and good-faith effort requirements to enhance participation by small business enterprises located in Cumberland and Hoke Counties.

For more information or questions about the SLBE policy, please contact the Purchasing Division at 910-433-1942.

CITY OF FAYETTEVILLE


Douglas J. Hewett, ICMA-CM
City Manager

City of Fayetteville, NC

Request for Proposals (RFP) for the Development of Affordable Housing on City-Owned Vacant Lots

Issue Date: December 16, 2024

Proposal Due Date: February 14, 2025

1. Purpose

The City of Fayetteville, NC, is soliciting proposals from qualified for-profit and non-profit organizations for the development of affordable for-sale units on approximately 45 city-owned vacant lots (Exhibit A). These for-sale units will have a requirement to serve households at or below 80% of the Area Median Income (AMI) and must remain affordable for a minimum of 15 years. This initiative aims to increase affordable homeownership opportunities for low- to moderate-income families, utilizing down payment assistance, construction financing, and adherence to federal affordability standards. This RFP is issued in conformance with the City's Affordable Single-Family Housing Development Program Guidelines.

2. Background: HUD's HOME Investment Partnerships Program

The HOME Investment Partnerships Program, administered by the U.S. Department of Housing and Urban Development (HUD), is the largest federal block grant designed exclusively to create affordable housing for low-income households. The City of Fayetteville receives an annual allocation to fund a range of activities, including the acquisition, construction, and rehabilitation of affordable housing for rent or homeownership. The City has developed Affordable Single-Family Housing Development Program Guidelines which will be helpful in submitting for this RFP.

Under HUD's regulations (24 CFR Part 92), the HOME program requires that housing units developed using HOME funds must serve low- and very-low-income households. For homebuyer projects, the maximum sales price of units developed with HOME funds cannot exceed HUD's annually published limits, ensuring affordability in line with local market conditions and family incomes. Additionally, a minimum affordability period of 15 years is required for homeownership projects assisted with HOME funds, during which the property must remain affordable and occupied by income-eligible households. The affordability period is secured through enforceable mechanisms such as deed restrictions or land covenants.

3. Eligibility Requirements

Eligible organizations must meet the following criteria:

- A. **Organization Type:** Open to both for-profit and non-profit organizations, authorized to do business in North Carolina, that display the experience and capacity to successfully complete the project as proposed in the submitted proposal.
- B. **Income Qualifications:** Housing must serve households at or below 80% of the Area Median Income (AMI) as defined by HUD's HOME Investment Partnerships Program. The AMI limits as of April 2024 are listed below:

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 80% AMI | \$42,200 | \$48,200 | \$54,250 | \$60,250 | \$65,100 | \$69,900 | \$74,750 | \$79,550 |

C. **Affordability Period:** Properties developed must remain affordable for a minimum of 15 years. Homebuyers must be low- to moderate-income households, and affordability will be monitored to ensure compliance with HOME program requirements under 24 CFR 92.254.

D. **ales Price:** The maximum sales price for the homes must not exceed the HUD-published maximum sales price for HOME-funded housing units, which is updated annually. The new construction maximum sales price as of September 2024 is listed below:

| Housing Type | 1-Unit | 2-unit | 3-unit | 4-unit |
|----------------------|-----------|-----------|-----------|-----------|
| Rehab/Existing Homes | \$238,000 | \$305,000 | \$370,000 | \$458,000 |
| New Construction | \$288,000 | \$369,000 | \$446,000 | \$553,000 |

4. City Support

The City of Fayetteville will provide the following support to awarded developers:

- A. **City Owned Property:** The City will provide, based on this RFP and on a first come, first served basis, ownership of City owned property determined to be surplus to the City's needs at no cost to the developer. The list of lots is attached to the RFP as Exhibit A.
- B. **Construction Financing:** The City will provide interest-free construction financing, up to \$50,000 per unit, to selected developers. The loan will be repaid upon the sale of the home to qualified buyers.
- C. **Down Payment Assistance:** Up to \$50,000 in down payment assistance will be available to eligible homebuyers in the form of a forgivable loan. The loan will be forgiven after a 15-year affordability period, contingent on owner occupancy.
- D. **Housing Counseling:** The City will provide housing counseling to any homebuyer that plans to enter into a sales contract for the purchase of a HOME-funded housing units in accordance with §92.254(a)(3).

5. Project Timelines

- A. **Start of Construction:** Developers must be able to begin construction within 6 months of being awarded the project.
- B. **Project Completion:** All construction must be completed within 24 months of the award date. All homes must be sold to a qualified homebuyer within 9 months of construction completion or rented to an income qualified tenant for 20 years.

6. Initial Proposal Requirements

The proposal submission shall be limited to no more than ten (10) pages maximum, not including the required attachments referenced below. Proposals should use a minimum of size 12 pt. font on 8 ½" by 11" paper. Offerors will include a table of contents that lists section headings and page numbers. So that the City can properly evaluate the offers received, all proposals submitted in response to this RFP must be formatted in accordance with the sequence noted below. The City retains the right to reject any proposal submitted that does not conform to any of the requirements detailed herein, including but not limited to proposal formatting. The proposal must include the following:

- A. **Cover Letter:** The cover letter should identify the Offeror and state general information the Offeror wants to include regarding the Offeror's business organization. At a minimum, the cover letter must include the name, principal address, Federal Tax ID Number, telephone number(s), and email address(es) of the Offeror. Offeror should acknowledge that Offeror will comply with all the terms and conditions set forth in the RFP.
- B. **Experience and Qualifications:** Documentation of the organization's experience in developing housing (both market rate and affordable), including key staff resumes and examples of similar projects completed.
- C. **Development Plan:** Each proposal must include a development plan for the specific city owned lot or lots (Exhibit A) outlining the following:
 - 1. **Housing Design and Architecture:** The proposed housing must reasonably conform to the existing design characteristics of the surrounding neighborhood. This includes considerations such as architectural style, building materials, and exterior finishes that complement the neighborhood's aesthetic. The housing should enhance the character of the community while maintaining affordability. Proposals that include sustainable construction practices and energy-efficient features are encouraged, as these elements contribute to long-term affordability for homeowners.
 - 2. **Site Layout and Lot Utilization:** The site plan should include a description of how the housing units will be sited on the available lots. Thoughtful site planning should optimize the use of the space while adhering to local zoning and land use regulations. Proposals that incorporate landscaping, open space, or community-oriented features that align with neighborhood standards will be viewed favorably.
 - 3. **Sustainability Features:** Include any energy-efficient or sustainable features that will be incorporated into the design, such as the use of green building materials, high-efficiency appliances, or solar power. These features should contribute to the overall affordability of the housing by reducing long-term operating costs for the homeowners.
 - 4. **Zoning Compliance:** Include evidence of zoning compliance for the proposed project. If the project does not meet current zoning compliance, describe what actions would be required to meet compliance.

- D. **Budget and Financing Plan:** A preliminary project budget, including the proposed use of the City's construction financing and down payment assistance. Proposals should also demonstrate the developer's ability to secure any additional required financing.
- E. **Timeline:** A development timeline indicating the start and completion of construction, with key milestones.
- F. **Sales and Marketing Plan:** A strategy for marketing the homes to income-qualified buyers and ensuring compliance with the affordability requirements of HUD's HOME program.

7. Submission Guidelines

- A. **Initial Proposal:** Interested developers with relevant homebuilding and sales experience will submit a completed proposal with a development plan including site plans (for specific lots) and unit elevations, experience and qualifications, preliminary budget and financing plan, timeline, and plan to market the unit to qualified homebuyers. Initial proposals must conform to the City's Affordable Single-Family Housing Development Program Guidelines. City staff will review the proposal as well as current level of available funding. If the proposal is accepted and funds are available, the city will issue a conditional funding award good for up to six months.
- B. **Underwriting Application:** Following the receipt of a conditional funding award the developer will have up to six months to submit final project budgets, site plans, elevations, project timeline, and marketing plan for final underwriting approval based on the City's Affordable Single-Family Housing Development Program Guidelines. Upon approval, the city will issue a funding agreement, property conveyance, and a notice to proceed.
- C. **Format:** Both the initial proposal and the underwriting application must be submitted in both digital and hard copy formats.
- D. **Deadline:** Initial Proposals must be submitted by **February 14, 2025** no later than 5:00 PM. Late submissions will not be accepted.
- E. **Submission Address:** Submit hard copies to the City of Fayetteville Economic and Community Development Department at 225 Ray Avenue, Fayetteville, NC, and digital copies via email to EconCommDev@FayettevilleNC.gov.
- F. **Point of Contact:** The City's sole Point of Contact for this RFP is as follows:
Primary Contact: Christopher Cauley
Email (Preferred Method): christophercauley@fayettevillenc.gov

8. RFP Process and Instructions

A. RFP Schedule

| Activity | Date |
|-----------------------------------|------------------------------|
| Issue RFP | December 16, 2024 |
| Written Questions are Due | January 13, 2025 |
| Written Answers Posted Online | January 20, 2025 |
| Proposals are Due | February 14, 2025 |
| Notification of Acceptance/Denial | February 21, 2025 |
| Underwriting Applications Due | Six Months From Notification |
| Notification of Acceptance/Denial | Within 2 weeks of submission |
| Development of Agreement | Six Months From Notification |
| Closing and Conveyance | Per Agreement |

The City reserves the right to revise the schedule in its sole discretion

B. Questions:

1. All questions and any correspondence in regard to this RFP shall be directed in writing to the City's Point of Contact by e-mail. Only inquiries in writing will be accepted by the City, and only written responses will be binding upon the City. There shall be no communication with the City regarding this RFP unless otherwise directed by the City's Point of Contact identified above.
2. All answers to inquiries will be posted on the primary website referenced above. It is the responsibility of all Offerors interested in submitting responses to this RFP to monitor the website for responses to questions, changes of schedule, addenda, announcements, and other procurement information.
3. Written questions concerning the RFP will be received via e-mail only until the Due Date for Questions specified in the schedule above by the City's Point of Contact. The City will prepare responses to all written questions properly submitted and post the responses as an Addendum on the primary website referenced herein. Oral responses are not binding upon the City.

9. Evaluation Criteria

Proposals will be evaluated based on the following criteria:

- A. Experience and Qualifications (40%):** The organization's experience in developing housing (both market rate and affordable) and capacity to meet the construction and financial requirements within the specified timeframes.
- B. Development Plan (15%):** The proposals development plan for the specific city owned lot or lots rated based on conformance to development regulations, conformance to neighborhood design, and sustainability features.
- C. Budget and Financing Plan (15%):** The financial soundness of the development, including the use of City-provided construction financing and repayment plan. The amount of financing requested and the ratio of leveraged funds.

- D. **Timeline (10%):** The inclusion of a realistic and achievable timeline that ensures compliance with 24 CFR Part 92 to include construction beginning within six months and sale to a qualified homebuyer with nine months.
- E. **Sales and Marketing Plan (20%):** The proposal's alignment with HUD's HOME program affordability requirements and the 15-year affordability period under 24 CFR 92.254. Detailed understanding of the availability of income qualified buyers and how the proposed project will market the homes and recruit said buyers.

10. Insurance Requirements

The selected Developer/Contractor shall be required to maintain insurance coverage that meets the minimum levels established by the City of Fayetteville. Insurance must be provided by a company licensed to conduct business in North Carolina, and coverage must remain in force throughout the duration of the contract. The Developer/Contractor must submit proof of insurance coverage before commencing any work under the contract.

Minimum Insurance Requirements:

- **Commercial General Liability Insurance:** \$1,000,000 per occurrence / \$2,000,000 aggregate.
- **Workers' Compensation and Employer's Liability Insurance:** Required as per North Carolina state law, with minimum limits of \$1,000,000.
- **Business Automobile Liability Insurance:** \$1,000,000 per occurrence for all owned, non-owned, and hired vehicles.
- **Professional Liability Insurance** (if applicable): \$1,000,000 per claim.

The City of Fayetteville, its officers, employees, and agents must be listed as **additional insureds** on the Developer/Contractor's general liability policy. Certificates of insurance, along with endorsements, must be submitted to the City prior to the start of any work. The Developer/Contractor must notify the City in writing at least **45 days in advance** of any cancellation or material change in the insurance coverage.

11. Minority and Women-Owned Business Enterprise Program

It is the commitment of the City to provide equal opportunities for City contracting to underutilized businesses owned by M/WBE's Minority and Women Businesses doing business in the City's Contracting Marketplace. It is further the commitment of the City to prohibit discrimination against any firm in pursuit of these opportunities, to conduct its contracting activities so as to prevent such discrimination, to correct the present effects of past discrimination, and to resolve complaints of discrimination.

- A. **Minority and Women-Owned Business (M/WBE):** A Minority or Women-Owned Business Enterprise (M/WBE) is a firm which has been certified by an approved agency to meet the following criteria: A small business, as defined by the Small Business Administration size standards, that is at least fifty-one percent (51%) owned and controlled by one or more socially and economically disadvantaged individuals. The following individuals are presumed to be socially and economically disadvantaged: Black Americans; Hispanic Americans; Asian Americans; Native Americans; and

Women. Firms which are not owned by members of these groups may not be utilized to achieve M/WBE Goals in City contracts.

- B. **M/WBE Goals:** The M/WBE Goals for M/WBE participation on this contract represent the total dollars that will be spent with M/WBEs as a percentage of the total contract amount, including any change orders. The M/WBE Goals are as follows:

| |
|--|
| MBE Goal: The goal for minority-owned business participation is Ten percent (10%) . WBE Goal: The goal for woman-owned business participation is Three percent (3%) . |
|--|

The City requires offerors to report efforts to utilize Minority and Women, Business Enterprises (M/WBEs) and Historically Underutilized Businesses (HUBs) for specific projects and requires all Firms to report all such efforts for M/WBEs, HUBs, and Small Local Businesses regardless of the requirements of a particular project. In order to comply with the M/WBE Program requirements, a offeror must either meet the M/WBE Goals or demonstrate that the offeror has made sufficient good faith efforts to meet the M/WBE Goals. If the offeror does not meet the M/WBE Goals, it shall nevertheless be eligible for award of the contract if it can demonstrate to the City that it has made good faith efforts to meet the M/WBE Goals.

- C. **MWBE Program Provisions:** All offerors shall agree by the submission of a proposal for this project that MWBEs have the maximum opportunity to participate in the performance of contracts and subcontracts. All offerors are hereby notified that failure to carry out the obligations of the MWBE Program will constitute a breach of good faith in dealing with the City, and the City will take any and all actions permitted by law to ensure compliance by all Developers/Contractors engaged by it. Failure to meet or exceed the MWBE Goals or to make a good faith effort to meet the MWBE Goals and to adequately document such efforts to the City will be grounds for disqualifying a proposal as non-responsive. Offerors specifically agree to comply with all applicable provisions of the MWBE Program and any amendments thereto. Offerors are encouraged to refer to the M/WBE Program and is available for inspection at City of Fayetteville Procurement Department.

D. **Good Faith Effort Requirements:**

Each offeror may be required to submit documentation which demonstrates that it made good faith efforts to meet each portion of the M/WBE Goals (minority-owned business goal and woman-owned business goal). The requirement to submit documentation that the goal has been met or good faith documentation in the manner prescribed by the City is considered a matter of responsiveness. Efforts that are merely pro- forma are not good faith efforts to meet the requirements of the M/WBE Program. The City shall be the sole arbiter to determine if a offeror has made a reasonably good faith effort toward M/WBE participation in its proposal on any project.

E. **M/WBE Program Requirements:**

- a. Agreements between a offeror and an M/WBE in which the M/WBE promises not to provide proposals/quotes to other offeror are prohibited.

- b. Following the submission of the proposals, no change shall be made in any of the M/WBE consultants proposed to be engaged by the offeror without the prior written consent and approval of the City.
- c. If the offeror proposes to terminate or substitute a M/WBE after submitting a proposal, the offeror must make good faith efforts to find a substitute M/WBE for the original M/WBE to meet its M/WBE commitment. Its good faith efforts shall be directed at finding another M/WBE to perform or provide at least the same amount of work, material or service under the contract as the original M/WBE to the extent necessary to meet its M/WBE commitment. The Developer/Contractor must give the M/WBE notice in writing, with a copy to City, of its intent to request to terminate and/or substitute, and the detailed reasons for the request. All substitutions shall be coordinated with and approved by the City prior to being made.
- d. The Developer/Contractor has a continuing obligation to meet the M/WBE utilization to which it committed at contract award as indicated in the Identification of M/WBE Participation Affidavit E: inclusive of change orders, amendments, and modifications.
- e. The Developer/Contractor shall maintain records and submit monthly reports of all subcontractor and supplier payments (including M/WBE payments), concurrent with the Developer/Contractor's submission of payment requests with each invoice.
- f. The Developer/Contractor shall include a certification by the Developer/Contractor and each M/WBE Subcontractor regarding payment to each subcontractor for the prior month's work. These reports will be certified as true and correct by an appropriate company official. To ensure that the Developer/Contractor meets all its M/WBE commitment, the City will review the Developer/Contractor's M/WBE utilization throughout the term of the contract, including any term extensions of the original contract period.
- g. Upon the City's request, the Developer/Contractor shall provide the City access to books, records, accounts and personnel needed for M/WBE compliance review. Such access will be used for, among other purposes, determining M/WBE participation and compliance with the M/WBE Program. Determination(s) regarding Developer/Contractor's compliance with the M/WBE Program may be considered and have a bearing on consideration of the Developer/Contractor for award of future contract

F. Required Documentation – M/WBE Program Compliance:

As referenced above, the Developer/Contractor must maintain compliance with the M/WBE Program provisions throughout the contract. The Developer/Contractor must submit the following M/WBE compliance forms or documentation in a format acceptable to the City, as appropriate:

- a. M/WBE Documentation for Contract Payments Affidavit E
- b. Request M/WBE Add/Change Form

Thank you for your interest in partnering with the City of Fayetteville to expand affordable housing opportunities.

| Address | PIN | Acres |
|------------------------|------------|-------|
| 504 Carbonton Street | 0437813044 | 0.15 |
| 510 Carbonton Street | 0437804979 | 0.15 |
| 512 Carbonton Street | 0437805929 | 0.12 |
| 514 Carbonton Street | 0437805998 | 0.18 |
| 0 Coley Drive | 0438023479 | 0.17 |
| 0 Coley Drive | 0438023543 | 0.17 |
| 1417 Coley Drive | 0438022326 | 0.17 |
| 329 Cross Creek Street | 0437626079 | 0.19 |
| 205 Deep Creek Road | 0447306924 | 0.17 |
| 341 Harrison Street | 0437818333 | 0.17 |
| 1010 Johnson Street | 0419810522 | 0.46 |
| 330 Lincoln Drive | 0437718242 | 0.15 |
| 312 Lincoln Drive | 0437810604 | 0.12 |
| 329 Lincoln Drive | 0437810220 | 0.14 |
| 332 Lincoln Drive | 0437718127 | 0.16 |
| 319 Maloney Avenue | 0437968008 | 0.17 |
| 2021 Newark Avenue | 0428951855 | 0.17 |
| 208 Nimocks Avenue | 0437612954 | 0.11 |
| 215 Nimocks Avenue | 0437615967 | 0.2 |
| 216 Nimocks Avenue | 0437614892 | 0.17 |
| 217 Nimocks Avenue | 0437616915 | 0.16 |
| 220 Nimocks Avenue | 0437615798 | 0.14 |
| | | |

| Address | PIN | Acres |
|---------------------------|------------|-------|
| 224 Nimocks Avenue | 0437616795 | 0.1 |
| 226 Nimocks Avenue | 0437617743 | 0.13 |
| North Street | 0438641675 | 0.38 |
| 434 Old Wilmington Road | 0437709404 | 0.23 |
| 503 Person Street | 0437931065 | 0.15 |
| 1420 Rhone Street | 0446448081 | 0.6 |
| 521 School Street | 0437937593 | 0.11 |
| 0 Staley Drive | 0446474656 | 0.41 |
| Staley Drive | 0446473769 | 0.21 |
| Staley Drive | 0446471792 | 0.21 |
| 1609 Staley Street | 0446473673 | 0.21 |
| Webb Street | 0437576686 | 0.49 |
| Westcliff Road | 0405490244 | 1.53 |
| 244 S. Cool Spring Street | 0437629354 | 0.28 |
| 250 S. Cool Spring Street | 0437628290 | 0.29 |
| 252 S. Cool Spring Street | 0437628163 | 0.29 |
| 304 S. Cool Spring Street | 0437628013 | 0.19 |
| 306 S. Cool Spring Street | 0437617998 | 0.19 |
| 308 S. Cool Spring Street | 0437618902 | 0.13 |
| 205 B Street | 0437931478 | 0.17 |
| 203 B Street | 0437931453 | 0.17 |
| 123 B Street | 0437930364 | 0.40 |
| 233 B Street | 0437933812 | 0.24 |