



AFFORDABLE HOUSING REDEVELOPMENT RFP

Request for Proposals

In accord with Chatham County's goal to increase the presence and access to affordable housing in the county, Chatham County is soliciting proposals from **qualified non-profit developers or qualified for-profit developers** for the **redevelopment** of property to accommodate the high demand for **affordable multi-family rental housing** developments. **Specifically, Chatham County is interested in proposals to redevelop and expand the existing Henry Siler School site for affordable housing. The historic building exterior must be preserved as part of the project.** The School was named for a beloved Chatham County educator by the name of Henry Siler, and served elementary students from 1931-1977. In 1984, Central Carolina Community College (CCCC) housed its adult education and workforce training programs at the facility until 2010. **The location of the school is near the center of the town and accessible to many amenities that strengthen an application for tax credits.** The County is seeking proposals that will be **strong candidates for the North Carolina Housing Finance Agency's award of Low Income Housing Tax Credits. This project has strong potential to qualify as a redevelopment project that proposes adaptive re-use utilizing new construction. The County's award is contingent upon a successful application with the North Carolina Housing Finance Agency that results in the allocation of the 9% Low Income Housing Tax Credits (LIHTCs).**

After Central Carolina Community College vacated the Henry Siler School, the county contracted with UNC Chapel Hill's Development Finance Initiative (DFI) to conduct an assessment on the highest and best use of the 14,000 square foot building that sits on 2 plus acres. The options for the building's highest use include an assisted living facility, low-income housing, or market-rate rental housing. The county continues to emphasize its commitment to creating affordable rental opportunities for citizens and is most interested in seeing the Henry B. Siler School utilized for this purpose. The site has already been rezoned (R-3) for the maximum density of 67 units. For details of the complete DFI study, please see the attached report.

Background

Chatham County is home to a diverse citizenry that encompasses four towns-Siler City (population of 8,279), Pittsboro (population of 4,217), Cary (Chatham population of 2,131), and Goldston (population of 273). The County has a considerable senior population. According to the 2015 U.S. Census, approximately 23% of the county's population is 65 and older, which is an increase from 18% in 2010. The state average for the 65 and older population group is 15%. While northeast Chatham has been an extension of the wealthy Triangle community, many other areas of the county vary from rural composition to small towns that once housed major manufacturing plants. It is a tale of two extremes, which has created the desire for affordable housing. A household that spends less than 30% on housing expenses (rent or mortgage and utilities) is considered as residing in affordable housing. According to the 2014 American Community Survey at least 40% of Chatham county households make less than the county's median household income of \$57,140. Approximately 49% of renter-occupied households in the county spend 30% or more on monthly housing costs. Several multi-family housing units in the area have waiting lists, and Section 8 rental housing vouchers were being utilized at a 95.5% capacity in 2015. Chatham County is experiencing record growth, was ranked as the fastest growing county in the state from 2014 to 2015, and has ranked in the top ten counties for fastest growth between the years of 2010-2014. The County is home to and in close proximity to three large industrial sites that are being primed to attract large employers, in addition to being home to Chatham Park, a large scale, mixed use development that has acquired more than 8,000 acres of land. The eminent need for affordable rental housing will significantly impact the county's ability to capitalize on the current and future growth of Chatham County. The county is served by a very active Council on Aging that fosters independent living for seniors, and the affordable rental project for senior housing would undoubtedly enhance the quality of life for Chatham County seniors.



Submittal Elements

Proposals must include the following required items:

1. A completed **Chatham County Request for Affordable Housing Development Application Checklist**
2. A completed **Chatham County Request for Affordable Housing Development Application (includes pro-forma)**
3. A signed **Statement of Intent to apply for LIHTC through the North Carolina Housing Finance Agency** (and/or a statement of intent to apply listing any other sources of significant offset funding that would make financing the project successful)

Submittal Instructions: All proposals shall be delivered unbound in an 8 1/2" x 11" format. Please use a labeled paper exhibit separator (not a tab sheet), as the submittals must be scanned and copied for the review team. Please provide two hard copies of the proposal in addition to an electronic version emailed to robin.james@chathamnc.org

Proposals must be received by the Finance Department by 4:00 PM on Thursday, December 14, 2017.

Evaluation Process: Contained in the application package is a description of the project selection criteria and point allocation system to be used in evaluating proposals. Each proposal will be evaluated against these criteria and assigned a point value. The project scoring is a tool for evaluation, but is not the sole criterion for a decision. The **County Staff Committee** will make a final recommendation to the Chatham County Board of Commissioners.

Decision Process: The Staff Committee will make a recommendation to Board of Commissioners. Final decisions are expected to be announced by the **end of December, 2017.**

Project Selection Criteria:

To ensure a fair and accurate selection process, all proposals must provide all required information as described in the application form. Failure to provide the required information or providing inaccurate information may result in the proposal being disqualified from consideration. It is the County's intent to closely align this request for proposals with the criteria used by the North Carolina Housing Finance Agency's selection criteria for Low Income Housing Tax Credits in the **2018 Qualified Allocation Plan document. Chatham County's Request for Proposals and Application Process has no bearing on the decision of the North Carolina Housing Finance Agency's allocation of Low Income Housing Tax Credits (LIHTC).**

The following is an overview of the criteria will be considered in the scoring of your proposal in addition to the information provided on your application. **Detailed information about the scoring criteria can be found in your application packet. The scoring criteria is largely based on the most recent Qualified Allocation Plan (QAP) as issued by the North Carolina Finance Agency. Submissions that are most responsive to the RFP should expedite the LIHTC application process due to the RFP design aligning with several requirements in the QAP. Page numbers have been provided in parenthesis for each criteria to reference for your convenience, but as the QAP draft is updated, the page numbers may change.**

In order to increase the likelihood of a LIHTC allocation please avoid criteria that may result in negative points being assigned to the project unless justified as outlined in the criteria detailed in the Qualified Allocation Plan document.

The anticipated deadline to submit the preliminary application for the upcoming allocation of LIHTCs is January 19th, 2018.



Project Selection Criteria (continued):

EXPERIENCE OF PROJECT DEVELOPMENT TEAM (p. 19)

- One principal partner must have **successfully developed, operated, and maintained in compliance either one 9% Tax Credit project in North Carolina or six separate 9% Tax Credit Projects totaling in excess of 200 units** between January 1, 2011 to January 1, 2017.
- The Management agent must have **at least one similar tax credit project in their current portfolio**
- The Management agent must have **at least one staff person who has attended at least one NC Housing Finance Agency sponsored training within the last 12 months as of the full application deadline**
- The Management agent must have **at least one staff person serving in a supervisory capacity with regard to the project who has been certified as a tax credit compliance specialist**

The County will use the NC Housing Finance Agency's terms of disqualifications as stated in the most recent QAP for the purpose of this RFP, which includes but is not limited to (p. 19-20):

- Disqualified if any owner, principal, and management agent has been debarred or received a limited denial of participation in the past ten years by any federal or state agency from participating in any development program
- Disqualified if there has been a bankruptcy in the past 10 years, an adverse fair housing settlement, judgement or administrative determination; or an adverse civil rights settlement, judgment or administrative determination; or an adverse federal, state or local government proceeding and settlement, judgment or administrative determination.

RENT AFFORDABILITY: (p. 16)

- A minimum of **15% or 25% of qualified low-income units** in the project will be affordable to and occupied by households with **incomes at or below 30% of the area median income (more points awarded for 25% threshold)**
- **If market rate units are included, the rents for all market rate units are no more than 5% higher than the maximum allowed for a unit at 60% AMI, and the market rate study indicates such rents are feasible or there is a commitment for a grant or no-payment financing equal to at least the amount of foregone federal tax equity.**
- **Must guarantee affordability thresholds for a minimum of 30 years**

DESIGN AND QUALITY OF CONSTRUCTION (p.20, 23-24)

- Project must have a **minimum of 24 qualified low income (60% AMI) units**
- Project **may not exceed 80 units for LIHTC purposes, but must not exceed 64 units per the current zoning regulation**
- Project design and materials **should be energy efficient and comply with Energy Star standards**
- Project must designate at least **5% (in addition to federal and state law) of units as accessible for the mobility impaired population as outlined in appendix B of the QAP**
- Project must **target 10% of total units to persons with disabilities or the homeless population**
- Project must **use high quality materials and finishes with variation in style and color for visual appeal and encompass use of brick veneer or masonry on building exterior**



Project Selection Criteria (continued):

FINANCIAL STRUCTURE AND LONG TERM VIABILITY (p.28-31)

- Projects will only be underwritten with **rents escalating at no more than 2% annually and operating expenses escalating at no more than 3% annually**
- Underwriting will assume a **constant 7% vacancy rate and must reflect a 1.15 Debt Coverage Ratio for 20 years**
- Demonstrate ability to closely **monitor and ensure compliance with standards, policies, and procedures of the Fair Housing Act and terms of agreement with the LIHTC program**
- Willingness to **solicit referrals from public housing waiting lists**

Proposed Schedule and Important Dates

December 6, 2017	Release RFP
December 6, 2017	Advertisement
December 11, 2017 by 12:00 NOON	Deadline for questions
December 14, 2017 by 4:00 PM	Deadline for submittal
December 2017	Recommendation to Board of Commissioners
January 19, 2018	Date for Preliminary Application for LIHTC

Submittal Instructions

1. **Deadline and Number of Submittals:** All submittals must include two (2) written responses and one (1) electronic copy, and received in the Chatham County Finance Office by 4:00 pm EST on Thursday, December 14th, 2017. Written responses should be delivered to Robin James, 12 East Street, P. O. Box 608, Pittsboro, NC 27312. The electronic copy should be submitted in .PDF either on electronic media with the hard copies or e-mailed to robin.james@chathamnc.org. Both the written and electronic copies must be received by the deadline above. Responses received after this time will not be accepted.
2. **Withdrawal of Proposals:** Proposing vendors may withdraw their proposals any time before the deadline for submission on December 14, 2017 but the withdrawal must be submitted in writing and signed by the proposing vendor.
3. **Inquiries and Corrections:** All inquiries relating to this request should be in writing and addressed to:
Robin S. James, Procurement Manager
Chatham County Finance Office
PO Box 608
Pittsboro, NC 27312
919-545-2417 (fax)
robin.james@chathamnc.org
4. **Discrepancies and omissions:** If a proposing vendor finds discrepancies in or omissions from the specifications or should require additional clarification of any part, a written request for interpretation shall be submitted to Robin James. Any interpretation of or changes made to the RFP will be made by written addendum to each proposing consultant and shall become part of the request for any contract awarded. The County will not be responsible for the accuracy of any other oral explanations, interpretations, or representations. All inquiries must be made by 12:00 Noon on Monday, December 11, 2017. It shall be the responsibility of each proposing organization or individual to verify that every addenda has been received prior to submitting proposals.
5. **Vendor Certification:** The submission of proposal shall be deemed a representation and certification that the proposing vendor:



- Has carefully read and fully understands the information provided by Chatham County in this RFP;
 - Is financially solvent and as the capability to successfully undertake and complete the responsibilities and obligations of the proposal submitted;
 - Represents that all of the information contained in the submitted proposal is true and correct;
 - Did not in any way collude or conspire with any other parties, directly or indirectly, in regard to the amount, terms or conditions of this proposals;
 - Acknowledges that Chatham County has the right to make any inquiry it deems appropriate to substantiate or supplement information provided by proposing vendors and hereby grants Chatham County permission to make these inquiries; and
 - Acknowledges that any proposal cannot be modified after its submission for any reason.
6. Late Proposals: Late proposals will not be accepted under any circumstance and will not be opened or reviewed. We will not accept proposals by fax or any method. The sender must allow ample delivery time for the selected shipment or transmission methods.
7. Definition and Context: Unless otherwise specified in this document, all words shall have a common meaning unless the context in which they are used clearly requires a different meaning. Words in the singular number include the plural, and in the plural include the singular.
8. County Conditions:
- All proposing firms or individuals shall comply with all conditions, requirements, and specifications contained herein, with any departure constituting sufficient cause for rejection of the proposal. However, Chatham County reserves the right to change the conditions, requirements and specifications as it deems necessary.
 - The proposal must be signed by a duly authorized official of the proposing organization or individual submitting the proposal.
 - No proposals will be accepted from any person or organization that is in arrears for any obligation to Chatham County, or that otherwise may be deemed irresponsible or unresponsive by county staff or the Chatham County Board of Commissioners.
 - Chatham County is not obligated to enter into any contract as a result of the RFP.
 - Chatham County reserves the right to reject any and all proposals or any part thereof and to select the most responsive proposal that is deemed in the best interest of Chatham County.
 - Only one contract will be awarded as the result of the RFP.
 - Chatham County may approve or disapprove the use of specific proposed subcontractors in any proposals.
 - Chatham County reserves the right to enter into an agreement with another proposing vendor in the event that the originally selected vendor fails to execute a contract with the County or defaults on their contract.
 - All proposals shall be prepared in a comprehensive manner as to content, but we do not require specific types of binders or promotional material for submissions. Promotional material will not be considered part of the proposal and will not affect the evaluation of proposals.
 - Chatham County reserves the right to negotiate with any, none or all of the proposing company.
 - All costs, including travel and expenses, incurred in the preparation of this proposal will be borne solely by the proposing company.
 - The County will not return proposal materials to those submitting proposals.
 - The proposer shall complete and sign the Vendor Information & Signature Form, Attachment A.
 - No agreements with any selected vendor shall be binding until a contract is signed and executed by the Board of Commissioners or County Manager and authorized representatives of the vendor.
- Insurance Requirements-
- Chatham County requires selected contractors and any subcontractors to obtain and maintain at their own expense all insurance required by state and federal law. If requested, the selected organization agrees to provide Chatham County with evidence of required policies, certificates and/or endorsements upon the award of the contract. As a minimum, contractors and subcontractors are required to have the following coverage related to any contract work for Chatham County:



- Workers compensation as required by the State of North Carolina
- Professional liability, including errors and omissions, malpractice (if applicable) and negligent performance—at least \$1 million for all damages
 - Chatham County will be named as an additional insured on applicable policies.
- E-Verify: Effective September 4, 2013 North Carolina local government units are prohibited from entering into certain contracts unless the contractor and the contractor’s subcontractors, if any, comply with the requirements of N.C. Gen. Stats. §64-26(a). Prior to providing any services hereunder, Contractor and Contractor’s subcontractors, if any, are subject to the provisions of N.C. Gen. Stats. §64-26(a). Contractor agrees to fully comply with such statute and require Contractor’s subcontractors, if any, to fully comply with such statute.
- Iran Divestment Act: Effective October 1, 2015 North Carolina local government units are prohibited from entering into certain contracts unless the contractor and the contractor’s subcontractors, if any, comply with the requirements of §143C-6A-5. Contractor agrees to fully comply with such statute and require Contractors subcontractors, if any, to fully comply with such statute.
- Requirement to Recycle Certain Electronic Equipment: If applicable, Contractor’s failure to properly recycle any electronic equipment as specified in Article 9, Chapter 130A of the North Carolina General Statute or failure to comply with any statutory requirement within the formal bid request, as provided in the bid packet, incorporated herein by reference, shall be grounds for immediate termination of this Agreement

Chatham County is an Equal Opportunity Employer and does not discriminate on the basis of sex, marital status, race, color, creed, national origin, age or disability.

(THIS AREA LEFT INENTIONALLY BLANK)



CHATHAM COUNTY AFFORDABLE HOUSING RFP APPLICATION:

Please provide answers in the space below. The boxes can be resized to accommodate longer answers, or additional pages can be attached that reference the question number being addressed.

1a. Project Developer’s Name, Address, Phone, Email, and Fax Number

1b. List any other developers/ principal partners involved in this project and their contact information

**Note that project developers and principals must not fall under the disqualification guidelines as outlined in the 2018 QAP.*

1c. List the name of any project principals that are 501 (c) (3) or (4) non-profit entities or community housing development organizations. If this proposal involves a non-profit organization, the non-profit must participate in the acquisition, development, ownership, and ongoing operation of the property for the entire compliance period. The organization must also be a managing member or general partner of the ownership entity and have the interest of fostering low-income housing as an exempt purpose. (**Note: applicants can represent either for-profit or non-profit organizations*)

2. How many units are being proposed for this project?



CHATHAM COUNTY AFFORDABLE HOUSING RFP APPLICATION *(continued)*:

3. Please provide a brief narrative about your vision for this project and how it would improve the quality of life for the residents? Please attach an additional page if more space is needed

4. Please provide a brief narrative about your experience in developing affordable housing. Be sure to highlight specific experience as it relates to developing and/or operating 9% Low Income Housing Tax Credit projects. Also list the names of any affordable housing developments that have been completed since January of 2011 through present date.



CHATHAM COUNTY AFFORDABLE HOUSING RFP APPLICATION (continued):

4a. Please describe the experience of the agency that will manage the affordable housing development. Please list the names of similar tax credit projects that the agency currently manages and has managed in the past with beginning and ending dates. Please note any experience the agency has had utilizing the NC Housing Finance Agency's Rental Compliance Reporting System (RCRS), as well as any staff in a supervisory capacity that has attended any relevant training sponsored by the NC Housing Finance Agency. Also include the names of any supervisory staff that has been certified as a tax credit compliance specialist.

5. Briefly describe your vision for the design and construction of this project, which includes **preserving the building's exterior walls**. Please state your plans for the type and quality of materials to be used. Also, highlight the presence of any special design elements or architectural features that may not have been present if new construction was introduced on the same site.



CHATHAM COUNTY AFFORDABLE HOUSING RFP APPLICATION (continued):

6. Describe the unit mix and affordability of the proposed affordable housing project. Specifically state what % of units will be affordable to households with incomes at or below 30% of the area median income (AMI). If market-rate units are anticipated, please state why and certify that the rental rate will not exceed the 105% maximum allowed for 60% AMI. Also state how long the units will remain affordable under the proposal.

7. Will this project include any units designated for any special populations? Please list any special populations that will have designated units. Also list what % of units will be designated for the mobility impaired above what federal guidelines mandate.



CHATHAM COUNTY AFFORDABLE HOUSING RFP APPLICATION (continued):

8. Please describe your plan for the financial structure and long-term viability of this project. Please project the percent of rent and operating expense escalation. Express your commitment to adhering to program compliance standards and policies under the Fair Housing Act and terms of agreement with the LIHTC program. Also express willingness to solicit referrals from public housing waiting lists.

9. Based on your proposal, please state the level of support you are seeking from the county? **Please attach a pro-forma that backs up your request.** Also list any additional support (financial or in-kind) you have requested or received for this project. List the entity and the amount of support received or requested.

10. Please provide any additional information that we should know about the project.



Acknowledgement: Please acknowledge that any county support is dependent upon an award of 9% Low Income Housing Tax Credits (LIHTC) for the 2018 award year as allocated by the North Carolina Housing Finance Agency. Please also certify that all information provided reflects your best effort to be accurate and truthful. *(signature of project developers/principals required)*

Name (print and sign)	Agency	Date
-----------------------	--------	------

Name (print and sign)	Agency	Date
-----------------------	--------	------

Name (print and sign)	Agency	Date
-----------------------	--------	------

CHATHAM COUNTY AFFORDABLE HOUSING RFP CHECKLIST

- Copy of the Chatham County Affordable Housing RFP Application

- Copy of Agency's Pro-forma

- Copy of Agency's Statement of Intent to apply for the Low Income Housing Tax Credits

- Copy of this Checklist (to ensure each item is included)

*Please make sure you take time to reference the Qualified Application Plan (QAP) as published by the North Carolina Housing Finance Agency. It will detail important application information and dates. The due date for your preliminary application for LIHTC is January 19, 2018. Please direct specific questions about the QAP to the NC Housing Finance Agency at 919-877-5700.

<http://www.nchfa.com/rental-housing-partners/rental-developers/qualified-allocation-plan/2018-qualified-allocation-plan-qap>