



New Hanover County

Request for Proposals

Workforce Housing Services Program

Issue Date: July 18, 2022

Due Date: August 8, 2022

Mailing Address:

New Hanover County Finance Department
230 Government Center Drive, Suite 165
Wilmington, NC 28403

Section 1 – Advertisement

NEW HANOVER COUNTY
REQUEST FOR PROPOSALS (RFP)
WORKFORCE HOUSING SERVICES PROGRAM

New Hanover County Planning & Land Use is inviting qualified for-profit and non-profit developers and agencies to respond to this request for funding to assist programs and projects that would ensure comprehensive opportunities for workforce and affordable housing in New Hanover County.

Proposals are due on August 8, 2022, by 5:00 PM EST. Please send your proposal via email to:

- Lena Butler, Purchasing Supervisor, New Hanover County, lbutler@nhcgov.com

Please include **“RFP – WORKFORCE HOUSING SERVICES PROGRAM”** in the subject line of your email.

Complete instructions and requirements for submitting your proposal may be obtained by visiting the County’s website at [Open and Closed Bids - Finance - New Hanover County Finance - North Carolina \(nhcgov.com\)](https://www.nhcgov.com/finance/open-and-closed-bids).

New Hanover County reserves the right to accept or reject any or all proposals and to make the award which will be in the best interest of the County.

Released: Monday, July 18, 2022

Section 2 - Instructions and General Conditions

2.1 Schedule

RFP Process	RFP Process
RFP Issued	July 18, 2022
Deadline for Questions	July 25, 2022 by 5:00 PM
Response to All Questions Posted	August 1, 2022
Deadline for Receipt of Proposals	August 8, 2022 by 5:00 PM

2.2 Preparation of Proposal

Proposers are instructed to submit their proposal via email to:

- Lena Butler, Purchasing Supervisor, New Hanover County, lbutler@nhcgov.com

The proposal shall be submitted by **5:00 PM August 8, 2022**.

Proposals should be clearly marked “**RFP – WORKFORCE HOUSING SERVICES PROGRAM**” in the subject line of your email.

2.3 Questions

Questions are to be submitted by 5:00 PM July 25, 2022, to:

- Lena Butler, Purchasing Supervisor, lbutler@nhcgov.com

2.4 Communication

Proposers may not have communications, verbal or otherwise, concerning this RFP with any personnel or boards from New Hanover County.

2.5 Intent to Submit

All proposers who intend to submit a proposal on this project should send an email to lbutler@nhcgov.com.

2.6 Cost of Preparation of Response

Costs incurred by prospective Proposers in the preparation of the response to this Request for Proposals are the responsibility of the Proposer and will not be reimbursed by The County.

2.7 Execution of Agreement

The successful Proposer will be required to enter into a formal agreement that is consistent with the proposal requirements outlined within.

2.8 Trade Secret Confidentiality

Upon receipt of your proposal by New Hanover County, your proposal is considered a public record except for material which qualifies as "trade secret" under N.C. General Statute 132-1.2. After opening, your proposal will be provided to County staff and others who participate in the evaluation process, and to members of the general public who submit public records requests.

To properly designate material as trade secret under these circumstances, each Bidder must take the following precautions: (a) any trade secrets submitted by a Proposer must be submitted in a separate, sealed envelope marked "Trade Secret - Confidential and Proprietary Information - Do Not Disclose Except for the Purpose of Evaluating This Bid," and (b) the same trade secret/confidentiality designation must be stamped on each page of the trade secret materials contained in the envelope.

Do not attempt to designate your entire Proposal as a trade secret, and do not attempt to designate pricing information as a trade secret. Doing so may result in your Proposal being disqualified.

In submitting a Proposal, each Applicant agrees that the County may reveal any trade secret materials contained in such response to all County staff and County officials involved in the selection process, and to any outside consultant or other third parties who assist the County in the selection process. Furthermore, each Applicant agrees to indemnify and hold harmless the County and each of its officers, employees, and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material, which the Applicant has designated as a trade secret.

2.9 Equal Opportunity

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

The Applicant agrees not to discriminate against any employees or applicant for employment because of physical or mental handicap in regard to any position for which the employees or applicant is qualified. The Applicant agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

Pursuant to GS 143-48, New Hanover County encourages small contractors, minority contractors, physically handicapped contractors, and women contractors to submit proposals in response to this RFP.

2.10 Indemnity

The successful Proposer shall indemnify and hold the County, its agents and employees, harmless against any and all claims, demands, causes of action, or other liability, including attorney fees, on account of personal injuries or death or on account of property damages arising out of or relating to the work to be performed by the Successful Proposer hereunder, resulting from the negligence of or the willful act or omission of the Proposer, his agents, employees and subcontractors.

2.12 E-Verify

Pursuant to Session Law 2013-418, Contractor shall fully comply with the U.S. Department of Homeland Security employee legal status E-Verify requirements for itself and all its subcontractors. County requires an affidavit attesting to Contractor's compliance. Violation of the provision, unless timely cured, shall constitute a breach of contract.

2.13 Insurance

Proposer shall maintain at its own expense a minimum of:

(a) Commercial General Liability Insurance in an amount not less than \$1,000,000 per occurrence for bodily injury or property damage; New Hanover County, shall be named as additional insured.

(b) Workers Compensation Insurance not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 policy limit.

(c) Commercial Automobile Insurance applicable to bodily injury and property damage, covering all owned, non-owned, and hired vehicles, in an amount not less than \$1,000,000 per occurrence as applicable.

Additional insurance requirements may be applicable depending on the scope of services and award amount.

Certificates of Insurance shall be furnished prior to the commencement of Services to: New Hanover County, 230 Government Center Drive, Suite 125, Wilmington, NC 28403.

Section 3 Project Overview

3.1 Introduction

The New Hanover County Planning & Land Use Department is requesting proposals from qualified for-profit and non-profit developers and agencies for funding to assist programs and projects that would ensure comprehensive opportunities for workforce and affordable housing in New Hanover County.

3.2 Background

The Planning & Land Use Department has developed a framework of criteria and priorities for funding a Workforce Housing Services Program utilizing the \$3 million allocated for affordable housing in the FY 2023 budget. The criteria and priorities have been developed based on the findings of the Joint County/City Comprehensive Housing [Study](#) and [Survey](#) to create an immediate impact to New Hanover County residents.

The framework has been designed to address the community's housing needs by increasing the supply of residential units, retaining our existing affordable housing stock, and increasing residents' access to those homes.

Eligible activities include the construction or rehabilitation of affordable single-family or multifamily housing units for sale or rent, downpayment assistance, tenant-based rental assistance, and/or emergency repair of single-family units for income eligible clients. A point-based criteria has been established to evaluate the financial feasibility of the project, development quality of any construction projects, as well as the capacity and experience of the development team.

In addition to the point-based evaluation criteria, programs/projects would be prioritized for the initial round of funding based on their ability to break ground prior to July 2023 and projects that propose the highest number of new units to increase the supply of affordable housing.

4 Scope of Services

New Hanover County's Workforce Housing Services Program (WHSP) is intended to ensure comprehensive opportunities for affordable and safe housing are available.

Applicants may be:

- For-profit corporations, partnerships, or sole proprietors;
- Private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; or
- Public non-profit agencies and governmental agencies

Applicants may not be individuals seeking to build an individual unit for their family. Applicants must be able to administer eligible affordable housing projects and/or programs with funds provided under the WHSP and deliver proposed projects and/or programs in accordance with WHSP guidelines and requirements.

The following are examples of eligible activities:

- Construction (including site work, infrastructure, operational, and design costs) of new affordable single-family or multifamily housing units for sale or rent;
- Conversion/rehabilitation of existing residential and non-residential structure(s) for affordable single-family or multifamily housing units for sale or rent;
- Downpayment assistance for income eligible homebuyers;
- Tenant-based rental assistance; and
- Emergency repair of single-family units for income eligible clients.

Eligible activities must take place within New Hanover County.

To be considered affordable, units for sale must be sold to an eligible household, having a maximum sales price as described in HUD's HOME and Housing Trust Fund Homeownership Sales Price Limits Table available at the time of the opening of the RFP process.

To be considered affordable rental units, units for rent must be rented at a rate not to exceed HUD's Fair Market Rent as described in HUD's Fair Market Documentation System available at the time of the opening of the RFP process. Programs that provide rental assistance to lower the cost of rent to the fair market rate will also be considered eligible.

See Appendix for more information.

5 Evaluation

An cross-functional team of New Hanover County staff will review the proposals for eligibility and completeness in order to prepare a summary and recommendations to the sub-committee of Workforce Housing Advisory Committee (WHAC). This sub-committee consists of five members of the WHAC that do not have a conflict of interest in the process, with a minimum of three members representing appointments from the New Hanover County Board of Commissioners.

Recommendations from the sub-committee will be presented to the Board of Commissioners in October 2022 for funding allocations.

Criteria	Possible Points
Project Viability	
Financial Feasibility	30
Development & Management Team	25
Development Quality	15
New Hanover County Housing Goals	
Increase Stock	15
Improve Stock	10
Increase Access	5

Project Viability

Financial Feasibility (30 Points)

Preference is given to proposals that have a high probability of moving forward and leveraging other sources of financing. New Hanover County will review each construction project’s development pro forma for reasonableness, evaluating and underwriting each application on a case-by-case basis.

Proposals that have secured or seek to leverage funds from other sources, where eligible, will be given preference, and may include North Carolina Housing Finance Agency (NCHFA) programs, government funding sources such as the City of Wilmington, as well as leveraging private debt or charitable donations. Proposals that have commitments of other funding at the time of application are preferred. An updated budget is required once all funding sources are in place.

Funds available from New Hanover County for construction projects are expected to be drawdown as a source of permanent financing/funding. Applications for pre-development or construction financing will be considered on a case-by-case basis.

Development and Management Team (25 Points)

Consideration will be given to the capacity and experience of the development and management team, including:

- A proven track record of developing and maintaining workforce/affordable housing projects inside or outside of New Hanover County, with preference given to organizations who have completed projects in New Hanover County;
- If applicant has not completed a past project or program in New Hanover County, applicant will need to demonstrate a successful track record of completed multiple high-quality workforce/affordable projects and programs outside of New Hanover County;
- Applicant's experience maintaining long-term affordability for projects and/or programs; and
- Evaluation of the creditworthiness and financial management of the developer or sponsor to ensure acceptable financial capacity to carry the project forward.

Development Quality (15 Points)

Construction projects will be evaluated upon the quality of the project design, material selection, and site considerations. This evaluation of project quality will consider the quality of the applicant teams' past projects, including:

- Site must be zoned for proposed development;
- Final site plan approval;
- Material selections are of good quality, designed for normal maintenance and can be expected to perform well over the long-term;
- The site is not impacted by environmental problems, including flood hazards; and
- Subsidized units located within a larger development should be of comparable size and quality to the market rate units.

New Hanover County Housing Goals (Maximum 15 Points)

Goals were identified by the Workforce Housing Advisory Committee, based on findings of the Comprehensive Housing Study and Survey, to address the community's housing needs in three ways. Increasing the supply of residential units, retaining our existing affordable housing stock, and increasing residents' access to those homes. Points have been weighed to give preference to proposals focused on the immediate need of increasing the stock of affordable housing.

6 Project Priorities

In addition to the point-based evaluation criteria, staff and the subcommittee will refer to the following priorities when recommending funding allocations for this initial funding cycle:

- Shovel ready to break ground prior to July 2023
- Number of proposed new units
- Mixture of price-points
- Period of affordability that exceeds 15 years with additional considerations for projects at 30 years
- Target AMI under 80% with additional consideration for units under 50% and 30% AMI
- Acceptance of Housing Choice Vouchers

Strong preference will be based on the ability to create an immediate impact to New Hanover County residents. Funding constraints, individual project merits, and achievement of the desired mix of project types will all factor into the ultimate allocation recommendation. Preference will be given to projects that demonstrate intent to leverage other sources of debt, equity, or other funding prior to and beyond the WHSP requests.

WHSP funding for construction projects are primarily intended to provide permanent financing, but acquisition or construction financing will also be considered on a case-by-case basis. The WHSP construction funding is intended to provide gap financing for developments that leverage other public and private funding sources. Proposals for New Hanover County to provide the majority of project funding will be considered on a case-by-case basis.

WHSP funding for non-construction projects is intended to expand or serve new projects and/or programs, not replace existing or on-going funding. Terms and payments will be determined during the contract process.

7 Submission Requirements

In order for proposals to be evaluated, all pertinent information and required attachments must be provided. Additional information may be requested during the proposal review process.

Applicant Information

- Name/Doing Business As
- Type of Applicant (For Profit Corporation, For Profit Partnership, For Profit Sole Proprietor, Private Incorporated Non-Profit Agency with IRS 501(c)(3) Designation, Public Non-Profit Agency, Governmental Agency)
- Applicant Established Date & State
- Organization Principal Contact Name, Title

In addition to the above, non-profit organizations must provide:

- 501(c)3 Determination letter
- List of Board Members with terms
- Organization by-laws
- Articles of Incorporation
- Current year operating budget
- Most recent financial statement/federal tax return

Project Summary

- Project Name
- Location map clearly indicating the project site or program area
- Total Project Cost
- Workforce Housing Services Program Funding Requested (Maximum \$1.5 million)
- Is the project supported by any other New Hanover County Funding?
- Loan/Grant terms and interest rate request
- Project Type
 - Construction (including site work, including infrastructure, operational, and design costs) of new affordable single-family or multifamily housing units for sale or rent;
 - Conversion/rehabilitation of existing residential and non-residential structure(s) for affordable single-family or multifamily housing units for sale or rent;
 - Downpayment assistance for income eligible homebuyers;
 - Tenant-based rental assistance; or
 - Emergency repair of single-family units for income eligible clients, please include types of emergency repairs that will be supported by the proposed program

Project Narrative

Please provide a description of the project including:

- Project timeline, including expected groundbreaking and anticipated date of sale/rental/occupancy (if applicable)
- Number of Units/Households to be Assisted
- Strategic Goal Addressed
 - Increasing Stock
 - Improving Stock
 - Increasing Access
- If all households/units served have an Area Median Income of 80% or less
- Anticipated household/unit mix
 - Are any households/units to be served at a lower Area Median Income target?
 - If so, please describe the household/unit mix. For example, 10 units at or below 80%, 10 units at or below 60%, and 5 units at or below 30%.
- Is the project anticipated to accept household/units with vouchers?
 - What % of the project is anticipated to assist households/units with vouchers?
 - Please describe any relevant experience with previous projects which have accepted vouchers.
- Will the units be preserved in affordability beyond 15 years?
 - How many years beyond the minimum of 15 years?
- How WHSP funding will expand existing program and/or projects (if applicable)

Additional Information

- Project/Program Budget
- Resume of staff who will manage the project
- Three examples of past experience, including project title, description, number of units/households assisted, project year, and location
- Letters of support from other funding sources
- Evidence site is suitable for proposal, and is not impact by environmental problems (if applicable)
- Evidence of appropriate zoning for proposed project (if applicable)
- Approved site plan for project site (if applicable)

Appendix

HUD Limits at FY 2023 WHSP Application Submittal¹

2022 HUD Income Limits for Wilmington, NC HUD Metro Area (Effective April 18, 2022)					
AMI	Household Size				
	1	2	3	4	5
60% AMI	\$35,820	\$40,920	\$46,020	\$51,120	\$55,260
100% AMI	\$59,700	\$68,200	\$76,700	\$85,200	\$92,100
120% AMI	\$71,640	\$81,840	\$92,040	\$102,240	\$110,520
<i>Note: Median income for a family of four is \$90,600</i>					

HUD Fair Market Rent²

FY 2022 Wilmington, NC HUD Metro FMR Area FRMs for All Bedroom Sizes					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2022	\$814	\$988	\$1,164	\$1,545	\$1,992

Housing Needs Assessment³

New Hanover County Housing Needs Estimates (2020 to 2030)				
Housing Segment & Affordability				Housing Gap
Type	Percent AMHI	Annual Income	Rent/Price Range	
Rentals	≤ 30%	≤ \$23,500	≤ \$575	2,787
	31%-50%	\$23,501-\$39,000	\$576-\$975	1,968
	51%-60%	\$39,001-\$47,000	\$976-\$1,174	1,231
	61%-80%	\$47,001-\$63,000	\$1,175-\$1,575	1,431
	81%-120%	\$63,001-\$94,000	\$1,576-\$2,349	1,796
	121%+	\$94,001+	\$2,350+	1,563
For-Sale	≤ 30%	≤ \$23,500	≤ \$74,000	1,228
	31%-50%	\$23,501-\$39,000	\$74,001-\$123,000	862
	51%-60%	\$39,001-\$47,000	\$123,001-\$148,000	1,165
	61%-80%	\$47,001-\$63,000	\$148,001-\$199,000	1,471
	81%-120%	\$63,001-\$94,000	\$199,001-\$296,000	3,659
	121%+	\$94,001+	\$296,001+	4,632

*Number of units assumes product is marketable, affordable and in a marketable location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

HUD Maximum Sales Price Limit⁴

FY 22 New Hanover County Maximum Sales Price: \$263,000

¹ Source: <https://www.huduser.gov/portal/datasets/il.html>

² Source: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_RentLimits_State_NC_2022.pdf

³ Source: <https://planning.nhcgov.com/wp-content/uploads/2021/04/Bowen-Housing-Needs-Assmt-FINAL.pdf>

⁴ Source: <https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>