

Request for Proposals

Town of Cumberland

Affordable Housing Project

INVITATION

The Town of Cumberland is soliciting proposals for affordable housing opportunities to be constructed on a 2.5 acre lot owned by the Town of Cumberland. The land will be available at no cost.

Applicants with experience and qualifications designing, constructing, financing and managing affordable housing projects are encouraged to submit a response. The purpose of the RFP process is to identify the most qualified applicants to develop affordable housing on Town-owned property in Cumberland. Following review of the responses to this RFP, applicants may be invited for interviews to be conducted by an evaluation committee appointed by the Town Council. A successful applicant will be selected, with terms to be memorialized in a Memorandum of Understanding, or similar document as determined by the Town, and subject to the negotiation of a final development agreement with the Town, which will more fully outline the project and the roles and responsibilities of each party. All proposals must be designed to be located on the Town-owned property as shown on the enclosed Exhibit A, and must include a pro forma that demonstrates the project's ability to maintain affordability as defined further in the RFP for a minimum period of **twenty years**.

This RFP is available on our website (<http://www.Cumberlandmaine.com>) or by contacting Bill Shane, Town Manager at 290 Tuttle Road, Cumberland, ME 04021, (207) 829-4264, or wshane@cumberlandmaine.com

THE PROJECT

The Town is soliciting proposals for the development of affordable housing on a Town-owned property in Cumberland. Affordable housing is identified as a key priority in the Town's Comprehensive Plan. For purposes of this RFP, affordable housing is defined further below.

Applicants are encouraged to propose a variety of rental housing types for varying household sizes. The intent of this development initiative is to add additional affordable rental units to the market in Cumberland.

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, constructing and managing/operating such a project. The expectation of the Town is that the project will be owned and operated by the developer and not the Town's Housing Authority.

The intent of this development initiative is to leverage Town resources, primarily through the Affordable Housing TIF, to maximize affordable housing opportunities in the Town. All

proposals must be designed to be located on the Town-owned property as shown on the enclosed Exhibit A, and must include a pro forma that demonstrates the project's ability to maintain affordability as defined further in the RFP for a minimum period of **twenty years.**

Definition of Affordable Housing

For purposes of this RFP, Affordable Housing means decent, safe, and sanitary rental living accommodations for households that meet the following criteria:

A. 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 income limitation applicable to the household as set forth below.

(I) A Qualifying Household is one with a total household income that, at the time of initial occupancy, 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 MFI Standard at all times during occupancy.

(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 household 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 household 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 at the time of initial occupancy to qualify as affordable housing for purposes of this RFP, this is the maximum threshold, and the Town will show preference to projects that target lower income levels (i.e. 40% or 60% AMI).

Types of Qualified Subsidy

Applicants shall include a narrative of the proposed financing of the project and specify whether assistance from the Town will be required and in what form if so. The Town-owned property on which the project is to be constructed is located in a TIF District and developers may qualify for a reimbursement of property taxes paid on increased assessed value through a Credit Enhancement Agreement. Applicants who require a Credit Enhancement Agreement (CEA) to assist with financing the project must include an explanation of how such funds will be used in the project. The Town does not guarantee that a CEA will be offered to any developer. The authorization of a CEA is subject to negotiation and approval of the Town Council.

PRELIMINARY STAGE

Following review of the responses to this RFP, one or more applicants may be invited for interviews to be conducted by an evaluation committee appointed by the Town Council. The selected applicant will then be asked to engage in at least three community meetings to present their proposal. The selected applicant will also be required to meet with the Town Council to finalize any elements of the project that require Town involvement, including, but not limited to financing assistance in the form of a Credit Enhancement Agreement, prior to proceeding to local and state reviews of the project.

Time Line & Required Meetings

- RFP to Town, 4:00 PM, Nov. 2, 2023
- Interviews completed and Developer selected no later than Nov. 30, 2023
- MOU signed and community meetings scheduled no later than Dec 15, 2023
- First Community Meeting Scheduled week of January 8th
- Second Community Meeting Scheduled week of January 29th
- Third Community Meeting Scheduled week of February 19th
- Final Meeting with Town Council to finalize project and sign formal agreements to be completed by March 30, 2024
- Planning Board Approval, no later than April 2026 (date may be extended with Council Approval)

Community Meeting Requirements

- Developer - presents project overview
- Developer and Town to review options for local preference and resident selection process
- Town - TIF presentation and how taxes work in the TIF District
- Town - Overview of future potential tax impacts

Developer Meeting with Council

- Council and Developer Workshop
- Town Attorney's review of documents related to affordability and financing assistance required for project (Developer required to prepare documents)
- Developer presents timeline for each phase of development

SUBMITTAL REQUIREMENTS

The Developer shall be responsible for ensuring that the project includes the following:

- Conformance with Town Zoning.
- A variety of rental housing types for Individuals, Families, and Seniors (55+) at varying income levels consistent with the definition of affordable housing in this RFP.
- Senior Housing (ages 55+) shall be no less than 30% of Project.
- A discussion of Developer's experience with local preference strategies and implementation plans
- Current ballfields on the Town-owned property where the development will take place shall remain playable until the Town has completed construction on ballfields in an alternate location.
- If a CEA is required for financing, it shall be estimated and described in the proposal.
- Building Architecture shall be New England style when practical.
- Minimum length of affordability shall be at least 20 years
- Acceptance of the proposal shall be contingent on the Town Council's authorization of a transfer of the interest in the Town-owned property to the developer in a form acceptable to the Town and the Developer. No work on the project shall commence prior to such authorization.

A. Submittal Documents – Format

Follow these instructions carefully:

In total, seven (7) hard copies of the proposals, including attachments, are required as well as an electronic copy. Six (6) of the copies shall be spiral 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 response.

The envelope in which the proposals are delivered must be clearly labeled on the outside with the applicant's name and the project identification, "RFP- Affordable Housing Project – Town of Cumberland."

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

- **Cover Letter** - A cover letter signed by an authorized representative of the applicant outlining:
 - a) a brief description of the project
 - b) Financing assistance requested from the Town, if any
- **Proposed Project Description** – The submission should include a preliminary description of relevant factors, including development design, program, housing types, sizes, bedrooms, unit totals, 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. The Town will be responsible for the relocation of the ballfields on the current site, provided that they shall remain playable until new fields are constructed in an alternate location.
- **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 developing and/or operating 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

The Town Manager's Office will be responsible for administering the RFP process. The Town Council members will determine which applicant(s) will be invited for an interview. The Cumberland 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

All proposals will be reviewed by the Town Manager and Town Council in a Council Workshop session. The Town may select one or more developers for an interview based on the review of the proposals. The format for the interviews will be determined by the Town Council after the selection process and forwarded to the successful developer(s) for a scheduled interview.

EVALUATION CRITERIA

The Town will assess the qualifications of the applicants and proposals from the materials submitted as outlined above. 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:

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 • Preference shown to: <ul style="list-style-type: none"> ○ Higher total number of units ○ Targeting of low to moderate incomes (40% to 60% AMI). ○ Length of affordability commitment ○ Mixed income projects 	50
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AWARD

Once identified, the successful applicant will then be invited to take part in negotiating a Memorandum of Understanding, or some other form of agreement to be determined by the Town, with the Town Council to memorialize the mutual expectations and obligations of each party.

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 select another applicant.

Expiration of Award: Recognizing that these types of projects take time, all awards will be valid for twenty-four (24) months following execution of an MOU or other agreement by both parties, and the Town has the option to extend this period at the Town Council’s discretion. During the time between award and start of the project, the developer shall be required to submit at least quarterly progress reports regarding the project status.

RESERVATION OF RIGHTS

The Town reserves the right to reject any and 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 www.cumberlandmaine.com

- The Town welcomes questions regarding this solicitation. Questions should be emailed to: Bill Shane, Town Manager via email at wshane@cumberlandmaine.com. [All questions and answers will be posted on the Town’s website for the benefit of other applicants.](#)
- The written Request for Proposals document supersedes any verbal or written prior communication between parties.