Request for Qualification (RFQ)

# To Construct Affordable Housing in Dare County

(Pursuant to NC General Assembly Session 2021,

Senate Bill 105, Section 24.3. (1-4)(a-g))

Dare County, North Carolina

Issue Date: December 12, 2021

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# SECTION 1. PURPOSE

## 1.1 DEFINITIONS

1. Local Partner- Dare County
2. Private Partner- the entity chosen from the responses to this RFQ
3. Legislation- Senate Bill 105, Section 24.3 (1-4)(a-g) of the 2021 Session of the NC General Assembly
4. RFQ- Request for qualification

 State- North Carolina

 Respondent- the entity responding to this RFQ

1. SPE- Special Purpose Entity created to develop the project
2. Principal- An entity or person that is at least 15 percent owner in the SPE established to develop this project. A principal must have owned a minimum of 15 percent of the entity that developed the projects shown in 2.3 of this RFQ for that project to be listed as relevant experience.

## 1.2 OVERVIEW

This is a Request for Qualification (RFQ).

The COVID-19 pandemic has resulted in serious and substantial impacts on the availability of affordable housing options in Dare County. Housing insecurity leads to a substantial negative impact on an individual's chances of educational attainment, stable and better employment, and upward economic mobility. Further, stable housing is essential to economic recovery and development.

The North Carolina General Assembly in the 2021 Session of the NC General Assembly, Senate Bill 105, Section 24.3 (1-4)(a-g) appropriated the sum of thirty-five million dollars ($35,000,000) in nonrecurring funds for the 2021-2022 fiscal-year to "Dare County for the purpose of making a forgivable loan to a qualified Private Partner to construct affordable housing units within the jurisdictional boundaries of Dare County."

## 1.3. Project Goals

Pursuant to and in compliance with the provisions of the 2021 Session of the NC General Assembly,

Senate Bill 105, Section 24.3 (1-4)(a-g) Dare County as the Local Partner, and the successful Respondent as the Private Partner, seeks to enter into a public-private partnership agreement to provide multiple affordable housing projects within the jurisdictional boundaries of Dare County using a combination of the appropriated funds described above and the Private Partner’s resources. The projects shall include a mix of 1, 2 and 3 bedroom units unless proposed otherwise by the Respondent and agreed to by Dare County. The final scope of the projects including but not limited to, the number of projects, the cost share between the Private Partner and the use of the appropriated funds described above, number of units in each project,, mix of units, parking, amenities, rental rates for units (if any) that fall outside any statutory or constitutional requirements, design, site layout, and location will be negotiated between the Local Partner, and the successful Respondent.

## 1.4 Scope of Work

The Private Partner selected shall be eligible and qualify for a forgivable loan at an interest rate to be negotiated between the parties from the Local Partner in the amount of $35 million dollars in compliance with the provisions of a qualified Private Partner of Senate Bill 105, Section 24.3 (1-4)(a-g) of the 2021 Session of the NC General Assembly. The qualified Private Partner selected, and the Local Partner, shall work together to negotiate the terms of the agreement, and to finalize designs, number of units, amenities, site location, and comply with the following terms:

1. Pursuant to the Session Law, the Local Partner and the Private Partner shall enter into a 25-year agreement to own and operate the project. Upon agreement of both parties the public-private partnership agreement may be renewed for additional five (5) year terms.
2. The site and/or sites shall be agreed to by the Local Partner and the Private Partner once the Private Partner is selected. The Local Partner will assist with the procurement of land and expediting permits.
3. Pursuant to the Session Law, the Local Partner will provide a thirty-five million dollars

($35,000,000) forgivable loan to the Private Partner divided between the projects proposed and as agreed upon by the Private Partner and the Local Partner. As service repayment on the forgivable loan, the Private Partner shall provide affordable housing at a cost savings between the usual and market rate for housing of the type developed, which rate shall be determined jointly by the Local Partner and the Private Partner, and a lower rate between seventy percent (70%) and eighty percent (80%) of the area median income determined using the Novogradac Rent and Income Limit Calculator. The agreement shall account for cost savings that total the amount of the forgivable loan over the term of the agreement. The Local Partner shall on an annual basis forgive that portion of the loan based on the provision of reduced housing costs by the Private Partner.

1. The Private Partner will be responsible for obtaining additional project financing as needed.
2. In accordance with the enabling legislation, if the Private Partner does not provide cost savings in an amount equal to the forgivable loan over the term of the agreement, the Private Partner shall repay to Dare County, within 90 days of the date the agreement terminates an amount equal to the remaining debt service obligation.
3. Pursuant to the enabling legislation, if applicable, the qualified Private Partner shall consider the site and market evaluation criteria set out in the 2021 Low Income Housing Tax Credit Qualified Allocation Plan for the State of North Carolina.
4. Pursuant to the session law, rents for the majority of the housing units shall be within a range of seventy percent (70%) to eighty percent (80%) of the area median income determined by the Novogradac Rent & Income Limit Calculator and rents for at least 20% of the units shall be 60% of the area median income as determined by the Novogradic Rent and income Calculator.
5. Upon agreement, the Private Partner selected shall enter into a promissory note for the forgivable loan referenced above, with appropriate guaranties, collateral, and/or inter creditor agreements as agreed by the parties.
6. The parties shall enter into a public-private partnership agreement setting forth the rights, duties, responsibilities, and obligations of the parties, not inconsistent with the legislation or the terms of this RFQ. The public private partnership agreement shall be in the name of the Private Partner from whom the financial statements required in Section 2.3 2 below are submitted and shall not be transferred or assigned to any other entity.

(j) Partner shall comply withal provisions of Senate Bill 105, Section 24.3 (1-4)(a-g) of the 2021 Session Laws of the NC General Assembly, any rules and regulations required by the State of North Carolina to access the funding provided, any applicable provisions of the North Carolina Constitution, and any applicable Federal statutes, rules or regulations, (if any) (collectively “the funding requirements”). Private Partner shall indemnify and hold Dare County harmless from loss, liability, cost or expense associated with the funding requirements, violations thereof and any losses, liabilities, costs or expenses associated with the construction and operation of the project. This RFQ and the responses thereto shall create no legal obligations or liabilities between the Local Partner and the Private Partner. All legal rights, obligations and responsibilities of the parties shall be evidenced by separate written documents negotiated and agreed upon by the Private Partner selected and the Local Partner.

* 1. QUESTIONS

Any questions submitted concerning this RFQ must be received no later than 5:00 p.m., local time on December 20, 2021. Questions shall be submitted to Dare County Purchasing Agent Dustin Peele, dustin.peele@darenc.com and Dare County Manager Robert L. Outten, outten@darenc.com

* 1. Responses to questions will be issued to all vendors known to have received this RFQ within three business days through an addendum located on the county website at www.darenc.com/departments/finance/purchasing/current-bids-rfp-s-and-rfq-s.
  2. CLOSING DATE

The closing date for responses to this RFQ is January 17, 2022 at 5:00 p.m. EST. Each Respondent shall submit three (3) hard copies and one (1) electronic copy in PDF format. The responses shall be addressed to Dustin Peele, Dare County Purchasing Agent, as instructed in Subsection 2.1.

Responses received after the scheduled closing date and time will not be accepted and will not be considered.

Responses submitted must comply with all instructions, specifications, and requirements as set forth herein and pursuant to Session Law 2021-180, Section 24.3 (1-4)(a-g).

Responses failing to comply with the RFQ may be deemed non-responsive and could be eliminated from consideration.

## 1.8 PROJECT TIMELINE

The projected timeline is as follows:

|  |  |
| --- | --- |
| EVENT | DATE |
| RFQ Released | December 12, 2021 |
| Proposals Due | 5:00p.m. EDT, January 17, 2022 |
| Anticipated Selection of Private Partner | January, 2022 |
| Executed Agreement | January / February, 2022 |

The Local Partner anticipates completion of construction, certificate of occupancy, and all other matters and things necessary to begin renting units on or before 16 months from the signature date of the executed agreement.

# SECTION 2. RESPONSE REQUIREMENTS

2.1 RESPONSE REQUIREMENTS

All proposals shall be provided in three (3) hard copies delivered to Dare County Government. Responses shall be addressed to:

Mailing Address:

Dare County

C/O Dustin Peele

Purchasing Agent, Dare County Government

## P.O. Box 1000

Manteo, NC 27954 Physical Address:

954 Marshall Collins Drive

Manteo, NC. 27954

2.2 SELECTION PROCESS

Pursuant to the provisions of Senate Bill 105, Section 24.3 (1-4)(a-g) of the 2021 Session of the NC General Assembly, selection is exempt from the provisions Articles 3 and 8 of Chapter 143 of the North Carolina General Statutes. The qualified Private Partner selected will be the Respondent who, in the judgment of the Local Partner, can best meet the goals, needs, desires and objectives of the above cited legislation. Dare County reserves the right to reject all submissions.

## 2.3 SELECTION / SUBMISSION CRITERIA

The successful Respondent shall submit the following:

1. Letter of interest highlighting three strengths of the Private Partner team and its approach to the project. No more than one single sided page for this subsection.
2. Provide financial statements, letters of credit and/or other documentation sufficient to demonstrate to the Local Partner that Respondent has the financial ability to fund or obtain funds sufficient to pay the costs of construction in excess of the forgivable loan. Maximum number of pages for this subsection is three (3) single sided pages.
3. The qualified Private Partner, principal or both the qualified Private Partner and principle shall have experience in developing multi-family, multi-story housing units in the State. The Respondent needs to show examples of multi-story units developed by the Private Partner, principal or both the qualified Private Partner and principal. Indicate the number of units and the total square footage for each project. Show an overall site plan, unit floor plan and one exterior photo at a minimum. Maximum number of pages for this subsection is eight (8) single sided pages.
4. As described in Senate Bill 105, Section 24.3 (4)(e), the qualified Private Partner, principal or both the qualified Private Partner and principle shall have experience in executing a public private partnership forgivable loan initiative, or both a public private partnership and forgivable loan initiative with local governments of the State. The Respondent needs to show at least one public private partnership project that includes a forgivable loan initiative as described above, and any additional public private-partnership projects with local governments of the State. Maximum number of pages for this subsection is six (6) single sided pages.
5. Statement of availability to undertake the project and the Private Partner's projected timeline for project completion. No more than one single sided page for this subsection.
6. Shall provide a project team organizational chart with key personnel. The developer shall list the general contractor, design professionals, debt underwriters (if any), legal team and other professionals whom it proposes to utilize on the project. Maximum number of pages for this subsection is six (6) single sided pages.
7. Consideration will be given to a team where one of the Principals is a Principal of a certified N.C. Historically Underutilized Businesses entity by the N.C. Department of Administration Office of Historically Underutilized Businesses. No more than one page for this subsection.
8. The Private Partners shall outline their approach to the project to include the following, which shall be no more than three pages for this subsection.
   1. How the team will work with the county in a collaborative manner to arrive at decisions about the project.
   2. Approximate number of projects, the number of units and the mix of units contemplated as well as the approximate square footage per unit.
   3. How funding for the projects will be financed if additional financing is required above the Local Partner cost share to be provided from the appropriated funds.

# SECTION 3. ATTACHMENTS

3.1 Senate Bill 105, Section 24.3 (1-4)(a-g) of the 2021 Session of the NC General Assembly