

**Town of Falmouth – Request for Proposals**

**Workforce Housing  
Home Ownership Development**

Town Of Falmouth  
Workforce Housing Committee  
271 Falmouth Road  
Falmouth, Maine 04105  
207-781-5253

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## Introduction, Background and Purpose

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The Town of Falmouth, Maine is making available up to 20+ acres, for workforce housing development within the Town of Falmouth that is moderately-priced and offers ownership opportunities to moderate-income families. The Town of Falmouth will consider, making the property available through a zero percent 30 year term deferred mortgage to qualified homebuyers.

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The homes to be built may be in the form of single-family homes, town homes or condominiums.

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This Request for Proposal (RFP) is based on the goals of the Town of Falmouth's Workforce Housing Committee Report to increase the supply of workforce ownership opportunities in the Town of Falmouth. **The final selection is contingent on the approval of Falmouth Town Council.**

## Eligible Applicants

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This RFP is available to qualified for-profit and non-profit developers of Workforce single family homes, town homes, or condominiums.

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## Eligible Projects

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To be eligible, a project must involve the new construction of single family homes, townhouses, or condominiums that are targeted to owner-occupancy by individuals and families that are certified by the Town of Falmouth as low- or moderate-income. Sales prices must be in conformance with the Town of Falmouth definition of affordability included in Appendix A.

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Assistance **may** be available for some development costs through other sources such as the Cumberland County Community Development Block Grants. Examples of eligible development costs include, but are not limited to:

1. On-site improvements (water, sewer, etc) or land acquisition;
2. Construction of single family homes, town houses or condominiums;
3. Reimbursement of Town fees (only Town funding for this option); and
4. Down payment assistance/second mortgages.

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## Minimum RFP Submittal Requirements

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Ten hard copies and one electronic copy of the complete proposal are required for a complete submission. Complete applications shall include the following:

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1. Name, address and brief description of the business entity. This may include a brochure about the company.
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2. Qualifications to undertake the Town's needs. If the company intends to use other firms for specialized services associated with the project, the qualifications must include information on the other companies to be used.
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3. A listing of projects done by the company that demonstrates the company's capabilities and experience.
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4. Profiles of key personnel to be involved in the design and construction of this project.
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5. Statement of current workload and demonstration that the company is capable of taking on additional work.
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6. Preliminary schedule of development financial plan and construction management plan, including all business partnerships.
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7. Financial feasibility and leveraging: developers must demonstrate that the project is financially feasible with proposed funding sources. Proposals with evidence of commitments from other funding sources will be preferred to those with no such commitments. Letters of interest must be provided for all permanent and construction financing sources. The letter of interest must identify the loan amount, term, and estimated interest rate for the construction and sell out period.
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8. Detailed explanation of the project approach and scope of work demonstrating responsiveness to the Town's RFP requirements and overall project goals and objectives.
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9. Preliminary site plan that shows entranceways, street layouts, utilities and drainage, placement of units, plantings, and elevations or architectural sketches of the proposed units and floor plans.
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10. Any additional information that is believed to be useful in the evaluation of the company's qualifications.
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## **Program Objectives and Evaluation of Proposals**

The objectives by which proposals will be judged include:

1. Provide attractive workforce housing that is consistent with the goals and objectives of the Town of Falmouth Workforce Committee Report, attached as Appendix B. ;
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2. Design the site with attention to land use planning standards that are important to the town including:

- Compact development techniques that will address streetscapes, architectural appearance, design of structures, neighborhood design, landscaping, and other design standards typical in traditional compact development;
- Linking new trails with existing trails in the area;
- Conform, to all extents possible, to Conservation Zoning standards and where standards can not be met, propose alternative land conservation techniques such as transfer of development rights.
- Transportation planning, including public transportation, as it relates to linking households to places of work, shopping, schools, recreation and other destinations.

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3. The development shall include: a high level of construction, quality, energy efficiency, and the incorporation of green building standards.

4. Design features shall include transitions to abutting properties and will provide adequate buffering.
5. A mix of sizes (number of bedrooms) and types (patio homes and townhouses included with single-family detached units) is preferred. The inclusion of one or more handicapped accessible or adaptable unit is encouraged. All applicable ADA standards must be met (if necessary).
6. Innovative affordability plans that will provide for efficient long term administration and sustainable affordability that will keep units affordable through successive property ownership transfers into the future. Proposals with guaranteed long-term affordability will be preferred. The Town anticipates that proposals will include detailed descriptions of partners (for profit or not for profit partners) that will provide tools such as special mortgage or down payment assistance for buyers.
7. Other financial tools should include by way of example: training for first-time home buyers, pre-qualification methods, credit counseling, etc.
8. The Town will also evaluate all proposals based on information submitted under the RFP section titled: "Minimum RFP Submittal Requirements".

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**Notes:** Participation in the program will likely require the execution of an agreement among the developer, Town, and/or County guaranteeing sale of units to pre-qualified individuals and families, resale restrictions to assure occupancy by buyer and long-term affordability, compliance by developer, etc. Appropriate legal instruments (deed of trust, promissory notes, etc.) will be used as needed.

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The Town Council may consider the development of a contract zone for this project.

The proposals will be evaluated by a Town Workforce Housing Committee review team which will make recommendations to the Town of Falmouth Council, as needed. The review team will use criteria listed in the program guidelines below to evaluate each application.

### **Right To Reject Proposals**

The Town of Falmouth reserve the right to reject any or all applications received, and to negotiate development features and funding terms in order to best serve the interests of the future residents. Any recommendation is contingent upon final approval by the Falmouth Town Council.

### **Mandatory Pre-bid Meeting**

There will be a mandatory pre-bid meeting at the Falmouth Town Office on January 25, 2008 at 10:00 AM. A site walk will take place immediately following the pre-bid meeting.

### **Deadline For Submission**

All responses to this Request for Proposal must be submitted (postmarked or hand delivered) to Town of Falmouth Attn: Nathan Poore, Falmouth Town Manager, 271 Falmouth Road, Falmouth, Maine 04105, no later than 3:00 p.m. on Friday, February 25, 2008.

Any questions or comments regarding this request for proposals should be directed to Nathan Poore, Falmouth Town Manager, at 207-781-5253.

### **Threshold Criteria**

Proposals to develop Workforce Housing must meet the minimum threshold criteria listed below:

No developments will be considered if they consist of fewer than 20 units;

A maximum of 50% of the units shall be available to families at or below 80% of the area median income. The remaining units shall be available to families between 80% and 120% of the area median income. All calculations should be based on the AMI at the time of the application. The expectation is that families should pay no more than 30% of their monthly gross income on mortgage.

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¶ Please submit proposals by using the attached application. Please submit ten (10) copies of the application. Only one copy of large-format attachments (such as site plan or concept plan) is needed.¶

**¶ EVALUATION OF PROPOSALS¶**

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¶ By Mail or In-Person:

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insurance, and real estate taxes. The sales prices should reflect this standard in accordance with the table in Appendix A.

Proposals must include concept deed restrictions and covenants that will limit the ability to alter or construct additions to individual units.

No sales price (house and land) may exceed the standards shown in Appendix C (which are based on a 5.6% mortgage interest rate and a year 2006 definition of moderate income); (DOES THIS NEED TO BE UPDATED????)

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**Deleted:** No more than 50% of the units should be priced as affordable to households earning 80% or less than the most recent HUD area median income (AMI) levels and the balance at or below 120% AMI. 2006 figures are provided by household size below:¶

¶ Household Size . . . Maximum I ... [1]

**Deleted:** A mix of sizes (number of bedrooms) and types (patio homes and townhouses included with single-family detached units) is welcome. The inclusion of one or more handicapped accessible or adaptable units is encouraged. All applicable ADA standards must be met (if necessary).

**Deleted: Evaluation Criteria:¶**

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<#>Affordability (Maximum 25 points): 15 points will be given incrementally to the developer who targets a maximum of 50% of the units available to families at or below 80% of the area median income. 5 points for supplying units above 80% but below 120%. All calculations should be based of AMI at the time of application. The expectation is that families should pay no more than 30% of their monthly gross income on mortgage, insurance, and real property taxes. The sales prices should reflect this standard, which is suggested in Appendix A for different household sizes. Guaranteeing affordability beyond the first sale will receive preference.¶

¶  
<#>Design and construction quality (Maximum 25 points): Proposals will be evaluated on how well the units blend into the existing community as attractive additions in relation to architectural interest (10 points), environmental sensitivity (10 points), connections (pedestrian and vehicular) to adjacent amenities (schools, shopping, parks, greenways) and/or places of employment (5 points). Representative floor plans and ... [2]

**Deleted: NOTES ABOUT THE APPLICATION:¶**

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1. Applicants must attach a preliminary site plan that shows entrances, street layouts, utilities and drainage, placement of units, plantings, and elevations or architectural sketches of the proposed units and floor plans.¶

¶ ... [3]

## Appendix A

### Definition of Housing Affordability

The Town of Falmouth's Workforce Housing Committee has defined workforce housing for the purposes of this development as follows:

Housing is considered affordable if no more than 30% of all sources of family (or household) members income over the age of 17 (unless a full-time student) - using the 80%-120% of area median income and household size – are used to support the acquisition of a home including the following expenses: loan interest and principal, property taxes, and homeowners insurance.

The following table demonstrates this definition. This table provides income ranges for home-buying households of different sizes and the corresponding affordable house price ranges.

Bed rooms	House hold	Income Range	Income Range	PITI* Range	PITI* Range	House Price	House Price
	Size	Low Range	High Range	Low Range	High Range	Low Range	High Range
2	1	\$ 38,200	\$ 57,300	\$ 955	\$ 1,433	\$ 191,003	\$ 265,504
2	2	\$ 43,600	\$ 65,475	\$ 1,091	\$ 1,637	\$ 209,639	\$ 284,540
2	3	\$ 49,100	\$ 73,650	\$ 1,228	\$ 1,841	\$ 228,383	\$ 312,575
3	4	\$ 54,550	\$ 81,825	\$ 1,364	\$ 2,046	\$ 247,074	\$ 340,611
4	5	\$ 58,900	\$ 88,350	\$ 1,473	\$ 2,209	\$ 261,992	\$ 362,988

\*PITI = Principal, interest, taxes and insurance.  
[5.6% interest, 30-year term, 5% down payment, taxes and insurance at 25% of principal and interest]

Household Size	Household Income	
	80%	120%
1	\$ 38,200	\$ 57,000
2	\$ 43,650	\$ 65,475
3	\$ 49,100	\$ 73,650
4	\$ 54,550	\$ 81,825
5	\$ 58,900	\$ 88,350

**Deleted: Appendix A¶  
Definition of Housing Affordability¶**

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The Town of Falmouth's Workforce Housing Committee has defined workforce housing for the purposes of this development as follows: Housing is considered affordable (using the 80%-120% of area median income and household size) if all sources of family (or household) members income over the age of 17 (unless a full-time student) is enough to support the acquisition of a home including the following expenses: loan interest and principal, property taxes, and homeowners insurance. The following table demonstrates this definition. This table provides income ranges for home-buying households of different sizes and the corresponding affordable house price ranges.: ¶

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See Table to be inserted (next ... [4])



No more than 50% of the units should be priced as affordable to households earning 80% or less than the most recent HUD area median income (AMI) levels and the balance at or below 120% AMI. 2006 figures are provided by household size below:

Household Size	Maximum Income	
	80%	120%
1	\$38,200	\$57,300
2	\$43,650	\$65,475
3	\$49,100	\$73,650
4	\$54,550	\$81,825
5	\$58,900	\$88,350

### Evaluation Criteria:

**Affordability (Maximum 25 points):** 15 points will be given incrementally to the developer who targets a maximum of 50% of the units available to families at or below 80% of the area median income. 5 points for supplying units above 80% but below 120%. All calculations should be based of AMI at the time of application. The expectation is that families should pay no more than 30% of their monthly gross income on mortgage, insurance, and real property taxes. The sales prices should reflect this standard, which is suggested in Appendix A for different household sizes. Guaranteeing affordability beyond the first sale will receive preference.

**Design and construction quality (Maximum 25 points):** Proposals will be evaluated on how well the units blend into the existing community as attractive additions in relation to architectural interest (10 points), environmental sensitivity (10 points), connections (pedestrian and vehicular) to adjacent amenities (schools, shopping, parks, greenways) and/or places of employment (5 points). Representative floor plans and elevations and conceptual site plans are sufficient for the proposal. **Additionally up to 5 bonus points will be awarded for designs that implement best practices for green building design features.**

**Developer experience (Maximum 20 points):** Town of Falmouth will only select proposals by development teams who have a proven track record of building and selling their units. The developer should provide evidence of well thought out design (5 points), construction management and financing



in the proposal (5 points). The review team will also consider the developer's experience and track record for developing well-built (especially Workforce) housing (10 points).

Innovation (Maximum 20 points): Proposals that guarantee long-term affordability (beyond the initial sale) (10 points), involve partnerships with lenders with special mortgage or downpayment assistance for moderate income borrowers (or nonprofit organizations with Workforce housing focus) (5 points), provide training for first-time homebuyers, pre-qualify income-eligible buyers, provide credit counseling, etc. (5 points).

Financial feasibility and leveraging (Maximum 10 points): Developers must demonstrate that the project is financially feasible with proposed funding sources (5 points). Proposals with evidence of commitments from other funding sources will be preferred to those with no such commitments (5 points).

#### **NOTES ABOUT THE APPLICATION:**

1. Applicants must attach a preliminary site plan that shows entranceways, street layouts, utilities and drainage, placement of units, plantings, and elevations or architectural sketches of the proposed units and floor plans.
2. Applicants must submit ten (10) complete applications (see below), site plan or sketch and preliminary architectural plans to the Town of Falmouth. Please provide all necessary information (including attached letters from financing sources) when submitting your application. Only one copy of large-format attachments (such as site plan or concept plan) is needed.
3. No application fee is required.
4. Letters of interest must be provided for all permanent and construction financing sources. The letter of interest must identify the loan amount, term, and estimated interest rate for the construction and sell out period.

Ten copies of a complete application must be received by Town of Falmouth or postmarked no later than 3:00 p.m. on Friday, \_\_\_\_\_, 2007.

## **Appendix A**

### **Definition of Housing Affordability**

The Town of Falmouth's Workforce Housing Committee has defined workforce housing for the purposes of this development as follows: Housing is considered

affordable (using the 80%-120% of area median income and household size) if all sources of family (or household) members income over the age of 17 (unless a full-time student) is enough to support the acquisition of a home including the following expenses: loan interest and principal, property taxes, and homeowners insurance. The following table demonstrates this definition. This table provides income ranges for home-buying households of different sizes and the corresponding affordable house price ranges.:

See Table to be inserted (next page)

Housing affordability to a family or household is impacted by three “affordability variables”:

- Family or household size;
- Total family or household income; and
- Sales price of the home/dwelling.

Consistent with federal assistance programs, the Town of Falmouth uses a definition of affordable workforce housing as housing that costs no more than 30% of the monthly income of moderate income persons and families, adjusted for household size. Moderate income is defined as 80% of the area median income, by household size (see table above). Several local, state and federal homeownership programs also identify persons and families whose income is at or below 120% of the area median income.

2006 Definition of affordability for Work Force Homeowners: House Price Range Affordable to Moderate Income Buyers. (Will – what does this refer to; what is the point; and why is it relevant in this part of the RFP?)