

**Town of Falmouth – ALTERNATIVE Request for  
Proposals**

**Workforce Housing  
Home Ownership Development**

Draft: January 14, 2008 TH

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

## **Introduction, Background and Purpose**

The Town of Falmouth, Maine is seeking a qualified, for-profit or non-profit developer to build a new workforce housing development in the community that is moderately-priced and offers ownership opportunities to moderate-income families. (See appendix A for a definition of housing affordability.)

To assist with this effort, the Town will make available up to 20-acre portion of a site it currently owns at Woods Road. The new public safety facility is also located at this site.

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

The Town intends to select a preferred developer through a two-step process, the first of which is this RFP. The second step is to develop a detailed proposal for review and approval by the Falmouth Town Council.

This Request for Proposals (RFP) is based on the goals of the Town of Falmouth's Workforce Housing Committee Report, completed in November 2005, to increase the supply of workforce ownership opportunities in the Town of Falmouth. (See appendix B for a November 2007 memo to the Council with copy of this 2005 report.)

## **Threshold Criteria for Eligible Projects**

Proposed developments must meet the minimum threshold criteria listed below:

1. No projects will be considered if they consist of fewer than 20 units;
2. A maximum of 50% of the units shall be made available to families at or below 80% of the area median income. All 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, insurance, and real estate taxes. The sales prices should reflect this standard in accordance with the table in Appendix A.

## **Preferred Criteria for Eligible Projects**

Proposed developments are recommended to also meet the criteria listed below:

1. A mix of home sizes (number of bedrooms) and types (patio homes and townhouses included with single-family detached units).
2. The inclusion of one or more handicapped accessible or adaptable unit.

### **Town Assistance**

The Town will, to the extent it is able, assist the selected developer through various ways:

1. The Town will consider making the Woods Road property available through a zero percent 30-year term deferred mortgage to qualified homebuyers. This property is located at 61 Woods Road (Tax map R01, Lot 001). The site is also home to the new public safety facility. See appendix C for two conceptual site plans with topographic and environmental information. There is no requirement to maintain this site plan layout.
2. Financial assistance **may** be available to help underwrite some of the development costs through other sources such as the Cumberland County Community Development Block Grants and/or an Affordable Housing Tax Increment Financing District. Examples of eligible development costs include, but are not limited to:
  1. On-site or off-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.

The Town will offer staff assistance for any application preparation.

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

### **Minimum RFP Submittal Requirements**

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

1. Name, address and brief description of the business entity. This may include a brochure about the company
2. Statement of qualifications to develop workforce, home-ownership housing.

3. Prior experience: A listing of completed projects by the company, including references, that demonstrates the company's capabilities and experience with similar projects.
4. Profiles of key personnel and companies to be involved in the design and construction of this project.
5. Statement of current workload and demonstration that the company is capable of taking on this project.
6. Statement of ability and experience to work with, and obtain input from, the public on similar projects.
7. Conceptual proposal which includes – at a minimum - the following elements:
  - a. Anticipated number and type of units that is being proposed (a range is acceptable);
  - b. Conceptual site layout and conceptual architectural design;
  - c. Anticipated level of affordability of units proposed;
  - d. Anticipated sources of financing and assistance requested from Town.

### **Selection Process**

All submissions will be evaluated by a Town Workforce Housing Committee Review Team, which will make recommendations to the Town Council. The Town Council will make its selection, upon which the developer is asked, as part of step 2, to work with the Town Workforce Housing Committee to prepare a detailed proposal for Council consideration. Objectives for and elements of such a detailed proposal are listed below.

### **Detailed Project Objectives and Elements**

The objectives which a detailed proposal is expected to meet, and proposal elements which are expected to be addressed, are as follows:

1. Provide attractive workforce housing that is consistent with the goals and objectives of the Town of Falmouth Workforce Committee Report, attached as Appendix C.
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.
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. All applicable ADA standards must be met.
  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.
    - Provide 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.
    - Other financial tools to be considered include: training for first-time home buyers, pre-qualification methods, credit counseling, etc.
  7. Preliminary schedule of development financial plan and construction management plan, including all business partnerships.
  8. 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.

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.
10. Concept deed restrictions and covenants that will limit the ability to alter or construct additions to individual units (future improvements to the home may not increase the square footage of the livable envelope).
11. No sales price (house and land) may exceed the standards shown in Appendix A (which are based on a 5.6% mortgage interest rate and a year 2006 definition of moderate income); **(DOES THIS NEED TO BE UPDATED???)**
12. The Town 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.

### **Selection Criteria**

The Town will select a developer based on the following criteria:

1. Qualifications and experience to develop workforce, home-ownership housing.
2. Experience to work with, and obtain input from, the public
3. Anticipated number and type of units and level of affordability that is being proposed (a range is acceptable);
4. Conceptual site layout and conceptual architectural design;
5. Anticipated sources of financing and assistance requested from Town.

### **Right To Reject Proposals**

The Town of Falmouth reserve the right to reject any or all submissions received, and to negotiate development features and funding terms in order to best serve the interests of the future residents. Any selection 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 \_\_\_\_\_ at 10:00 AM. A site visit of the Woods Road property will take place immediately following the pre-bid meeting.

### **Deadline For Submission**

All responses to this Request for Proposals 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 \_\_\_\_\_.

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

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## 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