

# Town of Falmouth Request for Proposals



## Workforce Housing Home Ownership Development

Draft: February 21, 2008 TH

Prepared by:

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

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## Introduction

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 low and moderate-income families. (See appendix A for a definition of housing affordability.)

To assist with this effort, the Town will make available at no cost 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, condominiums, or other type.

The Town intends to select a preferred developer through a two-step process, the first of which is this RFP. The second step is development of a detailed proposal in cooperation with the Workforce Housing Committee 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 A 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. Between 41% and 50% of the units shall be made available to families at or below 80% of the area median income.
2. Between 50% and 59% of the units shall be available to families between 80% and 120% of the area median income.
3. 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 B.

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A maximum of 50% of the units shall be made available to families at or below 80% of the area median income. All remaining

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## 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, townhouses, single-family detached units, or other types).

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2. The inclusion of one or more handicapped accessible or adaptable units.

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3. Guaranteed long-term affordability along with efficient long term administration aimed at keeping units affordable through successive property ownership transfers into the future.

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## 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 at no cost 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. Appendix D consists of a vernal pool survey for the property, dated June 13, 2007. Appendix E consists of a rough site cost estimate using the site plan of appendix C. There is no requirement to maintain this site plan layout.

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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<sup>1</sup> and/or an Affordable Housing Tax Increment Financing District. Examples of eligible development costs include, but are not limited to:

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a. On-site or off-site improvements (water, sewer, etc) or land acquisition;

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b. Construction of single family homes, town houses or condominiums;

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c. Reimbursement of Town fees (only Town funding is available for this option); and

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d. Down payment assistance/second mortgages.

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The Town will offer staff assistance for any application preparation.

<sup>1</sup> A 2008 CDBG application for \$100,000 for public infrastructure is currently pending by the Cumberland County Community Development Block Grant Program.

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3. The zoning designation for this parcel is MUC ("Mixed Use Cluster District"). This permits a minimum net residential area per dwelling unit of 10,000 sq.ft. with public sewerage (a gravity sewer main is located in Woods Road). Minimum lot area is 20,000 sq.ft., minimum lot width is 125 feet. Maximum lot coverage is 20%. Front setback is 25 feet, side setback is 20 feet, and rear setback is 40 feet. These dimensional requirements notwithstanding, the Town will consider the adoption of a "Planned Development District" designation for this project, whereby any standard may be modified upon an affirmative vote by the Town Council.

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### Selection Process

All "round one" submissions will be evaluated by the Town's Workforce Housing Committee, which will make a recommendation to the Town Council. The Town Council will make its selection of a "preferred developer", upon which that developer is asked, as part of "round two", to work with the Town Workforce Housing Committee to prepare a detailed proposal for Council consideration.

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### Round One Selection Criteria

The Town will select its "preferred developer" based on the following criteria:

1. Qualifications and experience to develop workforce, home-ownership housing.
2. Experience working with, and obtaining input from, the public
3. Approximate number and type of units and level and longevity of affordability that are being proposed;
4. Conceptual site layout and architectural design sketches <sup>2</sup>;
5. Financial feasibility, anticipated sources of financing and assistance requested from Town.

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### General Project Objectives

The general objectives which the project is expected to meet 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 \_\_\_\_.
2. Design the site with attention to land use planning standards that are important to the town including:
  - a. Compact development techniques that will address streetscapes, architectural appearance, design of structures, neighborhood

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<sup>2</sup> These sketches are likely to change through anticipated early and earnest consultation with abutters, Planning Board, and other interested parties.

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design, landscaping, and other design standards typical in traditional compact development;

b. Linking new trails with existing trails in the area;

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c. Conforming, to the extent possible, to Conservation Zoning standards (which require 50% of net residential area plus acres of "unsuitable" land to be preserved as open space) and where standards can not be met, propose alternative land conservation.

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d. Consideration of public transportation opportunities, linking households with 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/LEED building standards.

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4. Design features shall include transitions to abutting properties and will provide adequate buffering.

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5. All applicable ADA standards must be met.

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### Round One Submission Requirements

Ten hard copies of all submitted materials and one electronic copy of a complete proposal are required for a complete 'round one' submission. Complete submissions 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

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.

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5. Statement of current workload and demonstration that the company is capable of taking on this project.

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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 sketch and architectural design sketch<sup>3</sup>;
  - c. Financial feasibility statement and anticipated sources of financing and assistance requested from the Town;
  - d. Anticipated level of affordability of units proposed along with proposal for efficient long term administration and sustainable affordability.
8. Descriptions of all partners (for profit or not for profit partners), including those that will provide tools such as special mortgage or down payment assistance for buyers.
9. Other financial tools offered, such as training for first-time home buyers, pre-qualification methods, credit counseling, etc.

## Round Two Submission Requirements

Complete “round two” submissions shall include the following:

1. Schedule of development financial plan, building plan, and construction management plan, including all business partnerships. The development may be built in phases.
2. Confirmation of financial feasibility and leveraging. Developers must demonstrate that the project is financially feasible with proposed funding sources. 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.
3. 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.<sup>4</sup>

<sup>3</sup> These sketches are likely to change through anticipated early and earnest consultation with abutters, Planning Board, and other interested parties.

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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 a** ... [1]

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4. Concept deed restrictions and covenants that limit building expansion and improvement to a reasonable extent, so as not to make the units inadvertently unaffordable over time.

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5. Proposed approximate sales prices. No sales price (house and land) may exceed the standards shown in Appendix B, as updated.

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6. Draft agreement between 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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<#>Anticipated number and type of units and level of affordability that is being proposed (a range is acceptable);¶  
<#>Conceptual site layout and conceptual architectural design; ¶  
<#>Anticipated sources of financing and assistance requested from Town.¶  
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### 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 received by the Town of Falmouth (atn: 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.

<sup>4</sup> The preliminary plan and architectural sketches are anticipated to reflect consultation with abutters, Planning Board, and other interested parties.



## Appendix B: 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 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, and provides income ranges for home-buying households of different sizes and the corresponding affordable house price ranges. Note: These numbers should be confirmed by the "preferred developer" and may be required to be updated as needed.

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.

[For illustrative purposes, 5.6% interest, 30-year term, 5% down payment, taxes and insurance at 25% of principal and interest were applied.]

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

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**Detailed Project Objectives and Elements**

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

Provide attractive workforce housing that is consistent with the goals and objectives of the Town of Falmouth Workforce Committee Report, attached as Appendix C.

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.

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

Design features shall include transitions to abutting properties and will provide adequate buffering.

All applicable ADA standards must be met.

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.

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Proposals with evidence of commitments from other funding sources will be preferred to those with no such commitments.