



## REQUEST FOR PROPOSAL

### Walnut Lane Planned Affordable Development Public Private Partnership

Issued by the City of Moab

**Submit proposal to:**

Sommar Johnson  
City Recorder  
217 E Center St  
Moab, UT 84532

Email: [recorder@moabcity.org](mailto:recorder@moabcity.org)

Phone: 435-259-2683

**Planning and Zoning inquiries:**

Cory Shurtleff  
Planning Director

Email: [planner@moabcity.org](mailto:planner@moabcity.org)

Phone: 435-259-5129

**Administrative inquiries:**

Ben Billingsley  
Acting Deputy City Manager

Email: [bbillingsley@moabcity.org](mailto:bbillingsley@moabcity.org)

Phone: 435-259-5121

**Engineering inquiries:**

Chuck Williams  
City Engineer

Email: [cwilliams@moabcity.org](mailto:cwilliams@moabcity.org)

Phone: 435-259-4941

*This request for proposal does not commit the City of Moab to award any agreement. All terms and dates outlined herein are subject to change.*

Table of Contents

- Project Information..... 4
  - Site Characteristics..... 4
- Strategic Objectives ..... 4
  - Planned Affordable Development ..... 5
  - Tenant Displacement ..... 5
  - Sustainability..... 5
- Program Assumptions..... 6
  - Property Lease ..... 6
  - Financing ..... 6
  - Regulatory..... 7
  - Stakeholders ..... 7
  - Design and Construction Standards..... 7
- Selection..... 8
- Submission Requirements ..... 8
  - Cover Letter (10 pages)..... 8
  - Project Approach (5 pages)..... 9
  - Project Vision (5 pages)..... 9
  - Project Structure (3 pages) ..... 9
  - Project Economics (5 pages, not including Excel printouts) ..... 9
    - Sources and Uses of Funds ..... 10
    - Program..... 10
    - Budget..... 10
    - Revenues and Expenses ..... 10
    - Cash Flow ..... 10
  - Property Management Approach (5 pages) ..... 11
  - Project Schedule (3 pages, not including Project worksheet) ..... 11
- Alternative Proposals..... 11
- Anticipated Timeline ..... 12
- Evaluation Scoring..... 12
- Exhibit A ..... 14
- Exhibit B ..... 15

**Notice to Developers**  
**Request for Proposal for**  
**Development Partners**

**March 15, 2022**

**Proposal Due:** April 29, 2022 at 3:00 PM

**Project Name:** Walnut Lane Apartments

**Project Location:** 250 Walnut Lane, Moab Utah

**Contact:** Sommar Johnson, City Recorder  
Email: [recorder@moabcity.org](mailto:recorder@moabcity.org)  
Phone: 435-259-2683

Questions regarding this RFP are encouraged and must be submitted Friday, April 15, 2022, at 2:00 PM Mountain Daylight Time. Questions may include notifying the city of any ambiguity, inconsistency, scope exception, excessively restrictive requirement, or other errors in this RFP. Questions may be answered individually, compiled into one document, or via an addendum.

Answers from the city will be posted as expeditiously as possible on the city RFP website located at <https://moabcity.org/Bids.aspx>. An answered question or an addendum may modify the specifications or requirements of this RFP. Developers should periodically check the city website for answered questions and addenda before the closing date. It is the responsibility of the developers to submit their response as required by this RFP, including any requirements contained in answered questions and/or addenda.

The city reserves the right to reject any and all responses or any portions thereof. Selection under this RFP for inclusion in future procurement activities is not a guarantee of a future pre-development agreement. At its sole discretion, the city may seek to requalify developer firms at a later date or terminate this procurement in its entirety.

In the event of difficulty submitting electronically, proposals can be dropped off to the City Recorder, located at 217 E Center Street, Moab. Proposals submitted through the City Recorder should be received on an electronic storage device. No paper copies should be submitted.

### **Project Information**

In October 2018, the City of Moab purchased a 38-unit mobile home (or “trailer”) park located at 250 Walnut Lane in Moab, UT 84532. The City intends to partner with a developer to redevelop the property to an 80-unit, affordable, sustainable, mixed-income development to be known as the Walnut Lane Apartments.

The developer selected by the city must be willing to complete the following as part of the project:

- Design a new project for the property containing a vibrant mix of uses.
- Lease the property at a price to be negotiated with the city, taking into account the project requirements.
- Construct and operate the project per future agreements with the city.

### **Site Characteristics**

The property is adjacent to the Moab Regional Hospital campus and a mix of single-family and multi-family residential developments. It is proximate to downtown Moab, which offers a variety of commercial services and amenities for residents and tourists. Nearby community amenities include the Moab Valley Multicultural Center, Swanny Park, and the Moab Recreation and Aquatic Center. Many current residents rely on active transportation methods to travel to work and to access these and other community amenities.

The site includes two parcels and is approximately 2.91 acres and is zoned as R-4.

### **Strategic Objectives**

The city established the following objectives for the project. A developers' ability to support the achievement of these objectives will be continually considered, balanced and clarified throughout the procurement, selection and implementation stages of the process in collaboration with the selected Developer.

### **Planned Affordable Development**

The developer shall redevelop the property using the Planned Affordable Development (PAD) overlay, which grants higher density and other development incentives in exchange for deed-restricted affordable units. PAD affordable units are subject to deed restrictions that preserve affordability for at least fifty (50) years and must make up at least seventy percent (70%) of the total units in the development. For more information about the Planned Affordable Development, consult Moab Municipal Code Section 17.68.

### **Tenant Displacement**

One of the city's primary goals during the redevelopment of Walnut Lane is to provide adequate housing for the current residents of the Walnut Lane Trailer Park. Of the original 38 initial units, 27 units are presently occupied. The city is seeking creative solutions to relocate or phase the project to not displace current tenants. It is anticipated that these families and individuals will be granted priority for the new units produced from redevelopment.

Any proposed solutions specifically addressing the tenant displacement objective should be clearly identified, along with the incremental cost of the proposed solution. For example, if the developer anticipated a percentage increase in total project costs related to a phased approach to construction, this should be identified.

### **Sustainability**

The City of Moab has established rigorous sustainability and housing affordability goals and expects the developer to balance affordability and sustainability in all phases of the project.

Priority shall be granted to firms that have demonstrable experience with Net-Zero or energy efficient building standards including, but not limited to: the International Living Future Institute (ILFI)'s Zero Energy Certification Energy Star Homes, Enterprise Green Communities, Leadership in Energy and Environmental Design (LEED), Home Energy Rating System (HERS) Score of 50 or below, or similar.

However, the City shall grant higher priority to Firms that demonstrate sustainability *and* affordability in the proposal and requests specific experience with affordable and/or federally funded housing projects. The City's highest priority for Walnut Lane is to ensure permanently affordable housing for all current and future residents of the development.

### **Program Assumptions**

Respondents should formulate an affordable housing program that creates the best economics and long-term project viability, and supportable given current market conditions while addressing the city's objectives.

### **Property Lease**

It is currently envisioned that the developer will design, build, finance, operate and maintain the Project under a long-term ground lease with the city. The city will maintain unsubordinated ownership of the fee interest in the site during the project period.

### **Financing**

Developer will be responsible for financing the entire cost of the project, including redevelopment costs such as design, engineering, and other studies along with development costs, such as infrastructure and construction costs, through its own equity, borrowing, tax credits, governmental incentives, or other sources of funds. In approaching the development of these projects, the Developer should be careful not to rely exclusively upon tax credit financing. The city believes that such an approach restricts the market of individuals who can reside at the project and does not allow for the creation of a true mixed income community. The city

encourages the development of profitable market rate units to serve as a mechanism for maximizing the number of affordable units to be developed.

### **Regulatory**

Developer will be responsible for procuring all necessary regulatory approvals for construction and operation of the project.

### **Stakeholders**

Developer must actively seek input from community stakeholders, residents, and the city during the planning phase of all projects. The final development plan must be approved by the city in accordance with all planning and zoning requirements. Transparency and communication are key components of community trust and confidence in public housing. Engagement and active participation of residents, businesses, neighborhood associations, governmental officials and agencies, and other community stakeholders is a mandatory requirement under this solicitation. It is expected that the developers will schedule and coordinate meetings, community workshops and other public forums to assure that all stakeholders in the development process are continuously kept abreast of ongoing activity. All community activities and dissemination of public information shall be coordinated with the city staff.

### **Design and Construction Standards**

The Affordable Housing Project will conform to all current state and local design criteria including any requirements from federal loan programs. These current standards include but are not limited to the following current codes: International Building Code of 2021 (including but not limited to: Plumbing, Mechanical, Electrical, etc.), OSHA, Utah State Fire Marshal, National Electric Code, Uniform Mechanical Code, ADA Act Title III, 2011: ADAAG, all HUD Housing requirements, and the specific requirements listed in this RFP. Design of Structural, Civil, Mechanical and Electrical systems must be by a licensed Engineer with current registration in Utah. Design of Architectural systems must be by a licensed Architect with current registration in Utah. Design teams must be listed in the developer's proposal, with resumes and qualification of each discipline's key designer. All work performed by the design team will

require stamped Architectural/Engineering Construction Documents, Specification, Calculations and Clarifications required during construction. The Design team will be required to provide site observation during construction and be present for project closeout/punch list activities. The Design team will provide a complete and accurate set of as-built record drawings (hard copy and electronic copy). The Design team will be contracted with the Developer for all services on this project.

### **Selection**

The city expects to promptly enter into a Pre-Development Agreement with the Developer(s) selected through the RFP process. In the event that the city cannot agree to pre-development terms with its first selected Developer, it may choose to initiate negotiations with another Respondent.

The Pre-Development Agreement will establish a basis for the negotiation of a definitive ground lease and ancillary documents, and it will govern the relationship between the city and the developer. It will outline developer and city responsibilities for repayment of expenses, should the Project not move forward. The city is committed to sharing with the selected developer the pre-development risk in an equitable fashion through financial close. The city will seek to preserve all customary rights and extend all necessary support as outlined by the executed pre-development agreement.

### **Submission Requirements**

Brevity is appreciated. Responses must be submitted in the following format (page limits in parentheses):

#### **Cover Letter (10 pages)**

Provide a cover letter that includes a statement of qualifications. Please note that it is the city's expectation that teams will remain intact throughout the process, as the qualifications of the teams will be a significant factor in the review and qualification of respondents. Include a

statement acknowledging that the terms and conditions remain intact for 90 days from the date of submission.

### **Project Approach (5 pages)**

Provide a summary of how the project will support the city's objectives (provide examples). Respondents should also provide a high-level narrative of how they intend to work with the city and other stakeholders throughout the development process, including any necessary Project Site approvals.

### **Project Vision (5 pages)**

Provide a narrative, with illustrations as warranted, of your concept for the project. Specifically state how the vision addresses the objectives. Provide information on development concept, building design, configuration, size, and type of housing. Describe how the project design and operations will reflect and recognize the diversity (socioeconomic, cultural, age, gender identity, race/ethnicity and generational) of the residents served. Highlight design elements that will achieve the city's goals of creating an enriching environment for residents. Discuss aspects of the project, such as sustainable features while balancing affordability.

### **Project Structure (3 pages)**

Discuss the proposed Project structure and the rationale for its use. Detail the nature of the agreements that need to be executed between the developer and the city and between the Developer and other service providers and describe how these agreements will isolate the city from Project liability. Describe how different sources of funding are brought into the Project. Provide an organizational chart that visualizes these interrelationships.

### **Project Economics (5 pages, not including Excel printouts)**

Each Respondent must provide a fully functional Excel model that details the Project's assumptions regarding program, financing, development, stabilization, and operations. The

narrative should highlight the following aspects of the economic proposal (which should be included in detail in the spreadsheet):

**Sources and Uses of Funds** – What are the assumed terms used for any debt and/or equity to be used for the Project? Attention will be paid to interest rates, terms, amortization periods, call provisions, and other key factors. IRR and hold period requirements for equity will be examined.

**Program** – The calculations for the Project program should show how gross and net square footage are calculated and how external amenities are accounted for in the spreadsheet. Address how the proposed unit mix is responsive to PAD zoning. Provide a description of non-residential uses, including proposed square footage, and the anticipated use or uses. As an appendix, include floor plans for the building and all unit types, bed configurations and rental rates.

**Budget** – Is the project budget sufficient to accomplish the envisioned program? Address the potential to offer both full-year and seasonal leases. Hard and soft costs should include, but not be limited to, project contingencies, development fees, fees for pre-development and construction period (i.e., legal, advisory, and project management), legal costs, capitalized interest and other project financing costs. How are costs escalated to reflect inflation? Identify any expectation of city involvement.

**Revenues and Expenses** – Show projected rent and a detailed operating budget.

**Cash Flow** – Projections should capture both development and operational period cash flows and show how revenue is treated throughout the proforma. Assumptions regarding stabilized vacancy, effective gross revenue, prioritized ground rent payments (if any), OPEX, net operating income, reserve capitalization, debt service, and treatment of residual cash flow will be evaluated. The narrative should explain any unique features of the financing, such as a modified debt service schedule that conforms to debt service coverage requirements and/or is used to raise additional debt.

### **Property Management Approach (5 pages)**

Critical to the success of the project is the ongoing, operation of the housing community as a viable, affordable, attractive, and safe environment for residents. Respondents should provide their approach to property management. This should include how the management will continuously achieve the objectives. Describe the approach to addressing equity through project operation. Include at a minimum the marketing plan, residential life plan, safety and security plan, capital improvement plan, and deferred maintenance schedule (including a schedule for unit remodeling and refurbishing and how the cost will be accounted for in the Project pro forma). Describe the process from initial engagement to stabilized operations. Describe how the project will be integrated, both physically and managerially, into the Developer's portfolio of existing properties. If the Project presents any unique property management concerns, please discuss and suggest mitigative actions the Respondent would undertake.

### **Project Schedule (3 pages, not including Project worksheet)**

Respondents must provide a Microsoft Project (or equivalent) worksheet with a detailed Project delivery schedule, beginning from the execution of the Predevelopment Agreement, which should occur shortly after award. In the narrative, describe the time necessary to achieve major project milestones, including but not limited to (1) due diligence, (2) predevelopment, (3) permitting, (4) preconstruction, (5) land acquisition, (6) financing, (7) construction, (8) leasing, (9) target date for completion of construction and (10) commissioning of the Project. Discuss potential situations that may jeopardize the desired full occupancy date requirement (August 2025) and provide mitigation strategies for each. Identify any current labor relations or pipeline (capacity) issues related to the general contractor that may have an impact on the schedule and how they will be addressed.

### **Alternative Proposals**

A developer may submit more than one proposal, each of which must follow the Proposal Response Outline and satisfy the requirements of the bid. The supplier's prime proposal must

be complete and comply with all instructions. The alternative proposals may be in abbreviated form, following the bid response outline, but providing complete information only for sections which differ in any way from those contained in the prime proposal. If alternative proposals are submitted, the reasons for the alternative(s) and its comparative benefits must be explained. Each proposal submitted will be evaluated on its own merits.

**Anticipated Timeline**

*(Subject to Change)*

<b>Activity</b>	<b>Date</b>
Issue RFP	Monday, March 15, 2022
Virtual Working Session	Thursday, April 7, 2022
RFP Responses Due	Friday, April 29, 2022
Virtual Developer Interviews	Thursday, May 4, 2022
Award Recommendation	Wednesday, May 10, 2022
Negotiation/Execution of Pre-Development Agreement	May 2022
Design	June 2022 – January 2023
Negotiations of Ground Lease	October 2022 – January 2023
Groundbreaking and Construction	January 2023 – June 2024
Expected Substantial Completion	June 2025
Opening	August 2025

**Evaluation Scoring**

The Response will be evaluated through the following components.

<b>Evaluation Component</b>	<b>Possible Points</b>
-----------------------------	------------------------

Project Understanding	15
Project Vision	30
Project Structure	20
Project Economics	30
Property Management	30
Project Schedule	20
Interview	30
Total Points	175

Note: The city will evaluate Project economics dynamically. Respondents should seek to provide as much value to the city as possible, both in terms of affordability and cash flow. The city understands that the Project economics provided in the proposal are notional and subject to change based on the program and prevailing economic conditions.

Exhibit A

Project Overview



City of Moab  
Walnut Lane Planned Affordable Development RFP

**Exhibit B**

City Developed Site Plan

Developer has the option to use this site plan, which includes proposed phasing that would allow for relocation of existing tenants.

