



REQUEST FOR STATEMENT OF QUALIFICATIONS

Walnut Lane Planned Affordable Development Public Private Partnership

Issued by the City of Moab

Submit response to:

City Recorder

Walnut Lane RFSQ

217 E Center St

Moab, UT 84532

Email: bids@moabcity.org

Planning and Zoning inquiries:

Cory Shurtleff

Planning Director

Email: planner@moabcity.org

Administrative inquiries:

Ben Billingsley

Chief Operating Officer

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Engineering inquiries:

Chuck Williams

City Engineer

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

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Notice to Developers
Request for Statement of Qualifications for
Development Partners

November 17, 2022

Statements Due: January 5, 2023 at 3:00 PM

Project Name: Walnut Lane Apartments

Project Location: 250 & 280 Walnut Lane, Moab Utah

Contact: Sommar Johnson, City Recorder
Email: recorder@moabcity.org

City of Moab
Walnut Lane Planned Affordable Development RFSQ

Questions regarding this RFSQ are encouraged and must be submitted Tuesday, December 20, 2022, at 2:00 PM Mountain Daylight Time via email to bids@moabcity.org. Please include “Walnut Lane RFSQ Questions” in the subject line. Questions may include notifying the city of any ambiguity, inconsistency, scope exception, excessively restrictive requirement, or other errors in this RFSQ. 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 website at <https://moabcity.org/Bids.aspx> as well as in the U3P portal at <https://purchasing.utah.gov/currentbids> and search by event number NS23-38.

An answered question or an addendum may modify the specifications or requirements of this RFSQ. 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 RFSQ, 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 RFSQ 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.

Project Information

In October 2018, the City of Moab purchased a 38-unit mobile home (or “trailer”) park located at 250 & 280 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 feasible 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, is approximately 2.91 acres, and is zoned as R-4. It currently has twenty-seven (27) occupied units, and each occupied site includes hookups for water, sewer, gas, and electricity. The city has demolished eight (8) trailers since acquisition and has removed utilities for these specific sites. Each parcel is accessed by a compacted, unpaved driveway, and the existing units sit on dirt and/or gravel pads.

Due to the age of the trailer park and associated utilities, the existing infrastructure will need to be updated as the project is redeveloped. At a minimum, the city anticipates the developer will need to improve the road conditions of Walnut Lane and replace and/or substantially upgrade all existing utilities from the street connections.

Project Entitlements

The city has received entitlements for an 80-unit multifamily development through the Planned Affordable Development (PAD) ordinance. A master plan has been developed which includes a three-phase approach to avoid displacement of residents, and the city has complete civil and landscaping design for phase one of this plan. Detailed information about the city's current redevelopment plan is located in Exhibit B of this RFSQ.

Respondent may utilize existing entitlements and plans developed by the city or it may propose a new concept for redevelopment.

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.

To be a person eligible for a PAD unit, the person(s) must satisfy the following criteria:

- The persons comprising the household must have a combined household income that does not exceed one hundred percent (100%) of the Grand County, Utah Area Median Income (AMI), as published by HUD from time to time;
- At least one person in the household must be either: (a) employed full time in Grand County; (b) disabled; (c) a retired person over sixty years of age who was a full-time employee of an entity located within Grand County for at least five continuous years immediately preceding his or her retirement; or (d) a parent residing with one or more minor children; and
- All persons occupying PAD affordable housing units must utilize the housing as their sole place of residence.

For more information about the Planned Affordable Development, consult Moab Municipal Code Section 17.68.

Tenant Displacement

One of the city's primary objectives 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 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 state- 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, is supportable given current market conditions, and addresses the city's objectives.

Property Lease

It is currently envisioned that the developer will design, build, finance, operate and maintain the Project under a 50-year 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.

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 RFSQ. 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 qualifications 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 RFSQ process. In the event that the city cannot agree to pre-development terms with its first selected Developer, it may choose to proceed with the next highest-scoring 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 will seek to preserve all customary rights and extend all necessary support as outlined by the executed pre-development agreement.

Submission Requirements

All copies of responses (physical and electronic) must be received by 3:00pm MST on Thursday, January 5, 2023. Respondents must send one (1) electronic copy and five (5) physical copies directly to the city before the deadline. Bids will not be accepted by fax.

Responses shall be delivered to:

City Recorder
Walnut Lane RFSQ
217 E Center Street
Moab, UT 84532

Electronic copies shall be sent via email to bids@moabcity.org.

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 before, during, and after redevelopment. 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 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 lease negotiation, (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 (December 2026) 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.

PROCEDURE FOR SELECTION

Initial Review of Applications

Applicants must address all submittal requirements outlined in this RFSQ. Non-responsive submittals (those not conforming to the RFSQ requirements) will be disqualified and will not be considered further. Each respondent bears the sole responsibility for the items included or not

included in its submittal. Deviations from or exceptions to the terms and specifications contained within this RFSQ, if stipulated in a submittal, while possibly necessary in the view of the submitting respondent, may result in disqualification.

A review committee of will rank responses, and make a recommendation to the City Council.

Negotiation of Contract

Negotiations, including the final scope of work, shall be conducted with the Applicant ranked first. If a contract satisfactory to the City can be negotiated at a fee considered fair and reasonable, the award shall be made to that Applicant. Otherwise, negotiations with the Applicant shall be formally terminated and the City will move on to the next Applicant.

Award of contract may be subject to approval by the Moab City Council. If and when a contract is awarded, all firms that submitted a proposal will receive a written acknowledgement of their proposal. The City of Moab will not reimburse firms for any expenses associated with the submission of proposals or participation in the interviews.

Non-Discrimination

The City of Moab is an equal opportunity employer. Minority business enterprises, women-owned businesses, and disadvantaged business enterprises are encouraged to apply.

RFSQ and Development Timeframes

Optional Site Visit

An optional site visit of the project location will be given for interested vendors on Wednesday, December 14, 2022 at 2:00pm. The meeting location will be at the City Center located at 217 E Center Street, Moab, UT 84532. The site visit will consist of a briefing in the City Council Chambers, travel to the project site with a full walk-through, and an open dialogue for questions. Any questions and answers or additional information will be written as an addendum to the original RFSQ document and posted on the City of Moab website and U3P portal following the site visit. The anticipated duration is 1 hour.

Optional Virtual Work Session

A virtual work session will be held on Thursday, December 15, 2022 at 2:00pm. This will be hosted on Zoom. To register, please email assistant@moabcity.org and you will be sent a meeting invite. This will include a presentation of the property history, project overview and will also have an open forum discussion for questions. Any questions and answers or additional information will be written as an addendum to the original RFSQ document and posted on the City of Moab website and U3P portal following the site visit.

Project Development Timeline

All dates following the RFSQ response due date are subject to change. The timeline outlined below is intended as guidance for respondents.

Activity	Date
Issue RFSQ	Thursday, November 17, 2022
Optional Site Visit	Wednesday, December 14, 2022 at 2:00pm
Optional Virtual Work Session	Thursday, December 15, 2022 at 2:00pm
Deadline for Clarifying Questions	Tuesday, December 20, 2022 at 2:00pm
RFSQ Responses Due	Thursday, January 5, 2023 at 3:00pm
Selection Recommendation	February 2023
Pre-Development Agreement	February - March 2023
Design	February - July 2023
Negotiations of Ground Lease	March - April 2023
Groundbreaking and Construction	July 2023 – June 2026
Expected Substantial Completion	June 2026
Opening	December 2026

Evaluation Scoring

The Response will be evaluated through the following components.

Evaluation Component	Possible Points
Cover Letter/Organizational Qualifications	15
Project Approach	20
Project Vision	20
Project Structure	10
Project Economics	15
Property Management	15
Project Schedule	5
Total Points	100

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.

CITY CONDITIONS

Eligibility

The Applicant must certify that the Firm and the members of the Firm are not debarred, suspended, voluntarily excluded, or otherwise ineligible for participation in this project.

Conflict of Interest

The Applicant must certify that it has no current conflicts of interest and will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of its services hereunder. The Applicant further certifies that, for the duration of the project, it will not employ any person who has any such conflicts.

Contract Responsibilities

Based upon responses received, the City of Moab reserves the right to negotiate the scope of work with the Firm, dependent on the responses received to this RFSQ.

If the City is unsatisfied with the work produced from the Firm, the City reserves the right to terminate the contract and select a different Firm or Firms for subsequent phases of work.

Insurance Requirements

At a minimum, the Firm shall meet all insurance requirements outlined in the Agreement for Services attached to this RFSQ.

The City of Moab and all other requested project finance entities shall be named as an additional insured, except on Professional (Errors and Omissions) and Worker's Compensation coverage and will be given thirty (30) days-notice in advance of cancellation, non-renewal, or material change in any coverage. A certificate of insurance evidencing such coverage shall be approved by the City of Moab and placed on file prior to commencement of work under this contract.

The Firm shall indemnify and hold harmless the City of Moab as well as all other requested project finance entities or partners, from any losses, damages, costs, expenses, judgments, or decrees arising out of, or resulting from, the negligent acts of the Firm.

In the event any action in court is brought against a party so indemnified, the City of Moab shall tender the defense of any such claim or action at law or in equity to the Firm and the Firm's insurer. Upon such tender, it shall be the duty of the Firm and the Firm's insurer to defend such claim or action without cost or expense to the City of Moab.

Professional Licensing

The Respondent shall provide evidence that all relevant members of the Firm are currently licensed and registered to perform work in the state of Utah, that the Firm and/or relevant partners are not debarred, suspended, or prohibited from professional practice by any governmental agency.

Rights of the City

The City reserves the right to the following:

To select the Applicant(s) whose qualifications and/or proposal, in the City's sole judgment, best meet the needs of the City.

To reject any and all proposals submitted and to waive any informality in submittals received whenever such rejection or waiver is in the best interest of the City of Moab.

The City of Moab may, at its own discretion, request a re-solicitation of proposals or abandon the project entirely.

Exhibit A

Project Overview



