



**Calvert Workforce Housing  
Request for Proposals**  
*April 18, 2019*

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## INTRODUCTION

Transylvania County (“County”) is pleased to announce a development opportunity on County property (the “Project Site”) located on 25 acres off Old Rosman Highway. The County seeks experienced affordable housing and mixed-use development teams meeting the qualifications described in this Request for Proposals (“RFP”) that have demonstrated their ability to design, build, and manage quality workforce/affordable rental housing projects to submit a proposal. This RFP seeks creative proposals that best serve the public good, meet local workforce rental housing needs, and make the best public use of valuable County assets (the “Project”).



Proposals should demonstrate an understanding of the County and its housing needs, as well as the unique opportunities of the property location. The property is not zoned, however proposals must conform with County land use ordinances which can be found at

<https://www.transylvaniacounty.org/departments/planning-and-community-development/ordinances>.

The County anticipates that the RFP process will take approximately two to three months, after which time staff will recommend a developer (“Developer”) to the Transylvania County Board of Commissioners (“Commissioners”) for negotiation of the appropriate development agreement. While the dates and schedule stated in this RFP represent the County’s preferred timetable, they shall not be considered binding upon the County. In addition, the submission of a proposal in response to this RFP shall not be binding upon the County nor construed as a contract with or commitment by the County.

The Project Site will be offered “as is” to the selected Developer, who shall have full responsibility for obtaining all required approvals for their project, including site survey, environmental studies, environmental remediation, if needed, site preparation, permits, and any other predevelopment costs.

## BACKGROUND

In 2018, Transylvania County adopted the 2025 Transylvania County Comprehensive Plan that is published in its entirety at <http://www.transylvaniacounty.org/departments/planning-and-community-development/2025-comprehensive-plan>. This national award winning plan includes in-depth discussions of the County's demographics, economy and infrastructure.

Located in the mountains of Western North Carolina, Transylvania County has a rural, small town atmosphere with numerous cultural resources including the renowned Brevard Music Center and Brevard College. A highway system connects the county to Interstates 40, 26 and 85 to metropolitan areas such as Asheville, Hendersonville, and Greenville, SC, which are all within an hour's drive. Many residents commute to work across county and state boundaries.

In 2010, the US Census population for Transylvania County was 33,090. Over the past 50 years, the county's US Census population growth rate has averaged to 1.39% per year.

County leadership recognizes that part of County's growth must include housing that meets the needs of the workforce. In 2017, the Transylvania County Community Land Trust (TCCLT) prepared and presented a housing report to the Board of Commissioners, which is included as Exhibit A herein. That study of community housing assets identified a gap in housing availability and affordability for those in the workforce earning between 80% and 120% of Transylvania County's median income of \$55,100 (HUD 2018) – those earning too much for subsidized housing, and too little to afford much of the available housing stock. The County seeks to encourage development of these unmet housing needs.

In addition, to meet NC General Statute requirements for providing a non-competitive lease for County owned land, 20% of the units must be affordable to low and moderate income individuals making less than 80% of the area median income.

## GOALS & OBJECTIVES

The County's primary goal is to encourage development of attractive and affordable workforce housing on the Project Site with the following objectives:

### ***Development Objectives***

The County seeks knowledgeable, financially sound and experienced providers of workforce rental housing that will meet the current and future needs of those earning between 80% and 120% of the County's median family income of \$55,100 (HUD 2018), which would include most of the County's public law enforcement officers and school teachers. The County also requires that at least 20% of the units are affordable for workers who earn less than 80% of the median income.

The County understands that financial constraints and other factors may preclude the development to include only workforce housing. To support developers' access to other funding streams, the development could have some mix of housing including workforce, market rate, and/or federally subsidized affordable housing for those households earning less than 80% of area median income. Some units could be reserved for and/or generally available to special needs households, including seniors, disabled adults, homeless or at-risk households, or other types of households.

The County will provide the property for development in the form of a negotiated long-term (50+ year) lease for a nominal amount and provide a budget of up to \$25,000 to help off-set fees for permitting and for water and sewer tap fees with the Town of Rosman.

***High-Quality Development with Community Engagement***

Development of the Project Site must include high quality design, materials, and construction. The architectural character must meet community expectations by seeking community input on the project’s physical and aesthetic look. The Project should be attractive, functional and compatible with the character of the immediate area and larger community.

***Sustainable & Energy Efficient with Universal Design***

The County expects that the Project will achieve sustainability and energy efficiency goals that exceed the minimum requirements of the North Carolina State Building Code. The Project should use environmentally-friendly and sustainable principles in project design and construction. Developer should consider Universal Design features to allow accessibility for all.

***Labor and Contract Requirements (Prevailing Wage)***

The Project Site is County owned property. The Transylvania County Living Wage Coalition would encourage Developer to be a *Certified Living Wage Employer*. More information can be found on their website at <https://justeconomicswnc.org/transylvania-county.html>.

***Best Management Practices, Preservation, Native Plants***

To the extent possible, the Project should follow Best Management Practices to limit negative environmental impact; preserve scenic areas; and use native and nectar plants in the landscaping.

***Timeline***

The County seeks to have the Project Site developed as soon as is practicable. Proposals will be judged on the practicality of timeliness and the Developer’s demonstrated adherence to time schedules, as well as its ability to obtain all necessary plan approvals, financing and construction commitments so that construction may commence as soon as possible.

**SITE INFORMATION**

The Project Site of 25 acres includes three relatively flat sections of approximately 4.3 acres, 3.7 acres and 1.5 acres. It is expected that the three areas would require nominal grading. Developer shall confirm the building suitability by commissioning a soil composition study and survey of the Project Site during the due diligence phase. The site:

- has access to public water, sewer and natural gas
- has electrical poles running through the property
- may be affected by noise from the neighboring Transylvania County Animal Shelter or by poor aesthetics of the neighboring NC DOT maintenance yard
- may have potential or perceived contamination from the closed Calvert Landfill on the adjoining property
- has no zoning requirements
- is within 6.9 miles of a pharmacy and groceries are within 5.8 and 1.8 miles

County expects a minimum of at least 60 rental units to be built along with parking, playground, greenspace, a community garden, and sidewalks or a multi-use path connecting residents to Old Rosman Highway.

## SUBMISSIONS

### **Legal Matters**

All legal rights and obligations between the Developer, if any, and the County will come into existence only when a Contract is fully executed by the parties and approved by the Commissioners. Each respondent to this RFP agrees that the preparation of all materials for submittal to the County and all presentations are at the respondent's sole cost and expense, and the County shall not, under any circumstances, be responsible for any costs or expenses incurred by a respondent. In addition, each respondent agrees that all documentation and materials submitted with their proposal shall remain the property of the County.

### **Public Records**

All documents submitted in response to this RFP will be considered public and will be made available to the public upon request. Proposals received may be posted on the County's website as part of the review process. Do not submit any information in this RFP to the County that you wish to keep confidential.

### **Submittal Deadline**

By 4:00pm EST on **May 31, 2019**, proposals must be delivered in person, by mail or other delivery service to:

Transylvania County  
Attn: Jaime Laughter  
101 South Broad Street  
Brevard, NC 28712

Proposals received after this time will not be considered.

### **Submittal Requirements**

Three printed copies of the proposal, including any supporting materials, and each copy bound separately, with one cover letter with an original signature from a principal or executive director of proposer must be submitted; these items will not be returned. If proposer consists of a team of several entities, an authorized representative of each entity shall sign the cover letter.

Proposals that are not received at the designated address by the specified deadline will not be accepted. The proposal submittal shall reference "Calvert Workforce Housing RFP" and the name and address of the submitting organization(s).

Submissions shall include the following:

1. **Project Description:** Provide a narrative description of the general development concept proposed for the selected Project Site, addressing the details noted in the *Project Objective* and *Site Description* Sections of this RFP, such as unit mix, target clientele, financing plan, etc. Describe how the proposed concept addresses the objectives listed in this RFP. Renderings or graphic portrayals of the proposed project and/or preliminary site plans should be submitted.

State if you are applying as one entity for all activities, a team of several entities, or a joint venture. Describe the structure and roles of those involved.

2. **Development Parameters:**

- a) **Unit Size and Tenure** – The project may include a range of unit sizes, from studios to multiple-bedroom units. Proposals shall explain the basis for the proposed mix of unit sizes in the project and its relationship to the target tenant population(s) described in the proposal.
- b) **Target Tenant Population & Affordability Requirements** – At least 70% of the units must be affordable to those households earning 80-120% of area median income \$55,100 (HUD 2018).

Housing is affordable when it comprises not more than 30% of a family's budget, including utilities. Rental prices for a 2-bedroom unit (including utilities) would be calculated yearly based on the lowest income in the US Census defined range (80% x prior year's area median household income), which would be \$1,102/month for the year 2018.

To the extent possible, the Project should include a preference for residents and employees of Transylvania County in accordance with State and federal laws. To support Developers' access to other funding streams, the development can have some mix of housing including workforce, actual market rate, and/or federally subsidized affordable housing for those households earning less than 80% of area median income. Proposals shall explain the basis for the proposed mix of the tenant population.

- c) **Community** – The proposal shall identify any community uses incorporated into the project, or other benefits to the community at large, which will result from the project.
- d) **Length of Affordability Term** – The duration of workforce affordability will be at the termination of the lease agreement.

3. **Financing:** The applicant must indicate what type of funding is proposed and a timeline indicating when such funds would be made available to Developer. If the proposed financing plan includes federal funding sources such as HOME, CDBG, or Section 8, include costs and time for compliance with all applicable federal requirements in the timeline.

Under separate cover, proposers shall submit a pro forma analysis, identifying anticipated construction costs, operating income, operating expenditures, capitalization rates, and other relevant information. The pro forma will be treated and reviewed confidentially and will not become a part of the public record.

4. **Property Management Experience:** Provide a list of apartments or other relevant projects that the company currently manages. Include the project location, number of units, number of affordable units, number of years under company's management, name and address of the property owner and current vacancy rates.

5. **Estimated Project Schedule (Milestones):** Proposers shall provide a detailed project development schedule through completion that contains time and performance benchmarks. Include all phases of the project, including acquisition, entitlements, design, construction, marketing, and tenant selection.

## **PROPOSAL EVALUATION AND SELECTION**

The Transylvania County Board of Commissioners has ultimate responsibility for determining the responsiveness of the proposals and choosing to select a preferred Developer, with the assistance of County staff and consultants, as needed. There is no guarantee that the County will select any of the respondents to develop the Project and any proposals shall be submitted at the proposer's sole risk and cost.

Staff will evaluate proposals received by the submittal deadline based on the qualifications of the proposer(s)/applicant(s), how well the proposed project concept addresses the goals and objectives of this RFP. Staff's evaluations will be advisory to the County Manager, but shall not limit the County's discretion in final selection of a Developer, and may not be appealed by the proposers or any other party for any reason.

Proposals will be evaluated on the quality of the Project and the desirability of the public benefits of the proposed development. Proposals with higher ratios of workforce housing will be evaluated more favorably. The Commissioners are the sole and final decision-makers regarding this selection, and they reserves the right to reject any or all submittals or proposals.

## **PREDEVELOPMENT PHASE**

The selected Developer will be invited to begin negotiations with the County and, if successful, enter into an Exclusive Negotiating Agreement (ENA) with the County. The ENA will allow the selected Developer reasonable time, with possibility for limited extension of the term under certain circumstances, to complete its due diligence on the Project Site (including surveys, environmental and suitability studies), conduct initial community outreach and other predevelopment tasks, prepare conceptual designs, and, once the due diligence phase has ended, apply for building permits for the project. If federal funding is included in the proposal's financing plan, the agency providing those federal funds will be required to complete federal environmental review under the National Environmental Protection Act (NEPA).

Following Commissioners' approval of the ENA, the selected Developer will be authorized to work with County staff to conduct due diligence predevelopment activities

## **CONSTRUCTION PHASE**

During the predevelopment phase, Developer and County can negotiate the final Contract for Development (the "Contract") covering the long-term lease and up to \$25,000 of funds to offset fees for permitting, water and sewer tap fees, and other county fees. Once Developer's financing of the project is finalized and upon approval of the Contract by Commissioners, Developer can apply for building permits and start construction. This step is subject to further refinement upon discussion with the preferred Developer.

### ***Limitations/Disclosures***

The County, will select a preferred Developer based on the responses to the RFP. If negotiations with the preferred developer do not proceed in a timely or satisfactory manner, an alternative developer may be selected or the County may reissue the RFP. Selection of the development team and entering into an ENA in no way obligates the County to enter into a contract with the preferred developer. Agreements must be approved by County's Board of Commissioners. The County reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFP at any time.

## **COUNTY CONTACTS AND RESOURCES**

All questions regarding the RFP must be received by May 23<sup>rd</sup>2019, and addressed in writing as shown below with "Calvert Workforce Housing RFP" appearing on all correspondence:

Transylvania County  
Attn: Jaime Laughter  
101 South Broad Street  
Brevard, NC 28712

Questions may also be received in writing via email to Jaime Laughter, County Manager at [Jaime.laughter@transylvaniacounty.org](mailto:Jaime.laughter@transylvaniacounty.org) with the following individuals copied on the message: Joy Fields, County Planner, [joy.fields@transylvaniacounty.org](mailto:joy.fields@transylvaniacounty.org) and Jennifer Galloway, Purchasing Agent, [jennifer.galloway@transylvaniacounty.org](mailto:jennifer.galloway@transylvaniacounty.org).

## **EXHIBITS**

Exhibit A: TCCLT Housing Study



**Transylvania County Community Land Trust**

# **MEETING TRANSYLVANIA COUNTY'S HOUSING NEEDS**

May 9, 2017

# Transylvania County Community Land Trust

- 501(c)/(3) Non-profit Organization formed in 2008
- Nine volunteer board members with no government staff
- Study community assets, make recommendations and facilitate dialogue regarding permanent affordable housing opportunities, with particular interest on workforce housing.
- NC State General Assembly enacted legislation to allow the City of Brevard, the Town of Rosman, Transylvania County, and the Transylvania County Board of Education to partner with the Land Trust to construct and provide affordable housing for city and county employees and for public school teachers.

# The most significant housing issues within the county:

- Rent burden / affordability
- Limited availability

*-The Bowen Report, Transylvania County Section, page 36*

# Affordability Housing Gap

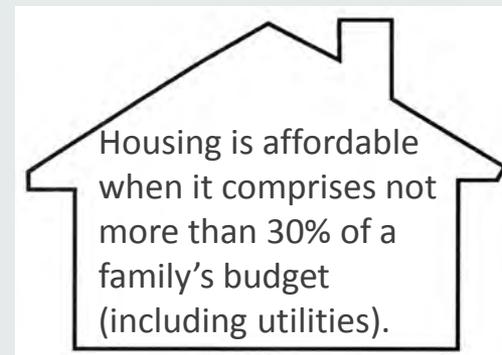
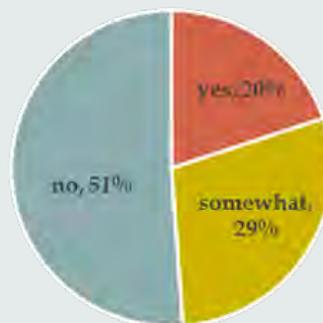
	Renter Occupied		Owner Occupied	
	#	%	#	%
<b>Cost/Rent Burdened</b> >30% of income spent on housing & utilities	1,322	39.9% (National = 36%)	1,969	18.5%
<b>Severely Cost/Rent Burdened</b> >50% of income spent on housing & utilities	626	18.9%	855	8.0%
<b>Sum</b>	<b>1,988</b>	<b>58.8%</b>	<b>2,824</b>	<b>26.5%</b>

- Sources: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

## Renter & Other Concerned About Losing Housing?

Nearly half of Transylvania County respondents are concerned about the stability of their housing situation.

- Sources: Transylvania County Community Land Trust October 2016 Survey



# Affordability Housing Gap Illustrated

*Housing is considered affordable if cost (rent plus utilities) doesn't exceed 30% of gross income.*

	Annual Income	Monthly Income	30% of monthly income	Average monthly utilities (2)	Affordable monthly rent	Median 2-bedroom rent (3)	Monthly Housing Affordability Gap
County Median Income (1)	\$44,114	\$3,676	\$1,103	\$250	\$853	\$925	(\$72)
Beginning Teacher	\$37,975	\$3,165	\$949	\$250	\$699	\$925	(\$226)
Beginning Deputy Sheriff	\$33,528	\$2,794	\$838	\$250	\$588	\$925	(\$337)
Minimum Wage	\$15,084	\$1,257	\$377	\$250	\$127	\$925	(\$798)

(1) County Median Income data from US Census.

(2) Utilities calculated at \$250/month based on average of HUD allowances using natural gas heat, Duke Energy and City of Brevard water, sewer and garbage services. Does not include telephone/internet at \$50/per month.

(3) Median 2-bedroom rent was arrived at by a survey done of properties offered on January 2, 2017 in Transylvania County online and in the Transylvania Times.

# Available Rentals (on December 8, 2016)

\$850/month  
without utilities



- Facebook

\$500/month without  
utilities



- Facebook

\$1600/month without  
utilities



- Norma Clayton Realty Website

# Projected Availability Housing Gap for 2020

- Additional Rental Units Needed = 375
  - 187 family households
  - 188 senior households
  
- Additional Owner Units Needed = 494
  - 81 family households
  - 413 senior households
  - In 2016, there were 104 residential units built with an average value of \$381,235

*-The Bowen Report, Transylvania County Section, pages 33-35*

# Workforce housing is a key component of a healthy community

- Boosting workforce housing is a reliable strategy for lasting community revitalization and economic development.
- Commercial redevelopment without including sufficient workforce housing doesn't meet the needs of incoming businesses.
- Workforce housing promotes a more stable workforce.

*-The Resilience Strategy Guide by Storm Cunningham, Publisher, Revitalization News, December 7, 2016.*

## Have you experienced difficulties in recruiting and/or retaining employees because of housing issues?

“Working with existing businesses, we frequently hear owners and employees discuss the need for more workforce housing. To support the long-term economic health of the county, we realize that there must be more affordable housing choices supported by both new private and public investment.”



## Have you experienced difficulties in recruiting and/or retaining employees because of housing issues?

“Yes - both from my days running The Greystone Inn in Lake Toxaway and from what I have heard from members over the past 3 years in my position with the Chamber. It is particularly a problem with recruiting in the \$30,000 - \$45,000 range. The problem seems to be both affordability and availability for both home purchases and apartments. This is also a real challenge for lower income hourly jobs since there is little low end rental opportunity.”



- *Transylvania Chamber of Commerce, Clark Lovelace*

## Have you experienced difficulties in recruiting and/or retaining employees because of housing issues?

“Many employees already have housing in Transylvania County or a neighboring county such as Henderson (40 – 50 employees), Buncombe (10), and Haywood (4). Attracting department heads is more difficult because of the limited amount of housing stock and the price.”



- *Transylvania County, Sheila Cozart*

**Have you experienced difficulties in recruiting and/or retaining employees because of housing issues?**

“Absolutely. Finding employees that do not have a housing problem or concern is a major challenge.”

- *Tore's Home, Tore Borhaug*

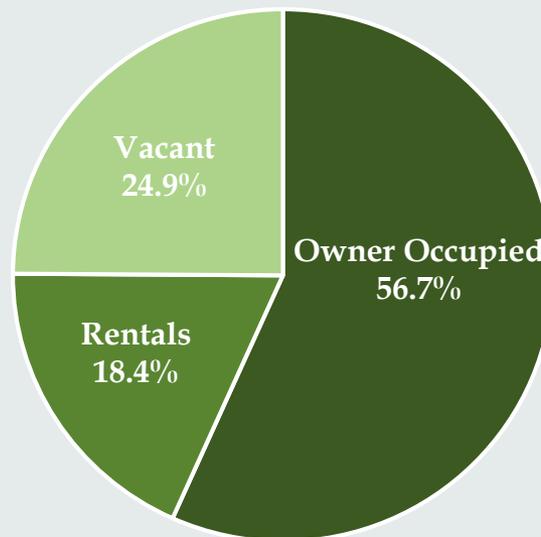
*Tore's Home*<sup>®</sup>

Quality of Life... with Assistance

(828) 884-5007

## Market is not Addressing Need

- No significant growth in the number of residential units.
- No new multifamily housing built since the 1980's, other than tax-credit/subsidized housing.
- The tourism industry is taking potential properties out of the long-term rental pool.
- The need for 1-person rental units is expected to grow by 5% through 2020.



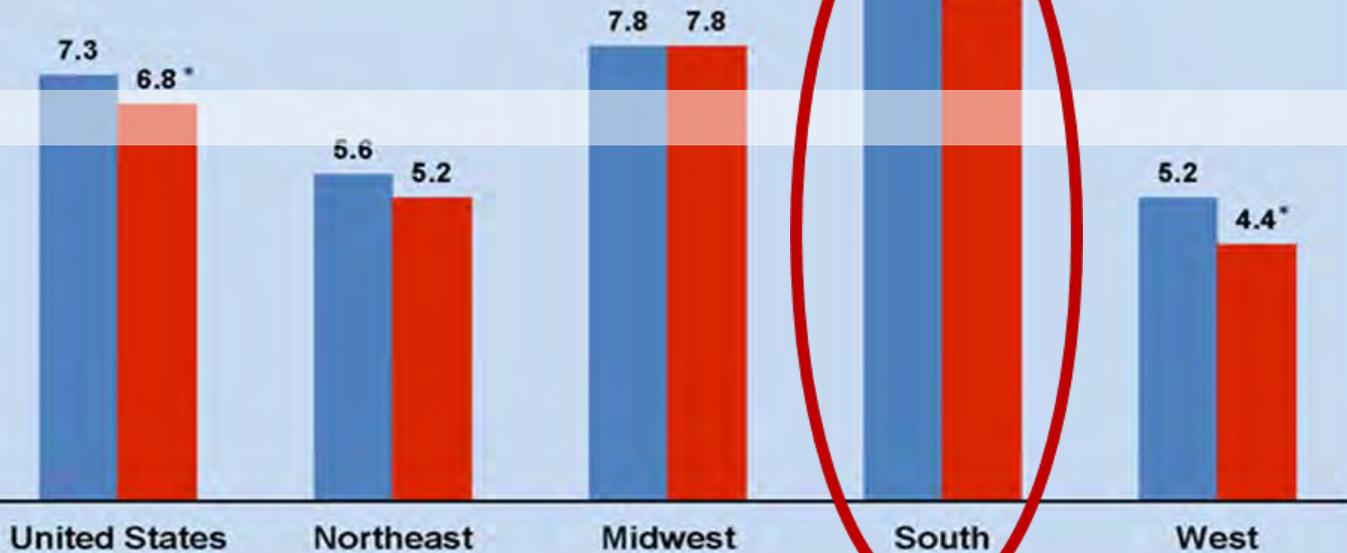
- There were 19,163 existing housing units in 2010.
- 66.3% of vacant houses are seasonal residences and not used as long or short term rentals.

# Market is not Addressing Need

## Rental Vacancy Rates by Region

Percent

10  
9  
8  
7  
6  
5  
4  
3  
2  
1  
0



Healthy  
Vacancy  
Rate  
Range is  
6 – 7 %  
-Bowen Report

■ Third Quarter 2015    ■ Third Quarter 2016

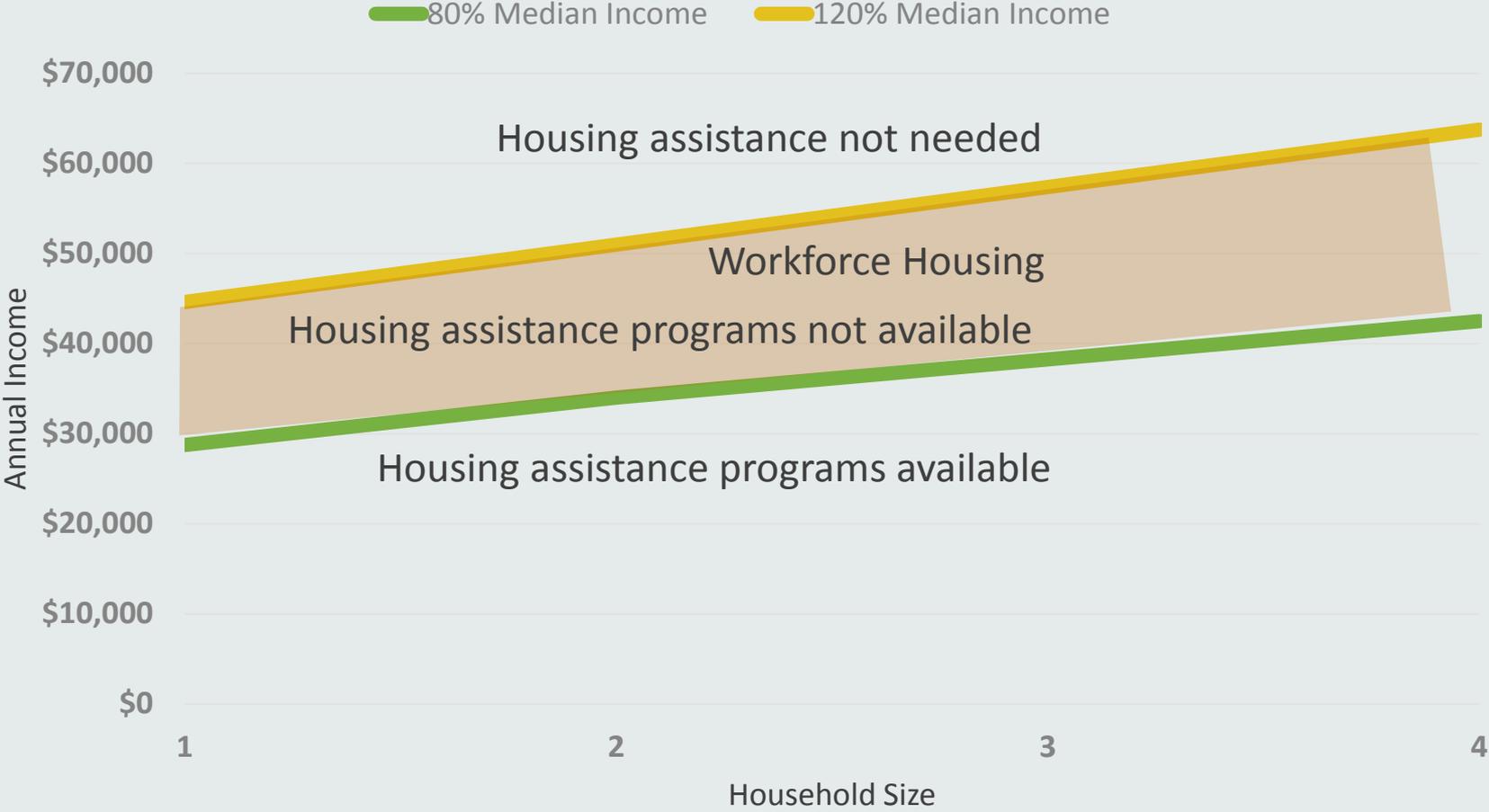
\* Denotes a statistically significant change from the rate last year

Source: Current Population Survey/Housing Vacancy Survey, Series H-111, U.S. Census Bureau, Washington, DC 20233

**Transylvania County Vacancy Rate = 0.8%**

Southern US Vacancy Rate = 8.7%

# Housing Assistance Gap



-HUD FY2016 Income Limits Documentation System Summary for Transylvania County

# Call to Action

Commit resources (funding) to develop an actionable plan to increase workforce housing over the next ten years.

- Additional data gathering
- Define existing impediments to development of workforce housing
- Provide menu of options for elected official to consider to mitigate impediments, and incent/attract workforce housing development
- Adopt goals for increases in workforce housing units

# Consistent with County Strategic Plan

- **GOAL 5:** The community's quality of life includes resources that promote health, transportation connectivity, a sense of place, cultural heritage and public safety.
  - ✓ Strategy 5B: Provide resources, infrastructure and services that improve public health, mental health, wellness and safety to insure a vibrant community.
    - Action Item: Evaluate affordable housing and make plans to address needs including temporary housing needs.

# Resources & Data Sources

- US Census Data
- The Asheville, North Carolina Regional Housing Needs Assessment known as “The Bowen Report” prepared by Bowen National Research for the City of Asheville Community and Economic Development Department dated February 6, 2015. The region includes the counties of Buncombe, Henderson, Madison, and Transylvania
- The Transylvania County Community Land Trust Survey, October 2016
- The Resilience Strategy Guide by Storm Cunningham, Publisher, Revitalization News

# Thank You

Questions