



MMHF Request for Innovations (RFI)
November 18, 2021

Missing Middle Housing Fund Workforce Housing Innovation Competition Request for Innovations (RFI)

Objective

The Missing Middle Housing Fund (MMHF) seeks partners and investment to double Oregon’s annual housing production, at half the cost and half the time. Taking lessons learned here in Oregon, we will stimulate the creation of 10 Million homes over the next 10 years nationally.

As one of our first steps, the MMHF is launching a multi-phase Workforce Housing Innovation Competition in Oregon with two primary goals:

1. Identify innovations that radically increase the number of housing units created in Oregon through total housing development cost and time reduction
2. Assemble teams of innovators to test and evaluate multiple strategies on actual housing developments

Strategies that significantly reduce total development costs or enable significantly more housing development will then receive further investment, with the goal of scaling those innovations across the state.

Background

The MMHF was created in the spring of 2021 **to reduce housing costs through innovation, starting with workforce housing**. Housing at attainable price points enables people, places, and economies to reach their full potential – but too often housing security is out of reach. Over 500,000 Oregonians spend more than 30% of their annual income on housing, a cost burden shared by almost 37 million Americans.

Simultaneously, Oregon is woefully deficient at creating housing for its residents. Years of under-production have led to an over 110,000-unit deficit, which gets worse every year. In an era of increasing costs for every step of the home building process, few housing developments actually “pencil,” meaning the revenues rarely justify the development expense. Middle-income earners are particularly squeezed. They make too much money to qualify for income-restricted subsidized housing, but don’t make enough to afford market-rate housing. As a Nation, we respect and honor our working citizens; yet, we rarely build housing for them.

At approximately 20,000 units produced annually, Oregon builds, at best, half the homes we require. The economic effect across the entire state is staggering. Housing costs skyrocket, and employers can’t fill open jobs because there’s nowhere for prospective employees to live nearby.



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How we got here is complex:

- Material sourcing spans the globe, demanding robust, resilient, and precise supply chains – and their disruption has had a big impact.
- The prices of lumber, metal, concrete, and fixtures increase every year – and the COVID Pandemic caused these to skyrocket.
- An aging construction labor force concentrated in our urban centers grows smaller while demand increases, especially in rural areas.
- Zoning and regulatory rules are often radically different between communities, making it hard to standardize products and expertise, and implement innovation.
- Real estate financing is generally risk-averse, and skeptical of new methods and players.

Amidst this seemingly gloomy outlook, however, hope and innovation is abundant. Creative architects are designing intelligent, simpler, replicable plans that yield significant cost efficiencies. Builders are testing products like pre-built wall systems, modular components and structural materials, and experimenting with assembly techniques. Governments are implementing land use best practices. Developers are creating new ways to finance projects and build for long-term investment horizons. Investors and social enterprises are aligning mission-focused capital with scalable innovations and community building.

Innovation is seemingly everywhere – in both new and familiar corners. Rarely, however, are these innovations tested at scale, under a spotlight; and even more rarely are they combined into a complete systemic solution for maximum impact. Housing development too often remains specific and bespoke, with individuals, firms, investors, lenders, and regulation hyper focused on certain products and geographies.

The MMHF will use this Workforce Housing Innovation Competition to:

- Find innovations that will radically increase the number and velocity of units produced across Oregon, primarily (but not exclusively) through reducing housing costs
- Combine the right innovations with the right development opportunities, financing, and regulatory environments
- Support innovation testing on real world development projects
- Evaluate whether teams and innovations deliver real cost savings that are scalable with the right support
- Further invest in the most successful strategies, and scale them through partnerships and commercialization
- Ultimately bring savings to housing development projects across Oregon and beyond, and thus increase the number and speed of housing units delivered – double the units in half the time, for half the cost

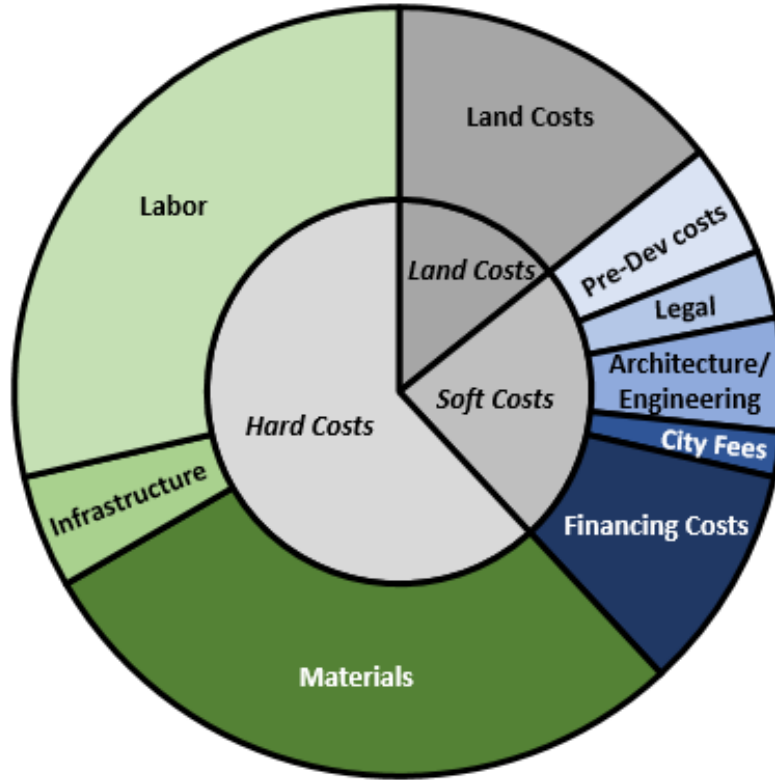
This RFI is the first phase of a two-step competition.

PHASE 1 is a call for proposals that explicitly prioritize **workforce housing** and **replicable innovations that reduce total development costs**. MMHF encourages participation from housing stakeholders accustomed to collaboration, design build processes, and action. MMHF discourages participation from housing stakeholders that cannot move quickly, or those adverse to risk.



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The costs to create new housing are complex – but that means there are many innovation opportunities.



This competition is NOT just for developers. Product manufacturers, architects, governments, financiers, and landowners are encouraged to submit their scalable workforce housing cost-reduction strategies for consideration. The innovations with the most promise will be paired with development teams and/or other innovators in Phase 2 to create development proposals.



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Land Costs		<ul style="list-style-type: none"> • Innovative land assembly • Land trusts and land banks • Ground leases w/ nontraditional partners
Soft Costs		
Pre-Dev costs		• Streamlined, innovative municipal processes, and clarity
Legal		• Simplified investment structures
Architecture/Engineering		• Componentized designs for maximum site flexibility, geographic differences, etc.
		• Standardize designs for maximum re-use
City Fees		• Municipal fee structures that prioritize speed, workforce housing, and reduced development costs
Financing Costs		• Innovative financing tools
		• Reduced return expectations for workforce housing, lower costs, and velocity
		• Funding pools specifically for cost reduction innovation
Hard Costs		
Materials		• Design to minimize wastage
		• Standardize components for mass production
		• University collaborations for new materials
		• Supply chain innovations
Labor		• (Re)train and grow skilled labor pool w/ educators, employers, others
		• New construction techniques
External Infrastructure (roads, sewers etc)		• Create new approaches to lower costs of Municipal Financing

Innovations could include but aren't limited to:

Governments and Public/Private partnerships	<ul style="list-style-type: none"> ▪ Regulatory strategies and resources to prioritize/incentivize workforce housing ▪ Identifying and explicitly making land available for workforce housing and showcasing innovation - "bring great competition proposals to our jurisdiction and here's how we can enable success" ▪ Creative ways to subsidize and/or reduce infrastructure costs ▪ Expedited entitlement and/or permit review processes and timelines
Land Owners	<ul style="list-style-type: none"> • Creative deal term solutions - return expectations, land contributions, land lease scenarios, land trusts that prioritize workforce housing, etc. ▪ Partnerships with local employers ▪ Prioritizing workforce housing and innovation - aligning community goals with private or public owned land - "Be creative on our land, and here's how we can enable success"



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Product Suppliers and/or Manufacturers	<ul style="list-style-type: none"> • Products that cut costs at scale but need a showcase, refinement, and/or product development and testing through pilot deployment
Designers and Architects	<ul style="list-style-type: none"> ▪ Replicable, reusable, and componentized designs ▪ Design-build team collaborations
General Contractors	<ul style="list-style-type: none"> ▪ Assembly methods ▪ Simpler, replicable designs ▪ Supply chain management ▪ Subcontractor management
Developers	<ul style="list-style-type: none"> ▪ All of the above ▪ Creative capital solutions
Investors/Lenders	<ul style="list-style-type: none"> ▪ Innovative deal structuring ▪ Creative capital solutions ▪ New capital sources
Technology Innovators	<ul style="list-style-type: none"> ▪ Products ▪ Assembly ▪ Lowering costs and increasing efficiencies of inspections and subcontractor payments ▪ Infrastructure and/or bonding

Phase 1

November 18, 2021 – January 6, 2022

- Applicants from diverse industries and entities submit scalable innovations that reduce costs and time to create workforce housing

Review Period

January 6, 2022 – January 28, 2022

- Review Committee reviews and evaluates applications/innovations
- Finalists chosen – some encouraged to explore partnering, if complementary

Phase 2

January 28, 2022 – March 7, 2022

- Finalists receive stipends to submit final proposals - \$2,000-\$5,000
- Finalists propose demonstration projects on real development opportunities

Conclusion and Beyond

March 7, 2022 – April 2022

- Winners selected and win cash prizes from \$30,000 - \$60,000
- Winners work with MMHF and partners to assemble resources to swiftly develop demonstration projects

If at any time an innovator emerges that workforce housing development costs, and that fits with the teams and opportunities emerging, the MMHF reserves the right to advance that innovator to Phase 2.

Due Date: No later than 4:00 PM, January 6, 2022



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All submissions will be digital, addressed to admin@missingmiddlehousing.fund. Please direct questions to Nathan Wildfire, CEO, at Nathan.wildfire@missingmiddlehousing.fund. See below for technical specifications.

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Section 1

Schedule of events

November 18, 2021	Phase 1 RFI Opens
December 9	Digital Town Hall #1 for Q&A
January 3, 2022	Digital Town Hall #2 for Q&A
January 6	Phase 1 Innovations Due – 4PM
January 21-28	Phase 1 Finalists Chosen, Final Proposals Invited
January 28	Phase 2 RFP Released
March 7	Phase 2 Final Proposals Due
Late March/April	Winners Announced

Section 2

Cost Goals and Parameters

Core to this competition is reducing total development costs, and scaling the most successful innovations (sometimes in combination with each other) to reduce the cost to deliver new housing statewide.

Also core to the competition is targeting workforce housing occupants. These are individuals and/or families making 80%-120% of Area Median Income (AMI.)

Though Phase 1 seeks innovations of all kinds, however small, in Phase 2 the MMHF will ask for development proposals to build actual housing. Key Goals and Parameters for this housing includes:

- At least 50% of all units in a development supported by the MMHF must be income-restricted workforce housing, targeting individuals and/or families at 80%-120% of AMI.
- Units can be for-sale or rental.
- There is a strong preference for family units, aka, units with 2-3 bedrooms, as a significant percentage of any development.
- The MMHF prioritizes geographic diversity and values strategies that are applicable in rural, suburban, and/or urban environments.



- Total Development cost targets for finished, fully equipped unit delivery are as follows, with approximate square foot (SF) targets:
 - \$115,000 for Studio 500 SF
 - \$145,000 for 1 BR 600-700 SF
 - \$190,000 for 2BR 900-1000 SF
 - \$210,000 for 3BR 1,200-1,300 SF
- Fixtures, features, and systems can largely be up to the discretion of applicant(s), but should include the following at a minimum. Please note and explain if your proposal contains any deliberate deviations from these specifications:
 - Parking – can leave general unless is core to your innovation/approach
 - Air conditioning, heating, and water heating - either centralized or decentralized with rationale
 - Laundry facilities - shared facility or provided in each unit
 - Wireless broadband
 - ADA accessibility approach
 - Closets
 - Equipped kitchen
 - Oven/Range
 - Refrigerator with freezer
 - Built-in cabinets
- Preference is given to innovations associated with projects that directly target traditionally underserved populations, including racial and ethnic minorities and rural geographies as tenants and/or in some other way through the development.

Section 3 Content and Organization

The following are the required components of the project proposal:

1. Cover letter – 1-page limit

The Cover Letter shall be addressed to MMHF and shall include the proposer’s legal entity name, corporate address, primary email contact, and telephone number. Identify all organizations and/or individuals that make up the proposal team and briefly identify their role. Be sure to identify the owner of the project/innovation. If partnering with a specific property owner, be sure to include the contact information for the property owner and a letter verifying they are working with the applicant team. Include name, title, address, email address, and telephone number of the contact person identified. Include a statement to the effect that the information within the response to the RFI shall remain valid for a period of not less than 90 days from the date of the submission.
2. Table of contents
3. Executive Summary – 1 page limit

Provide a summary of the significant information contained in the proposal. Highlight and summarize the innovation(s), how it reduces total housing development costs, how it is scalable, how MMHF support can best help the innovation’s development, and the team’s qualifications and strengths.



4. Innovation(s) Details

- a. Overview – Describe the innovation(s) and where it fits into the housing development project – products and/or materials, construction methods, design and architecture, financing, regulatory, etc. Specifically reference if it has been utilized in existing developments before.
- b. Innovation(s) details – Describe the specific savings created by the innovation(s). Detail how the innovation(s) alone, or in combination with other innovations, enables the price points referenced in this RFI to be met. Provide evidence. Specifically detail previous projects (if any) that utilized the innovation(s). Describe the innovation(s) so that the review team better understands the technology, process, materials, etc. Describe how this project is complementary to other existing, ongoing, and/or proposed innovation(s) around cost reduction. If this project is specifically part of a “package” of projects that would like to be considered together, please indicate these complementary projects, and include evidence of collaboration as an appendix.
- c. Possibility for scaling – Clearly identify how this innovation(s) could be more than a “one off.” How could MMHF support through this competition lead to cost savings at scale for workforce development? What is the total opportunity? Who, other than this applicant team, can or would use this innovation if scaled?
- d. Anticipated challenges - Describe the approach to working effectively with regulatory agencies, with highlights on anticipated regulatory issues (if any) to work through. Describe any challenges around labor, materials sourcing, financing, or others, if applicable, and how each of these challenges might be overcome.

5. Commitments to MMHF Goals

- a. Identify the innovation teams approach to:
 - i. Workforce Housing – this is a KEY component to this competition. Total development cost savings should enable workforce housing projects, targeting incomes of 80-120% of AMI for either tenants or homeowners. (MMHF recognizes AMI “floats” based on geography.)
 - ii. Sustainability – Describe how the innovation(s) impacts (or doesn’t) emissions, material conservation, waste, etc.
 - iii. Diversity and Equity – Describe how your team prioritizes diversity and equity internally within your organization(s), and in the context of your innovation.

6. Experience

- a. Expanded project team section
 - i. Description of organizational structure and staffing on your team – organization chart if appropriate – and what role(s) each partner plays in delivering your housing innovation. Include written evidence of each partner’s commitment to their role in the project as appendices.
 - ii. Short bios for each team member.
 - iii. Description of how (if at all) this project team has worked together on other projects
 - iv. Provide an outline of quality control and in-house procedures to coordinate the work of the team and potential partners



- b. List **relevant** housing production experience from the last 10 years for all applicable partners
 - i. Project name and location
 - ii. Brief project description
 - iii. Total project budget
 - iv. Project duration
 - v. Team members and their roles within the project
 - vi. References for each project
 - c. Evidence of experience with cost controls, demonstrating experience and ability to design and build to a given budget
7. Project Feasibility
Provide a high-level schedule breakout for an example delivery of your innovation, including regulatory compliance, permitting, stakeholder interaction, fundraising, and development through continued design development and construction.
8. Images/Diagrams/Others
We invite you to submit any drawings, images, or diagrams that might help the judging team better understand your innovation, or how it fits within the context of the development process.

Section 4 Selection Procedure

After the close of the proposal period (4:00 PM, January 6, 2022) all proposals will be reviewed and scored using the following matrix:

	Category	Points Possible
1	Cost Savings Innovation(s)'s material impact on the cost to develop housing	40
2	Scalability/Replicability Potential replicability and niche vs. broad applicability	25
3	Experience and capacity Real world applications, prototypes, or concept only; applicable complementary experience; if a team submission, demonstrated history of collaboration	25
4	Implementation readiness Speed to move forward, and/or identification of key implementation barriers	10
5	Up to 5 points will be subtracted for not following guidelines, or incomplete proposals	
	Total	100

Some projects may not score as high individually, but may be part of a number of projects that are complementary. MMHF may encourage these teams to partner in a Phase 2 response in the competition.



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If you would like to receive any future addenda to the RFI or get login information for the Digital Town Halls, please email admin@missingmiddlehousing.fund to indicate your interest in the competition.

The MMHF assumes no responsibility for costs incurred by applicants in responding to the RFI, or in responding to any further request for interviews, additional data, etc.

The MMHF reserves the right to reject any or all proposals, waive any or all technicalities, and/or advertise for new bids if in its sole judgment the best interests of the MMHF will be served. The MMHF reserves the right to waive any informality or irregularity in any responses received and to accept the Innovation(s) which in its sole judgment is in the MMHF's best interest.

Section 5 **Rules on Submission Materials**

Due Date: No later than 4:00 PM, January 6, 2022

All submissions will be digital, and should be emailed to admin@missingmiddlehousing.fund. Submissions should be packaged as a single PDF file, except for any Excel files, which should be submitted as an excel file with visible formulas for each cell. The size limit for your single file should not exceed 12MB.

The content and organization of your proposal (referred to in Section 3) may not exceed 5 pages (not including cover letter and table of contents, or design documents and letters of support/commitment, to be included as appendices) and should be organized in the order stated above. Design documents, images, or graphics should be included as appendices and referred to in the table of contents. All letters of partner commitment and evidence of funding commitment should also be included as appendices and noted in the table of contents.

Font should be no smaller than 11 point. All visuals should be formatted to sheets no larger than 11x17 in the submissions. Addenda to this RFP will be distributed to all finalists electronically. Please be sure that the MMHF has your contact information for any addenda by submitting an email of interest.

Section 6 **Addenda**

All addenda to this RFI will be sent to all applicants who have expressed interest with a request for receipt via admin@missingmiddlehousing.fund with the email heading "MMHF Workforce Housing Competition Addendum..."

Section 7 **MMHF Requirements**

Applicants interested in Phase 1 should submit an "email of interest" prior to applying by December 18, 2022 to nathan.wildfire@missingmiddlehousing.fund. Both parties will sign a Mutual Confidentiality Agreement (if desired by the applicant, provided by MMHF) prior to Phase 1 submission, restricting application materials to MMHF and its review committee.

Applicants are not permitted to use the MMHF branding, imagery, or trademarked property without the express written consent of the MMHF.