

Newberg Workforce Housing Consortium (NWHC) Strategic Economic Development Corporation (SEDCOR) Missing Middle Housing Fund (MMHF) Request for Proposals (RFP)

Objective

The MMHF, SEDCOR, and the NWHC seek teams to propose innovative workforce housing development models and partnerships to serve the needs of the City of Newberg and Yamhill County.

These three partners have the following priorities:

1. Create new middle-income housing to serve the needs of employers in Newberg
2. Test scalable models that radically reduce development cost and time
3. Build a model of community innovation in the Upper Willamette Valley in finance, land development, building products, development models, design, assembly, public policy, etc.
4. Efficiently use, and hopefully creatively reuse, up to \$3Million dollars in state support

Background

The NWHC was created with the support of SEDCOR in the Spring of 2019 to address Newberg's workforce housing shortage. Housing creation has not kept pace with demand, leading to ever higher rents and sales prices, and lower and lower vacancy. The low availability of housing at middle income price points has constrained economic growth across most large and small employers.

The NWHC, SEDCOR, and the MMHF seek innovative partners and strategies that reduce the cost and time to build housing in replicable, scalable ways, both in Yamhill County and beyond. Proposals will suggest innovative ways to use and reuse up to \$3Million in state grant support and invite creative ways for NWHC members to participate in the development.

NWHC members include:

- Friendsview
- A-dec
- George Fox University
- Providence Health Care
- Newberg Public Schools
- SEDCOR

SEDCOR supports economic development in Yamhill, Polk, and Marion Counties, and has served as the fiscal sponsor and professional capacity for the NWHC since its inception in 2019.

The MMHF works statewide to address Oregon's workforce housing underproduction crisis, identifying, connecting, and scaling innovation across all parts of the housing ecosystem. They provide services to SEDCOR and the NWHC and manage this RFP process.

Section 1

The Big Picture

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 out,” 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 Oregonians, we respect and honor our working citizens; yet we rarely build housing for them.

At approximately 20,000 units produced annually in the best of times, Oregon typically builds 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. In Newberg, this challenge is particularly acute. NWHC members employ caregivers, teachers, professors, medical and manufacturing workers, and more. All of these employees drive our economy but are increasingly moving out of Yamhill County – or never moving in – due to the high cost and unavailability of housing.

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.

Section 2

The Newberg Opportunity

According to various estimates, the City of Newberg needs to create between 600 and 1,000 units of housing over the next 15-20 years to serve residents making 80%-120% of Area Median Income (AMI). SEDCOR and the NWHC have raised \$3Million in state funding to support the creation of new workforce housing. None of the partners view this as “one-time money,” but rather a pool of resources to deploy strategically to generate returns to build more and more housing.

The NWHC, SEDCOR, and the MMHF will use this RFP to:

- Invite cross disciplinary teams to propose innovative workforce housing developments to serve Newberg employers
- Serve as a platform for connecting ideas, innovators, traditional developers, builders, designers, financiers, and local stakeholders
- Identify real, scalable cost and time savings if supported appropriately
- Build workforce housing in Newberg
- Ultimately serve as a model for employer-driven workforce housing strategies statewide

This RFP is NOT just for developers. Product manufacturers, architects, landowners, financiers, entrepreneurs, and more are encouraged to submit their scalable workforce housing cost-reduction strategies for consideration. Teams from multiple disciplines that combine multiple innovations are particularly encouraged to propose.

Innovations the Consortium partners have been inspired by, but aren't necessarily trying to emulate include:

- Revolving loan funds to use capital multiple times
- Opportunities for employers to invest state resources, company resources, and/or land as equity into real estate development
- De-risking development projects by guaranteeing that a certain number of units will be bought or rented by employers on behalf of employees
- Investing resources into strategic pre-development work (design build, etc.) to radically reduce material and assembly cost and waste
- Piloting new innovations in workforce housing:
 - Materials
 - Assembly methods
 - Financing - mezzanine debt, infrastructure, new equity structures
 - Designs - including innovations in zoning and permit review
- Proposed changes to the regulatory and policy environment, and/or new ways to use fees to support real estate development

The partners are particularly inspired by projects combining multiple elements from above, and more.

Important Dates

February 27	RFP released statewide
March 14	Digital Q&A Session #1
March 23	Digital Q&A Session #2
April 5	NWHC In-person all day workshop, team building, and Q&A Session #3
April 21	Proposals due, 4:00PM PST
May 2-5	Finalist interviews in Newberg
May 12	Project teams selected and notified
Beyond May 12	Multi-party negotiations to immediately advance housing development

NWHC Guiding Principles

- At least 50% of all housing proposed must target individuals and/or families making 80%-120% of Area Median Income (AMI.) To arrive at proposed rents or sales prices, use no more than 30% of the target markets' income.
- Prioritize "getting the most bang for the buck" from the \$3Million in state funding
- Proposed per unit total development cost and/or total development per square foot cost should be 25% less than comparable, current costs in the Upper Willamette Valley market
- Proposed development timelines should be 25% less than current Upper Willamette Valley development timelines
- Due to the unit cost and development time goals, outside-the-box partnerships and strategies are welcome, as are pilot project proposals
- Units can be for-sale or rental
- Unit size and bedroom count is negotiable
- Partnerships between new and experienced actors in the Upper Willamette Valley are encouraged
- Sustainability – healthy living spaces, environmentally friendly materials, etc. are encouraged

To the Point

- Newberg needs hundreds of units of workforce housing targeting middle income earners
- The partners want to pilot new ways of thinking and doing to set models for the state
- There are \$3M in state resources and some of the biggest Newberg employers at the table ready to consider creative ways to build housing

Resources to help

Proposal teams can contact Doug Rux at the City of Newberg to discuss potential land for development at doug.rux@newbergoregon.gov.

Proposal teams can contact Abisha Stone at SEDCOR for more information about the history of the NWHC, its goals, and its members at AStone@sedcor.com.

Contact Nathan Wildfire at MMHF for assistance building response teams at nathan.wildfire@missingmiddlehousing.fund.

Section 3

Proposal Content and Organization Requirements

1. Cover letter – 1-page limit

The Cover Letter shall be addressed to the NWHC and shall include the lead proposer's legal entity name, corporate address, primary email contact, and telephone number. Give a name to your project proposal. Identify all organizations and/or individuals that make up the proposal team and briefly identify their role. (If partnering with a specific property owner, be sure to include the contact information for the property owner and a separate letter as an attachment verifying they are working with the applicant team.) Include a statement to the effect that the information within the proposal shall remain valid for a period of not less than 90 days from the date of the submission.

2. Executive Summary – 2-page limit

Provide a summary of the development proposal including the style and number of units, broad design description, and how innovations through the development proposal reduce cost and development times in replicable ways. Highlight how NWHC/MMHF/SEDCOR support can best help the innovation's development, and how the proposal makes best use of the state resources (up to \$3M) available. Highlight the team's qualifications and strengths.

3. Innovation(s) Details – the Main Proposal – 10-page limit, including any graphics/renderings

- a. Overview – Describe the housing development and innovations in broad terms, and how they contribute to solving Newberg's workforce housing needs. Identify whether this is based on existing models, whether other projects have been built in this way, and/or whether and how this is a replicable pilot project.
- b. Workforce focus and cost – Describe how the project directly meets the needs of middle income workers, the units' price points for residents, and any other information that helps tell the story about meeting workforce needs.
- c. 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 RFP 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 and/or time 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.
- d. Possibility for scaling – Clearly identify how this innovation(s) could be more than a "one off." What is the total opportunity? Who, other than this applicant team, can or would use this innovation if scaled?
- e. NWHC partner participation – Detail what employer and public stakeholder inputs make this project financially feasible, and if these inputs are realistically replicable. Describe how the proposal utilizes some portion of the \$3M in state funding to support the project, and potentially further projects down the road.
- f. 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.

- g. Newberg context – Describe how the project complements Newberg’s housing needs and its existing housing stock. Describe how the development team proposes to engage with the NWHC, public partners, and neighbors. Illustrate how the core partners (NWHC, SEDCOR, and MMHF) contribute to and benefit from the project in the short and long-term.
 - h. Sustainability – Describe how the innovation(s) impacts (or doesn’t) emissions, material conservation, waste, etc.
4. Experience -2 page limit
- 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 housing delivery. Include written evidence of each partner’s commitment to their role in the project as appendices and list experience/professional training.
 - 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
5. Project Feasibility – 1 page limit
- Provide a high-level schedule breakout for project delivery, including regulatory compliance, permitting, stakeholder interaction, fundraising, and development through continued design development and construction.

After the close of the proposal period (4:00 PM, April 21, 2023) all proposals will be reviewed and scored using the following matrix:

	Category	Points Possible
1	Cost Savings and Scalability/Replicability Innovation(s)'s impact on the cost to develop housing	30
2	Meets Newberg's Needs Targets workforce, local needs, regulatory environment, and market; and engages the core partners in creative ways	30
3	Experience and capacity Real world experience with project delivery and a demonstrated history of collaboration	20
4	Implementation readiness Speed to move forward, and/or identification of key implementation barriers	20
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, if appropriate in a second phase of review. The partners may also choose to support multiple projects.

If you would like to receive any future addenda to the RFP or get login information for Q&A, 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 RFP, or in responding to any further request for interviews, additional data, etc.

The MMHF and its partners SEDCOR and NWHC reserve the right to reject any or all proposals, waive any or all technicalities, and/or advertise for new bids if in their judgment the best interests of the partners will be served.

Due Date: No later than 4:00 PM, April 21, 2023

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 16 pages (not including appendices as indicated above) and should be organized in the order stated above. All letters of partner commitment and evidence of funding commitment should 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 RFP will be sent to all applicants who have expressed interest with a request for receipt via admin@missingmiddlehousing.fund with the email heading "MMHF NWHC SEDCOR RFP"

Section 7 MMHF Requirements

Interested applicants should submit an "email of interest" prior to applying by April 15, 2023 to nathan.wildfire@missingmiddlehousing.fund. Both parties will sign a Mutual Confidentiality Agreement (if desired by the applicant, provided by MMHF) prior to submission, restricting application materials to MMHF and the NWHC review committee.

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