CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Request for Proposal for Approval for the Development of 221 8th Street and 225 8th Street

DATE: October 29, 2018

FINANCIAL IMPACT: The City of West Des Moines has incurred the cost of purchasing the three lots, which now make up 221 and 225 8th Street, over a period of 25 years. Most recently 5 Hamilton Court was acquired and the house demolished using Woodland Hills Housing TIF dollars. There is no fiscal impact for the Request for Proposal.

BACKGROUND: The City of West Des Moines has incurred the cost of purchasing the three lots, which now make up 221 and 225 8th Street, over a period of 25 years. Most recently 5 Hamilton Court was acquired and the house demolished using Woodland Hills Housing TIF dollars. The lots have been re-platted to face 8th street and are now two typical Valley Junction lots with 50 foot frontage on 8th Street.

A Request for Proposal has been developed for the disposition of the two lots. The City is requesting proposals from for-profit, nonprofit and/or private developers to acquire one or both of the lots to build a single family house on each lot. Both houses must be sold to a household with an annual income of less than 80% of the Area Median Income. The RFP lists the price of each lot at $1,000. None of the connection fees or building permit fees will be waived. The Proposals will be scored according to the criteria laid out in the RFP.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION: Staff recommends City Council approve the Request for Proposal for the development of 221 8th Street and 225 8th Street.

ATTACHMENTS:

Exhibit I - Request For Proposal (RFP)

CAG

Lead Staff Member: Christine Gordon, AICP, Housing Planner

STAFF REVIEWS

Department Director	Clyde E. Evans, AICP
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	NA
Dates(s) Published	NA

SUBCOMMITTEE REVIEW (if applicable)

Committee	Development and Planning		
Date Reviewed	August 20, 2018		
Recommendation	XX Yes	No	Split

REQUEST FOR PROPOSALS (RFP)
For the City of West Des Moines
For the development of 221 8th Street and 225 8th Street

I. INVITATION

The City of West Des Moines (City) is soliciting submissions of proposals from qualified developers interested in developing two affordable single family homes on two infill lots in Valley Junction (221 8th Street and 225 8th Street). A developer can request to purchase one or both of the lots. The City wishes to engage high quality developers for this venture that demonstrate strong experience with development of affordable priced single family owner-occupied housing and shows a collaborative approach to working with the community.

A. **PURPOSE.** The City of West Des Moines (City) is soliciting submissions of proposals from qualified developers interested in developing two affordable single family homes on two infill lots in Valley Junction (221 8th Street and 225 8th Street). The City proposes to transfer the lot(s) to the selected developer(s) for the construction of one single family owner-occupied house on each lot. The developer will be responsible for:

   a. Site plan
   b. Site work to prepare lots for development
   c. Obtain all municipal approvals and permit and incurring all costs thereof
   d. Architecture and engineering
   e. Arrange financing and provide all required guarantees
   f. Construct one single-family owner-occupied house per lot with a stall and a half garage. The house must be affordable to a buyer at or below 80% of Area Median Income at the time of closing (see Exhibit B for 2018 HUD income guidelines). The developer must qualify the buyer and provide proof of income verification.
   g. Marketing
   h. The buyer must use conventional financing for the purchase.

   Community Compatibility: Developer will be expected to design the house(s) and site elements to be compatible with the scale and character of the Valley Junction neighborhood and the community context. Careful evaluation of the neighborhood context is an important goal for the City.

   Tenure Type: The two houses are intended to be owner-occupied single family houses.

   Income Levels: The houses shall target households meeting the Tax Increment Financing (TIF) housing income levels; which are 80% of the Area Median Income. The current 2018 HUD income guidelines are attached. There will be a deed restriction on the property restricting the ownership to a low income owner for a period of 10 years.

Building and Site Amenities: The City desires the following in the development of these two lots:

- Both houses will pay property taxes
- Both houses will have a stall and a half garage as required by code
- Prefer access from the alley
- House forward on lot

Financial Participation and Incentive from City:

- The City will sell each lot for $1,000 each.

II. PROCESS

A. DISTRIBUTION OF REQUEST FOR PROPOSAL (RFP). The RFP and any supporting documents will be made available via electronic distribution as requested by any qualified developer and will be posted on the City web site: www.wdm.iowa.gov. A Notice will also be published in the Des Moines Register.

B. PROPOSAL PERIOD. The proposal period will commence on the date the Request for Proposals is issued and will end with the submission of the proposal as outlined in section 2.D.

B. QUESTION AND ANSWERS. During the proposal period, interested parties will be allowed to submit to the City written questions and requests for additional information via Christine Gordon, AICP at christine.gordon@wdm.iowa.gov. All questions and requests received by 5:00 p.m. on **November 9, 2018** will be answered via posting on the City's web site by 5:00 p.m. on **November 14, 2018** unless the nature of the question or request requires further time or research to issue a proper response.

D. RECEIVE PROPOSALS. Proposals shall be addressed to the City Clerk and will be received at the Clerk's office at 4200 Mills Civic Parkway, Suite 2B, West Des Moines, Iowa, 50265, until 2:00 p.m., on Wednesday **November 28, 2018**. Submittals and materials received after the time specified above will not be considered and will be returned unopened to the sender.

No costs associated with the preparation of this proposal, or incurred in any manner by the submitter, may be charged to the City. All materials submitted in response to this Request for Proposal will be considered the property of the City. The City reserves the right to use any and all ideas submitted in the proposals received unless those ideas are protected by copyright, legal patent or proprietary rights as stated by the proposer.

E. PROPOSAL ACCEPTANCE, REJECTION. Proposals will be reviewed privately by City staff. The City reserves the right to:

1. Waive any informality or irregularity in any proposal received;
2. Reject a proposal if it is not in full and complete compliance with the requirements and formats specified herein;
3. Reject a proposal which is in any way incomplete or irregular;
4. Reject all proposals if the proposals do not meet the overall standards established by this

Request for Proposals; are otherwise inappropriate; or if it is in the best interest of the City to reject all proposals.

5. If the City so rejects all proposals it may thereupon either cancel this solicitation or re-solicit for proposals.
6. The City will determine a short list of proposers that will be asked to make a formal presentation.

G. TENATIVE PROJECT SCHEDULE. Included below for reference is the tentative project schedule. Schedule is subject to change.

Releasing of RFP	Wednesday, October 31, 2018
Deadline for questions and requests	Friday, November 9, 2018
All questions answered and posted	Wednesday, November 14, 2018
Deadline for proposal submittals	Wednesday, November 28, 2018 @ 2pm.
Staff/Committee Review of Proposals	Week of December 3, 2018
Selection of developer(s)	Friday, December 14, 2018
Council enter into development agreement(s)	Monday, January 7, 2019

III. SUBMITTAL REQUIREMENTS

A. PROPOSAL SUBMITTAL SPECIFIC REQUIREMENTS. The City asks that the response to the RFP consist of five (5) hard copies along with a copy of the submittal in PDF file format contained on a compact disk or thumb drive. Each Proposal shall be in 8½" x 11", vertical format, consisting only of the specified materials requested below. Folded 11" x 17" pages in landscape orientation are acceptable. To be responsive, each Proposal must include the following material in the exact order specified. Submittals not organized according to this format may be rejected. (Page limit: 20)

1. COVER LETTER:
   - Explain why your organization should be chosen for one or both of these lots
   - State your organization's understanding of the work to be done.

2. NARRATIVE OF ORGANIZATION'S APPROACH:
   - Summarize how the organization will approach this development if selected
   - Provide a detailed description of your project design with an overall site plan and unit characteristics
   - Provide a statement of public benefits of the development (projected increase in tax base, job creation, increased vitality, any minimization of public subsidy, if any, etc.)
   - Provide a preliminary financial plan for development and sale of the unit(s)
   - Provide overall project milestones and timeline
   - Project budget

3. DEVELOPMENT TEAM: Provide a general introduction on the makeup of the project team, including a brief history of the organization and each team member's area of expertise. Note any past experience of team members working together on other projects. For each team

member, include name, affiliation, address, and telephone number. List the person who will serve as the main contact throughout the development.

4. PROJECT EXPERIENCE: Description of the last three completed projects which demonstrate the organization's current experience and ability to complete developments of a similar size, scope, and purpose in a timely manner and any other completed projects (representative examples) of similar types of developments.

IV. EVALUATION OF PROPOSALS

The City staff evaluations will determine which proposer is selected based on the best interest of the City.

Scoring Criteria	Max Points	Project Review and Scoring Guide
Past experience on comparable developments	15	Demonstrates the ability to design and construct a home on schedule and on budget by providing solid qualifications of team members, and detailed information about previous comparable projects that have been built successfully.
Financial Feasibility	20	Demonstrates financial feasibility of the project by providing realistic cost estimates in a complete development budget. Projects a realistic sales price for disposition.
Quality of Design and Construction	20	Presents site plan and elevations for a home that is well built, meets design standards and City code, and is expected to be compatible with other Valley Junction homes.
Ability to Proceed	15	Demonstrates a readiness to proceed by providing financial commitments and a realistic project timeline.
Disposition Strategy	15	Demonstrates a strategy to identify potential buyers and market the house(s).
Quality of proposal	10	Provides a proposal that is complete with all requested information and is prepared with an attention to detail.
Local (DM Metro) presence	5	Developer has an office in the Des Moines Metro area.
	100	

V. DEAL STRUCTURE

Following the selection of developer(s) for each lot, the City will enter into an agreement for the conveyance of the lot(s). These agreements will require approval by City Council.

Developer's Agreement: The Agreement will specify terms and conditions and stipulate necessary actions required prior to the Developer acquiring fee simple title to the lot(s). Title to the lot(s) will not be conveyed by the City until all conditions set forth in the Developer's Agreement are met. The Developer shall be responsible for the development of all aspects of the property, including the payment of all design, construction and development costs and all costs associated with the sale and/or marketing of the unit(s). The Developer will be required to utilize the lot(s) only for the development, construction and sale of single-family house(s). Further, the Developer shall comply with such requirements as the City determines to be in the public interest, including the obligation to begin construction within a reasonable time. Development must comply with all local, State and Federal rules and regulations.

VII. SUPPORTING DOCUMENTS

The following information will be provided with the RFP. Additional information or clarification may be posted on the City's web site during the RFP process.

Attached Exhibits:

- Exhibit A – Map of lots
- Exhibit B – 2018 HUD Income Guidelines
- Exhibit C – Development Regulations Applicable to Site

Exhibit A

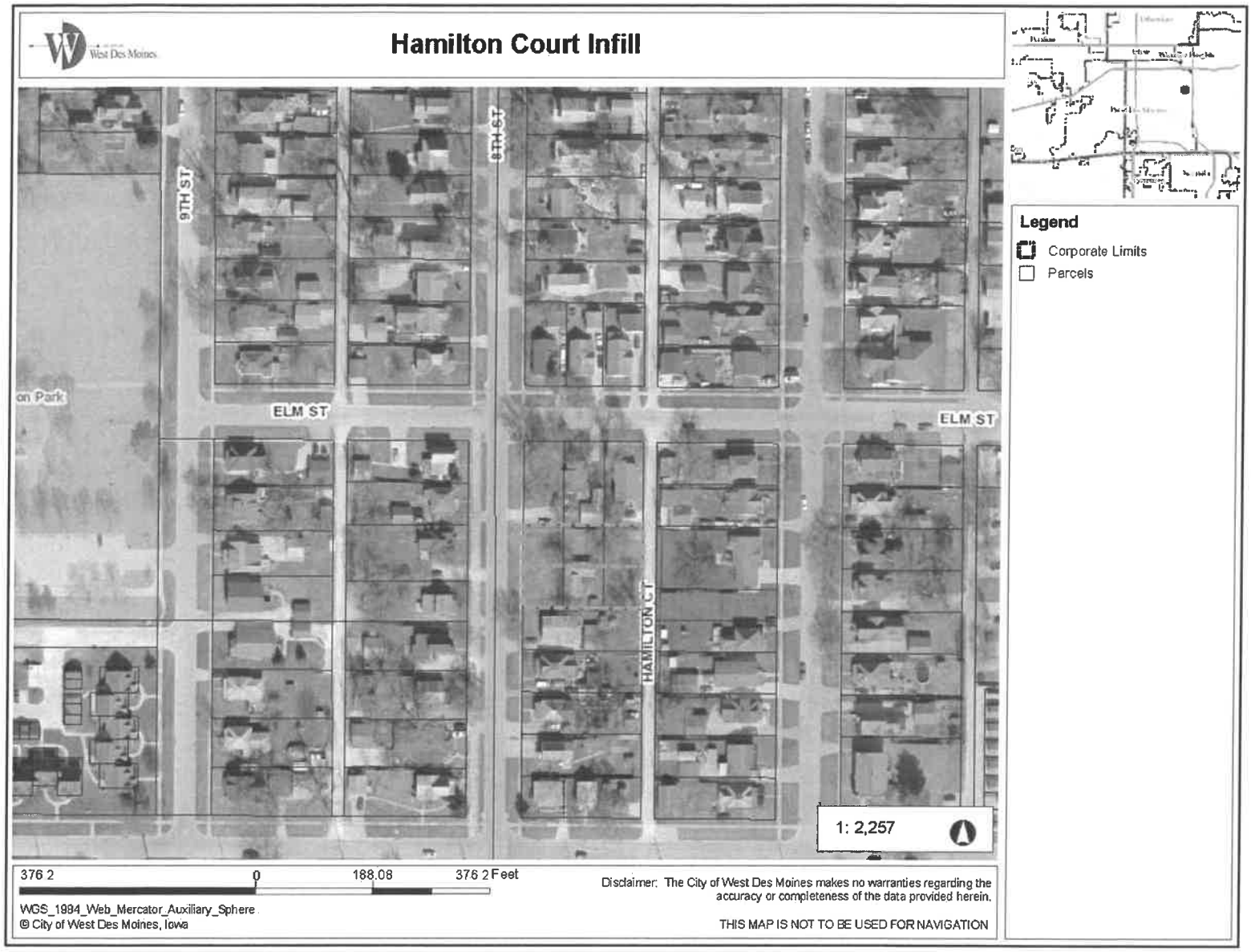
West Des Moines
Hamilton Court Infill
9TH ST
8TH ST
ELM ST
ELM ST
HAMILTON CT
on Park
1: 2,257
Legend
Corporate Limits
Parcels
376 2
0
188.08
376 2 Feet
WGS_1984_Web_Mercator_Auxiliary_Sphere
© City of West Des Moines, Iowa
Disclaimer: The City of West Des Moines makes no warranties regarding the accuracy or completeness of the data provided herein.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

Exhibit B

2018 HUD Income Limits as of 6/1/2018

		Household size							
		1	2	3	4	5	6	7	8
Low Income	80%	44,600	51,000	57,350	63,700	68,800	73,900	79,000	84,100
Area Median Income	100%	55,800	63,700	71,700	79,600	86,000	92,400	98,800	105,100

Exhibit C
Development Regulations Applicable to Site

Planning:

a. Primary Building Setbacks:
   - Front: 20'
   - Rear: 35'
   - Side: 7'
      1. In any existing platted property where the average front yard setback is greater than that required by code, no front yard depth shall be less than the smallest front yard depth of any existing dwelling immediately adjacent thereto and within 200 feet fronting on the same side of the street.
      2. Measured to foundation; however, no part of any structure, including eaves and overhangs, may be closer than 5 feet to a property line.

b. Accessory Structure Setbacks:
   - Front: 20'
   - Rear: 5' 2
   - Side: 5' 2
      1. Any accessory structure located between the principal building and the public street shall be screened from public view with a combination of landscaping, berming or fencing in accordance with buffering requirements.
      2. Measured to foundation; however, no part of any structure, including eaves and overhangs, may be closer than five feet (5') to a property line.
      3. In any existing platted property where the average front yard setback is greater than that required by code, no front yard depth shall be less than the smallest front yard depth of any dwelling immediately adjacent to and within two hundred feet (200') fronting on the same side of the street.

c. Building Separation: A minimum 10' separation shall be provided between primary dwelling structures and any accessory structure such as detached garages.

d. Parking:
   - The number of parking stalls required is identified in Title 9, Chapter 15, Section 7E.
   - For any detached single-family residential dwelling, a minimum of one enclosed garage parking space shall be required for the use. This garage may be attached or detached but shall be of a minimum twenty foot by fourteen foot (20' x 14') size to accommodate one vehicle and additional storage.
   - Please note that a twenty foot setback for a garage with an alley access is required per code.
   - Also note that drive to the garage will need to be paved even though the alley is not paved

Engineering:

a. Sanitary Sewer
   1. Existing public sanitary sewer is in the public alley.
   2. Each lot will need to have public sanitary sewer service provided to it. Applicant will need to properly abandon the existing single service and install two new services with this action.

3. Adequate easement widths will need to be provided for all public sewers, existing or proposed in accordance with DSM Metro Design Standards and WDM Addendums (minimum 30' or twice the depth, whichever is greater). Applicant will need to provide 5 feet of easement adjacent to the east property lines, adjacent to the alley.
4. Access to all public sanitary sewer manholes will need to be provided, including provision of associated easements (if not already established).

b. Storm Water
    1. Formal submittal will need to include on the coversheet any impervious surface being added to the site (indicate square footage of additional as well as total square footage within site and percentage of site which is impervious).
    2. Applicant will need to provide a Storm Water Management Plan (SWMP) prepared in accordance with DSM Metro Design Standards and WDM Addendums.
    3. Upon implementation of storm water management facilities, a Storm Water Management Facility Maintenance Agreement (SWMFMA) is required to be executed. This agreement essentially provides that the property owner will maintain and repair their storm water facilities. If they fail to do so, the city will make repairs or perform maintenance and assess all costs back to the property owner. As part of the maintenance agreement, the applicant will be responsible to provide a letter certifying the detention facility is in conformance with the approved SWMP. The applicant will also need to provide as-built drawings of the detention facilities. Both the letter and as-builts will need to be signed/sealed in accordance with Chapter 6, 193C-6.1(542B) of the Iowa Code.

c. Transportation
    1. No Traffic Impact Study (TIS) will be required as part of this project.
    2. 8th Street is classified as a major collector roadway which requires 100 feet of total right-of-way or 50 feet from the center of the right-of-way adjacent to the subject property. It appears the existing right-of-way adjacent to this site is 33 feet. Staff does not recommend dedication of additional right-of-way at this time. It is the responsibility of the property owner to verify the existing right-of-way.

d. Misc.
    1. Property owner will be responsible for the installation of street lights adjacent to all public streets. Applicant will need to contact a City approved lighting consultant to prepare a lighting plan. All costs associated with street lights will need to be paid to MidAmerican Energy prior to approval of the associated development plan or Final Plat.
    2. Property owner will be required to execute a Street Light Agreement for the future installation of streets lights at such time the overhead electric is placed underground.
    3. Any proposed public improvements will require submittal of separate detailed construction plans to staff for review and approval by the City Engineer prior to installation of any improvements. The City charges an hourly fee for site inspection/observation during the installation of all public improvements. In addition, 4-year maintenance bonds will need to be provided for any installed public improvements.