



Legislation Text

File #: 18-0190 CRA, **Version:** 1

TO: CRA Board of Commissioners
FROM: Renée A. Jadusingh, CRA Assistant Director
THROUGH: Jeff Costello, CRA Executive Director
DATE: December 11, 2018

DISCUSSION - CARVER ISLE WORKFORCE HOUSING CONSTRUCTION - PROCUREMENT

Background:

At the November 3, 2016 CRA Board Meeting, CRA Staff presented the following three options for the development of Carver Square, a redevelopment project where 20 homes will be constructed in the SW Neighborhood:

1. The first option requires the issuance of a Request for Proposals ("RFP") to interested local not-for-profit entities specializing in affordable housing to purchase and redevelop the 19 lots with their own housing products. The successful entity would enter into a purchase and sale agreement with the CRA and income be responsible for all aspects of construction and sales. Design and workforce housing income criteria, as well as, other compliance measures would be incorporated into the RFP.
2. The second option would allow the CRA to engage on of its architects on a continuing contract basis to create four quality home designs/models with a combination of one and two-story products. The CRA would then issue an RFP to interested local not-for-profit entities for the redevelopment of the site utilizing the CRA's specified housing product. The local not-for-profit entity will be responsible for all aspects of construction and sales of the units to eligible buyers. With this option, the CRA may provide or secure a construction loan for the project if a non-profit does not have funding capacity. The funds would be recaptured after sale of each home.
3. In the third option, the CRA would be the developer, have the designs prepared, and issue an Invitation to Bid ("ITB") for a contractor, or contractors, to construct the homes. This would also involve issuing an RFP or Request for Qualifications ("RFQ") for local not-for-profit entities to income qualify and sell the units to eligible prospective buyers. A development fee and agreement would be negotiated with the successful respondent(s).

The Board directed CRA Staff to proceed with option 3 as the method to develop Carver Square with consideration given to procuring more than one general contractor in case one contractor should fail. This option is a more streamlined process with the CRA having direct financial accountability and measurable outcomes. In addition, this would allow the CRA to partner with the local housing partners for the income qualification and sale components of the project.

Subsequent to this meeting, the CRA acquired the Carver Isle properties (approximately 1 acre) located on the west side of SW 7th Avenue, between SW 3rd and 4th Streets, which also includes a property located at 238 SW 6th Avenue with the intention to develop 10 single family workforce housing units on properties. The CRA entered into an agreement with Pasquale Kuritzky Architecture, Inc. to provide professional services pre-

design through construction administration services for Carver Isle and the architect is in the Design Development phase of the project. It is anticipated that the construction documents will be complete in the first quarter for 2019, an ITB issued and a contractor(s) selected to construct the homes by the second quarter for 2019. The RFQ or RFP for a non-profit entity(ies) to income qualify the buyers should be issued in January 2019 to ensure the qualified purchase-ready homebuyer pipeline is in place prior to construction.

As stated in option 3 above, the CRA would issue an ITB for a contractor and issue an RFP or RFQ for a local not-for-profit entities to income qualify and sell the units to eligible prospective buyers. Considering that the construction documents are near completion, and the procurement method to construct the homes was last discussed in 2016, it is necessary to discuss with the Board how the CRA intends to proceed with identifying a contractor(s) for the project and prospective buyers.

Attachment(s): Exhibit A - Location Map; Exhibit B - Excerpt from Carver Isle Design Development Drawings