

# REQUEST FOR PROPOSALS MINNEAPOLIS GREEN HOMES NORTH PROGRAM – ROUND 4

The City of Minneapolis through its Community Planning and Economic Development (CPED) department is accepting applications for the Green Homes North Program. The program is funded by the Minnesota Housing Finance Agency, the City of Minneapolis and the Family Housing Fund. The Green Homes North Program will provide home buyers with newly constructed green homes on City-owned vacant lots in North Minneapolis to strengthen the sustainability of our communities. Green Homes North will incorporate: quality green design standards; green, energy efficiency, and sustainability standards; job creation and workforce development; sourcing of local green products; and marketing to meet homebuyer expectations. Driven by the immense scope of the foreclosure crisis, the May 22, 2011 tornado disaster, and the destabilizing impact of these vacant properties on the housing market, the City of Minneapolis has created a program to assist developers in building new green single-family homes in North Minneapolis. This is the fourth year in a planned five year program. The program funds will assist developers with development gap financing for new construction. CPED plans to offer over one million dollars in funding and the Twin Cities Community Land Bank will offer up to two million in low interest loans. Proposals that minimize the use of the subsidy and provide the highest standards of quality design, energy efficiency and overall sustainability will be prioritized in the selection process.

## **PURPOSE AND OBJECTIVES**

The City of Minneapolis has identified four goals for Green Homes North:

- Build 100 green homes in North Minneapolis
- Increase energy efficiency and sustainability
- Create job opportunities for local residents and minority and women-owned businesses
- Promote Minneapolis businesses providing green housing products

## **ELIGIBILITY REQUIREMENTS AND SELECTION CRITERIA**

### **Eligible Uses of the Funding**

- Financing the development gap related to the acquisition of City-owned vacant lots and construction of innovative, quality designed green single family homes (1-4 units) to be sold to homeowners.
- The development gap is the difference between the cost of the acquisition and construction of a property and the fair market value sale price of the property.
- Development gap determination will be based on development proposals, actual costs and sales price supported by appropriate documentation and may include a developer fee of up to 10% of total development cost. (Program Guidelines supersede fees identified in the Offer to Purchase).
- Funds will be provided as a loan and converted to a grant upon satisfactory completion of the project and sale to an eligible buyer.

### Eligible Developer

- Private and Non-profit Developers with demonstrated new home construction knowledge and experience. Developers must be proven development entities, have experience in new construction of single family homes to Green Communities Criteria standards and must demonstrate professional development experience, a proven ability to undertake development projects of this type, market for sale homes and the ability to obtain sufficient financing.

### Eligible Home Buyer

- All buyers must complete an eight-hour homebuyer counseling workshop offered by a HUD approved vendor.
- Income restrictions will apply depending on source of funds, as follows:
  - Local Funds: Unrestricted
  - State/ Foundation Funds: 115% of the Area Median Income (\$95,300)  
*(NOTE: these are 2014 household figures that change annually)*

### Mortgage

- The first mortgage product must be considered an “A” or “prime” lending product. It must be a fixed rate FHA, VA, or Conventional loan.
- Contract for Deed programs are eligible, but must meet the City of Minneapolis Contract for Deed Policy.

### Eligible Land and Offer to Purchase

- Addresses and maps of the eligible lots will be available on the City of Minneapolis Green Homes North web page upon the release of this Request for Proposals.
- All proposals must have three lots selected and prioritized, with a rationale for each ranking. The City's intent is to prioritize the parcels listed as 'HIGH' on the lot list therefore at least one of the three properties proposed has to be on that list.
- The City will perform the soil testing necessary for shoring plans. The cost of soil testing will be reimbursed to the City at the Land Sale closing.
- Notify Cherie Shoquist at [cherie.shoquist@minneapolismn.gov](mailto:cherie.shoquist@minneapolismn.gov) of interest in a Green Homes North property. **The addresses of identified properties for Proposals of Lot Selection are due at noon on Monday September 15, 2014.** If there is a competing interest in a particular property the parties will be advised.
- CPED will provide soil testing results on selected properties to developers.
- An Offer to Purchase Residential Land and Improvements and a Green Communities Certification of Intended Methods form must be completed. **Proposals are due at noon on Friday October 17, 2014.**

### Design

- Innovative, quality, green design will be rewarded.  
Developers will submit design development or construction drawings. Designs must include detailed wall section, mechanical layout and specifications, landscape plan, electrical plan and finish schedules or specifications (highlighting any green specifications, i.e. flooring, countertops, etc. See Green Product Sourcing below for guidance.). Provide completed Green Communities Certification of Intended Methods checklist or LEED for Homes Certification checklist.
- Additionally, the Minneapolis zoning code requires that all single family homes obtain administrative site plan review approval before a building permit may be issued for construction. The Administrative Site Plan Review for Single Family Development Application Standards must be completed.

- The design review committee will consist of the following representatives: CPED-Housing; CPED-Planning; CPED – Zoning; a North Minneapolis neighborhood resident; and architects. The design review committee will provide design feedback on proposals.
- Proposals will also be submitted to the applicable neighborhood organization for review.

### **Green, Energy Efficiency and Sustainability**

- Minimum Green Requirements: Minnesota Green Communities Criteria as developed by the State of Minnesota or LEED for Homes Certification. Other statewide programs such as MN Green Path or MNGreenstar may also be accepted.
- Quality housing design and innovation in green design resulting in energy efficiency will be rewarded.

### **Green Product Sourcing**

- Developers participating in Green Homes North will locally source green building materials and services, as well as green products and services for general business operations, using the Twin Cities Green Products & Services Directory and the Green Homes North Directory as a guide. Developers will identify green products sourced from a local distributor or retailer and will maximize the use of green products that are manufactured locally.

### **Plan to Make a Good Faith Effort to Meet Minority-owned and Women-owned Business Goals**

- Plan to meet the goals for 6% minority owned and 8% women owned business participation
- The City encourages local workforce hiring and the use of local, minority and women contractors and businesses. The City of Minneapolis Green Homes North workforce goals are 6% Minority-owned Business Enterprise (MBE) and 8% Woman-owned Business Enterprise (WBE).
- Only certified MBEs or WBEs count towards achieving the goals. For the Green Homes North program, the City of Minneapolis accepts certifications from the MN Unified Certification Program (MNUCP) or the St. Paul CERT program.
- Developers with cumulative contracts exceeding \$50,000 will be required to submit an affirmative action plan.
- Creation of job opportunities for minority and women owned businesses will be demonstrated.

### **Plan to Make a Good Faith Effort to Meet Workforce Goals**

- 6% of the total project trade hours to be performed by females and 32% of the total project trade hours to be performed by minorities.
- Creation of job opportunities for women and minorities will be demonstrated.

### **Creation of Job Opportunities for North Minneapolis Residents**

- Developers will complete and submit a Workforce Development and Job Creation Plan as part of the proposal.
- Developers will build knowledge of workforce service providing agencies in Minneapolis and plan to leverage these resources to meet work force goals.
- Developers will collaborate with workforce service providing agencies in Minneapolis to leverage these resources to meet local work force and hiring goals.
- Coordination with local contractors will be demonstrated.
- Creation of job opportunities for local residents will be demonstrated.

### **Marketing**

- Proposals would include strategies to market and sell the newly constructed green home to potential homebuyers.
- The completed units must be advertised and publicly offered in accordance with fair housing marketing standards and must be sold to the general public.

## REQUIREMENTS AND SELECTION CRITERIA

The City reserves the right to reject any or all proposals or parts of proposals, to negotiate modifications of proposals submitted, and to negotiate specific work elements with a proposer into a project of lesser or greater magnitude than described in this RFP or the proposer's reply. Staff will review and rank proposals and make land sale and funding recommendations to the City Council. Developers are encouraged to submit their proposals to the appropriate neighborhood group for review. As the funding is time-sensitive, the City reserves the right to re-allocate unused funds during the project period as defined in the Offer to Purchase and the Development Contract. All projects must demonstrate compliance with city and federal requirements.

REQUIREMENTS	
Developer Experience and Capacity	X
Detailed Plan of Proposed Activities	X
Financial Feasibility	X
Ability to Meet Green Communities Criteria	X
Plan to Meet Women and Minority Owned Business Requirements and Workforce Participation Goals	X
Demonstrated Neighborhood Support	X
Completed Offer to Purchase Residential Land and Improvements	X

SELECTION CRITERIA - PRIORITY RANKING ACTIVITIES	POINTS
<b>Cost Effective</b>	
Leverage: Excluding First Mortgage Financing and already secured City funds (5 points for every \$5K leveraged)	25
Limited Green Homes North Financing Less than \$50,000 per Unit – 10 points Less than \$75,000 per Unit – 10 points	20
Reasonableness of Developer Fee (Up to 8%)	10
<b>Supports City Priorities</b>	
Tax Forfeited Lot	20
Integration with Broader City's Revitalization Efforts	5
<b>Sustainable</b>	
Commitment to use Locally Sourced Green Products and Services (5 Points per business)	25
Evidence of Innovative, Quality, Green Design Standards Green Building Standards – 20 points Quality Design – 20 points Innovation – 20 points	60
<b>Equitable</b>	
Green Workforce Development Plan to Meet Minority-owned and Women-owned Business Goals – 5 points Plan to Make a Good Faith Effort to Meet Workforce Goals – 5 points	10
Creation of Job Opportunities for North Minneapolis Residents Experience Hiring North Minneapolis Residents – 10 points Experience Hiring Local Contractors – 10 points	20
Marketing Plan	5
Maximum Points	200

## FUNDING AND COSTS

### Grants and Loans

- Initially, grants totaling approximately \$1 million will provide a development subsidy to support the gap between the cost of developing new homes and the sales price at market value in the area.
- Construction loans are available from the Twin Cities Community Land Bank (Land Bank) for developers to access. The Land Bank works with public, private, nonprofit, and community partners to support the creation of vibrant, sustainable homes, neighborhoods, and communities throughout the Twin Cities metropolitan area. The Land Bank's lending philosophy is to be a catalyst for sustainable economic growth and development in the Twin Cities, particularly in low income communities and communities of color. The Land Bank is a certified Community Development Financial Institution (CDFI), works with and among many public, private, and nonprofit organizations involved with sustainable community development. For questions regarding financing in the Green Homes North Program, please contact Judy Jandro, Senior Program Manager, Twin Cities Community Land Bank LLC, 612-238-8215 or [judy.jandro@tcclandbank.org](mailto:judy.jandro@tcclandbank.org)

Funding Source	Amount/ Interest Rate	Income Restriction	Target Area
Minnesota Housing Community Revitalization Fund (CRV) Grant	\$TBD (0%)	115% of AMI	North Minneapolis
Family Housing Fund Grant	\$TBD (0%)	115% of AMI	North Minneapolis
City of Minneapolis	\$TBD (0%)	None	North Minneapolis
	\$TBD (0%)	80% of AMI	
Twin Cities Community Land Bank Loans	TBD (4%*)	115% of AMI	North Minneapolis

\*These interest rates are available in the designated areas until the Twin Cities Community Land Bank (Land Bank) depletes the grant resource that is providing the subsidy to reduce the Land Bank's standard 6.5%-7% interest rates throughout the Twin Cities. The Land Bank will honor the 4% interest rates as long as possible in partnership with the Green Homes North Program.

## RESOURCES

### Twin Cities Green Products and Services Directory

[www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources](http://www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources)

### Minnesota Overlay to the Enterprise Green Communities Criteria

[http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa\\_012435.pdf](http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_012435.pdf)

### Enterprise Green Communities Criteria

<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/criteria>

### Minnesota Green Communities

<http://www.mngreencommunities.org/about/index.htm>

## LEED for Homes Project Checklist

<http://www.usgbc.org/DisplayPage.aspx?CMSPageID=2135>

## United States Green Building Council

<http://www.usgbc.org/DisplayPage.aspx?CMSPageID=2135>

## Minnesota Housing Community Impact Fund Program Procedural Manual

<http://www.mnhousing.gov/wcs/Satellite?c=Page&cid=1358906164357&pagename=External%2FPage%2FEXTStandardLayout>

## Administrative Site Plan Review for Single Family Development Application Standards\*

The Minneapolis zoning code requires that all single family homes obtain administrative site plan review approval before a building permit may be issued for construction.

[http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/convert\\_268302.pdf](http://www.minneapolismn.gov/www/groups/public/@cped/documents/webcontent/convert_268302.pdf)

*\*Note: The Standards will be revised in the fall of 2014.*

## City of Minneapolis Department of Civil Rights Affirmative Action Plans, Small and Underutilized Business Program Goals, Workforce Goals and Section 3

[www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources](http://www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources)

## City of Minneapolis Request for Council Committee Action from the Department of Civil Rights

<http://www.minneapolismn.gov/www/groups/public/@clerk/documents/webcontent/wcms1p-089615.pdf>

To obtain a list of certified businesses or to become certified contact:

## Small and Underutilized Businesses Program List of Certified Businesses

[contractcompliance@minneapolismn.gov](mailto:contractcompliance@minneapolismn.gov)

Minnesota Unified Certification Program (MnUCP) [www.mnucp.org](http://www.mnucp.org).

## **BUILDABLE LOT LISTS AND MAPS**

### BUILDABLE LOT MAPS

The addresses and maps are available on the City of Minneapolis Green Homes North web page:

[www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources](http://www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources)

Updated maps and resources will be provided as available.

## **APPLICATION PROCEDURE**

### **Proposals of Lot Selection must be received by noon on Monday, September 15, 2014.**

The addresses of properties for Proposals of Lot Selection are due at noon on Monday September 15, 2014 to Cherie Shoquist at [cherie.shoquist@minneapolismn.gov](mailto:cherie.shoquist@minneapolismn.gov).

### **Proposals must be received by noon on Friday, October 17, 2014.**

#### **Green Homes North Developers must provide:**

- Green Homes North Proposal Form
- Offer to Purchase Residential Land
- Design Submittals
- Green Communities Intended Methods\*
- Workforce Development and Job Creation: Developer Response Form
- Form of Consent for Release of RFP Data

\*Or other approved green checklist. To request approval for an alternative green checklist, contact Cherie Shoquist [cherie.shoquist@minneapolismn.gov](mailto:cherie.shoquist@minneapolismn.gov).

Please provide electronic copies of Design Submittals to: [cherie.shoquist@minneapolismn.gov](mailto:cherie.shoquist@minneapolismn.gov)

Content should include four copies of Completed Green Homes North Program application, including all required attachments and delivered to:

Community Planning and Economic Development  
105 Fifth Avenue South—Suite 200  
Minneapolis, MN 55401  
Attention: Cherie Shoquist

**NO LATE PROPOSALS WILL BE ACCEPTED**  
**EQUAL OPPORTUNITY HOUSING**

Regularly check the Green Homes North website for RFP related information:  
[www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources](http://www.minneapolismn.gov/cped/GreenHomesNorthDeveloperResources)