Council Communication

Department: Community Development	Resolution No.: 24 -	City Council: 11-18-2024

Subject/Title

Resolution selecting Hoppe Development as the preferred developer for approximately 2.5 acres of City-owned land at South 28th Street and 1st Avenue and to enter into a purchase, sale, and development agreement.

Background/ Discussion

Background

On September 9, 2024, the Council Bluffs City Council approved Resolution No. 24-239 which authorized the Community Development Department to release a Request for Proposals (RFP) for City-owned property legally described as Lots 1 through 16, Block 12 and all of the vacated alley, Bryant and Clark Addition.

Additionally, City Council approved Resolution No. 24-240 on September 9, 2024, which established the minimum development requirements, competitive criteria, and procedures for disposition of said property. Since the property is located within the Playland Park Urban Renewal Area, the disposition of the land must comply with Iowa urban renewal laws. As part of the disposition, Iowa urban renewal statutes require the City ensure a reasonable competitive bidding procedure and 30 days to respond. This also includes providing notice by publication in a newspaper having a general circulation to the community 30 days prior to the execution of a contract involving the transfer of property.

On September 10, 2024, the City released a Request for Proposals (RFP) through their IonWave online bidding portal, which included an email notification to approximately 70 real estate developers/brokers throughout the Council Bluffs-Omaha Metropolitan Area and Midwest region. All proposals were due October 25, 2024 and interested developers were required to submit proposals that demonstrate their capacity to satisfy the requirements of the RFP including:

1. Application
2. Project Summary – A brief written description of the project.
3. Project Plans – A scaled plot plan of the proposed development. The plot plan should illustrate the location of structures, parking areas, ingress and egress, open or landscape areas, etc. The developer must also submit additional information such as elevation drawings, photos of similar projects, typical floor plans, etc.
4. Developer Experience – Provide a listing of previous projects completed, especially with regard to projects that are relevant to the proposed development.
5. Project Timeline – A timeline for the project design, bidding, construction and occupancy.
6. Financial Summary – Developer must provide a proposed cost and source of funding for the project, including a 10-year project proforma. Developer must also outline expected funding sources and projected date all financing will be secured.
7. Project Contingencies – Indicate any special assistance needed to implement the project, such as financial assistance, state or federal applications, or other public participation.

Each proposal was reviewed by staff of the Community Development Department and was scored using the following criteria, which was detailed in the RFP ensuring developers knew how they would be evaluated.

a. Design, Aesthetics and Quality of Construction Materials and Landscaping (40%): As the first affordable redevelopment project along the corridor, the quality of design and materials is essential. A combination of durable materials and transparency with an urban appearance must be utilized. Preference will be given to developers that:

i. Create an urban environment with a higher density style building on the northern half of the block and a lower density style building on the southern half, providing a transition to the single-family neighborhood.

ii. Utilize architectural details such as color changes, material changes, minor wall offsets, height variations, wall setbacks, accent lines and upper floor step back to articulate building elevations. A list of acceptable building materials is outlined in the "architectural standards" of the corridor design overlay. A list of materials and visual renderings of the site layout, units and exterior design must be provided as a part of this submittal.
iii. Maximize the "exterior construction (durability)" points in the IFA 2024-2025 QAP.

b. Developer's Experience and Capacity (30%): The makeup/description of the developer's project team. The preferred developer will have significant experience in the construction of urban-style, multi-family complexes. The names of individuals involved and the roles they will perform must be listed. Provide a description of the qualifications and experience of the specific individuals who will be involved in the work described in this RFP, including staff and other professionals.

c. Number of Units Proposed, Unit Sizes and Timeline (15%):

i. Preference will be given to developers who maximize the number of units as well as the number of market rate units. A maximum of 80 affordable units will be allowed. Affordable is defined as at or below 80% of the median family income. Provide a target resident type (senior, family, etc.) if applicable. Maximize the "market rate incentive" points in the IFA 2024-2025 QAP.
ii. Proposals will also be scored on the length of time it will take to construct and occupy the project.

d. Funding Sources (15%): Preference will be given to Developers not utilizing either 4% or 9% Low Income Housing Tax Credits (LIHTC). Provide a list of proposed funding sources and when the funds are expected to be awarded/confirmed.

Discussion

One developer responded to the RFP. Hoppe Development submitted proposed a 89-unit mixed-income multi-family rental housing project that will serve households at 50% MFI, 60% MFI and market rate to meet the required 51% affordable units as required for the Community Development Block Grant (CDBG) funds previously used on the site. The developer does not anticipate applying for LIHTC.

Staff reviewed the proposals and believes the Hoppe Development project fully complies with the requirements of the RFP and the development proposal achieves the City's long-range vision for 1st Avenue and the West Broadway corridors. Staff will have discussions with the selected firm regarding additional goals and design ideas. Once this is complete, contracts for the project with the firm will be brought back to City Council for approval including a purchase agreement and development agreement (including incentives) with the selected developer.

Recommendation

Staff recommends selecting Hoppe Development as the preferred developer for approximately 2.5 acres of City-owned land at South 28th Street and 2nd Avenue and to enter into a purchase, sale, and development agreement.

Attachments

1. Hoppe Submittal
2. Resolution