

CITY OF BLOOMINGTON, INDIANA
REQUEST FOR INFORMATION (RFI)

HOUSING DEVELOPMENT PROJECT

**1730 S. WALNUT STREET
BLOOMINGTON, IN 47401
(SWITCHYARD PARK EAST)**

RESPONSES DUE:

December 9, 2019

TABLE OF CONTENTS

Introduction.....	3
City Background.....	4
Goals and Objectives of the Desired Housing Project.....	7
Site Information.....	7
Submission Requirements.....	9
Public Records.....	12
Submission Evaluation and Selection.....	12

INTRODUCTION

At the start of his new administration in 2016, the City of Bloomington's Mayor John Hamilton directed City leadership to focus on Bloomington's significant affordable housing challenges. The administration recognized that the combination of increasing off-campus housing demand driven by enrollment growth at Indiana University and Bloomington's non-university population growth was outpacing the increase in housing supply citywide.

This resulting supply-demand gap has driven housing rental and ownership prices upward over the past several decades, leading to Bloomington having the highest rents in the state of Indiana. As a result, lower-income and workforce residents have increasingly been priced out of living near the downtown and other city quality of life amenities.

At the same time as rental prices have steadily increased, single-family home prices have also seen a significant increase. Most recently and according to a report by the Indiana Association of Realtors, in Monroe County, the median sales price in July 2019 was \$222,500, compared with \$210,795 in July 2018. That's an increase of 5.6 percent, putting Monroe County's median sales price in the top 6 counties in the state. The combined pressures on housing has accelerated the City's commitment to addressing affordable housing.

In anticipation of the completion of a parallel update to the City's Comprehensive Master Plan, which is now available online¹, Mayor Hamilton's administration developed a preliminary Affordable Housing Strategy document, laying out a number of efforts to address the significant challenges associated with the shortage of affordable housing in Bloomington.

Among these strategies was the City's acquisition of key land parcels to help facilitate affordable and workforce housing development in areas that might otherwise be limited by land costs exclusively to market-rate housing outcomes.

Since the introduction of the Affordable Housing Strategy document, the City's Comprehensive Master Plan has provided additional direction supporting the administration's priority. Included are the following goals and policies:

Goal 5.1 Housing Affordability: Improve access to affordable housing for a continuum of needs in Bloomington, including people experiencing homelessness, low-income, and moderate-income households. Strive for permanent affordability in rental and owner-occupied housing options, with policies that recognize differences among the needs of extremely low-income households.

Policy 5.1.1: Expand and sustain housing programs designed to serve the long-term affordability needs of moderate-income, low-income, and extremely low-income households, to achieve an income diverse and inclusive city.

¹ <https://bloomington.in.gov/planning/comprehensive-plan>

Policy 5.1.2: Establish affordable housing in locations with close proximity to schools, employment centers, transit, recreational opportunities, and other community resources to increase access.

Policy 5.1.3: Encourage a wide range of housing types to provide a more diverse mix of housing opportunities and household income levels, preferably within neighborhoods and multi-family housing developments.

The City is also currently updating its Unified Development Ordinance (UDO), which will reflect additional guidance regarding development in the area. The current “Adoption Draft” of the UDO can be found at the City of Bloomington website: <https://bloomington.in.gov/planning/udo/update>.

At the same time as the administration focused on affordable housing challenges, Mayor Hamilton accelerated the development of Bloomington’s newest and most substantial park. Switchyard Park is a \$34 million park project, which covers more than 65 acres on the city’s south side. It will include a pavilion and stage, fitness stations, play courts, a splash pad, a skatepark, a dog park, and a playground. Currently under construction, the park is due for substantial completion by November 2019, with final completion including seasonal plantings in May 2020.

The City recognizes the development opportunities surrounding Switchyard Park and is seeking ways to increase housing density in its vicinity, including both affordable housing and market rate housing. In support of the Affordable Housing Strategy and to help the city meet its housing goals, the City’s Redevelopment Commission acquired a 1.5-acre parcel immediately to the south of the park’s eastern entrance with the intent of attracting a private mixed use development that would help advance affordable housing opportunities.

This Request for Information is the City’s next step in stimulating development of that site.

CITY BACKGROUND

Nestled in the rolling hills of southern Indiana, Bloomington is a small city with big-city amenities, atmosphere and culture—home of Indiana University’s flagship Bloomington campus (“IUB”), the Little 500 bicycle race; the Lotus World Music & Arts Festival; the WonderLab Museum of Science, Health, and Technology; a thriving and well-regarded farmers’ market;² and one of the most sought after craft beers in America.³

Bloomington residents appreciate world-class entertainment and cultural festivities, value community and environmental causes, and are committed to preserving and expanding recreational opportunities through the City’s extensive network of trails and its many parks. The community has a passion for the arts as demonstrated by the creation and development of the Bloomington Economic & Arts District,

² <http://www.cookinglight.com/healthy-living/travel/best-farmers-markets/bloomington-farmers-market>, accessed February 26, 2017.

³ http://www.huffingtonpost.com/2015/02/18/most-sought-after-beers_n_6702260.html, accessed February 26, 2017.

and boasts a budding tech and life sciences sector. The City's built environment blends historic districts from the last century and a half with collegiate Gothic architecture on the IUB campus and contemporary and modern structures throughout. Bloomington is clearly a community steeped in tradition but with an eye always on progress and sustainability.

Bloomington is the sixth most populous city in Indiana, with an estimated population of approximately 84,067.⁴ The City is fairly densely populated, with 3,474 people per square mile, compared to only 88 people per square mile, on average, nationwide.⁵

Bloomington supports a vibrant economy and a thriving business district composed of roughly 6,000 businesses.⁶ The City's business community is noted for excellence in pharmaceuticals, medical devices, technology, healthcare, and the arts. Its concentration of employment in the life sciences is six times greater than the U.S. average and growing. Indiana University, IU Health, and IU Health Bloomington Hospital recently announced plans to collaborate to create a regional academic health center expected to employ thousands and expand opportunities for health sciences education and research.

In addition to major employers such as IUB (7,701 employees), IU Health Bloomington (over 2,200 employees), the Cook Group (3,330 employees), Baxter Healthcare Pharmaceuticals (1,100 employees), and the largest limestone quarrier in the United States, Indiana Limestone Company, downtown Bloomington alone boasts more than 140 local and unique restaurants, bars, and coffee shops, seven local breweries, and a distillery.

The city of Bloomington is frequently heralded as a desirable place to live and work, and it has been the recipient of a number of awards recognizing its community assets and quality of life. Bloomington has been recognized by Inc. Magazine as one of "America's Best Cities for Doing Business" and as one of Entrepreneur Magazine's Top 50 "Hottest Small Cities for Entrepreneurs." Forbes Magazine ranked Bloomington No. 3 in its "Best Places for Business Careers" feature and as a top city for work-life balance.⁷ The City has also been named one of the "Top 5 Food Towns in the Midwest" by Midwest Living Magazine and the "7th fastest growing destination for wine and culinary enthusiasts in the nation" by Orbitz Research Travel.⁸

Potential residents and business owners recognize Bloomington's attributes—and the City's population is steadily increasing, with the City's growth (3.8 percent) higher than that of the United States as a whole (3.3 percent) from April 1, 2010 to July 1, 2014.⁹ Moreover, Bloomington's population is younger

⁴ United States Census Bureau, "QuickFacts Beta: United States: Bloomington City, Indiana," <http://www.census.gov/quickfacts/table/PST045214/00,1805860>, accessed February 26, 2017.

⁵ Sperling's Best Places, Bloomington, Indiana, <http://www.bestplaces.net/people/city/indiana/bloomington>, accessed February 26, 2017.

⁶ United States Census Bureau, "QuickFacts Beta: United States: Bloomington City, Indiana," <http://www.census.gov/quickfacts/table/PST045214/00,1805860>, accessed February 26, 2017.

⁷ https://www.forbes.com/lists/2009/5/bizplaces09_Bloomington-IN_2747.html accessed June 19, 2018.

⁸ <http://comparebloomington.us/quality-of-life/>.

⁹ United States Census Bureau, "QuickFacts Beta: United States: Bloomington City, Indiana," <http://www.census.gov/quickfacts/table/PST045214/00,1805860>.

than the national average, owing in part to the City's large number of university students. The median age of Bloomington residents is 23.4 years, compared to 37.2 years nationwide.¹⁰

Finally, Bloomington is home to several higher education institutions, including IUB, the flagship campus of the State's eight-campus university system, with 38,364 undergraduate students and more than 10,000 graduate students. IU is a world leader in professional, medical and technological education. The vibrant surrounding community has earned its recognition as one of the "best college towns to live in forever."¹¹

Map of Bloomington and Surrounding Area



¹⁰ Sperling's Best Places, Bloomington, Indiana, <http://www.bestplaces.net/people/city/indiana/bloomington>

¹¹ Livability, City of Bloomington, Indiana, <http://www.livability.com/in/bloomington>.

GOALS AND OBJECTIVES OF THE DESIRED HOUSING PROJECT

The City seeks knowledgeable, financially sound and experienced housing developers that will apply creativity to meet Bloomington's current and future housing needs. The City requests development concepts that will provide a great asset for the Bloomington community for future generations.

The City is seeking a wide array of ideas that will best leverage the lot's proximity to Bloomington's newest park, Switchyard Park. Proposals may include one or a combination of the following:

- Housing for homeless populations
- Transitional housing
- Low income housing (<80% AMI)
- Workforce housing (80%-120% AMI)
- Market Rate housing
- Senior Housing
- Rental or home ownership
- Mixed use commercial/housing

Additionally the City seeks some form of retail/commercial ground floor development which will provide ancillary services for the housing development as well as complement the current surrounding retail/commercial businesses and the adjacent entrance to Switchyard Park.

Development of the Project Sites must include high quality design, materials, and construction. The architecture must be compatible with the character of the neighborhood and larger community, both aesthetically and functionally. The Projects should use environmentally-friendly and sustainable principles in project design and construction.

The development must comply with the standards of architecture, materials, and construction defined in the Comprehensive Master Plan. Applicants are encouraged to consult with the City of Bloomington Department of Planning & Transportation with questions relating to the development standards.

Bloomington: A CDFI Community

Bloomington has recently formed a 501(c)3 to help attract CDFI investment in the community. The newly formed organization, called CDFI Friendly Bloomington, serves as a conduit to attract additional CDFI investments. In addition, CDFI Friendly Bloomington has assembled \$2.0 million in municipal financing to assist outside CDFI investment.

SITE INFORMATION

The site is located at 1730 S. Walnut Street, Bloomington, IN 47401. It comprises two independent adjacent parcels, referred to as Lot A and Lot B of the Auto Park plat. Please see details below.

	Lot A	Lot B	Combined
Parcel Number	53-08-09-208-003.000-009	53-08-09-208-002.000-009	
Legal Description	015-50425-00 Auto Park Lot A; (.60A)	015-50415-01 Auto Park Lot B; (.92A)	
Alt Parcel Number	015-50425-00	015-50415-01	
Land Type	11	11/13	
Total Acreage (sq.ft)	0.6 Acres	.92 Acres	1.52 Acres
Site Condition	Has small structure (removable), with surrounding parking lot	Parking lot only	
Zoning	CA (Commercial Arterial)	CA (Commercial Arterial)	



The site is located due east of the City of Bloomington’s new \$34 million park, named Switchyard Park. The west side of the combined lots (A+B) abuts the park. The east side of the combined lots faces Walnut Street, Bloomington’s primary north-south thoroughfare.

Because the City owns the lot immediately to the north, which will serve as the entrance to Switchyard Park, there is a possibility of extending the building design to the north as long as it does not interfere with the public entrance to the park. Immediately to the south of Lot A is a lot and structure, which is owned and operated by an auto service business. That lot may potentially represent an opportunity for expansion of the footprint, although the City does not own the lot nor have site control.



SUBMISSION REQUIREMENTS

Submittal Deadline

In order to receive consideration, responses must be received by the City **no later than 4:00 p.m.**, Eastern Daylight Time on Monday December 9, 2019.

Submittal Requirements

All application materials, including any supporting documents, shall be submitted electronically to Doris Sims at simsd@bloomington.in.gov by the specified deadline. If proposer consists of a team of several entities, an authorized representative of each entity shall be identified in the application materials. Proposals that are not received by the specified deadline will not be accepted.

The proposal submittal shall reference "1730 South Walnut Street RFI" in the Subject line, and the name and address of the submitting organization(s) must be included in the body of the email. The City will not provide any pre-selection information concerning the status of Proposals other than the acknowledgment that they were received.

Submissions shall include the following:

1. **Statement of Interest:** Provide a statement of proposer’s interest in the development of the project; highlights of the proposer’s qualifications; firm’s understanding of the objectives of the RFI; and a brief description of the project team.
2. **Applicant Qualifications:** Provide an organizational chart describing the entities and key personnel on the proposer’s team; CV’s for lead personnel, and a brief description of similar projects completed by the team in the past fifteen years.

3. **Development Project Experience:** Provide up to five (5) examples that demonstrate successful affordable housing projects in urban environments. Provide at least two (2) examples of mixed use development projects that incorporate residential with retail/commercial uses into the development. Please include the following information for each past project example:
 - a. location and photographs;
 - b. Identify the number of units, the mix of units, the unit sizes, and number of square feet ;
 - c. Present the total development cost; identify the amount of debt and the amount of equity used to finance project;
 - d. Identify the key development team members. If any team members are different from the team being proposed for this project, provide an explanation of why the new team member(s) were selected;
 - e. Identify any community uses incorporated into the project, or other benefits to the community at large or the specific neighborhood, which were part of or resulted from the project; and
 - f. Identify any public subsidy received in the development of the project.
4. **Project Description:** Provide a narrative description of the general development concept proposed for the selected Project Site, addressing the details noted in the Project Objective and Site Description Sections of this RFI, such as unit mix, target clientele, financing plan, etc. Describe how the proposed concept addresses the objectives listed in this RFI. Renderings or graphic portrayals of the proposed project and/or preliminary site plans may be submitted but are not required.
5. **Development Parameters:**
 - a. Unit Size and Tenure – The project may include a range of unit sizes, from studios to multiple-bedroom units. Proposals shall explain the basis for the proposed mix of unit sizes in the project and its relationship to the target tenant population described in the proposal.
 - b. Affordability Requirements – Submittals that provide a majority of units affordable to lower income households are preferred. Income levels are defined using the income limits provided by the City of Bloomington Department of Housing and Neighborhood Development (HAND) for extremely low, very low, and low income households in Monroe County, as published annually by the US Department of Housing and Urban Development found [here](#).
 - c. Length of Affordability Term – The City of Bloomington’s preference is that any affordable units remain affordable for a term of 99 years. Please specify in your proposal a length of affordability if it would be less than the preferred 99 years.
 - d. Targeted Tenant Population – Proposals shall describe the target tenant population for the project, which may include any of the following: general households/families (i.e., units not subject to age restrictions), seniors, disabled people, homeless people, and/or any other special needs groups. Proposals shall note if any number of the units will be specifically designed and/or reserved for any type of special needs tenants.
6. **Financial Terms and Assumptions**

Terms: Submittals shall specify a proposed purchase price for the land, or propose some other possessory interest. Submittals will be evaluated on price, the quality of the submittal and the desirability of the public benefits of the proposed development. If any City funds or incentives are contemplated in the proposal’s financing plan, the applicant must indicate what type of

funding is proposed, the amount requested, and proposed use(s) of such funds (i.e., pre-development, soft costs, and/or construction).

Applicants must also include a timeline indicating when such funds would be required by Developer.

Assumptions: The following assumptions should be used when preparing the financial pro forma, unless alternative funding sources are subject to different and more restrictive terms.

- Construction estimates: Use state prevailing wage requirements and local wage and/or hiring requirements.
- Contingencies: Use at least 15% for hard construction costs and 5% for soft costs.
- Leverage: it is anticipated that the selected developer will obtain the majority of financing for development of the project from non-City sources (leverage). Submittals with higher leverage ratios than other submittals will be evaluated favorably.
- Federal requirements: if the proposed financing plan includes federal funding sources such as HOME, CDBG, or Section 8, include costs and time for compliance with all applicable federal requirements (Section 3, Davis Bacon, URA, NEPA, etc.) in project pro forma and timeline.

Financial Capacity (Pro Forma): Describe the general terms applicant proposes for the land transfer and the approximate amount and form of any City assistance applicant deems necessary to finance the project.

Under separate cover, submitters shall submit a pro forma analysis, identifying anticipated construction costs, operating income, operating expenditures, capitalization rates, and other relevant information. The pro forma will be treated and reviewed confidentially and will not become a part of the public record. However, the pro forma must be received at the same time as the RFI proposal submittal.

7. **Property Management Experience:** Provide a list of apartments or other relevant projects that the company currently manages. Include the project location, number of units, number of affordable units, number of years under the company's management, name and address of the property owner and current vacancy rates.
8. **Estimated Project Schedule (Milestones):** Submitters shall provide a detailed project development schedule through completion that contains time and performance benchmarks. Include all phases of the project, including acquisition, design, construction, marketing, and tenant selection.
9. **Other Items:** Include a detailed community outreach plan and proposed tenant selection plan for the project.

All questions regarding the RFI must be addressed in writing and submitted by email with the wording, "City of Bloomington Affordable Housing RFI" in the subject line to:

Doris Sims, Director of Housing and Neighborhood Development at: simsd@bloomington.in.gov. A response to your question(s) will be given within 48 hours of receipt.

PUBLIC RECORDS

Pursuant to the Indiana Public Records Act, unless otherwise noted, all documents submitted in response to this RFI will be considered public records and will be made available to the public upon request. Submissions received may be posted on the city's website as part of the review process. Please do not submit any information to the City that you wish to keep confidential.

SUBMISSION EVALUATION AND SELECTION

The City has the ultimate responsibility for determining the responsiveness of the submissions and selecting the preferred submission(s), with the assistance of City staff and consultants, as needed. There is no guarantee that the City will select any of the respondents to develop the Project and any submission shall be submitted at the submitter's sole risk and cost. Staff will evaluate submissions received by the submittal deadline based on the qualifications of the submitter(s), how well the project concept(s) addresses the goals and objectives of this RFI and the City's Comprehensive Plan, the zoning ordinance, and other land use and/or policy documents.

The staff committee will evaluate the submissions based on its assessment of how well the submission(s) responds to the criteria and goals of this RFI, and overall positive attributes and expected public benefits of the proposal. The committee's recommendation shall be advisory to the Mayor, but shall not limit the City's discretion in final selection of a developer(s), and may not be appealed by the submitters or any other party for any reason.

A staff evaluation committee established by the Mayor for this purpose will review submissions for completeness and to verify that both the applicant(s) and the proposed project(s) respond to the requirements of this RFI. Submissions determined to be non-responsive will not be considered or evaluated. Any submissions deemed ineligible or non-responsive may appeal to the Mayor for reconsideration at the Mayor's sole discretion. The City is the sole and final decision-maker regarding this selection, and it reserves the right to reject any or all submittals. Following approval, the selected developer(s) will be authorized to work with City staff to further develop a project proposal, begin the land use entitlement process, conduct community outreach, and negotiate an Exclusive Negotiating Agreement (ENA). The ENA would establish the preliminary terms for the sale/other possessory interest (as proposed); loan and regulatory agreements; and other project prerequisites. The preferred developer(s) would complete the land use plan, finalize its financing of the project, and obtain the required building permits and other approvals. This step is subject to further refinement upon discussion with the preferred developer.

The City will select a preferred developer(s) based on the responses to the RFI. If negotiations with the preferred developer do not proceed in a timely or satisfactory manner, an alternative developer may be selected or the City may reissue the RFI.

The final selection will be made solely by the City of Bloomington. **The City of Bloomington reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFI at any time.**