



REQUEST FOR PROPOSALS (RFP)
#274-HN-2025-2-CD

East-Cabarrus Development



**Raleigh
Housing**

raleighnc.gov



Raleigh is a 21st Century City of Innovation focusing on environmental, cultural, and economic sustainability. The City conserves and protects our environmental resources through best practice and cutting-edge conservation, stewardship, land use, infrastructure and building technologies. The City welcomes growth and diversity through policies and new ideas that will protect and enhance Raleigh's existing neighborhoods, natural amenities, history, and cultural and human resources for future generations. The City desires to improve the quality of life of neighborhoods and increase the standard of living for all citizens. This is accomplished through partnerships with stakeholders such as the development community, the non-profit sector, and our citizens.

The City of Raleigh, North Carolina is one of the fastest growing cities in the country with a dynamic downtown energized by new residential and office construction. We have a nationally-recognized restaurant scene, burgeoning local retail and night-life, popular museums of science, history, and contemporary art. Additionally, the downtown boasts diverse festivals and cultural events, an active convention center, and a historic performing arts center that is home of the North Carolina Theater, Symphony, Opera, and Ballet.

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Site Development Opportunity

The City of Raleigh (City) seeks qualified development partners for a ~0.24-acre cluster of City-owned parcels at the intersection of S. East St and E. Cabarrus St. in downtown Raleigh (414, 416 E. Cabarrus St. and 504 S. East St.). The City aims to find a development partner to collaboratively identify the highest and best use for the property. The partner will then lead the site's development with City support. The City's preference is for rental housing development to be constructed on the parcels, but for-sale housing is also an option.

The property is located at:



414, 416 E. Cabarrus St. and 504 S. East St.
in downtown Raleigh.

This corner property is just blocks away from Moore Square, City Plaza, Chavis Park, and Transfer Co. Food Hall. The surrounding neighborhood features a variety of housing types, including single-family, two new townhome developments, a small-scale affordable multifamily complex, and several mixed-use retail spaces. The site is also conveniently along a City bus route and in walking distance to Moore Square Station.





The City Housing and Neighborhoods department, in partnership with the Planning and Development department's Urban Projects Group (UPG), is issuing this Request for Proposals (RFP) to identify a development partner eager to work with a team of City staff to collaboratively determine the most suitable project for these sites. After the City and the selected partner agree on a concept, the partner would lead the design, permitting, financing, and development of the project, with City support.

The City's primary goals for the parcels are to:

- » Maximize the number of affordable units constructed,
- » Implement a long term legally binding affordability term (min. 75 years), and
- » Obtain the deepest income targeting possible.

Proposers should consider all relevant City sponsored plans and the City's mission to improve the quality of life for Raleigh's low- and moderate-income residents.

For-profit and non-profit developers are eligible to apply.

Selection of a partner will be driven primarily by qualifications rather than a specific development proposal. Therefore, responses to this RFP are not expected to include detailed design drawings or financial models. However, an initial concept-level vision for the parcels can be submitted as part of the Project Description and will help demonstrate an applicant's level of thoughtfulness about the site's potential.





The property was valued at ~\$830,400 as of June 2023. The City's preference is to provide site control to the selected partner via a long-term ground lease (~75-year) at a nominal rate, with additional subsidy offered in the form of a construction to permanent gap financing loan (**preliminary estimate of \$500,000 up to \$1,000,000** or more depending on unit count, affordability level, and other factors) to help create a viable project. A fee simple sale with negotiated affordability restrictions is also an alternative option that could be considered. The final method of disposition will be guided by applicable state laws and will be determined by the City, subject to City Council approval. In addition, gap financing loan terms, lease terms and fee simple sale terms are subject to City Council approval. The City will also record deed restrictions against the parcels to ensure long-term affordability.

\$830,400 Property Value as of June 2023

Zoning

The site consists of three (3) parcels and is zoned Residential Mixed Use 3 – Urban Limited (**Unified Development Ordinance Section 3.1.1**). This zoning allows for residential uses up to 3 stories, with no frontage required.

Residential Mixed-Use districts are intended to provide for a variety of residential building types and housing options (including townhouse and multifamily) at a density in excess of 10 dwelling units per acre. This zoning also allows limited retail and services subject to use standards that limit the size and scale to the ground floor corner unit of an apartment building.

The Urban Limited designation (**UDO Sec 3.4.7**) is intended for areas where parking between the building and street is not allowed. Detached and Attached (single-family and duplex) buildings are not permitted. Buildings abut the street and sidewalk; therefore, to balance the needs of both the pedestrian and automobile, first-floor building façade continuity is required.



Condition of the Site

All three parcels included in the cluster are vacant and have access to paved public streets as well as access to City water and sewer. Proposers should be familiar with NCG01 and all other applicable stormwater regulations. Proposers are expected to have examined the parcels in order to understand existing site conditions and include a description of any anticipated development constraints in their Project Description (e.g. grading, slope stabilization, curb and gutter, sidewalks, parking, utilities, stormwater, etc.).



City Goals for the Site

Serving Low/Moderate-Income Families

The City is committed to advancing housing affordability through the support of missing-middle housing types and subsidizing units to preserve affordability for the lowest-income households. The City anticipates contributing a construction to permanent gap financing loan to subsidize affordable units on these sites. The final gap financing loan amount will ultimately be established by the City (subject to City Council approval), as part of the collaborative development concept in working with the selected partner.

Therefore, Proposers should provide scenarios of approaches they have taken or will take related to the income mix of the proposed project. The minimum affordability requirement is to provide 20% of the total development units as affordable housing at no greater than 60% AMI. In addition, the description should be specific about the actual income targeted within the affordable units.

Promoting Integration and Permanent Housing

The Housing and Neighborhoods Department prioritizes alignment with the philosophy of the State's Olmstead Settlement Agreement, which promotes housing choice and integration for people with disabilities, and with "Housing First," which prioritizes providing permanent housing to people experiencing homelessness rather than temporary or transitional housing. Whenever possible, the Housing and Neighborhoods Department prioritizes permanent, integrated housing over single site, non-integrated models for people with disabilities and people exiting homelessness in order to promote a more equitable and inclusive community for all residents.

Preserving Long-Term Affordability

Long-term affordability is a high priority for the City Council and City staff. The City's preference is for a minimum affordability term of 75-years.

Maximizing Density

Maximizing density is a goal for the City, within the constraints of the associated zoning. The RX-3-UL zoning allows for several options that could generate affordable housing units. Proposers should provide scenarios utilizing maximum density on the site. In addition, there should be consideration given related to parking requirements, open space, stormwater, and amenities.

Collaborating with Development Team

Given the financial investment involved in the pre-development process, the City would like to provide security to the selected partner by collaborating through the pre-development process to identify a project for these parcels that is both financially feasible and UDO compatible. Therefore, the City is most interested in working with a development team that has had a successful track record of producing high quality infill development and working with missing-middle housing types, and who shares a commitment to affordability.



RFP Selection Process

The City will follow the following process to select a developer for the East-Cabarrus parcels.

The RFP responses will be evaluated and ranked by a City review committee against the criteria set forth in the RFP. The scoring criteria are intended to serve as a guide for decision-making, and the City is not obligated to select the proposal with the highest overall score. The review team will use the scoring criteria and other considerations to recommend a proposal to City Council, who will make the final selection of the development proposal.

After approval by City Council, the selected developer and the City will enter into negotiations on the final terms of the agreement.

The City reserves the right to reject any or all responses to the RFP.



RFP Submittal Requirements

1. Cover Letter

Include an executive summary that clearly and concisely outlines the proposed development concept for the sites and the capability of the development team, including any developer partners for the project (i.e., architect, property management firm, etc.), to design, construct, and manage the project. Please include a description of how your team plans to meet the Minority and Women-Owned Business Enterprise (**MWBE**) goals set by the City. The Cover Letter, no more than two pages long, should be signed by the principal of the lead development team for the project indicating his or her authority to submit the response on behalf of the development team(s).

2. Development Team Experience

Include a written description of the following information regarding the development team:

- i. Primary contact name and contact information, including email address of primary contact.
- ii. Description of the proposed legal structure of the team (i.e., joint venture, partnership, etc.).
- iii. Development experience with comparable projects, including dates, nature of involvement (management and/or implementation), target audience, size and scope, and design (with images of concepts or completed projects where possible).
- iv. Brief summary of key participant qualifications and the role of each.
- v. Experience of project team (i.e., engineer, architect, property manager, etc.), with a list of previous projects within the last five years.

(continued on next page)

3. Project Description

Include a written description of an initial proposed development concept, highlighting the features that would benefit low- to moderate-income residents of the area and provide unique assets to both the surrounding residents and the neighborhood. ***If selected, the initial proposed development concept may change as the selected development partner will work with the City to finalize the details of the project.***

The description should clearly state the following:

- i. Total number of project units and total number of affordable units
- ii. Unit types (i.e., townhouses, etc.)
- iii. Income targeting for all project units (i.e., 60% AMI, market-rate, etc.)
- iv. The proposed affordability period (i.e., 75 years)
- v. City gap financing subsidy terms (i.e., dollar amount, interest rate, loan term, etc.)
- vi. Land disposition terms (i.e., proposed annual rent amount if land lease or sales price if fee simple sale)
- vii. The type of proposed construction and how it is maximizing density
- viii. Description of building(s): construction type, materials, number of stories, proposed height, general bulk, and dimensions
- ix. Description of how the building(s) would relate to the surrounding architecture
- x. An estimated development schedule that specifies key milestones such as: obtaining financing, permit application construction commencement, completion, and opening
- xi. Description of SystemVision certification and application to the project. All new construction must meet or exceed SystemVision certifications. [Click here for more information.](#)
- xii. Description of how proposed project is compatible with UDO.

Optionally, preliminary plans, elevations, sketches, and/or graphic renderings of the initial proposed development concept can be included with the application. These graphics are not required, but may help convey the intent of the project and demonstrate the capabilities of the development team.

RFP Submission Checklist

The following items are required for submission for each Proposal unless they are specifically noted as "optional" or "if applicable". Note that certain items require a signature. All forms and questionnaires can be downloaded [here](#).

Written Submissions

- i. Cover Letter
- ii. Development Team Experience
- iii. Project Description

Additional Attachments

- iv. Proposer Questionnaire Form (submit signed copy)
- v. Reference Questionnaire Form
(min. 3 references, third-party submits signed copy on behalf of Proposer directly to City staff)
- vi. MWBE Participation Form
- vii. Company By-Laws
- viii. Articles of Incorporation
- ix. 501(c)3 Determination Letter (submit if applicable)
- x. Topo Map
- xi. Landmarks Map
- xii. Simple pro-forma model
- xiii. Exceptions to the RFP Form (submit signed copy)
- xiv. Signed copy of RFP Addendum(s) (submit signed copy)

Optional:

- xv. Preliminary site plans, elevations, sketches, and/or renderings
(not required, submit as optional)

RFP Schedule

The City intends to proceed in accordance with the schedule noted below. The City reserves the right to alter the schedule at any point in the process but agrees to provide adequate notice to respondents should the schedule be amended.

RFP Process Step	Due Date	Time
RFP will be published on the eVP website and on City of Raleigh website .	10/1/2024	5 p.m.
Non-mandatory Virtual Pre-proposal Conference will be held on Microsoft Teams from 3:00 – 4:00 p.m. using the following login credentials: Virtual Microsoft Teams Link: Teams Meeting Meeting ID: 261 156 960 539 Passcode: onaeeh Call-in Number: +1 919-561-6523,,96910313# Conference ID: 969 103 13#	10/7/2024	3 p.m.
Last day for written questions about the RFP document or interpretations due by 5 p.m. via email.	10/11/2024	5 p.m.
City's written response to questions will be sent out no later than this date and published in the form an RFP Addendum on the eVP website and on City of Raleigh website . RFP Addendum(s) must be signed and included with the proposal as outlined in the RFP Submission Checklist.	10/25/2024	5 p.m.
RFP submissions via email.	11/1/2024	5 p.m.
City staff complete review of submissions and notify applicants if they advance to the interview phase.	11/13/2024	5 p.m.
Interviews of top candidates begin.	11/18/2024	9 a.m.
City staff will identify an organization to recommend for selection, subject to City Council approval.	12/09/2025	5 p.m.

RFP Submittal Instructions

Proposals must be complete and submitted via email using the following instructions.

Email Subject:

East-Cabarrus RFP – *Development Team Name*

Email to:

Erika Brandt, Assistant Department Director I
Housing & Neighborhoods Department

Erika.Brandt@raleighnc.gov

The electronic version of the Proposal must be submitted as a viewable and printable Adobe Portable Document File (PDF) and must be received by the City on or before the RFP due date and time provided in the schedule below. **Proposals received after the RFP due date and time will not be considered.**

Any incomplete proposal may be eliminated from competition at the discretion of the City of Raleigh. The City reserves the right to reject any or all proposals for any reason and to waive any informality it deems in its best interest.



RFP Terms and Conditions

Proposer Acceptance of RFP Terms and Conditions

It shall be the Proposer's responsibility to read the Instructions, all relevant exhibits, attachments, addendums, and any other components made a part of this RFP and comply with all requirements and specifications herein. Proposers are also responsible for obtaining and complying with all Addenda and other changes that may be issued in connection with this RFP.

Submission of any proposal indicates a Proposer's acceptance of the conditions contained in this RFP unless clearly and specifically noted otherwise on the Appendix I: RFP Submission Checklist - Exceptions to the RFP Form and submitted with proposal.

City's Authority Over Selection Decision

The City has the sole discretion and reserves the right to cancel the sale or lease described herein prior to final approval by City Council, to reject any and all proposals, to waive any and all informalities and/or irregularities, and to re-advertise this RFP with either the identical or revised scope and specifications if it is deemed to be in the best interests of the City to do so.

The City reserves the right to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part and/or negotiate any or all items with individual Proposers if it is deemed in the best interest of the City to do so.

While the Evaluation Criteria are intended to help inform the City's selection of a Proposal, the City reserves the right to select the best overall proposal when measuring against the City's strategic policy priorities, including, but not limited to the City's Strategic Plan, Comprehensive Plan, and any redevelopment plans adopted by the City Council.

Moreover, the City reserves the right to make no selection if proposals are deemed to be not in the best interest of the City.

Proposer Responsible for Expenses

The Proposer is responsible for any expenses incurred in the development of a response to this RFP or any other activities associated with this procurement including but not limited to any onsite (or otherwise) interviews and/or presentations, and/or supplemental information provided, submitted, or given to City of Raleigh and/or its representatives.

Moreover, by responding to this solicitation, the firm certifies that it has not and will not pay any person or firm to influence an officer or employee of the City or the State of North Carolina, or any elected official in connection with obtaining a contract as a result of this RFP.

City's Right to All Submitted Materials

All proposals and supporting materials, as well as correspondence relating to this RFP, shall become the property of the City. The content of all submittals will be held confidential until the selection of the firm is made.

Proposals will be reviewed by the Evaluation Team, as well as other City staff and members of the general public who submit public record requests. Any proprietary data must be clearly marked. In submitting a Proposal, each Prospective Proposer agrees that the City may reveal any trade secret materials contained in such response to all City staff and City officials involved in the selection process and to any outside consultant or other third party who serves on the Evaluation Team or who is hired by the City to assist in the selection process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Proposer of the conditions contained in this Request for Proposals. Proposals marked entirely as "confidential," "proprietary," or "trade secret" will be considered non-responsive and will be removed from the evaluation process.

MWBE Participation Form Requirement

The City prohibits discrimination in any manner against any person based on actual or perceived age, race, color, creed, national origin, sex, mental or physical disability, sexual orientation, gender identity or expression, familial or marital status, religion, economic status, or veteran status. The City maintains an affirmative policy of fostering, promoting, and conducting business with women and minority owned business enterprises.

Conflicts of Interest

1. Federal procurement standards provided in 2 CFR 200.318 (c)(1):

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or a firm which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

2. A criminal statute for conflicts of interest in public contracting, provided in NC General Statute § 14-234(a):

(1) No public officer or employee who is involved in making or administering a contract

on behalf of a public agency may derive a direct benefit from the contract except as provided in this section, or as otherwise allowed by law. (2) A public officer or employee who will derive a direct benefit from a contract with the public agency he or she serves, but who is not involved in making or administering the contract, shall not attempt to influence any other person who is involved in making or administering the contract. (3) No public officer or employee may solicit or receive any gift, favor, reward, service, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract by the public agency he or she serves.

3. A Regulations for private transactions between the City and its officials and employees, provided by the City of Raleigh Charter Section 3.9:

No member of the City Council, official, or employee of the City of Raleigh shall be financially interested, or have any personal beneficial interest, either directly or indirectly, as agent, representative, or otherwise, in the purchase of, or contract for, or in furnishing any materials, equipment or supplies to the City of Raleigh, nor shall any official or employee of the City of Raleigh accept or receive, or agree to accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded or from whom any materials, equipment or supplies may be purchased by the City of Raleigh, by rebate, gift, or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future reward or compensation, for recommending or procuring the uses of any such materials, equipment or supplies by the City of Raleigh; no member of the City Council, official or employee of the City of Raleigh shall for his own personal benefit operate, directly or indirectly, any concession in any building or on any lands of the City of Raleigh, nor shall any official or employee of the City of Raleigh bid for or be awarded any contract granting concessionary rights of any nature or kind from the City of Raleigh; it shall be unlawful for any member of the City Council, official or employee of the City of Raleigh to bid for or to purchase or to contract to purchase from the City of Raleigh any real estate, equipment, materials, or supplies of any nature or kind whatsoever, either directly or indirectly, at either public or private sale, either singly, or through or jointly with any other person.