



TO: Interested Parties of the Builder Selection Request for Proposals
FROM: Clinton Powell, Executive Director
RE: Amendment 2 to the Request for Proposals

Proposals, Section A. Cover Sheet & Company Information. Comments were received by Shelter pertaining to the removal of corporate branding information. In order to simplify this process, Company Information was moved under the Cover Sheet requirement.

Shelter Minimum Construction Standards, Section 36. The finished floor elevation and lot grading shall be conducted in accordance with the elevations established by the final platted design. Deviations from these plans require concurrence from the professional engineer responsible for the plat design.

It is anticipated that a sample proposal will be added to the Shelter website at www.shelterchc.com/partner-builders/ on or before March 2, 2020.





TO: Interested Parties of the Builder Selection Request for Proposals
FROM: Clinton Powell, Executive Director
RE: Amendment 1 to the Request for Proposals

On February 24, 2020 the Mitchell Planning and Zoning Commission met to consider the Ridge View on Foster preliminary development zoning change. As part of that process changes were requested to the Builder Selection RFP. Below are the changes made:

Proposals, Section E. Pricing. Comments were made about the security of pricing data and its proprietary importance to each builder. Shelter understands and values the importance of this information. In acknowledgement of these concerns, no pricing data will be provided to the proposal selection team for their review. All financial information will be reviewed and scored by Shelter staff. This financial review will not take place until a non-disclosure agreement between Shelter and the Partner Builder has been executed.

Shelter Minimum Construction Standards, Section 32. Requirements were changed to require plans to include a minimum of a 2-car attached garage except on certain corner lots as indicated by the RFP.



REQUEST FOR PROPOSALS (RFP)

RIDGE VIEW ON FOSTER
BUILDER SELECTION
w/ AMENDMENT 1 AND 2

SHELTER COMMUNITY HOUSING CORPORATION
1209 MAIN AVENUE
ARMOUR, SD 57313
605.857.3401

ISSUE DATE: FEBRUARY 14, 2020
DUE DATE: MARCH 27, 2020



SHELTERCHC.COM

OVERVIEW

On January 9, 2020 the Mitchell Area Development Corporation (MADC) in cooperation with Avera Queen of Peace and Avera Health (Avera) and the City of Mitchell (City) announced the development of a mixed-use commercial and single-family home development (Development). The core components of this plan include the construction of 39 single-family homes in Phase 1 of the development. The intent of this initiative is to create new attainable homeownership opportunities primarily for those below the 115% average median income (AMI).

Shelter Community Housing Corporation (Shelter) is a 501(c)3 nonprofit corporation with a mission of helping communities and economic development professionals meet the housing needs of their communities. In partnership with MADDC, Shelter is utilizing a Request for Proposals (RFP) process to identify builders (Partner Builders) for the construction of 39 single-family homes in Phase 1. Each of the lots to be developed will be vacant lots. Initial construction may begin in 2020. Subsequent buildout in 2021, 2022, 2023, and 2024 will exist throughout the area designated as Phase 1 with individual lots being subject to the RFP and development agreements between Shelter and the Partner Builders. Construction schedule during 2021 and subsequent years will vary based on the pace of home sales and community need. Partner Builders shall propose to construct a given number of homes during Phase 1 as a guaranteed minimum number of homes to be constructed in 2021, 2022, 2023, and 2024.

Each lot will be subject to a \$10,000 lot escrow fee/performance bond prior to transfer of title. All lots in the possession of a Partner Builder shall have construction initiated within 6 months and completed with a certificate of occupancy within 12 months. If construction timeline is not achieved, the lot escrow fee shall be forfeited and title shall revert to Shelter.

Shelter will secure grant funds and below commercially available interest mortgage loan dollars to address the financial "gap" that will exist between the construction cost of the new homes and the lower anticipated homeowner affordability. When a Partner Builder undertakes the construction of a spec home, Shelter shall provide the principle assistance and below market mortgage interest rate to allow the homeowner to purchase the home from the Partner Builder.

Marketing and sales of the home remain a requirement of the Partner Builder. A purchase contract may be entered into anytime, including prior to construction beginning, but all homes must be built on spec without a requirement for the homebuyer to retain construction financing. Once the homebuyer is identified and determined to be eligible for the identified house plan based on their current household size in relationship to the subsidy requirement, Shelter will complete the homeowner subsidy bundling process. This process can take 1 to 4 months depending on seasonal variations in grant availability. More information about this process is available by contacting Shelter.

Proposals are due on or before 4:00 pm on March 27, 2020. All questions regarding this RFP should be directed to:

Clinton Powell
Executive Director
Shelter Community Housing Corporation
(605) 857-3401
clinton@shelterchc.com

PROPOSALS

Whether proposing the construction of one or multiple homes, only one (1) hard copy proposal packet and one (1) electronic proposal packet needs to be submitted by an interested Partner Builder. **IMPORTANT:** All proposals must conform to the prescribed format and contain all required information and materials outlined below:

A. Cover Sheet & Company Information

All proposals must include a completed and signed Proposal Cover Sheet and company information page. The company information page should contain a written narrative describing your company, its history, and ownership. The cover sheet and company information page shall be the only two pages with corporate branding. This cover sheet will be removed by Shelter staff during the Review process to ensure proposal anonymity.

B. Experience

Provide a written narrative of your single-family residential construction experience. Particularly highlight, as applicable, any experience with grant-funded attainable housing and partnerships with community non-profits.

Provide three (3) client references with contact information.

Provide a list of single-family homes built by your company in 2019 in the Mitchell area, including: address, model, square footage, completion date, and sales price. You may also attach up to twelve photos (3 sheets max) of homes constructed.

C. Capacity

Indicate your normal construction time for a single home, what your production capacity is (i.e. how many homes can you have under construction at one time), and if your build time is impacted by having multiple homes underway simultaneously. Also include the minimum number of spec homes that will be constructed in 2021, 2022, 2023, and 2024.

Provide corporate financial statements, letters of credit, or other evidence that demonstrates your company's financial strength and capacity to participate in this initiative by building the proposed number of homes speculatively.

D. Home Plans

Proposing builders must submit a minimum of two (2) home plans and material specification (Plans) from which Shelter may consider for construction within the Development on a lot by lot basis. Home plans should be acceptable on a lot size of 60' x 134'. All homes must conform to the Shelter Minimum Construction Standards (Standards). Any deviations to the Standards shall be itemized in a separate document and attached.

Home plans submitted shall be distinctly different. Plans differentiated only by a varied roofline, porch size, window style, or interior finish package will not be considered to have met this requirement. However, offering these items as options or alternatives to the standard Plans is encouraged. Square footage range per floor is anticipated to range from 1,200 to 1,700 sf. Square footage of Lot 1 - Lot 8, Block 2, of the Ridge View on Foster Addition shall range from 1,500 sf to 1,700 sf per floor. Plans shall be a minimum 2 bedroom, 2 bath above grade to a maximum 4 bedroom, 2.5 bath above grade. Basements may be provided.

Included for each Plan submitted shall be a floorplan with dimensions, elevation drawings of all four sides, a list of standard features, and construction specifications.

Home plans requiring special lot designations in order to highlight architectural design concepts promoting housing density in a single family development shall be specifically designated as such in the proposal. There is no requirement for a Partner Builder to propose such a plan.

E. Pricing

Provide a separate pricing sheet for each Plan submitted including:

- a. A firm, fixed-price cost for construction of the Plan as submitted.
 - i. No cost for the lot/land should be assumed. The \$10,000 refundable lot escrow fee / performance bond will be returned following certificate of occupancy and cure of all punchlist items.
 - ii. A material escalation clause will be included in the final agreement between Shelter and the Partner Builder allowing for an annual price adjustment to the firm, fixed price based on material cost changes.
- b. The following line items breakouts of the firm, fixed price is required for grant processing:
 - i. General Requirements including all on-site overhead expenses for construction including on-site construction supervision, temporary storage for materials, job trailer, temporary utilities, sanitation facilities, construction loan origination, and realtor fees.
 - ii. Builder's Overhead including the costs of office expense, staff salaries and benefits other than construction labor and supervisors working directly on the project, mileage and travel costs, or general liability insurance.
 - iii. Builder's Profit
 - iv. Contingency
- c. A line item list of all options and allowances with pricing.

All pricing data is considered proprietary. Pricing data will be excluded from the information provided to the proposal selection team. Shelter staff that evaluates pricing data will enter into a non-disclosure agreement with the Partner Builder prior to handling or evaluating the information.

F. Attachments

All proposals must contain the following attachments:

- a. Proof of General Liability, Risk, and Workers Compensation insurance coverage;
- b. Brochure or other materials providing an overview of the new home warranty to be provided to the homebuyer upon sale of the home.

SUBMISSION, REVIEW, SELECTION, & BUILD OUT

A. Submission

Proposals are due by 4:00 pm, March 27, 2020 and must include one (1) hard copy and one (1) electronic copy of the full proposal. All proposals should be submitted to:

Clinton Powell
Executive Director
Shelter Community Housing Corporation
c/o: Mitchell Area Economic Development
Corporation Mitchell, SD 57301

B. Review

All accepted proposals will be thoroughly reviewed by a selection team consisting of five members: a member of Shelter Community Housing Corporation's executive team, a licensed Architect, a representative from Avera Queen of Peace, an employee of Planning and Development District 3, and a resident of the Firesteel neighborhood. Proposals will be stripped of identifying information prior to evaluation to ensure anonymity. Proposals will be considered on a variety of factors per the rating criteria, including, but not limited to:

- a. The architectural compatibility of the Plans submitted with the surrounding neighborhood and design guidelines;
- b. The range of features, options, styles, sizes, and price points contained with the collective set of Plans submitted;
- c. Any sustainable building features of the proposed homes;
- d. The quality of the proposed homes to be built;
- e. Pricing of the Plan and value of the proposed homes;
- f. The experience and track record of the builder, overall and in the development of attainable single-family housing;
- g. The Builder Partner's financial strength and resources;
- h. Production and financial capacity to undertake construction of number of houses proposed to be built;

Partner Builders may be contacted by the selection team for additional information, to meet with the team, and may be asked to revise plans or other materials submitted as part of the review and selection process.

C. Selection

Selection of one or more Partner Builders is anticipated on or about April 1, 2020 with initial 2020 construction expected in the fall of 2020 per the buildout plan proposed by each Partner Builder.

D. Pre-construction Architectural Review

An Architectural Review Committee of not more than three individuals will be appointed by Shelter Community Housing Corporation to approve final plans for improvement prior to construction. This Committee shall have the authority to require changes to the plans to maintain aesthetics. This Committee shall also ensure plan variation to create a diverse neighborhood of home plans and prevent a monolithic feel. This committee will disband following the buildout of the development.

E. Lot Lottery

Following the selection of Partner Builders, a lot lottery will be conducted for both fairness and transparency. Each Partner Builder selected for 2021 will have their name in the lottery once for each home commitment. A Shelter representative shall draw one name at a time, and the Partner Builder may select any available lot. The process shall be repeated for 2022, 2023, and 2024 until all available lots have been chosen.

Unique architectural design concepts or construction to be completed by a local educational entity may require specific lot selection. Such a plan may, at Shelter's discretion, constitute a need to target certain lots for a specific plan. These lots would be allocated prior to conducting the lot lottery.

F. Accelerated Build-out

If the homeowner demand and build-out of the development exceeds initial expectations, each Partner Builder may, at their own discretion, move lots from a subsequent year to the current year. If a Partner Builder has exhausted their subsequent year allocations, Shelter may make a written determination to the Partner Builders that further acceleration would prove beneficial to the TIF increment. After providing such written notice, Shelter may reallocate lots in which the lot escrow fee has not been paid. The reallocation will begin with those lots selected last during the Lot Lottery and proceeding towards those selected first.

SHELTER MINIMUM CONSTRUCTION STANDARDS

1. Incorporation of the 7 Universal Design Principles in all homes as published by SDHDA.
2. Slab on grade construction to have a minimum R-10 vertical foundation and horizontal perimeter under slab insulation per 2012 IECC. Crawl spaces are to be sealed, insulated (min R-10) and conditioned.
3. A minimum of a 6 mil or greater vapor barrier is required under slab on grade, basement slab, or crawlspace floor.
4. Foam plastics when used under any condition listed under Section R316 Foam Plastics of the 2015 IRC shall comply with the pertaining code section.
5. 2x6 exterior wall assemblies insulated to a minimum of R-20. Roof assembly to have energy heel trusses and be insulated to a minimum of R-49. Rim/band joists to be insulated to the same R-value as the exterior walls above. All assemblies must be constructed to the higher or this minimum or the local adopted code.
6. Homes shall have a minimum of two (2) different ridgelines and cannot be a perfect rectangle or square.
7. Installation of LED lights throughout the interior and exterior of the home.
8. Carpet must meet the standards of HUD use of material bulletin 44D. VCT, Vinyl Plank, LVT, sheet vinyl, and other floor coverings must meet or exceed the ASTM standards for Resilient Floor Covering and carry a minimum of a 10-year manufacturer warranty. An aluminum or vinyl "J" trim must be installed at the tub/shower transition when sheet vinyl flooring is installed and sealed with a silicone sealant.
9. Laundry space must be provided with washer and dryer hook-ups and dryer venting to the exterior.
10. Primary bath light and bathroom ventilation fan must be switched together. Bath fan cannot be used to meet mechanical ventilation code.
11. Installation of an HVI certified HRV or ERV.
12. A minimum 18 cu. Ft. refrigerator/freezer will be provided along with a range and dishwasher. All appliances shall be Energy Star qualified.
13. Range hood vented to the exterior.
14. Kitchen countertops shall be laminate.
15. Water Sense qualified faucets, toilets, and showerheads. Kitchen faucets shall meet the same Water Sense standards as bathroom faucets.
16. Window coverings or blinds shall be installed.
17. 92% AFUE minimum gas furnace, heat pumps rated at HSPF of 8 or greater with a 13.0 SEER rating or higher (packaged or split).
18. Central air conditioning rated at 13 SEER or better.
19. Programmable thermostats are required.
20. Minimum of 0.93 UEF electric water heater, gas condensing, or electric heat pump water heater. No atmospheric vented gas water heaters are allowed.
21. Hardwired CO sensors required.
22. Low VOC paints, stains, adhesives, and sealants.
23. Formaldehyde free insulation.
24. Formaldehyde free or sealed particle board products.
25. Passive radon system.
26. Minimum of 15-year finish warranty, 30 year substrate warranty, solid cementitious or composite prefinished siding. Prefinished soffits, fascia, gutter, and downspouts are required.

SHELTER MINIMUM CONSTRUCTION STANDARDS

CONTINUED

27. Minimum of 30yr warranty asphalt shingle.
28. Energy Star certified exterior prefinished windows constructed of vinyl, wood, composite, or fiberglass containing Low-E glass scored with an U Factor at or exceeding .30 and a SHGC of 0.42 as determined by the National Fenestration Rating Council.
29. Exterior doors shall be insulated steel or composite in a metal clad or composite frame. Entry doors without windows shall have a peephole installed with a 180 degree view. All entry doors must be equipped with a deadbolt with a 1" throw into a reinforced jamb.
30. Any above grade entry landings will be constructed of composite decking and railing with minimum 25 year warranty with a minimum size of 5' x 5'.
31. A concrete sidewalk or other approved walkway will be provided from the primary entrance door and any accessible entry door to a public right of way.
32. Plan includes an attached garage capable of parking at least two vehicles. Plans specifically referenced for construction on Lot 17, Block 2; Lot 2, Block 3; Lot 8, Block 3; and Lot 2, Block 4 may include an option for a detached garage capable of parking at least two vehicles.
33. No less than 5% of the hard-surfaced area of the project site will be live landscaped.
34. Each developed lot shall require at least one Partner Builder planted tree in accordance with the Mitchell Street Tree program.
35. A minimum of a 4' downspout extension or a 3' concrete splash block that positively discharges water away from the foundation at all downspout locations.
36. The finished floor elevation and lot grading shall be conducted in accordance with the elevations established by the final platted design. Deviations from these elevations require concurrence from the professional engineer responsible for the plat design.