

Request for Qualifications (RFQ) For Community Land Trust Consultant

TIMELINE FOR SUBMISSION:

Issue Request for Qualification	November 20, 2023
Question & Answer Period	November 20 - 29, 2023
RFQ Submissions Due	December 1, 2023, 11:59 PM

SCOPE OF SERVICES:

The Kheprw Institute is launching the Indianapolis Community Land Trust (CLT) to promote affordable homeownership, ensure that public land is used to the benefit of the community, and secure economic diversity and lasting affordability. We are seeking an experienced consulting organization to assist in the implementation of Indy CLT’s pilot projects in 2024 (see Attachment A).

PRIMARY WORK:

1. **Policy, Procedures and Supporting Documents**
 - a. The consultant will help develop in collaboration with CLT staff processes, documents and policies to qualify, select and educate homeowners from initial contact to closing on their home. This includes legal documents like the CLT purchase agreement addendum and the finalized Indy CLT groundlease and deed restriction templates.
2. **Advise and Support First Partnership CLT Development**
 - a. The consultant will assist CLT staff to develop a marketing and sales process for the 13 Temple Avenue Townhomes development in partnership with Englewood CDC. The consultant will work with staff to create a development agreement template to use in partnership with non-profit and for profit developers in creating CLT homes in the future.
3. **Property Tax and Advocacy Strategy**
 - a. The consultant will assist in the development of a strategy to work with the Assessor and Auditor on property taxes for CLT homes and work with staff on whether to launch with a deed restriction or ground lease. They will help to develop a longer-term statewide advocacy effort to pass

legislation to clear and advantageous property taxation for CLT homeowners.

4. CLT Affordability Gap Analysis

- a. Review our initial data on the Indianapolis housing market and help us right size the subsidy amounts to make homes perpetually affordable for our priority target of 30-60% AMI households and up to 80% AMI.

5. General Support with Community Education and Stakeholders

- a. Provide support and experience as needed to navigate with partners, community and other stakeholders.

RECOMMENDED FORMAT FOR SUBMISSIONS:

1. **DESCRIPTION OF APPROACH:** Up to five pages describing the Consultant’s suggested approach to the work, which should demonstrate the consultants experience and knowledge in having previously worked on similar projects.
2. **PROPOSED TIMELINE:** Proposed timeline on when pieces of the work will be completed.
3. **DELIVERABLES:** The documents and work that will be completed by the end of the engagement.

**Submissions should be emailed to clt@kheprw.org by Friday December 1, 2023, 11:59 PM.*

EVALUATION OF SUBMISSIONS:

Consultants responding to this RFQ must demonstrate the following, which will be the basis for evaluating submissions, listed in order of importance/weight:

- Proven track record of administering and starting up a CLT organization.
- Experience in working with partner institutions and community stakeholders.
- Ability to provide ongoing support and ongoing learning opportunities for CLT staff and stakeholders.

Kheprw Institute will evaluate all submittals to determine which Consultants have the experience and qualifications that are most suited for this project. Kheprw Institute may request personal interviews with the highest-ranked Consultants or may request one or more prospective Consultants to submit additional materials.

ATTACHMENT A



Pilot Project Proposals

Pilot Projects

- Homebuyer Choice Program
- Temple Avenue Partnership Development

Income and Household Targeting

- Focus our resources on **30-60% Area Median Income (AMI) households**. These are members of our community most impacted by housing insecurity and left out of the current market.
- For a one-person that's approximately \$19,200/year (30%) to \$38,400/year (60%), who can afford to pay \$480-960/month for their housing (based on 30% of their income).
- For a four-person household that's approximately \$24,700/year (30%) to \$54,780/year (60%), who can afford to pay \$617-1370/month for their housing. These are members of our community most impacted by housing insecurity and left out of the current market.



Homebuyer Choice Pilot

We were awarded \$400k from IAAQLI to do a Homebuyer Choice program. How this works is that qualified CLT residents can get prequalified to get up to \$X in subsidy to buy a home on the market for example:

- Home is for sale that they want to buy for \$200k
- CLT brings \$80k in subsidy
- Their mortgage is for \$120k (with restricted resale, based on this price, 2% appreciation per year)
- CLT brings \$20k for owner-occupied rehab to address any deferred maintenance, safety, lead, etc.

Examples

City of Lakes CLT in Minneapolis primarily uses a homebuyer choice program ([Learn more](#)) and say it's by far their most popular because people get to choose where they want to live and the home they want to live in.

They provide up to \$120k for <60% AMI residents and up to \$60k for <80% AMI residents in subsidy and they also provide owner-occupied repair after they move in to address any lead, deferred maintenance and safety issues. For the owner occupied repair they coordinate with other city and county programs that address lead abatement and fund owner-occupied repair. Since 2005

they grown to 167 single family homes and households that have purchased a home with their Homebuyer Initiated Program serving an average area median income of 51%.

Houston CLT uses only a homebuyer choice program, providing up to \$100-150k in subsidy per household ([Learn more](#)). They don't provide any funding for repairs and instead require the home meet criteria to not require any major repairs in the near future. They've helped approximately 180 homeowners purchase a home with their program since launching in 2018.

Pros:

- Spend money faster than doing construction (City of Lakes says takes 3-6 months for people to typically complete the program from beginning to end).
- Avoids high costs of new construction.
- Converts existing housing to community/non-market housing, and gives Black and Brown and "lower-income" residents direct access to \$ to be able to buy homes that are being flipped in gentrifying neighborhoods like Riverside potentially protecting homes in gentrifying communities (should people choose to live there).
- Doesn't require a lot of capacity to implement compared to developing new housing
- Reduced financial risk because only put resources in at closing
- Includes realtors, title companies and banks which will be more supportive of the program because they can get more business from it and will help us market the program to their clients.

Cons:

- High interest rates dramatically impact monthly payments, since this model relies on homebuyers to get mortgages, unless we can find a Community Development Financial Institution (CDFI) or bank partner that makes special mortgages.
- Having to qualify for a mortgage will automatically lock out some home buyers particularly impacting people of color and people without documentation (would have to get an ITIN loan, which may be challenging)
- Scattered ownership across the city may not lend itself as easily to building community and relationships (have to be intentional on doing this)

What can we learn from this pilot?

- Whether a homebuyer approach is a more efficient use of public funds to provide homeownership opportunities at 30-60% AMI.
- Whether this approach can benefit Black and Brown communities to provide housing and impact the racial wealth gap
- Whether there is a leverage to make a systemic change like Minneapolis to shift resources to focus on addressing the racial disparities with housing and CLTs as a tool.
- Whether a program like this could be utilized in gentrifying neighborhoods like Riverside to enable current/former residents and renters to become homeowners and mitigate cultural displacement.
- Capacity for homeowners to address repairs and sustain their home, comparing existing homes upkeep with new construction project.
- Working out how this program will work with the existing market, sellers, realtors and competition with investor buyers.
- Understanding owner-occupied repair, lead remediation and weatherization funds and programs.



WOVE
ARCHITECTURE + DESIGN

TEMPLE AVENUE TOWNHOMES
WEST CORNER



Temple Avenue Partner Development

Temple Avenue Townhomes and Duplexes is a partnership development between Kheprw Institute, the Indianapolis CLT and Englewood Community Development Corporation (CDC) with significant funding from The City of Indianapolis.

Located at Temple Avenue and New York, the first phase of the development will include 13 units (7 townhomes and 6 duplex units). A second phase of the development would include another 7 townhomes (20 total).

CLT funds could be used to help the project better serve our target of <60% AMI and the CLT will be responsible for educating and qualifying buyers

Pros:

- Project leverages \$1.9 Million in Community Development Block Grants (CDBG) from the City into the first CLT project along with potential funding from the Federal Home Loan Bank and IAAQLI.
- Reduced risk and capacity requirement from the CLT with Englewood CDC leading the development.

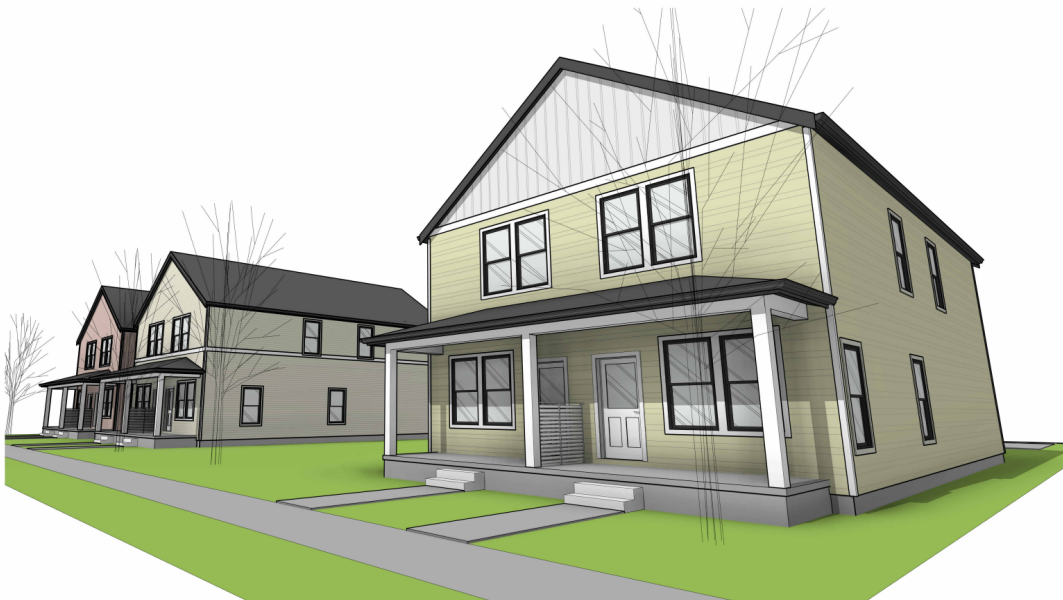
- Creates a tangible first project to demonstrate that the model works and makes precedent for future public investment in CLT projects if successful.
- New development requires less maintenance and is more energy efficient reducing utility costs, making it more stable and manageable long-term. Additionally, homes will come with contractor warranties on the work.

Cons:

- New construction costs are very high due to the market, supply chain and labor shortages, requiring a larger total amount of subsidy compared to acquiring existing properties.

What can we learn from this pilot?

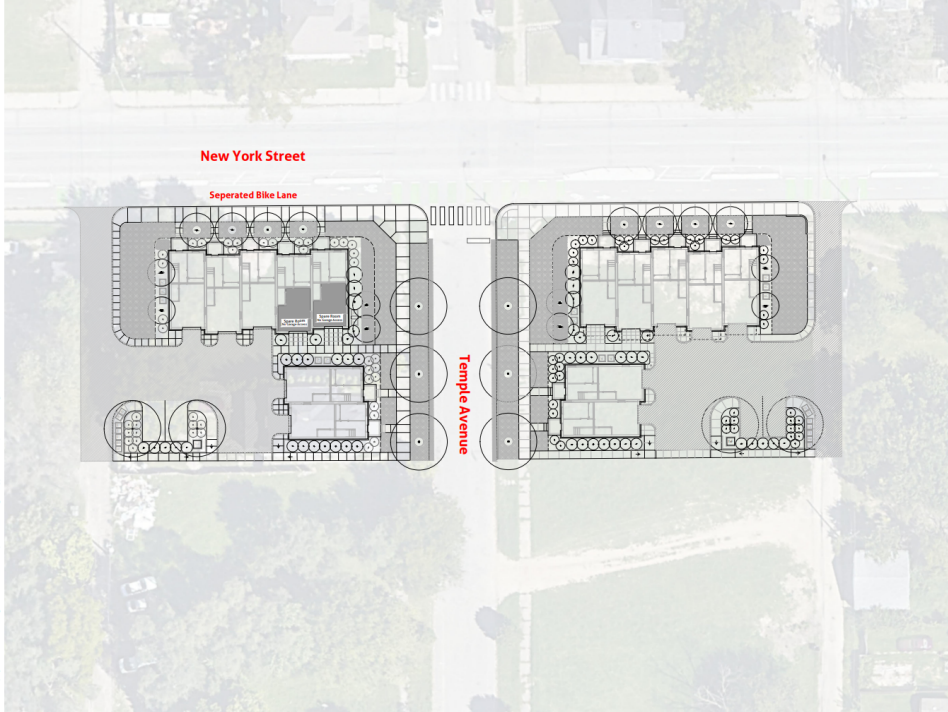
- How to navigate partnerships with developers and whether partnerships like these can expand our capacity to provide housing to our communities and leverage additional resources. City of Lakes CLT and Twin Cities Habitat for Humanity are partnering on similar townhome development in Minneapolis (home.tchabitat.org/harrison-development).
- The feasibility of new construction in the current market conditions.



WOVE
ARCHITECTURE + DESIGN

3D View
1 Perspective

Temple Avenue CLT Homeownership SD203
209, 211, 217, 219, 223, 225 Temple Avenue
07.10.23



Project: C:\Users\jg\OneDrive\Documents\Projects\1111111111\1111111111\1111111111.dwg
 Plot Date: 11/11/2023 10:11:11 AM
 Plot Scale: 1/8" = 1'-0"
 Plot Size: 11.00 x 17.00
 Plot Orientation: Landscape
 Plot Color: Black
 Plot Lineweight: 0.20
 Plot Linetype: Solid
 Plot Font: Arial, 10
 Plot Title: L100



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 Indianapolis, Indiana 46202
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PREPARED FOR:
Engwood CDC
 12 North Wood Street
 Indianapolis, IN 46202

PROJECT:
**Temple Avenue Townhomes
 West Side - 7 Units
 East Side - 7 Units**
 Indianapolis, IN

ISSUED:
 September 21, 2023
 DRAWN BY: JGA/DMH
 CHECKED BY:

REVISIONS:
 No. Date Issue

SHEET TITLE:
Layout Plans



SHEET NUMBER:
L100
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