



Request for Proposals

NEIGHBORHOOD DEVELOPMENT STUDY: EQUITABLE HOUSING STUDY AND STRATEGY

MidTown Cleveland, Inc.

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REQUEST FOR PROPOSALS

Neighborhood Development Study
Equitable Housing Analysis & Strategy
MidTown Neighborhood, Cleveland, Ohio

Issued December 2019 by:

MidTown Cleveland, Inc.

Funded by:

Enterprise Community Partners via HUD Section (4)

Proposals due no later than 5:00 PM EST on January 31, 2020

All inquiries should be directed to:

Joyce Huang

Director of Planning and Placemaking

MidTown Cleveland, Inc.

jhuang@midtowncleveland.org



Our Mission
is to leverage
the MidTown
neighborhood's diverse
assets to develop a
dynamic neighborhood
that unites Cleveland's
Downtown and
University Circle.

Our Vision
is for a connected
community in the center
of it all, an inclusive place
for people to innovate,
create, prosper and live.



EXECUTIVE SUMMARY OF REQUEST

TO PROSPECTIVE FIRMS:

MidTown Cleveland, Inc. (MTC) is soliciting proposals to produce an Equitable Housing Analysis and Strategy for the MidTown neighborhood in the City of Cleveland. For the last few decades, MidTown has functioned as a commercial corridor on the east side of Cleveland, providing key east-west connectivity between eastern suburbs and University Circle and downtown and inexpensive real estate for a variety of institutional users and social service agencies.

The MidTown neighborhood is now at a critical juncture with several catalytic development projects that will spur the acceleration of real estate development and economic growth in the neighborhood and advance MidTown's strategic priorities. What happens in MidTown over the next decade will directly impact the tens of thousands of residents in neighborhoods north, south, east, and west of MidTown. As disparities continue to widen nationally and across Cleveland, we must act with urgency to ensure that this development, our planning efforts and the others that follow will reduce disparity and advance racial equity.

The MTC equitable housing development study is an initiative funded by the Department of Housing and Urban Development Section (4) funds administered by Enterprise Community Partners. The goal of the program is more deeply understand the neighborhood rental housing market. The

intended depth and breadth of this study will far surpass any cursory market studies we've seen in MidTown to date.

Firms wishing to be considered in the selection process must submit one (1) electronic copy of their proposal by Dropbox or jump drive no later than **5:00 PM EST by Friday, January 31, 2020**. No proposal will be accepted after the required date and time unless a notification by the project team extends the deadline by a written addendum.

Should you have any questions regarding this solicitation, please contact Joyce Huang, MidTown Cleveland, Inc.'s Director of Planning and Placemaking at jhuang@midtowncleveland.org or (216) 391-5080 ext. 103.

We look forward to reviewing your responses.

Respectfully,

**Jeff Epstein, Executive Director
MidTown Cleveland, Inc.**



CLEVELAND'S MIDTOWN NEIGHBORHOOD

The MidTown neighborhood has undergone a rapid transformation over the past ten years. For the last few decades, MidTown has functioned as a commercial corridor on the east side of Cleveland, providing key east-west connectivity between eastern suburbs and University Circle and downtown and inexpensive real estate for a variety of institutional users and social service agencies. This started to change once the nationally-recognized HealthLine Bus Rapid Transit began service nearly eleven years ago, kickstarting a real estate boom of \$10 billion along the length of Euclid Avenue with \$300+ million within MidTown's boundaries. From 2008 to 2015, this "first wave" of investment primarily consisted of office and research laboratory space to support the Health-Tech Corridor initiative. From 2016 to 2018, the "second wave" of investment included more office space, a pediatric and prenatal care outpatient facility, a grocery store, and over 300 units of market rate housing. Today, there is roughly \$170 million dollars of investment in the development pipeline for 2019 and 2020. The growth in MidTown added thousands of jobs, 700,000 square feet of office, the first market rate housing in decades, and a sense that this neighborhood could once again be more than just a commercial corridor.

Despite this economic growth, disparities remain between the investment in the neighborhood and the economic position of the approximately 1,720 residents in MidTown. Poverty rates of MidTown residents have increased from 44% to 50% from 2008-2012 to 2013-2017, and the median household

income has seen a 17% decrease in the same time period, while median gross rents have remained the same (2008-2012 and 2013-2017 ACS 5-Year Estimates, Progress Index). Without incorporating intentional practices of developing with equity in mind, these disparities will likely increase.

The MidTown neighborhood is now at a critical juncture with several catalytic development projects that will spur even more acceleration of real estate development and economic growth in the neighborhood. Additionally, the relative availability of low cost real estate and MidTown's location in a federally designated Opportunity Zone means that developers and investors have increasingly looked to our market to invest. As the rate of development accelerates, MTC is keenly aware that what happens in MidTown directly impacts the dense residential neighborhoods to the north and south of our commercial corridors, communities of color that have experienced the generational consequences of racial redlining, urban renewal, and disinvestment.

We must plan for a future in which everyone can afford to remain in the neighborhoods they have lived in for years to benefit from the jobs, amenities, and housing in MidTown - without displacement. All of this creates a larger sense of urgency to understand all of the dynamics of the local rental real estate market.



ABOUT MIDTOWN CLEVELAND, INC.

MidTown Cleveland, Inc. (MTC) is a 35-year-old 501(c)(3) non-profit community and economic development organization whose mission is to leverage MidTown's diverse assets to develop a dynamic neighborhood that unites Cleveland's Downtown and University Circle. In 2020, MTC will enter the final year of its 2017-2020 strategic plan which represented a major pivot from a chamber of commerce model with a vision of being a high quality business district to a more comprehensive, integrated, and inclusive community and economic development organization model.

MTC's strategic vision—a connected community in the center of it all, an inclusive place for people to innovate, create, prosper, and live—continues to drive catalytic transformation for both MTC the organization and the MidTown neighborhood. In just over two years, MTC has made great strides in advancing its strategic plan in its four goal areas:

CONNECTING THE MIDTOWN COMMUNITY.

MidTown is a neighborhood that shapes and is shaped by its surrounding neighborhoods. MTC has expanded social and physical connections within MidTown and between its surrounding neighborhoods by engaging hundreds of residents in events, connecting companies to residents through the Hire Local pilot initiative, and developing a robust and diverse slate of programming to strengthen the community.

CREATING A COMPLETE MIDTOWN NEIGHBORHOOD.

Through comprehensive planning and development in MidTown, MTC has focused on placemaking and placekeeping efforts to elevate stories within neighborhoods and promote a stronger sense of MidTown as a place rather than a pass-through. In addition, a diverse range of development adds to the vibrancy of MidTown and has accelerated our efforts to create a dynamic neighborhood with a new grocery store (Dave's Market and eatery), hotel (Hilton Tru), health care (University Hospitals Rainbow Center for Women and Children), office

(Link59), entertainment (Children's Museum, Agora, and Masonic Temple), and housing (One MidTown, Offset Lofts, The MidTown, Innerbelt Lofts). MTC has connected the development dots through gateway and wayfinding signage and pole banners to help foster visual continuity throughout MidTown and public artwork including murals and art-designed utility box wraps to bring color to the corridors.

BUILDING THE MIDTOWN BRAND.

In 2017, MTC refreshed its brand identity, reflecting the organization's change in strategic direction. This brand identity has been incorporated in signage and banners to help foster a cohesive aesthetic and vision and change the narrative in the neighborhood. Today there is a buzz about MidTown as one of the hottest markets in the City, and employees, residents, and stakeholders feel a sense of pride in the neighborhood. Moving forward, MTC aims to leverage a collective brand and story to garner more active partners and collaborators.

STRENGTHENING MTC'S CAPACITY.

In just over three years, MTC has grown from four full-time staff to nine, with plans to add two additional team members in early 2020. The expanded and talented MTC team now has capacity around community engagement, AsiaTown, economic development, and planning and placemaking. Over the past year and a half, MTC has also pursued an internal transformation to operationalize racial equity and inclusion in our work, recognizing that deferring to default practices will only widen racial disparities.

Over the next three years, MTC will dive deeper into these four strategic plan goals toward creating a dynamic and connected neighborhood, while also starting a planning process for a new neighborhood vision plan with a resulting update to MTC's strategic plan.

COMMITMENT TO EQUITABLE DEVELOPMENT

MTC aspires to create a racially equitable and inclusive neighborhood that ensures that all people benefit from and shape our neighborhood's growth and change, particularly historically marginalized people of color. At MTC, we envision a neighborhood that is an intentionally welcoming place for diverse stakeholders and communities of color to work, live, play, and belong, and a place where the dominant white culture and systemic white advantage is challenged to change.

For MidTown to be a racially equitable and inclusive neighborhood, we believe that power must be shared and held by populations who have been made to be marginalized. We believe that racial equity includes a state in which life outcomes can no longer be predicted solely based on race. MTC's desired long-term goal is to adopt policies, practices and processes that not only increase the transactional outcomes which positively impact people in and around MidTown in affordability, wealth building and overall health, but also to pursue transformational ones that increase relationship, partnership, healing and trust.

Since 2017, MTC has pursued an internal transformation around racial equity and inclusion, initiating change throughout each part of the organization. MTC has been examining internal real estate development processes through the lens of racial equity and inclusion, determining how real estate projects—and our internal processes—can play a role in dismantling inequitable development practices stemming from historically race-based policies, reducing economic isolation in nearby historically black communities, and creating spaces that are inclusive of black people and culture. This HUD Section (4)-funded study is the next step in keeping to our commitment to unwind the construct of the build environment and ensure as our neighborhood changes our residents that have called MidTown home for generations are not pushed out by the "third wave" of real estate investment.



Figure 1: MidTown Cleveland, Inc.'s service area and neighbors

MTC'S DEFINITION AND PRINCIPLES OF RACIAL EQUITY

Racial equity is both an outcome and a process.

The outcome of racial equity is a future state in which race no longer predicts life outcomes.

The process is one through which we work to provide an abundance of opportunities for those disadvantaged by racial inequity and structural racism; to name historically racist systems and structures and work to disrupt and dismantle them; and to help build new systems with those who have been negatively impacted by racial inequity and structural racism.

We acknowledge the long, rich, and diverse history of our neighborhood, from the trails of indigenous peoples to the Dunham stagecoach tavern, from Millionaire's Row to industrial innovation, from the legacy of black music and entrepreneurship to the Health-Tech Corridor. We also acknowledge that racial redlining, mass demolition, displacement, and structural racism is unfortunately part of the legacy of both our neighborhood and our organization.

We aspire to create a model equitable neighborhood, with strategies to ensure that all people benefit from and shape our neighborhood's growth and change, particularly historically marginalized people of color. To achieve this, our organization will be intentional about the following values:

- **Inclusion.** Taking active steps towards having a board of directors and staff reflective of the full diversity of our neighborhood and includes the voices of residents

- **Historical Acknowledgment.** Acknowledging the generational impact of ongoing structural and cultural racism in our community and doing what we can to disrupt and reverse it
- **Power Sharing.** Sharing power over decision making that impacts our neighborhood by making our processes more transparent and finding meaningful ways for people to engage in the neighborhood
- **Relationship Building.** Developing meaningful long term relationships built on trust, collaboration, and open communication with the full diverse cross section of the MidTown community
- **Authentic Community Engagement.** Identifying, engaging, and supporting local leaders over the long term to build capacity and shared ownership by creating infrastructure for ongoing community involvement and relationship building
- **Economic Opportunity.** Target wealth creation opportunities on historically marginalized communities through creative approaches to entrepreneurship, project spending, and ownership models
- **Inclusive Spaces.** Creating a neighborhood filled with places, spaces, and developments that are specifically welcoming to people of all backgrounds

EQUITABLE HOUSING DEVELOPMENT STUDY

INTRODUCTION

The MTC equitable housing development study is an initiative funded by the Department of Housing and Urban Development Section (4), which are administered by Enterprise Community Partners. The goal of the program is more deeply understand the neighborhood rental housing market. The intended depth and breadth of this study will far surpass any cursory market studies we've seen in MidTown to date.

STUDY GOAL

The goal of the equitable housing development study is to establish a **Benchmark Neighborhood Affordability Index** for the current neighborhood rental real estate market. For purposes of this study the Affordability Index is defined as the percentage of existing rental units that are affordable to residents currently making the MidTown neighborhood median household income of \$20,280 (via Progress Index). The study will also identify **market intervention strategies** based on existing best practices to preserve the affordability of the neighborhood as it undergoes extensive transformation over the next five years.

OBJECTIVES AND DELIVERABLES

- 1.0** Conduct an exhaustive residential rental market analysis to document 100% of the rental units in the neighborhood (See Figure 1: MTC Service Area). Documentation to include the following:
 - o Number of units by size (no. of bedrooms)
 - o Age of rental units
 - o Number of rental units by typology (townhouse, garden, single family home, condominium, etc.)
 - o Specialized population served (senior, youth aging out of foster care, chronically homeless, supportive housing, etc.)
 - o Income targeting of the rental units (as a percentage of Area Median Income)
 - o Identification of populations underserved by the current market, or the current market demand for affordable housing in the MidTown neighborhood
- 2.0** Using the data from the market study, create a Benchmark Affordability Index for the MidTown neighborhood for all income ranges as a percentage of AMI. Using existing HUD guidance (rent at 30% of AMI) and factoring transportation to work costs, develop an index that identifies how affordable current rental stock is to various income ranges.
- 3.0** Create a market intervention strategy for MTC to impact the rental housing market, as a developer or with developers, to ensure equitable and affordable housing development patterns based on the existing best practices. This strategy should include:
 - o **Housing Market Trajectory Report** using land yield analysis for planned residential corridors and available real estate. Employ generally accepted planning practices to project the future residential density of the neighborhood based upon real estate currently available and the residential corridors planned through the *2013 Greater AsiaTown Master Plan*, *2019 Re-InCarnegie TLCI Plan*, and the *Neighborhood Vision Plan 2025* (happening concurrently).
 - o **Minimum affordable housing rental targets.** Based on the land use analysis, deliver target number of affordable housing units that the market must deliver to maintain current affordability of the neighborhood.
 - o Identification of **"naturally occurring" affordable housing** that are candidates for 4% LIHTC. Identify rental housing properties that have asking rents already within the LIHTC rent ranges that are not currently deed restricted that could be renovated and preserved as affordable housing through the 4% LIHTC program.
 - o Identification of **existing resources available** to intervene in the local housing market. Identify current resources available to MTC either as a developer or in partnership with developers to ensure equitable housing development.
 - o **Recommendation of resources that can grow over the long term.** Using existing best practices, recommend additional resources that can be leveraged and/or created to maintain housing affordability.



PROPOSAL INSTRUCTIONS

The proposal can be up to 15 pages double-sided (or 30 single pages total). The cover letter, table of contents, and front and back cover will not count in your total page limit.

Please include in your response:

- **Cover letter.** This may be submitted as a separate document.
- **Project understanding.** Reflect an understanding of the nature of MTC's request and of the neighborhood.
- **Project team structure.** Describe the structure, makeup and roles of the project team. Include all strategic partner organization(s), names, titles, and headshot of each project team member.
- **Project scope.** Describe how the consultant team will address the requested project scope.
- **Project schedule.** Please include an estimated number of hours of work for each phase of the project schedule.
- **Project cost.** Provide an estimate of cost based on the deliverables requested.
- **Relevant experience.** Include 2-3 examples of past projects that may be relevant to the nature of MTC's requests for this project.
- **Team diversity.** Please provide a brief statement on your efforts to increase the racial diversity of underrepresented groups in the lead firm's various departments related to

professional services (planning, architecture, design, etc.)

- **Team bios.** Please provide professional bios and past experience of the team members.
- **Attachments.** (Optional) Letter(s) of support and any other relevant materials.

BUDGET

Our objective is to solicit innovative approaches to addressing the plan elements listed in the RFP.

MTC has committed funds of \$25,000.00 for the plan in the year 2020. However, please feel free to submit your best proposals based on this knowledge with an estimated cost of services. If compelled by the responses, MTC will work to raise additional resources.

ADDITIONAL

Consultant retained for the execution of the Section (4) Equitable Housing Analysis and Strategy Study will work in a parallel process along the team of consultants conducting the MidTown Neighborhood Vision Plan 2025. This study will inform the final Neighborhood Vision Plan.

TERMS AND CONDITIONS

This is a Request for Proposals only. Issuance of this RFP does not obligate MTC to make an award or pay for costs incurred by potential respondents in the preparation and submission of a proposal.



SOLICITATION PROCESS

EVALUATION

The award will be made to a responsible offeror who follows the RFP instructions, meets the eligibility requirements, and displays the aptitude and track record of completing projects of similar scope and scale.

MTC seeks firms that share a commitment to organizational justice and racial equity, inclusion and belonging. The final consultant team should closely resemble the make-up of the community. Strong preference will be given to project teams with at least 20% of their combined organizations comprised of people of color.

Please note that if there are significant deficiencies regarding responsiveness to the requirements of this RFP, an offer may be deemed “non-responsive” and thereby disqualified from consideration. MTC reserves the right to waive immaterial deficiencies at its discretion.

Best-offer proposals are requested. However, MTC reserves the right to conduct any of the following:

- Conduct negotiations with and/or request clarifications from any offeror prior to award.
- While preference will be given to offerors who can address the full technical requirements of this RFP, MTC may issue a partial award or split the award among various suppliers, if in the best interest of the project.
- MTC may cancel this RFP at any time.

QUESTIONS ABOUT THE RFP

Questions regarding this RFP may be submitted no later than **5:00 PM EST on January 15, 2020**. Submit questions via email to jhuang@midtowncleveland.org. Questions, requests for clarification, and responses that MTC believes may be of interest to other proposers will be circulated to all recipients who have indicated an interest in responding.

Only the written answers issued by MTC will be considered official in the RFP process and subsequent evaluation. Any verbal information received from employees of MTC or any other entity should not be considered as an official response to any questions regarding this RFP.

SUBMISSIONS

Proposals must be received no later than **5:00 PM EST on January 31, 2020**. Proposals must be emailed to jhuang@midtowncleveland.org. Please reference the Project Name in any response to this RFP. Proposals received after the specified time and date will be considered late and will be considered only at the discretion of MTC. We plan to make the contract award and notify all applicants no later than February 15, 2020.