

TOWN OF LA POINTE

MADELINE ISLAND 240 Big Bay Road PO Box 270 LA POINTE, WI 54850 715-747-6913

Request for Qualifications Affordable Workforce Housing Development

1. Summary and Background

The Town of La Pointe, on Madeline Island in Ashland County, WI, seeks statements of qualifications and interest from developers willing to explore partnering with the Town to build workforce rental and ownership housing for current and potential Island residents. The initial site under consideration is approximately 11 acres of Town-owned land.

The Town of La Pointe encompasses Madeline Island, the only Apostle Island that is inhabited year-round. The island in Lake Superior is a long-time seasonal and vacation destination, and is becoming increasingly popular year-round. La Pointe's population rose 64% in the previous decade, to 427, according to 2020 US Census figures. A 2023 research report projects the Town's population reaching 500 by the end of this decade. The Town's growth runs counter to many rural communities in northern Wisconsin; for example, the Town saw the largest population increase – in percentage and raw numbers – of any municipality in Ashland County.

This growth in population, the long tradition of seasonal residences, the attractiveness of the Island to remote workers, the widespread availability of short-term vacation rentals, and broader market trends have made affordable housing difficult, if not impossible, for year-round residents and workers to find or obtain.

The Town Board, based on work by its Affordable Housing Advisory Committee, is seeking to create the types of housing that the private market is not providing independently. The committee's initial emphasis is on "workforce housing" for year-round residents who earn between 60 percent and 120 percent of the Town's median income (roughly \$41,071-\$82,142). A March 2023 market analysis projects that 20 units of rental housing and 10 homes for single-household ownership could be absorbed in the next five years.

2. Guidelines

2.1. Timeline

The anticipated schedule for this solicitation:

- RFQ Available
- Initial deadline for responses
- Town Board opens responses

July 11, 2023 August 21, 2023, 4:00 p.m. Central Time August 22, 2023, 5:30 p.m. Central Time

Responses will be reviewed by staff and the Affordable Housing Advisory Committee, which will make a recommendation to the Town Board of a preferred developer (or developers) with whom to begin discussions.

2.2. <u>Response Requirements</u>

Responses should be delivered by the Aug. 21 deadline to: Town Clerk Town of La Pointe PO Box 270 240 Big Bay Road La Pointe, WI 54850

Hand-delivered copies will be accepted at the above address between 8 a.m. and 4 p.m. Central Time, Monday through Friday, excluding holidays observed by the Town. Developers should be aware that delivery to the Island may be affected by ferry schedules and other conditions beyond the Town's control.

Responses can also be emailed by the deadline to: <u>clerk@townoflapointewi.gov</u>.

3. Project Purpose and Scope

This request seeks statements from developers who are interested in partnering with the Town to build rental and ownership housing for current and potential Island residents. The intent is to create the units outlined in "A Market Analysis for Affordable/Workforce Housing in the Town of La Pointe, Wisconsin." This assessment was completed in March 2023 by Maxfield Research & Consulting. It is the Town's intention that the housing would remain affordable for the foreseeable future, through the use of a community land trust, land covenants, deed restrictions, or similar tools. (Note: A proposal to create a regional land trust in Ashland and Bayfield Counties is being led by staff at the University of Wisconsin Extension in Bayfield County.) The La Pointe Town Board, based on work by its 13-member Affordable Housing Advisory Committee, is seeking to partner in building the types of affordable housing that the marketplace is not providing. The Town Board is willing to:

- Sell a portion of Town-owned Parcel 014-00199-0000 at no cost, transferrable upon project completion and other mutually agreeable conditions. The wooded parcel has frontage on Big Bay Road, is adjacent to recreational trails operated by Town and Wilderness Preserve, and is accessible for sanitary sewer connection. The land has no known contamination or floodplain issues; portions do contain wetland indicators.
- Provide favorable re-zoning for the parcel, which is now zoned as a Town Park District.
- Work to swap or sell other Town-owned parcels to support the acquisition of additional adjacent land, or other privately held land that may be more favorable for a development of this nature.
- Work with the Madeline Sanitary District to extend sanitary sewer to the site.
- Work to minimize ferry costs to the Island for materials and personnel
- Explore creative financing models to make development feasible.
- Sponsor the selected developer to support additional funding applications, and advocate for the developer at the local, state and federal levels, as requested.
- Lead additional community engagement on behalf of the development.

The Town's initial emphasis is on "workforce housing" for year-round residents who earn between 60 percent and 120 percent of the Town's median income. Many of these workers are in hospitality, property management, public service, and construction. We use the standard definition of "affordable": housing in which occupants do not spend more than 30 percent of their income on the costs of shelter.

Although many other communities also face a shortage of affordable housing, La Pointe has distinct challenges (beyond the fact that it is an island community that has no bridge connections to the mainland). Population increased 63.6% in the past 10 years, the 2020 US Census shows. The substantial presence of seasonal residences and short-term vacation rentals shrinks the number of homes that can be purchased or rented for year-round living. These conditions skew availability and market prices, and disadvantage local residents in a competitive real estate market. Property sales on Madeline Island rose 244% between 2019-2021, driven in part by Covid refugees and broadband availability that supports remote work.

The median home price rose 74% in the same 3-year period, to \$438,150. Under the standard definition of affordability, a median-price home in La Pointe in 2021 required a household income of \$104,000. But the median household income in Bayfield County – which has the closest socioeconomic similarities to La Pointe – is only \$56,000. The median household income is even lower in Ashland County (in which La Pointe is statutorily located).

The impact on Island residents and businesses is widespread. The Affordable Housing Committee's surveys of Island employers suggest that only about 10% of Madeline Island's workers actually live on Madeline Island. Three-quarters of Island employers say the lack of affordable housing limits their ability to hire workers; 60% say it limits the days and hours they operate. More than half the Island's year-round workers say they must move at least twice a year to maintain housing.

The Affordable Housing Committee has done extensive groundwork in the past two years to build support. This includes participating both in the Chequamegon Bay Regional Housing Coalition and in the Rural Affordable Workforce Housing Initiative being conducted by the Wisconsin Housing and Economic Development Authority. The committee has surveyed Island employers, surveyed Island workers, regularly submitted educational articles to the community newspaper, partnered with the Island's largest faith community, led an open community workshop defining the housing challenge in quantitative and qualitative terms (see a recording at <u>tinyurl.com/3tft8cvf</u>), and received clearance from the Town Board to pursue next steps.

Concurrently, the Town is in the final stretch of a revision of its Comprehensive Plan. During this project, the Affordable Housing Committee met both with the Town Plan Commission and the Comprehensive Plan Steering Committee to advocate for the kinds of zoning modifications that make new affordable housing development attainable. A community-wide survey led by the Comprehensive Plan Steering Committee shows broad community understanding and support for affordable housing. Nearly 500 people filled out the survey; initial analysis by Northland College's Center for Rural Communities shows that "housing affordability and availability" is among the top three priorities of survey respondents. Findings show two-thirds of respondents recognize that the Island's current housing options do not meet the needs of all residents. Analysis also suggests that substantial numbers would support tactics such as dedicating Town-owned land for affordable housing, and using public financing tools to help make affordable housing happen.

As mentioned earlier, the Town is part of the Chequamegon Bay Regional Housing Coalition, which is convened by the University of Wisconsin Extension and includes organizations and jurisdictions in Ashland and Bayfield Counties, as well as the Bad River and Red Cliff bands of Lake Superior Chippewa. The Town is also participating in the Chequamegon Bay pilot project being led by the Wisconsin Housing and Economic Development Authority's Rural Affordable Workforce Housing Initiative; depending on timing, the developer may have access to research being done by that project.

4. Scope of Work

To facilitate our evaluation of responses, please include the following:

- 4.1. The Submittal Form (see last page of this RFQ), including the signature of an official who is legally authorized to enter into a contractual relationship in the name of the Developer
- 4.2. A response prepared with a straightforward, concise description of the Developer's capabilities and interest in satisfying the goals of this RFQ
- 4.3. Your availability to meet with Affordable Housing Advisory Committee members and do on-the-ground assessment prior to any formal development arrangements
- 4.4. Examples of similar projects you have developed, especially in rural areas
- 4.5. Any preliminary site plans, building design(s), floor plans and unit mix you envision for La Pointe
- 4.6. Anticipated rental rate(s) / sales price(s)
- 4.7. Six (6) printed versions of the submittal
- 4.8. A flash drive with one (1) full electronic copy of the submittal (signatures included) in PDF format
- 4.9. A commitment to provide presentations to the Affordable Housing Advisory Committee and Town Board
- 4.10. Three (3) references of previous clients; please provide name, address, date of project, email, and telephone of all references on a separate page

5. Information for Potential Developers

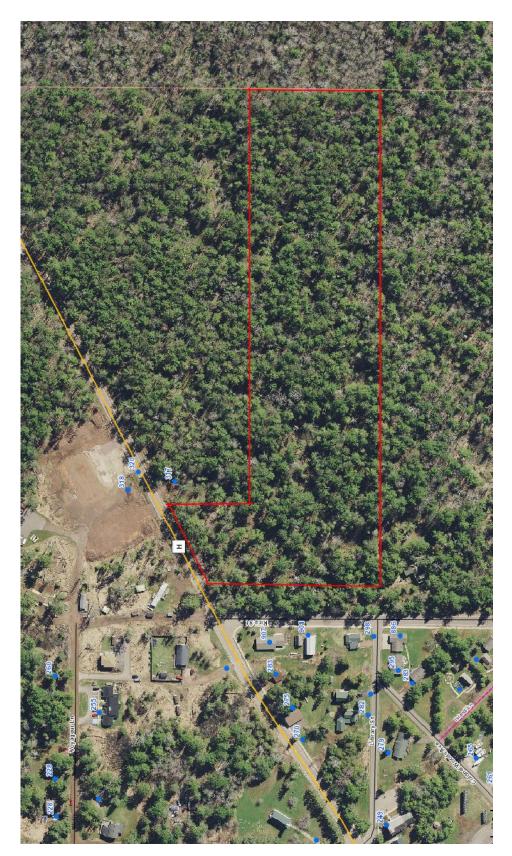
- 5.1. Housing Studies
 - 5.1.1. Maxfield Research & Consulting: "A Market Analysis for Affordable/Workforce Housing in the Town of La Pointe, Wisconsin (2023)." <u>https://www.townoflapointewi.gov/assets/files/2023/04/market-analysis_workforcehousing_la-pointe_wi_final-report.pdf</u>
 - 5.1.2. "Chequamegon Bay Regional Housing Report (2021)." <u>http://www.cityofwashburn.org/uploads/7/0/4/7/70473445/chequamegon_bay_regio</u> <u>n_housing_report[2].pdf</u>
 - 5.1.3. University of Wisconsin Extension (River Falls): "Chequamegon Bay Regional Housing Survey Report (2021)." <u>https://co.ashland.wi.us/vertical/sites/%7B215E4EAC-21AA-4D0B-8377-85A847C0D0ED%7D/uploads/Chequamegon_Bay_Regional_Housing_2021_Survey_FINAL_Report_5-25-21.pdf</u>
- 5.2. Land Information
 - 5.2.1. La Pointe Zoning Ordinance: https://www.townoflapointewi.gov/assets/files/2019/09/zoning-ordinance-7-

<u>2019.pdf</u>

- 5.2.2. Aerial maps of parcel: See Pages 7-8
- 5.2.3. Topographical map of parcel: See Page 9

6. Additional Information for Respondents

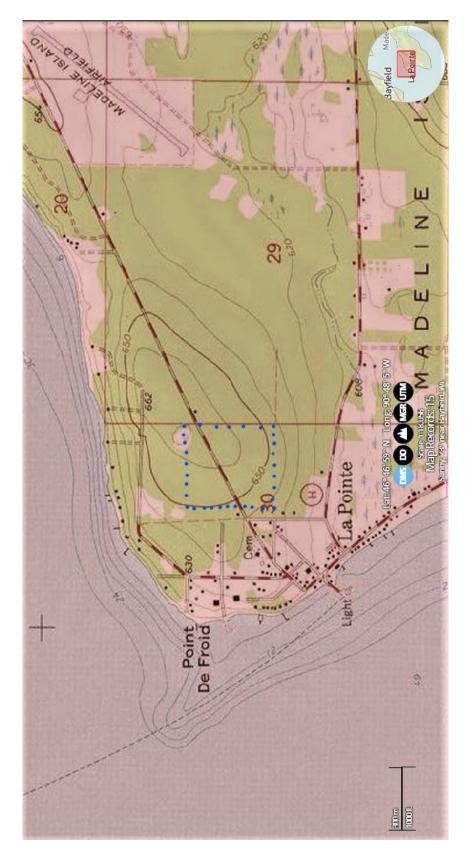
- 6.1. All expenses involved with the preparation and submission of the RFQ to the Town are the responsibility of the Developer.
- 6.2. All materials submitted in connection with this RFQ will be public documents and subject to the Open Records Law and related laws and policies of the State of Wisconsin and of the Town of La Pointe. All such materials shall remain the property of the Town and will not be returned to the respondent.
- 6.3. Inquiries to clarify any requirements of this RFQ should be directed to Town Administrator Michael Kuchta at <u>administrator@townoflapointewi.gov</u> or 715-747-6914.
- 6.4. A list of names of developers responding to the RFQ may be obtained from the Town Administrator after the proposal deadline.
- 6.5. Any contract resulting from this RFQ shall be governed in all respects by the laws of the State of Wisconsin and any litigation with respect thereto shall be brought in the courts of the State of Wisconsin. The selected Developer shall comply with applicable federal, state, and local laws and regulations.
- 6.6. The issuance of this RFQ constitutes only an invitation to submit a response. The Town reserves the right to determine, at its sole discretion, whether any aspect of a respondent's proposal meets the criteria in this RFQ. The Town also reserves the right to seek clarifications, to negotiate with any developer submitting a response, to modify the process and schedule, to waive any technicalities or irregularities, to reject any or all responses with or without cause, and to accept the response that is determined to be in the best interest of the Town.
- 6.7. In the event that this RFQ is withdrawn or the project canceled for any reason, the Town shall have no liability to any respondent for any costs or expenses incurred in connection with this RFQ or otherwise. All respondents to this RFQ shall hold harmless the Town and any of their officers and employees from all suits and claims alleged to be a result of this RFQ.



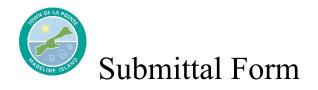
Anticipated development site



Full 40-acre parcel



Topographical map (with approximate location of 40 acres)



Date:	
Business Contact Representative:	
	Email: