

# LISC HAMPTON ROADS

## LISC Hampton Roads EMERGE Facilitator Request for Proposals

### **Background**

Though soaring housing costs present a major obstacle for homeowners and renters alike, a second obstacle exists. "The supply of homes remains too constrained to meet the demand," per the Hampton Roads Planning District Commission as of November 2023. That issue is further amplified as related to the supply of affordable housing, generally defined as housing that is affordable to individuals and families earning up to 80 percent of the respective area's median income.

Additionally, only about one percent of real estate development companies in the United States are minority-owned, according to Baker Tilly US, LLP in June of 2023<sup>1</sup>. Similarly, only about three percent are women-owned, according to a Knight Foundation study in 2021<sup>2</sup>. Underrepresentation in these and other subpopulations results in underdevelopment of many communities, unrealized employment opportunities, and unrealized wealth development.

LISC Hampton Roads has responded by introducing a real estate developer training program known as Emerging Mission-Engaged Real-Estate-Developer Growth Exchange (EMERGE) to not only increase the supply of affordable homes but to also increase opportunities for local emerging developers, particularly including underserved community members with historically low levels of participation in the industry. LISC Hampton Roads plans to launch its inaugural EMERGE cohort in late 2024.

### **About LISC**

LISC's mission is to forge resilient and inclusive communities of opportunity across America - great places to live, work, visit, do business and raise families. We do this by working closely with residents and partners to drive investment, programs and policy changes that catalyze housing, economic, health, safety and educational mobility for individuals and communities. Affordable housing is the cornerstone of LISC's mission. We have decades of experience working with affordable housing developers and invest in a range of housing, including development of new multi-family rental units and single-family homes, preservation of existing units, and innovation in sustainable construction and rehabilitation.

LISC has a demonstrated track record of working successfully with nonprofits and municipalities to provide training and implement technical assistance programs related to developing and preserving affordable housing. We have extensive capacity in real estate project financing, structuring and credit analysis.

### **About LISC Hampton Roads**

In 2020, we celebrated the opening of Local Initiatives Support Corporation (LISC) Hampton Roads, a local office in the national network of 38 offices. As a community development financial institution (CDFI), LISC, formed in 1979, is dedicated to creating resilient and inclusive communities of opportunity across America - places where people can live, work, visit, do business, and raise families. Despite the challenges posed by the pandemic, LISC Hampton Roads was able to open its doors and begin serving the community during one of the most difficult times in recent history.

In partnership with our founding partner, Sentara Health, LISC Hampton Roads is focused on improving the social determinants of health in our communities - those factors that shape an individual's health beyond the clinical

setting. According to the Centers for Disease Control, approximately 80 percent of an individual's health outcomes are determined by factors such as housing, education, employment, safety, environmental conditions, and behaviors. In communities where these conditions are poor, residents often face higher rates of illness and shorter life expectancies.

At LISC Hampton Roads, we are committed to breaking this cycle of disparity and investing in people and places that have historically been undervalued and underserved. We support educational opportunities that give workers the skills they need to secure high-demand, well-paying jobs with benefits. We invest in affordable housing that is located in neighborhoods with access to employment, transportation, quality education, and community amenities. We back small businesses that hire locally and strengthen communities. And we work to create safe, healthy environments where people can call home.

### **Project Overview and Goals**

The goal of EMERGE is to foster growth and readiness of nascent - mid level developers in the Hampton Roads region to build location-appropriate, neighborhood-enhancing affordable housing opportunities including mixed-use developments. This program will train and support approximately 40-50 developers in the Hampton Roads region over the next three years with a goal of continuing in subsequent years.

Through a cohort-based, highly interactive curriculum program, participants will learn fundamentals and best practices in affordable real estate housing development and receive technical assistance, coaching, and access to resources that will equip them for successful market entry and/or expansion.

Through EMERGE, LISC Hampton Roads aims to:

- 1) Increase the supply of affordable housing through the program's emphasis on production;
- 2) Increase the readiness of emerging developers to access predevelopment funds and other conventional sources of financing;
- 3) Foster an ever-growing network of project management and development-related professionals/mentors who serve as resources to one another, aiding in advancing projects and careers; and
- 4) Prepare the next generation of community-minded affordable housing developers in the region.

LISC will enter into a performance-based contract with the selected service provider, meaning that the provider will be paid a flat fee upon satisfactory completion of the deliverables.<sup>1</sup> The applicant (service provider), in collaboration with staff of LISC Hampton Roads and the EMERGE Advisory Council, will be responsible for overall program delivery, from program marketing and participant recruitment, to managing local meeting logistics and communications. The applicant (service provider) will be chiefly responsible for implementing the pre-determined training curriculum and delivering instructional services to the participants.

Program components include but are not limited to the following:

- Digitized Principal Lead Instructional Modules spanning 16-18 weeks
  - Minimum of 40 training hours including in-person and virtual sessions (2.5 to 3 hours each week)
  - 1 on 1 coaching with experienced real estate developers
  - In-person networking events (3 planned per cohort program)
  - Real-time technical assistance with active deals
  - Capstone project leading to actual development in the community
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EMERGE Location: Portsmouth, Virginia (inaugural cohort)

Program Capacity: Support will be provided for 15-20 participants in each cohort, lasting 20 weeks per cohort.

### **Scope of Work**

The skills required to produce affordable housing are multifaceted, and the pool of qualified professionals is limited. The EMERGE Program will provide practical training and technical skills to existing and emerging real estate developers. This training and technical assistance aims to develop and strengthen the skills and increase the development capacity of participants preparing the next generation of affordable housing developers in the Hampton Roads region.

The training will focus on market analysis, zoning, permitting, financial feasibility, property conditions assessment, construction and project management, sales/rental strategy, community engagement, and more. Participants will also gain an understanding of successful operational methodologies. Applicants must understand the entire real estate development process, including but not limited to market analysis and feasibility, financing, financial modeling, predevelopment and construction, legal and business constructs, community research, outreach and engagement, asset management, business growth, and development strategy. Applicants are not required to teach each class themselves; instead, they must provide a list of subject matter experts they intend to invite to deliver instruction on the relevant topics.

The overall goal of the applicant (service provider) will be to effectively deliver the emerging developers training. More specifically, the deliverables are as follows:

- 1) Provide overall support for training program from concept through selection of participants
  - Participate in planning workgroup from concept to launch
  - Provide application design support
  - Participate in applicant selection
  - Prepare, deliver, track and evaluate overall program for participants
  - Create a safe space for participants to engage and gain knowledge necessary to be successful
  
- 2) Enhance training curriculum to specific community needs
  - Develop updated curriculum outline
  - Work collaboratively with EMERGE Advisory Council to finalize curriculum and training dates
  - Develop pre and post tests to administer to participants
  - Develop pre and post survey to administer to participants to test for baseline knowledge and knowledge gained after curriculum completion
  
- 3) Develop/Deliver training modules, case studies, and simulation exercises
  - Collaborate with EMERGE Advisory Council in designing materials in accordance with pre-defined curriculum framework by LISC Learning Management System and LISC Hampton Roads
  - Oversee training sessions including delivering modules
  - Lead design of the simulation exercises
  - Encourage collaboration and professional partnering among program participants
  - Record and maintain program, attendance, outcomes, and evaluation data
  - Regularly collect/document and share highlights and quotes from program participants
  - Revamp developer materials from LISC's own E-learning site
  - Develop new/additional enhancement materials as needed
  - Participate in speakers' briefings when appropriate

- 4) Design and Deliver webinar sessions
  - Develop webinar concept/topics
  - Identify and contract speakers for each training session
- 5) Organize opportunities for mentoring and networking
  - Participate actively in collaborative team exchange of ideas and practices
  - Organize logistics of program events

#### RFP Evaluation

- Experience constructing and providing high-quality training curricula for novice to experienced single-family, mixed-use, and multi-family developers.
- Experience building out project capital stack.
- Understanding of and/or connection to construction and funding professionals.
- Learning management platform for storage of information and message board for participants.
- Ability to provide a combination of in-person and virtual training.
- Quality of training materials.
- Cost of services.

#### Responses

Provide a narrative for each of the following categories:

- **Organizational Description.** Include mission and history, organizational structure, biographies of key leaders and training staff.
- **Experience.** Provide a detailed description of subject-matter expertise for the above-mentioned subjects. Where appropriate, attach relevant training materials created by your organization, instructional methodologies, and platforms.
- **Proposed cost of services.** Please include a detailed line-item budget based on the deliverables mentioned in the Scope of Work. Please also include a detailed description of total estimated expenses.
- **Recommendations.** Please include details of other programs you've undertaken and/or stakeholder recommendations.

#### Contact Information, Proposal Submission Deadline, and Applicant Selection

Questions with this RFP may be directed to Harry Gaggos. Please submit proposals electronically in a single PDF file by **October 11, 2024**, to Harry Gaggos, Director, Market Excellence at [hgaggos@lisc.org](mailto:hgaggos@lisc.org).

<sup>1</sup> "Capitalizing on opportunities for underrepresented developers in commercial real estate."  
<https://www.bakertilly.com/insights/capitalizing-on-opportunities-for-underrepresented-developers>. June 26, 2023.

<sup>2</sup> "Where are the female founders in private real estate?"  
<https://www.perenews.com/where-are-the-female-founders-in-private-real-estate/>. July 3, 2023.