



**APPALACHIAN**  
COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



Coastal Enterprises



**Ohio  
Southeast**  
ECONOMIC DEVELOPMENT



**OPPORTUNITY  
SWVA**



THE UNIVERSITY OF  
TENNESSEE  
SYSTEM



**fahe**  
Strength in Numbers



## REQUEST FOR PROPOSAL (“RFP”) FOR OPPORTUNITY APPALACHIA PROJECT TECHNICAL ASSISTANCE

**Project Sponsor:** A Step Towards Home, Mascot, TN

**Project Name:** Affordable Duplex Housing Development (Project Summary provided in Attachment B.)

**Release Date:** July 26, 2024

**Proposal Due Date:** August 22, 2024

**Selection Date:** September 5, 2024

**Contract Period:** September 5, 2024 – February 28, 2025 (or later)

## REQUEST FOR PROPOSALS

### *Technical Assistance for Opportunity Appalachia Projects*

#### I. Overview of Request for Proposals

Appalachian Community Capital (ACC) seeks contractual support for specified Technical Assistance for real estate project development.

The Technical Assistance contractor will report to the Program Manager of Opportunity Appalachia. **The requested Scope of Services is noted in Attachment A**, and *may* involve:

- Architectural and engineering,
- Market research/demand assessment,
- Development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing,
- Feasibility assessment,
- Identification of project developers and/or business operators,
- Investor outreach for project finance/investment,
- And other types of support.

Entities interested in providing Technical Assistance must complete the Request for Qualifications RFQ, as noted on the [Opportunity Appalachia](#) TA provider webpage. Proposals will be evaluated on contractors' qualifications (per the RFQ), expertise, track record, Scope of Work, budget/timeline, and other project requests.

#### II. About Opportunity Appalachia

[Opportunity Appalachia](#) will provide technical assistance to develop and structure investable transactions, and it will create investment prospectuses and pitch decks that will be used to bring investment to rural and downtown communities. Investment priorities include projects focusing on downtown development, manufacturing, IT, healthcare, education, food systems, clean energy, heritage tourism, and recreation.

The program recently announced selection of 8 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 280 jobs and attract over \$27M in financing to develop and expand food business hubs; outdoor recreation; childcare centers; regional airport facilities; and hotels; in downtown and rural areas across East Tennessee and Southwest Virginia.

These proposed projects are signals of the growing investment potential in our rural and downtown communities in Central Appalachia. Opportunity Appalachia will work closely with private investors, banks, Community Development Financial Institutions, New Markets Tax Credits investors, Historic Tax Credit Investors, and Federal agencies to highlight participating communities and access financing for transactions.

As project technical assistance is completed, investor connections will be made between projects and local and pre-vetted national investors, as well as federal and state funders. A curated web-based platform hosting prospectus / pitch decks will also be made available to facilitate investor due diligence.

The program is supported by the Appalachian Regional Commission, the US Department of Treasury CDFI Fund, Truist, Dogwood Health Trust, Claude Worthington Benedum Foundation, US Bank, and M&T Bank.

### III. About the Appalachian Region

The Appalachian Region, as defined in ARC's authorizing legislation, is a 205,000 square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. Forty-two percent of the Region's population is rural, compared with 20 percent of the national population.

The Appalachian Region's economy, which was once highly dependent on extractive industries, has become more diversified in recent times and now includes larger shares of manufacturing and professional services, among other industries. Appalachia has made significant progress over the past five decades: its poverty rate, which was 31 percent in 1960, had fallen to 16.3 percent over the 2013– 2017 period. The number of high-poverty counties in the Region (those with poverty rates more than 1.5 times the U.S. average) declined from 295 in 1960 to 98 over the 2013–2017 period.

These gains have transformed the Region from one of widespread poverty to one of economic contrasts: some communities have successfully diversified their economies, while others still require basic infrastructure such as roads, clinics, and water and wastewater systems. The contrasts are not surprising considering the Region's size and diversity—the Region extends more than 1,000 miles from southern New York to northeastern Mississippi, and it is home to more than 25 million people.

#### Target geography

Central Appalachia – Kentucky, North Carolina, Ohio, Tennessee, Virginia, West Virginia



### IV. Project Timeline

It is anticipated that the contractor will be selected by July 17, 2024 for an estimated contract start date of July 17, 2024 through February 28, 2025.

## V. Instructions to Submit a Proposal

Contractors seeking to provide the full suite of TA services should submit the items listed below. **It is expected that one proposal should include all requested services, which may mean that multiple entities are providing services, with one identified lead contractor.**

- Scope of Work (max 3 pages) describing proposed activities to be undertaken as requested in Attachment A, with identified staffing (lead and support) for each work element.
- Budget that defines deliverables, rates and proposed payment schedule including indirect costs. A Not to Exceed cost for the full engagement must be provided; **costs not to exceed \$50,000**. Payment Schedule to be based on deliverables / outcome milestones.
  - *Please note:* to reduce administrative burdens and management costs, OA requires a maximum of 3 invoices per contract (the first may be a retainer/deposit totaling no more than ~20% of the contracted amount. Payments are made based upon satisfactory completion of deliverables and approval by the project sponsor.
- Timeline for Scope of Work, with deliverable milestones.
- Biography/resume for all staff noted in proposal (or provided in RFQ response).
- References from current or prior clients, including name, title, organization, contact information, and a brief description of the relevant work performed (or provided in RFQ response).

Please submit responses via email in one pdf attachment by Proposal Due Date to Kathryn Coulter Rhodes [oa@acc1.org](mailto:oa@acc1.org).

## VI. Proposal Evaluation

ACC will select contractors through a competitive process based on the following criteria.

- Qualifications (per those provided in the RFQ), expertise, track record, and staff bios.
- Scope of Work and Timeline
- Budget with anticipated deliverable and associated invoicing schedule
- Requests from project sponsors

# Attachment A

Requested Scope of Services

**Project Sponsor:** A Step Towards Home

**Project Name:** Affordable Duplex Housing Development

**Project Description:** Construction of eight duplexes to serve as 16 affordable housing units targeting graduates from addiction recovery programs. Total costs estimated at \$2.6 MM with creation of approximately 14 construction jobs.

Full project summary provided in Attachment B.

## TA Requested

- Conceptual site plan to define the layout and determine the number of lots that can fit on the site in compliance with zoning requirements
- Creation of a Qualified Opportunity Zone Fund, including Qualified Opportunity Zone Business Creation (QOZB) Articles of Organization, business plan for working capital safe harbor, compliance spreadsheet, loan documents (if necessary), and compliance documentation
- Development of a project pro forma using Opportunity Zones, USDA funding, and other suitable sources.
- Support for management of pre-development activities
- Property appraisals: the first upon contract execution for closing on the property to be used, and the second once the property is fully entitled
- Plat of survey for the property

## Attachment B

### Summary Information

**Lead Contact:** Kendra Ellis

**Applicant Organization:** A Step Towards Home

**Address:** 4745 Solomon dr, Strawberry Plains, TN 37871

**Phone:** (865) 951-7075

**Email:** [kendra@astewardshome.com](mailto:kendra@astewardshome.com)

### Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):**  
Municipality\*\*: Mascot, TN  
- \*\*County\*\*: Knox County  
- \*\*Census Tract\*\*: 65.01
2. **Service area of applicant (note if different than above, or note same):** Same as above
3. **Community Development Strategy(ies):** Knox County faces a significant shortage of affordable housing, impacting low- and moderate-income residents' quality of life. This project directly responds to these needs by offering rental units at rates aligned with the income levels of the target demographic, supported by detailed market needs analysis and local government endorsements.

The development proposes the construction of 6 duplexes, creating a total of 12 affordable housing units on a 2.2-acre site. This project aims to address the critical need for attainable housing in Knox County, supporting low- and moderate-income families by providing quality living spaces at affordable rates. The project leverages the financial incentives of Opportunity Zones and the loan guarantee mechanism of the USDA Section 538 program to ensure the economic viability and sustainability of the housing development.

#### Objectives:

- To fill the gap in affordable housing in Knox County, as identified in local planning and zoning reports.
- To capitalize on Opportunity Zone benefits and USDA 538 guarantees to finance the development efficiently.
- To contribute to the local community by providing high-quality, affordable rental units and stimulating economic growth.

### Project Information

#### 4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** Affordable Duplex Housing Development in Mascot, TN
  - **Size in Sq Ft.:** 16,000 sq. ft.
  - **Total anticipated Project Cost \$:** \$2,600,000
  - **Financing identified/anticipated, list source and dollar amount or note 'None':** USDA 538-guaranteed loan, Opportunity Zone equity investments
  - **Project description:**

- **Community Impact (quantify/provide estimates):** The project aims to address the critical need for attainable housing in Knox County, focusing on developing affordable transitional housing rentals and potentially supporting graduates from recovery programs or permanent supportive housing. The development will utilize the land for constructing up to 8 duplexes (16 units), leveraging the strategic benefits of the site's location in an Opportunity Zone and eligibility for USDA 538 or similar programs.

The proposal responds to documented market needs for affordable housing in the region, providing a sustainable solution that supports low- and moderate-income families. By collaborating with local entities, the project aims to enhance community housing resources, contribute to economic growth, and meet the housing continuum goals of the nonprofit—spanning community housing, transitional housing, affordable rentals, and affordable homeownership.

This Affordable Duplex Housing Development project presents a strategic opportunity to utilize Opportunity Zone incentives and USDA 538 program benefits to address a critical community need in Mascot, TN. With strong local support and a clear alignment with federal and state housing objectives, this development promises to deliver lasting benefits to Knox County's residents and contribute to the broader goals of rural and economic development.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** A Step Towards Home is the primary project sponsor. The project will be managed by a team with extensive experience in affordable housing development, in partnership with local entities and organizations committed to community revitalization. Post-construction, the project will have a dedicated management team to oversee operations, tenant relations, and ongoing compliance with USDA and Opportunity Zone requirements.

Endorsements and letters of support from the county commissioner and relevant local authorities can be provided upon request. We also have plans to attract Opportunity Zone investments and connect with impact investment funds aligned with the project's goals

- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** Funding is desired to cover essential pre-development expenses, including environmental studies, market analysis, architectural fees, and utilities infrastructure, estimated between \$72,000 and \$77,000.
  - **\*\*Consultancy and Planning\*\*:** Support for consultancy fees, estimated at \$25,000-\$30,000, to engage experts necessary for project development.
  - **\*\*Networking and Fundraising\*\*:** Assistance in connecting with potential investors and funds focused on impact investments in affordable housing.

5. **Clean Energy Focus:** A Step towards Home has developed relationships with Local solar companies and will work with them to include solar powered electricity to the duplexes in order to lower the energy costs for tenants.

6. **Applicant Capacity:** Lee and Kendra Ellis are the co-founders of an initiative called A Step Towards Home (an IRS 501c3 non-profit) (ASTH). Their desire is focused on transforming lives by developing a continuum of supportive and affordable housing solutions. The mission of ASTH is TRANSFORMING LIVES BY DEVELOPING A CONTINUUM OF AFFORDABLE AND SUPPORTIVE HOUSING SOLUTIONS WHILE CREATING A PATH TOWARDS HOMEOWNERSHIP. ASTH provides a continuum of supportive and affordable housing solutions to East Tennessee by creating a path toward home ownership. We aim to become an expert in developing a continuum of needed supportive and affordable housing solutions, from recovery and

transitional housing, to permanent supportive housing, to affordable rental housing, to affordable homeownership housing. Our projects have found great support from the Knox County Mayor, Knox County Commissioners and other leaders in the Knoxville community. Surrounding county Mayors and Commissioners would like to see this type of project completed in their district.

#### The Core Values of A Step Towards Home

- 1.) Kingdom-building – A Step Towards Home is a Christ-centered, Kingdom-building initiative.
- 2.) Life-changing – A Step Towards Home will transform the lives of individuals and families through developing needed affordable and supportive housing solutions.
- 3.) Partnership-invested – A Step Towards Home will intently focus on what it does best – real estate development and construction – while seeking out the best partners to manage and provide supportive services for the housing that it develops.
- 4.) Integrity-centered - A Step Towards Home will do everything with the highest ethic of honesty, integrity, and accountability.

Our Team has a combined experience of 73 years of affordable housing development in East Tennessee, with experience of real estate construction and tax credit development for attainable housing for low to moderate income, as well as creating solutions for permanent supportive housing.