



**APPALACHIAN**  
COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



Coastal Enterprises



**Ohio  
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ECONOMIC DEVELOPMENT



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THE UNIVERSITY OF  
TENNESSEE  
SYSTEM



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Strength in Numbers

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

**Project Sponsor:** Kingsport Housing and Redevelopment Authority, Kingsport, TN

**Project Name:** The Grove at Poplardale (Project Summary provided in Attachment B.)

**Release Date:** July 15, 2024

**Proposal Due Date:** August 12, 2024

**Selection Date:** August 26, 2024

**Contract Period:** August 26, 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 August 26, 2024 for an estimated contract start date of August 26, 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 \$60,000**. 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:** Kingsport Housing and Redevelopment Authority

**Project Name:** The Grove at Poplardale

**Project Description:** Construction of 130 new affordable apartments and 25 single family homes; 60 of the apartments are intended to house seniors. Total costs estimated at \$52 MM with creation of 6 permanent jobs

Full project summary provided in Attachment B.

## TA Requested

- Comprehensive support to apply for relevant tax credits, including the Tennessee Low Income Housing Credit and Federal Low-income Tax Credits; review of suitability for New Markets Tax Credits and application, if applicable
- Dedicated support for capital raise, including but not limited to the above tax credit opportunities

**Note:** The project sponsor has completed architectural designs, market study, and is in the process of selecting a developer for the project.

## Attachment B

### Summary Information

**Lead Contact:** Emily Chase - Grants and Redevelopment Manager

**Applicant Organization:** Kingsport Housing and Redevelopment Authority

**Address:** 906 E Sevier Avenue, Kingsport, Tennessee 37660

**Phone:** (423) 245-0135 (O); (423) 444-9361 (M)

**Email:** [emilychase@kingsporthousing.org](mailto:emilychase@kingsporthousing.org)

### Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):** The communities targeted by this project will be low-income individuals, families and seniors living in Eastern Tennessee and Southwestern Virginia. The project will be located in Sullivan County, TN, bordered by Hawkins, Greene, Johnson and Washington Counties. Adjacent to Sullivan County in Virginia is the City of Bristol, Washington County, Scott County and Lee Counties.

The census tract for the project will be 402.

2. **Service area of applicant (note if different than above, or note same):** The Kingsport Housing and Redevelopment Authority serves eight counties in Eastern Tennessee. Through our Housing Choice Voucher (HCV) program, we provide permanent rental assistance to Sullivan, Hawkins, Greene, Unicoi, Johnson and Washington Counties in Tennessee. The agency currently manages 419 units of affordable Project Based Voucher (PBV) assisted LIHTC units in Sullivan and Hawkins Counties with unit sizes ranging from one to five bedrooms. KHRA also provides PBV administration to independent complexes in Sullivan, Hawkins, Greene, Unicoi and Johnson counties for properties that are designated for elderly or disabled households. Through our grant-funded and special housing programs, KHRA serves the additional counties of Carter and Hancock in Tennessee. These programs include the federally funded Housing Opportunities for Persons with Aids (HOPWA) program, the Continuum of Care (CoC) grant to house chronically homeless households, and various state-funded grant programs aimed at ending or reducing homelessness.
3. **Community Development Strategy(ies):** KHRA is applying for Opportunity Appalachia with the intention of initializing a community transformation plan that will bring over 200 new units of affordable housing to our community. The need for stable, affordable and decent housing has reached a critical level with the rates of homelessness rising and families struggling to make ends meet on basic needs. The site that KHRA intends to utilize to construct and rehabilitate the community was previously the site of KHRA-owned Robert E. Lee apartments, a 128 unit complex of one to three bedroom units that was demolished in 2017 through the HUD program Rental Assistance Demonstration (RAD). The intention of the demolition was to clear the way for newly constructed, updated, energy efficient housing by removing dilapidated and crumbling housing stock. However, KHRA has been unsuccessful in obtaining funding for the reconstruction of these apartments, newly dubbed the Grove at Poplardale. KHRA has worked with The Architecture Collaborative in Knoxville to begin preliminary drawings in conjunction with the City of Kingsport, who has been the biggest supporter of bringing this housing transformation plan to fruition. The plan will not only replace the demolished apartments unit for unit, but will also bring in senior housing units, retail space, office space, a community center and an empowerment center that will house partner agencies, a daycare center, employment training,

healthcare and strive to meet multiple community needs under one roof. This is intended to reduce the burden on disabled or working families that struggle to obtain transportation, childcare and other daily needs that are crucial to housing stability. KHRA has recently had success with grant funding for a food bank and intends to see that continue at this new location. Through proposed land donation from the City of Kingsport, greenspace and walking paths will also be included to provide open space and opportunity for exercise and engagement. The community of Kingsport has been very vocal through Public Hearings, social media and inquiries as to when they can expect the apartments to be rebuilt. Community support is high and demand for housing is reaching its peak. KHRA has been the focus of several interviews in local papers as to the plans for Lee apartments as they are located close to the heart of downtown Kingsport and will be visible and well utilized.

## Project Information

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

- I. **Name of Project, address:** The Grove at Poplardale; 607 Dale Street, Kingsport, TN 37660
  - **Size in Sq Ft.:** 258,166 sq. ft.
  - **Total anticipated Project Cost \$:** 52,000,000
  - **Financing identified/anticipated, list source and dollar amount or note 'None':** TBD, applying for Tax Credits and Choice Neighborhoods Grant
  - **Project description:** In 2017, KHRA began implementing the RAD program to update, renovate and refurbish the public housing units owned by the agency. This included remodeling 419 units of existing housing and demolishing the 128 unit complex, Lee Apartments. Lee Apartments were constructed in the 1940's as one of the first affordable complexes in Sullivan County, and the first complex owned by the agency. The intention was for construction to begin in 2020 and the complex to reopen in 2022. Unfortunately, the funding that KHRA applied for was not awarded to the agency and subsequent applications were also not awarded. The agency has attempted multiple times to obtain tax credit financing alongside smaller grant programs but has not been awarded. Since the demolition, the plan for Lee Apartments has evolved from simply replacing the units to transforming the surrounding community. The area around Lee apartments consists of smaller, older homes and duplexes that are in various states of disrepair. KHRA has been acquiring the homes as they come available and rehabilitating them through smaller grants, including the CDBG grant, Creating Homes Initiative 2.0, and Creating Affordable Housing grants in an effort to provide affordable housing. The City of Kingsport has taken an interest in KHRA's efforts and has provided input on a vision that would transform the entire area. KHRA intends to construct 38 one bedroom units, 66 two bedroom units and 26 three bedroom units on the site of Lee apartments to replace what was removed. Additionally, the plan would include construction alongside these units of 6 efficiency and retail/office space where community partners could host offices to meet with residents and the community, 60 senior units aimed at Kingsport's increasing elderly population, and the creation of 25 single family homes that would serve as affordable rentals with the possibility of homeownership through KHRA's homeownership program. Among the apartments, KHRA will construct a community center, an asset that existed in the previous Lee Apartments. This community center would be home to staff, a gym, community room, kitchen and other amenities for residents and the community. An Empowerment Center would exist on the outside border of the community; KHRA intends to invite community partners into this space, including HeadStart, the Boys and Girls Club, probation, community health workers, American Job Center, and others who can help residents develop their lives.

- **Community Impact (quantify/provide estimates):** The biggest community impact this project would see would be the provision of affordable housing that is so desperately needed in Kingsport. KHRA currently has 2,201 individual households on the waiting list for affordable housing. 15% of those families are disabled, 15% are elderly, and 47% are homeless. These populations represent the hardest to house, the ones most likely to struggle with income limitations and the ones most likely to have to choose between paying rent and paying for food. KHRA works with a majority of single-parent households that struggle with finding employment due to childcare needs, transportation requirements and lack of access to resources that would empower them to seek higher education or focus on jobs with transferable skillsets. KHRA hopes to help remedy this gap by hosting community partners onsite that will provide convenient, accessible connections to career counseling, financial management, parenting classes, nutritional education and healthy lifestyle changes. Several employment opportunities will be created with KHRA through property management positions, maintenance, grounds management and waiting list management. Community partnerships and connections will be established that will open doors to residents and community members seeking to move on from affordable housing into sustainable lifestyles and upward mobility.
- **Name(s) of project sponsors, developer, and/or business owner, if identified:** KHRA will be the final project owner, and is currently working with the City of Kingsport and The Architecture Collaborative (TAC) to implement this project. KHRA has released an RFQ for a developer to assist with applications for tax credit financing and the Choice Neighborhood grant but has not yet identified a candidate
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** Technical assistance is needed in the form of financial structuring, market assessment, developer identification, capital raise, project development and financial application

5. **Clean Energy Focus:** KHRA will include energy efficient measures within the design of the complex and supporting buildings. KHRA will utilize energy efficient HVAC systems, ensure proper insulation is installed and use energy star rated appliances and windows.

6. **Applicant Capacity:** KHRA was created in 1939 by the citizens of the City of Kingsport in an effort to develop affordable housing for Kingsport’s low income and most vulnerable citizens. KHRA remains dedicated to fulfilling that mission today, and seeks to fulfill its mission through a variety of programs and initiatives aimed at improving the lives of low to moderate income households in Kingsport. KHRA owns and operates 419 affordable housing units assisted by RAD Project Based Vouchers, divided between six developments within the City of Kingsport; Charlemont Place Apartments, Reedy Pointe Apartments, Magnolia Pointe Apartments, Hillside Pointe Apartments, Kendrick Pointe Apartments and Riverview Place homes. KHRA maintains the HCV program with a baseline of 1746 vouchers available. Additionally, KHRA acts as the property manager for Holston Terrace, a 48-unit development providing housing for low-income elderly and disabled persons in Kingsport, and provides PBV rental assistance to scattered sites in Sullivan, Unicoi and Greene counties. In addition to traditional housing assistance programs, KHRA has pursued a variety of funding opportunities to provide housing in Northeast Tennessee. In 2003, KHRA was awarded its first Shelter Plus Care grant through the U.S. Department of Housing and Urban Development’s Continuum of Care program. At the time, the grant was used to provide housing for only a few chronically homeless individuals and families. Since then, KHRA’s Supportive Housing Program has grown to include three grants providing housing for 115 chronically homeless families and disabled individuals in Northeast Tennessee. KHRA has operated the HOPWA program since 2006, a permanent rental assistance grant through the U.S. Department of Housing and Urban Development. Today, this renewal grant provides housing assistance for



55 low-income individuals with an HIV/AIDS diagnosis in eight Northeast counties of Tennessee. In 2006, KHRA received an \$11.9 million U.S. Department of HUD HOPE VI Revitalization Grant to transform Riverview Apartments, an aging 92-unit development, into a vibrant, mixed-income, mixed-tenure affordable housing development and to revitalize the surrounding community. The proposal included the demolition of the original 92 units and the rebuilding of 116 units, including: 54 off-site units of elderly/disabled housing, 24 off-site single-family homes in the historic Sherwood/Hiwassee neighborhood of Kingsport, and 38 energy-efficient PBV units.