



ADDENDUM 1

Request for Qualifications for Affordable Housing Development Services Chapel Hill, NC

BID: A/E 26-006

FROM: Lenore Bishop, Purchasing & Contracts Manager

SUBJECT: Addendum 1 – Affordable Housing Development Services

DATE: May 21, 2026

This Addendum is to provide answers to the questions that we have received. Listed below are the questions received and our responses:

QUESTION: Target Resident Profile / Use Alignment: Does the Town of Chapel Hill have a defined or preferred resident profile beyond AMI targets (e.g., workforce housing, seniors, or mixed populations), and are there preferences for how ground-floor or community spaces support those residents?

ANSWER: The Town does not have a defined or preferred target resident profile for this project beyond the Town's priority for serving households earning 60% or less of Area Median Income (AMI). The Town expects a portion of the ground-floor spaces to serve residents and has a secondary goal of incorporating a community amenity or public space into the ground floor as well. The interior layout of the concepts is flexible, and the Town is open to different possibilities for the public-facing ground floor space.

QUESTION: Is there a preference for this development to target families or seniors?

ANSWER: Please see above response.

QUESTION: Does the Town have any preference for family vs. senior housing?

ANSWER: Please see above response.

QUESTION: What is the desired unit mix for the units?

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ANSWER: The Town is not giving preference to a specific unit mix. Respondents may include a potential unit mix and any relevant justification for that mix with their submission materials.

QUESTION: The 4,000 sq ft community area is broken out from the 5,000 sq ft of amenity space. Is the intent that this community area is open to the broader community beyond residents or a flex space for property management and residents to utilize as it pertains to services on site?

ANSWER: The Town expects a portion of the ground-floor space to serve residents and has a secondary goal of incorporating a community amenity or public space into the ground floor as well. The interior layout of the concepts is flexible, and the Town is open to different possibilities and uses for the public-facing ground floor space with justification for why those are preferred and feasible.

QUESTION: Are public amenity spaces anticipated to be part of the program?

ANSWER: Please see above response.

QUESTION: Ground Floor / Mixed-Use Flexibility: To what extent is the Town of Chapel Hill open to incorporating non-residential or mixed-use components (e.g., neighborhood-serving retail, health-oriented services, or community-based uses) on the ground floor, and how would such uses be evaluated relative to maximizing residential unit count?

ANSWER: Please see above response regarding ground floor uses. The Town is primarily focusing on respondent qualifications in its evaluation. Per the RFQ, the evaluation will focus holistically on how a response addresses Town priorities, project goals, and is reasonable, logical, and financially feasible within a realistic timeline.

QUESTION: Density vs. Financial Feasibility: How does the Town of Chapel Hill prioritize maximizing unit count versus ensuring long-term financial feasibility, particularly in scenarios where higher-density options may require increased subsidy or introduce additional construction complexity?

ANSWER: The Town expects a minimum level of density along the BRT corridor that is consistent with the Town's [Future Land Use Map](#) (FLUM) and takes into consideration the context of residential neighborhoods nearby.

QUESTION: First, I was curious how set the Town is on the preliminary design concepts included in the RFQ — particularly the site plan concepts with the parking deck and the general unit mix. I saw the two options presented and was just wondering what level of flexibility there may be around those items moving forward.

ANSWER: Town staff have been working with a design team on the preliminary site plan concepts. These concepts reflect a design that may be feasible, based on known site constraints. The Town is open to considering other ideas with the selected development partner.

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QUESTION: Would the Town consider parking waivers (in conjunction with NCHFA) as needed to help maximize density?

ANSWER: The Town has not specified a desired parking ratio per unit but expects any development to balance the need for a reasonable amount of on-site parking with the close accessibility of other transit options in the area. The Town does not have parking minimums and may be open to considering parking waivers if deemed necessary and appropriate for project feasibility.

QUESTION: What is the desired parking ratio per unit?

ANSWER: The Town has not specified a desired parking ratio per unit but expects any development to balance the need for a reasonable amount of on-site parking with the close accessibility of other transit options in the area. The Town does not have parking minimums.

QUESTION: What is the current zoning designation for the project site?

ANSWER: The project site is currently zoned Office-Institutional-2 (OI-2).

QUESTION: What are the exact boundaries of the affordable housing parcel in the concept design?

ANSWER: The portion of the site intended for affordable housing development is approximately 1-1.5 acres. The exact dimensions are not currently available.

QUESTION: I also may have missed this in the RFQ, but I was curious about the acreage specifically intended for the affordable housing component of the project. I saw that the overall site is a little over four acres, though I understand a portion is intended for the fire station, so I was hoping to better understand what acreage is anticipated for the housing portion itself.

ANSWER: Please see above response.

QUESTION: Has the Town completed any existing due diligence on the housing portion of the site, such as Phase I, geotechnical, survey, or title work, that could be shared with respondents either during the response window or after selection?

ANSWER: No environmental work or surveys have been completed on this site to date, but a Phase I Environmental Site Assessment (ESA) is expected to be completed for the entire site. Any surveys or studies conducted as part of the construction of the fire station will be shared with the selected development partner.

QUESTION: Is a land survey available for review?

ANSWER: Please see above response.

QUESTION: Has any environmental work on the site been completed (Phase 1, etc.)?

ANSWER: Please see above response.

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QUESTION: Has the Town commissioned any environmental reports on the land (Phase I, soil studies, etc.)?

ANSWER: Please see above response.

QUESTION: Are there any specific environmental concerns around the former use as a firefighting training facility, and is ground floor residential an option for the site?

ANSWER: Please see above response regarding environmental studies. The feasibility of ground floor residential may be dependent on the results of the Phase I ESA and any additional due diligence analysis by the selected development partner.

QUESTION: More generally, are there any milestones that the Town must complete (besides rezoning) before a developer could pursue an affordable project?

ANSWER: The Town's objective is to continuously maintain a fire station on the site throughout the redevelopment process. This means that a new fire station must be fully constructed and operating prior to the demolition of the existing fire station and repurposing of that portion of the site for affordable housing. The Town anticipates that construction of the fire station to begin fall 2026, with station completion anticipated winter 2027. While fire station construction is ongoing, the Town expects the selected developer to pursue any necessary funding or approvals. After the residential component is constructed, the Town expects ongoing coordination on any infrastructure or community spaces shared by the fire station and residential development.

QUESTION: Is there expected coordination with the fire station development team or sequencing needs that the selected developer will need to be mindful of?

ANSWER: Please see above response.

QUESTION: How much coordination is expected to be needed between the Fire Department / Town during and after development?

ANSWER: Please see above response.

QUESTION: Will the Town demolish the existing buildings on the affordable housing site or would the selected developer be responsible for demolition?

ANSWER: This has not yet been determined but the Town has set aside funding to cover at least part of demolition of the training center and existing fire station.

QUESTION: Has the fire department relocated from the existing station and training facility? If not, when is that expected?

ANSWER: The fire department will have a continuous presence on the site throughout the redevelopment process. Fire staff and operations will move from the current fire station once

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the new station is completed in winter 2027. The fire training facility will be relocated elsewhere in the Town.

QUESTION: Is the intention that the new, adjacent fire station will be built simultaneously?

ANSWER: The new fire station will be completed and operating before construction of the affordable housing development will begin. The Town's objective is to continuously maintain a fire station on the site throughout the redevelopment process. This means that a new fire station must be fully constructed and operating prior to the demolition of the existing fire station and repurposing of that portion of the site for affordable housing.

QUESTION: Has a design been developed for the fire station site?

ANSWER: Fire Department staff are currently working with a design team on the plans for the new fire station.

QUESTION: Is there an alternative site for the Fire Station?

ANSWER: No, the future fire station will be constructed on the western portion of the parcel. The fire training facility currently present on the site will be relocated elsewhere in the Town.

QUESTION: Will there be shared infrastructure with the fire station: access roads, stormwater, parking, etc?

ANSWER: The Town anticipates some shared infrastructure with the fire station, including on-site stormwater management and access roads.

QUESTION: Is a shared roadway planned between the fire station site and the affordable housing development, and will this roadway connect to the adjacent residential project?

ANSWER: A shared roadway is expected between the fire station and the affordable housing development, based on current design concepts. A roadway connection to the adjacent residential project is possible, due to an existing access easement.

QUESTION: Does the Town have a preference between the concepts shown in Exhibit A, and is the Town open to alternative concepts other than those shown in Exhibit A?

ANSWER: The Town does not have a preference between the concepts shown in Exhibit A and will look to the selected development partner to advise on the feasibility of these, or other options. These concepts were developed in consultation with a design team based on known site constraints, but the Town is open to alternative concepts, provided alternatives are feasible and meet the Town's project goals and priorities.

QUESTION: Could the affordable housing piece be interchanged with the concept proposed site provided in the exhibits – specifically locating the affordable housing on the site of the old training area and keeping the fire station at the corner of the intersection?

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ANSWER: No. The Town's objective is to continuously maintain a fire station on the site throughout the redevelopment process. This means that a new fire station must be fully constructed and operating prior to the demolition of the existing fire station and repurposing of that portion of the site for affordable housing.

QUESTION: Are the boundaries between the future fire station and affordable housing site open for further discussion, or are those boundaries firm?

ANSWER: The site boundaries are firm, and the location of the future fire station location is not open for further discussion.

QUESTION: Current site access is constrained by the divided highways and medians? Has that been reviewed by planning / transportation?

ANSWER: Town staff worked with a design team to develop the preliminary site concepts based on these known site constraints. These concepts incorporated initial feedback from NCDOT, Chapel Hill Transit, and the Town's Planning and Economic Development staff and Urban Designer. The Town anticipates further internal and external consultation will continue after the development partner is selected.

QUESTION: Are there any site design requirements expected to prepare for a future BRT stop on Martin Luther King Jr. Boulevard?

ANSWER: The preliminary site concepts do not reflect specific site design requirements related to the future BRT stop. The Town expects the selected development partner to work collaboratively on site designs that fit into the surrounding context, including the BRT station.

QUESTION: Are there any noise mitigation methods that the Fire Department / Town plan to implement for the fire station, to minimize noise impacts on the apartments (something that some funders might be concerned with)?

ANSWER: The Fire Department is obligated by general statutes that determine requirements for the use of audible and visual devices when dispatched for a call but will act with awareness of the surrounding residential neighborhoods.

QUESTION: Does the Town allow joint venture or partnership submissions between experienced developers and emerging firms?

ANSWER: Yes, please refer to the RFQ Submission Requirements for information on joint venture or partnership submissions.

QUESTION: Is there any flexibility in team structure as long as the lead developer meets the required experience?

ANSWER: Please refer to the RFQ Submission Requirements for information on applicant qualifications.

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QUESTION: Would teams that include minority/women-owned businesses be viewed favorably in the evaluation process?

ANSWER: The Town is primarily focusing on respondent qualifications in its evaluation. Per Town standards, the selected development partner and its contractors will be expected to make good faith efforts to include small and minority businesses in their recruitment for work and the services needed.

QUESTION: Would the Town allow repayment of deferred developer fee to be senior to any residual receipts sharing with the Town?

ANSWER: This has not yet been determined and may be discussed as part of the negotiation of a development contract.

QUESTION: Does the Town have specific ground lease terms in mind, including length, subordination, and leasehold mortgagee protections, or is there flexibility to negotiate those terms with the selected partner? Should respondents assume a standard 99-year ground lease?

ANSWER: The Town is contemplating a long-term ground lease (99 years) with a nominal lease rate (e.g, \$1/year), based on similar Town projects. Ground lease details will be discussed with the selected partner.

QUESTION: Is the Town open to a nominal (\$0) ground lease rate for this site?

ANSWER: Please see above response.

QUESTION: Can the Town confirm which fees would be waived, including building permit, plan review, and water/sewer impact fees?

ANSWER: The Town waives plan review and building permit fees for affordable units. Please refer to the Town's fee schedules for details. Please also note that water and sewer fees are administered by Orange Water and Sewer Authority (OWASA), not the Town.