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# CITY OF TEMPE REQUEST FOR COUNCIL ACTION

Meeting Date: 4/28/2022  
Agenda Item: 7B4

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**ACTION:** Authorize the City Manager or designee to negotiate exclusively with Copa Health, Inc., for the lease and development of a mixed-use affordable housing project on four vacant lots consisting of approximately 2.6 acres located at 2320 and 2314 E Apache Boulevard Tempe, Arizona.

**FISCAL IMPACT:** Financial details will be determined through negotiation of the Development Agreement and subject to City Council approval.

**RECOMMENDATION:** Authorize City Manager or designee to negotiate with Copa Health, Inc.

**BACKGROUND INFORMATION:** (RFQ 22-090) The City issued a Request for Qualifications (RFQ) for the lease and development of a mixed-use affordable housing project on four vacant lots consisting of approximately 2.6 acres located at 2320 and 2314 E Apache Boulevard.

The interest of the City is to select a housing developer which demonstrates the best project and qualifications for producing a successful development and has experience in developing a mixed-use affordable residential project. The affordable housing units will be at the 79% of AMI (Area Median Income) or less. Preference will be given to a fully income-restricted project. The City envisions commercial operations on the ground floor adjacent to Apache Boulevard with residential units about and to the north. Adjacent to MacArthur, the City envisions attached/detached single family for-sale residential units (land trust model).

### Evaluation Process

Procurement sent notification of this solicitation to over 200 companies and advertised this effort in the *Arizona Capitol Times*. A total of five (5) companies responded as follows:

- Copa Health Inc.
- Douglaston Development\*
- Gorman & Company's
- Habitat for Humanity Central
- The Richman Group

\*Douglaston Development was determined non-responsive due to their failure to submit a signed Offer Form.

The responses were evaluated by a committee comprised of Community Development, Economic Development, Human Services, Sustainability, and Procurement staff. The evaluation criteria along with scoring are shown in the table below:

Criteria Description	Weight	Copa Health Inc.	Gorman & Company's	Habitat For Humanity Central	The Richman Group
Project Design-	35%	315	175	210	315

description of proposed project					
<b>Experience-mixed-use housing experience</b>	15%	135	90	90	120
<b>Maximization – of resources</b>	15%	135	90	75	120
<b>Organization Capacity – qualifications of firm</b>	15%	135	105	75	105
<b>Financial Strategy – developer’s financial strategy</b>	20%	200	100	0	100
Total Score	100%	920	560	450	760

The evaluation committee recommends that Copa Health Inc., be selected to negotiate the terms of a Development and Disposition Agreement for the housing development on Apache Boulevard. Copa Health has proposed a development that will provide 104 multifamily units for rent, 19 home for sale, a 1,700 sq ft office space, 2,200 sq ft health clinic, 1,400 sq ft café and 7,000 sq ft of green space. The project will provide affordable housing to City of Tempe stakeholders.

On April 4, 2022, Douglaston Development filed a protest regarding the City’s decision to determine their proposal as non-responsive. Douglaston Development failed to include with their proposal a signed Offer Form in their response, that caused their proposal to be determined non-responsive. The protest is currently under review.

**ATTACHMENTS:** Offer Page

**STAFF CONTACT(S):** Naomi Farrell, Human Services Director, 480-350-2458

Department Director: Tom Duensing, Interim Deputy City Manager - Chief Financial Officer  
 Legal review by: Dave Park, Assistant City Attorney  
 Prepared by: Daniel Wojcik, Procurement Officer