



REQUEST FOR PROPOSAL for Sale and Development of 1004 JOHN DIMREY DRIVE

Digital proposals are due

Friday, September 6, 2019 by 5:00 p.m.

Neighborhood Development
City of Greensboro
Post Office Box 3136
Greensboro, N.C. 27402

Request for Proposals for the Sale and Development Apartments at 1004 John Dimrey Drive

The Opportunity

The City of Greensboro through the Neighborhood Development Department requests proposals from for-profit and non-profit developers for the acquisition and development of apartments located at 1004 John Dimrey Drive in Greensboro, North Carolina.

The City of Greensboro's goal is to seek a developer to purchase and improve the property for permanent affordable housing that will include at least 51 percent of the units for households with annual incomes at or below 80 percent of the area median income. In support of this goal, the successful applicant may receive a low-interest loan up to \$500,000 using federal Community Development Block Grant (CDBG) funds. Applicants may request the CDBG loan as a part of the proposal. Although rehabilitation of the property is preferred, the City will consider other affordable housing development options, if feasible for the site and neighborhood. All development must comply with the state building code, the City of Greensboro Land Development Ordinances and must meet the City of Greensboro Construction and Design Standards set out in the Contractor's Handbook, which is located at www.greensboro-nc.gov/forsale.

The City proposes to sell the property "as is" and will not be responsible for any costs incurred in responding to this request. The City has not performed any recent inspections and testing. The City has acquired an appraisal in May 2019 valuing the property at \$470,000. Based on this amount and the City's requirement to sell the property within 10 percent of the appraised value, the minimum purchase price offer is \$423,000. Please note that the appraised value is below the Guilford County assessed value of \$689,100.

Interested developers are encouraged to become familiar with the supporting materials referenced herein to successfully respond with a proposal. Developers are also encouraged to inspect the property before submitting a proposal.

Timeline and Schedule of Events

The following are key dates for this Request for Proposals (RFP). The City is committed to adhering to this schedule, but reserves the right to make modifications as it deems necessary. The City also reserves the right to discontinue the solicitation process. Please note that the City Council reserves the right to reject any and all proposals and to make minor modifications. The City reserves the right to clarify requests for information contained herein or accept any minor irregularities or informalities in determining whether a proposal is responsive.

Event	Date
Release and Advertise RFP	July 12-19, 2019
Open House to View Units	July 25, 2019 10:00 am to Noon
Receive Digital Responses to RFP	September 6, 2019 at 5:00 PM
Complete Upset Bid Process (10-Day Notice Ad)	October 1-11, 2019 approximately
Submit Recommendations to City Council	November 19, 2019
Announce Successful Bidder	By November 22, 2019

Contacts for Information and Site Access

For more information, contact Valerie D. Moore at (336) 373-4636 or Valerie.Moore@greensboro-nc.gov. For property access, contact Guy Land at (336) 373-2144 or Guy.Land@greensboro-nc.gov.

Para hacer negocios con la ciudad de Greensboro, existen disponibles servicios gratuitos de idiomas e interpretacion.

Property Information



Photo Credit: Guilford County

Built circa 1959, 1004 John Dimrey Drive apartments served as a multifamily income-producing property. The property consists of four buildings with 24 garden-style apartments with two-bedrooms and one bath. The property also includes paved parking surfaces. The property is currently boarded and vacant.

Location: 1004 John Dimrey Drive, Parcel #0005060

Owner: City of Greensboro

Deed: Deed Book 007912, Deed Page 00001

Size: 2.39 acres (Sources: Guilford County Tax Records and Appraisal)

Zoning: RM-18 (Residential).

Opportunity Zone: Property is located in Census Tract 0112.00, within an Opportunity Zone.

Available Utilities: Electricity, Telephone, Public Water and Sewer, Natural Gas

Access: The site has existing curb cuts along John Dimrey Drive.

Assessed Value: According to the Guilford County Tax Department, the current total assessed tax value of the property is \$698,100 (comprised of building value, \$272,700, and land value, \$416,000).

Taxes: The property is currently tax exempt. Outstanding tax liens remain on the property. Balance owed on the liens shall be paid at or prior to closing.

Available Funding-Community Development Block Grant

Applicants for this project are eligible to receive a rehabilitation only loan in an amount not to exceed **\$500,000**. The City will use Community Development Block Grant (CDBG) funds, a federal funding source, for the loan. The loan will bear interest at a rate of one percent, a term and amortization up to twenty (20) years. Payments will be due in accordance with a fully amortized schedule. The City will not consider deferred payments for any period; however, applicants may request interest only payments for a period up to five (5) years. Applicants may only request the loan as part of this RFP response.

City and Federal Funding Requirements

All projects receiving CDBG Program funds must be carried out in full conformance with all applicable City and Federal regulations. For further information on the Federal CDBG Program regulations and eligibility requirements, consult the U.S. Department of Housing and Urban Development's CDBG Program for Entitlements website at www.hud.gov/offices/cpd/affordablehousing/programs/cdbg . Project developers should familiarize themselves with the CDBG Program requirements prior to proposal submission. Projects receiving no Federal funding must be carried out in full conformance with all applicable City regulations and restrictions.

Below are some key requirements to consider during project planning and implementation.

Tenant Affordability: Income levels and rent amounts are key to determining affordability. To receive City CDBG funds, the project must provide at least 51% of the units for households at or below 80% of the area median income. The income limit will be in place until the expiration of the loan repayment period. See <https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn> for income limits. For fair market rents, see <https://www.huduser.gov/portal/datasets/fmr.html#2020> .

City Minority and Women's Business Enterprise (M/WBE) Policy: All projects must meet the City's Minority and Women Business Enterprise (M/WBE) requirements for procurement and contracting and will be subject to the same M/WBE guidelines, which apply to economic development projects. Per the guidelines, the developer must:

- (1) Apply M/WBE subcontract participation goals to the construction portion of the project prior to the start of construction,
- (2) Use the same policies and procedures as City-funded construction projects,
- (3) Apply liquidated damages to be paid by the developer in the amount equal to the monetary value of M/WBE subcontracting goals established by the City in the event of noncompliance with the requirements.

Developers and contractors should take pro-active steps to solicit M/WBE participation and documenting good faith efforts in compliance with the policy. Applicants who have questions regarding the M/WBE Program are encouraged to contact the M/WBE Office at mwbe@greensboro-nc.gov.

Equal Opportunity and Fair Housing: Borrower shall insure that no person shall be excluded from participation in, be denied benefits of or be subject to discrimination under City, State or Federal requirements for services, employment or fair housing, as may be required. Borrower shall not discriminate against any worker, employee or applicant for employment or any other member of the public on the basis of sex, race, gender, color ethnicity, national origin, age, familial status, marital status, military status, political affiliation, religion, physical or mental disability, genetic information, sexual orientation, gender expression, or gender identity nor otherwise commit any other unfair employment practice. Borrower shall not discriminate in housing or real estate financial practices on the basis of race, color, religion, sex, handicap, familial status, or national origin.

Section 504 and Accessibility Improvements: Section 504 of the Rehabilitation Act of 1973 is a federal law, codified at 29 U.S.C. § 794, that prohibits discrimination based on disability in federally assisted programs or activities. For more information, see, https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/sect504faq.

The City of Greensboro is requiring that at least 10% of the units in the development be accessible to and usable by individuals with mobility disabilities. Additionally, necessary site alternations are required in common areas including ensuring accessible rental offices, providing accessible postal boxes, adding handicapped parking areas, and installing sidewalks along accessible routes.

Davis Bacon and Related Acts: The Davis-Bacon Act provides that construction project contracts using CDBG funds in excess of \$2,000 or for the construction or rehabilitation of properties with eight (8) or more total residential units (construction includes but is not limited to rehabilitation, alteration and/or repair, painting and decorating), which involve the employment of laborers and/or mechanics shall contain provisions with respect to minimum wages, fringe benefits, payments without deductions or rebates, withholding funds from contractors to ensure compliance with the wage provisions, and termination of the contract or debarment for failure to adhere to the required provisions. See <https://www.dol.gov/whd/govcontracts/dbra.htm> for more information.

The Fair Labor Standards Act: The Fair Labor Standards Act (FLSA) (29 U.S.C. 201-219) is applicable to HUD-assisted construction and implements minimum wages for construction workers, overtime pay (forty-hour work week), record keeping, and child labor standards.

Section 3: Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) provides that, to the greatest extent feasible, opportunities for training, new employment, and contracting opportunities shall be given to qualified Residents or Business Concerns. For more information, see https://www.hud.gov/program_offices/fair_housing_equal_opp/section3/section3.

Environmental Review: The City will conduct an environmental review. The project must receive environmental clearance from the U. S. Department of Housing and Urban Development prior to issuing a loan agreement.

City Audit Requirements: After funding, the City will require annual audited financials and the Developer will be subject to the City Audit Policy, which includes periodic physical, financial, and programmatic review.

City Insurance Requirements: Borrower shall, at its or its General Contractor's expense, maintain in force and effect on the Project at all times the following insurance:

A. During any period of construction, Borrower or its General Contractor shall maintain insurance policies at all times with minimum limits as follows:

- | | |
|---|--|
| i. "Builder's All-Risk Completed Value" | In an amount not less than 100% of the full replacement cost of the Improvements |
| ii. Workers Compensation | Statutory Limits |
| iii. Employers' Liability | \$500,000 per occurrence |
| iv. Commercial General Liability | \$1,000,000 per occurrence/\$2,000,000 aggregate |
| v. Professional Liability (if applicable) | \$1,000,000 per occurrence/\$2,000,000 aggregate |
| vi. Automobile Liability | \$1,000,000 |
| vii. Property Damage | \$1,000,000 per occurrence/\$2,000,000 aggregate |

B. After completion of the construction, "all-risk" coverage insurance against loss or damage to the Project from fire, windstorm, tornado, and hail and damage by such other further and additional risks as may now or hereafter be embraced by the standard "all-risk" form of insurance policy.

C. All such insurance shall be from an "A" rated insurance company acceptable to the City of Greensboro and the City of Greensboro shall be named as an additional insured on the Contractor's general liability insurance policy, which shall be primary and not contributory to any other insurance that may be available to the City of Greensboro.

D. Borrower or its General Contractor shall provide the City of Greensboro with a Certificate of Liability Insurance and an Additional Insured Endorsement naming the City of Greensboro as an additional insured on its General Liability Policy for review prior to the issuance of any Contract or Purchase Order. (This should be an ACORD form 25 (2010/05) or similar).

Borrower or its General Contractor or its agent shall provide the City of Greensboro with thirty (30) days written notice of cancellation, reduction, or other modification of coverage of insurance, and in the event the insured fails to maintain and keep in force for the duration of this Contract the insurance required herein, the City of Greensboro may cancel and terminate this contract without notice, and the Borrower will be responsible for all losses incurred by the City of Greensboro for which insurance would have provided coverage.

Original insurance policies may be required by the City of Greensboro at any time. Current, valid insurance policies meeting the above requirements shall be maintained for the duration of the project. Renewed policies shall be sent thirty (30) days prior to any expiration date.

All insurance documentation required under this contract shall be forwarded to:

City of Greensboro
c/o Neighborhood Development Dept.
Attn: Valerie Moore
P.O. Box 3136
Greensboro, NC 27402-3136

Borrower or its General Contractor shall not assign any part of this contract to other contractors or subcontractors without written pre-approval of the City of Greensboro; in which case it shall be the responsibility of Borrower or its General Contractor to insure that all subcontractors comply with the same insurance requirements that Borrower or its contractor is required to meet.

E. Coverage at closing must be written showing the names of the insured to be Borrower with the mortgagee clause in favor of City of Greensboro.

F. Borrower will provide the City of Greensboro with a copy of all policy renewals for the term of this loan.

Process

A review team will evaluate the response submittals. The team will recommend a proposal for consideration by Greensboro City Council that best reflects the evaluation criteria described below. After selection, the City will negotiate specific terms and conditions with the developer through a written development agreement or loan agreement with claw-back provisions. Additionally, applicants seeking City funding sources will receive a commitment letter for the approved funding amount.

Evaluation Criteria

The Review Team will evaluate submittals based on the following criteria:

- 1. Development Team Experience and Capacity.** This is an assessment of the development team's experience with similar development activities and their qualifications to undertake the proposed development. This review also includes a review of the M/WBE representation on the development team. For consideration, M/WBE firms must be certified by the NC Department of Administrator or North Carolina Department of Transportation or teamed with certified M/WBE firm(s) as described; and be located within one of the 27 counties in the Greensboro relevant marketplace.
- 2. Proposed Development.** This portion of the review will assess the quality, completeness and feasibility of the proposal. The review also assesses whether or not the proposed project aligns with existing land use, zoning and neighborhood constraints.
- 3. Financial Feasibility and Capacity.** This assessment focuses on the financial capacity of the applicant to acquire and develop the project as proposed within the timeframe estimated in the applicant's submittal. Submittals must clearly identify all City and non-City funded construction and permanent funding. Development budgets should include all expected costs including contingencies. Key questions in this review are as follows: Is the documentation provided sufficient to evaluate the accuracy of the budget? Is the applicant able to demonstrate that the combination of financing and funds on hand are sufficient to complete the project? Does the proposed timeline contain sufficient detail to be credible? Is the timeline reasonable? Does it identify all relevant, high-level steps (e.g., environmental review, closing, construction start and completion, marketing, lease-up, stabilized occupancy)? Is there confidence that project initiation will occur within set timelines?
- 4. Leverage of Non-City Funds.** This review evaluates the percentage of non-City funds identified in the sources and uses of funds statement of the submittal. Non-City funds will include private equity investments, private loans, and other governmental loans and grants.
- 5. Program Income:** The City needs to generate program income, where feasible, to assist other affordable housing development activities. This review evaluates the likelihood of repaying funds for reuse. Please note that tax revenues collected by the City or County from projects are not program income and will not be taken into consideration in this analysis.
- 6. Affordability and Tenant Selection.** This assessment views how the developer will select eligible tenants, maintain affordable rents, and provide essential services, especially for persons with special needs. Clearly state the affordability period in the submittal.
- 7. Bonus Points for Preferences:** The City will award bonus points to projects that are rehabilitating the project for permanent affordable housing, using the City CDBG loan, and serving a special needs population such as veterans and homeless persons.

Submission Requirements

Submittals: All proposals must include the items on the submittal checklist attached to this RFP.

Submittal Instructions: Submit proposals in digital form by 5:00 pm on Friday, September 6, 2019. The City will not consider responses received after this time. Direct responses to Valerie D. Moore, Senior Housing Planner, at Valerie.Moore@greensboro-nc.gov . Hard-copy submittals are discouraged.

Open House: Guy Land, Real Estate Agent and Property Manager, will host an **open house July 25, 2019 from 10 am to noon** at the property. This will be an opportunity to see the neighborhood and view the units.

Decision Process: Submittals will be reviewed and recommendations to City Council for consideration at the November 19, 2019 City Council meeting. Announcements follow within three business days of City Council approval.

Post-Selection Process

Once the buyer is determined, the City will:

1. Collect payment of 10 percent of the proposed purchase price in the form of cashier/bank check, money order, or cash.
2. Conduct the environmental review.
3. Sale of the property is Subject to a 10-day Upset Bid Process as required under City of Greensboro Charter § 4.122 and NCGS § 160A-269.
4. Present proposal to City Council for approval.
5. If approved, City staff will issue a commitment letter and follow up with a development or loan agreement as applicable that outlines the terms and conditions of the sale. The agreement will include a claw-back clause to reclaim the property should development not be initiated based on the final timeline of the development agreement/commitment letter.
6. Issue development agreement or loan agreement as appropriate and collect balance of purchase price and hold until deed recorded.
7. Hold settlement and record the deed.

1004 JOHN DIMREY DRIVE REQUEST FOR PROPOSALS SUBMITTAL CHECKLIST

Check all items contained in the submittal package and submit this checklist with the package. Please clearly indicate your exhibits in your submittal package with paper separation of exhibits.

- Cover letter dated and signed by owner/applicant containing project narrative of the proposed project, purchase offer and amount of request for CDBG funding
- 1004 John Dimrey Drive RFP Transmittal Form filled out and signed
- Purchase Contract

Exhibit 1:

- Articles of Incorporation
- Bylaws
- IRS 501(c)(3) determination letter (Non-profits Only)
- IRS Form 990 (Non-profits Only)
- Current listing of all members of Board of Directors, including name, address, and beginning and ending dates of term
- Corporate Resolution Authorizing Purchase and CDBG Loan, if applicable

Exhibit 2:

- Copy of organization's two most recent years of **financial statements** with management letters (Note: Records may be marked "confidential.")

Exhibit 3:

- Description of housing development experience
- List of Development Team Members and resume' of each member
- Names, contact info, and qualifications of design/construction professionals
- Description of procurement process for contractors and professional services
- Description of supportive service experience, if applicable
- Certification of the M/WBE status of the applicant and any development team member.

Exhibit 4:

- Statement of Households to be served including target income limits and protection of affordability

Exhibit 5:

- Evidence/explanation of compliance with local land use regulations if proposing an activity other than acquisition and rehabilitation of affordable housing.

Exhibit 6:

- Property Management Plan
- Supportive services plan for special populations, if applicable

Exhibit 7:

- Preliminary site plans, elevations, floor plans and material specifications
- Development timetable – must clearly indicate expected project start date
- Description of special construction measures/techniques
- Market information to support project feasibility

Exhibit 8:

- Proposed Development Budget (covering all related construction expenses)
- Sources and Uses clearly showing construction and permanent financing terms and conditions
- First-Year Operating Budget
- Pro Forma (including debt coverage ratio of 1.5 or greater for the entire loan term and covering at a minimum the period of required affordability)
- Evidence of Construction and Permanent Financing Commitments

1004 JOHN DIMREY DRIVE REQUEST FOR PROPOSALS TRANSMITTAL SHEET

APPLICANT/OWNER INFORMATION

A. Project Name and Address Project Name _____
Address _____
City _____ Zip Code _____

B. Owner/Applicant Information Organization Name _____
Mail Address _____
City _____ State _____ Zip Code _____
Federal Taxpayer ID Number _____
Contact Person _____
Title _____
Telephone _____ FAX _____
E-mail _____
What entity will own project? _____

(Note: Applicant must be the Owner of the development or Owner's representative)

Person authorized to negotiate and sign legal contracts for the organization
Name _____
Title _____
Address _____
Telephone _____ FAX _____
E-mail _____

C. Type of Organization
 For Profit organization
 Nonprofit organization

D. Administrative Restrictions Yes No Has the Applicant organization or partner/member received an unsatisfactory rating on a publicly funded project or been debarred for any period of time?
 Yes No Has the Applicant organization or partner/member been involved in any lawsuits?
 Yes No Are there any outstanding judgments against the Applicant organization or partner/member?

Yes No Has the Applicant organization or partner/member been involved in mortgage default within the last 5 years on any federally or state funded project?

Yes No Has or is the Applicant organization or partner/member been involved in mortgage default within the last 5 years on a City of Greensboro funded project?

If any of the above responses was "Yes," provide a short explanation (attach additional sheets if necessary): _____

PROPOSED PURCHASE PRICE

What is the proposed purchase price for 1004 John Dimrey?

REQUEST FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS (CDBG)

Are you requesting a property rehabilitation loan funded with CDBG funds? Yes No

If so, what is the amount of the loan request?

INCOME TARGETS AND AFFORDABILITY

What is the proposed affordability period?

How many units will be available for persons at:

- ___ 30% or below area median income
- ___ 31-50% area median income
- ___ 51-60% area median income
- ___ 61-80% area median income
- ___ 81% and above area median income

CERTIFICATION AND SIGNATURE OF AUTHORIZED OFFICIAL

By signing below, the Applicant certifies that the information provided in this application is true and complete.

By: _____

Signature of Authorized Official

Typed or Printed Name: _____

Title: _____

Date: _____