

**GREENSBORO HOUSING DEVELOPMENT PARTNERSHIP, INC.
(GHDP)**

**Request for Proposals
Single Family Homebuilders
OLE ASHEBORO NEIGHBORHOOD**

Amended January 2022

Table of Contents

SECTION ONE – Introduction

SECTION TWO – Approved Builder Expectations

SECTION THREE – Approved Builder Application

SECTION FOUR – Lot Purchase Proposals

SECTION FIVE – Available Properties

SECTION SIX – Development Requirements

SECTION SEVEN – Funding Request

SECTION ONE – Introduction

Greensboro Housing Development Partnership, Inc. (GHDP) seeks statements of qualifications and proposals from individuals and Builders interested in developing new, for-sale, single family homes in the Ole Asheboro neighborhood for income qualified buyers, at or below, 80% AMI.

This is a three-step submittal process.

1. First, submitters are required to submit information to staff on their qualifications to become an approved builder. The information required to be submitted is found in Section three of this package. If the builder meets the minimum submission requirements, the application is then forwarded to the Ole Asheboro Street Neighborhood Associations Executive Board.
2. The Ole Asheboro Street Neighborhood Association’s Executive Board then reviews the application, the builder will receive notification indicating acceptance or rejection of your application as an approved builder.
3. Following notification that a builder has been accepted as an approved builder, they may then submit a proposal for purchase and development of a lot proposal package from the list of offerings described in Section Five. A description of the submittal requirements for a purchase proposal is described in Section Four. Following satisfactory completion of your first construction project, you will be eligible to submit proposals for additional lot packages.

“GHDP believes this is a unique opportunity for developers and builders to participate in the rebuilding of one of Greensboro’s premier urban neighborhoods. We look forward to working together with you to meet your needs to develop marketable and profitable homes while meeting the neighborhoods vision of high quality and compatible new homeownership opportunities.”

SECTION TWO – Approved Builder Expectations

GHDP seeks statements of qualifications from experienced and qualified homebuilders interested in developing homes on the lots being offered for sale. Primary expectations of approved homebuilders include:

- Prepare and submit design and construction plans that meet the Ole Asheboro architectural and community pattern guidelines
- Purchase (fee simple) lots in as-is condition from GHDP
- Obtain all necessary construction financing
- Obtain all permits and approvals
- Utilize high quality building materials and construction methods
- Timely completion of construction
- Full responsibility for marketing and sale of homes
- Construct all homes with EnergyStar™ appliances and WaterSense™ fixtures
- Assume all risks of development
- Submit all required information concerning first occupants to GHDP
- Timely attention to warranty issues

SECTION THREE – Applications to become an Approved Builder (Request for Qualifications)

Submission Requirements:

The following information must be submitted, in the order and identified by number according to the following enumerated list of submission requirements. Packages will not be accepted that do not include adequate responses to all requested information.

1. Letter of Interest (include the following):
 - a. General description of the builders understanding of the project.
 - b. Identification, address, telephone, and email address of builder and primary contact person.
 - c. Summary of builder’s qualifications and experience, and general contractor license number (if applicable).
 - d. Signature of the builder, or an agent who is legally authorized to enter into a contractual relationship on behalf of the builder.

2. References and Examples

Location (street address), description, and photographs of single-family home projects under construction or completed in the last three years. Provide names, addresses, and telephone numbers of contact persons for at least three of these projects.

3. Experience in Financing

Describe the builder’s experience in securing construction financing commitments and managing project financing. Disclose and explain the following as applicable:

 - a. Current financial default of more than sixty (60) days duration.
 - b. Mortgage assignment or workout arrangement.
 - c. Foreclosure.
 - d. Bankruptcy.
 - e. Litigation relating to financing or construction of a project, which is pending or which was adjusted with a finding of liability against the builder, including mechanic's and materialmen's lien litigation.
 - f. Real estate tax delinquencies (past 2 years).

4. Capacity, Marketing, & Sales Methods

Describe the builder’s capacity to complete single-family homes, for buyers at or below 80% AMI, in a timely manner, and within budget. Describe the firm’s methods of marketing and selling homes, including use of advertising, realtors, open house hours, etc.

5. Financial Statement

Provide your firm’s most recent signed third-party reviewed financial statement along with your firm’s most recent tax returns. The statement should show the builder’s assets, liabilities, and net worth including information on all general

partners or principal shareholders.

If you have inquiries concerning this Request for Proposal please contact Hart Crane by mail at hart.crane@greensboro-nc.gov or by phone at (336) 373-2748. All respondents are instructed specifically to contact only the issuing office with questions about this request for qualifications.

Review of Builders Qualifications

If the above minimum submission requirements are met, the Builder qualification submittals will be forwarded and reviewed by the Ole Asheboro Street Neighborhood Association's Executive Board. Approved builders will be notified by email of placement on the approved builder list, or of reasons for non-approval. An approved builder status is valid for 3 years from approval, or 3 years from the completion of the last project within the SFLI program.

SECTION FOUR – Submittal of Lot Purchase Proposals

Proposals for the purchase of building lots will only be accepted from homebuilders that have been notified of their placement on the approved builders list. Placement on the approved builders list does not guarantee approval for lot purchase. Additionally, due to the lots being purchased with federal funds, and being within a National Register Historic District, the projects design and layout will need to be reviewed and approved by the State Historic Preservation Office. To ensure compatibility with the Historic District requirements, builders should complete [Attachment A Materials Description Form](#). Staff will assist approved builders through this process prior, or concurrently, with lot purchase proposals. All expenses involved with preparation and submission of proposals shall be borne by the Builder.

Initially, Builders may submit a proposal for construction of homes on up to two (2) lots. Following acceptable completion of construction and issuance of a Certificate of Completion by GHDP, Builders may request additional lots. Remaining lots in the program will be sold based on availability and GHDP makes no assumptions or guarantees on availability.

Builders submitting proposals for the purchase of lots must submit the following information for consideration:

1. Elevation illustrations of the proposed project showing the development at street scale and compatibility with surrounding community, design guidelines, and adjacent properties.
2. General construction layout showing floor design, square footages, orientation and basic components of the dwellings.
3. Evidence of construction financing, which shall be either a letter on company stationary from a financial institution indicating approval and amount of construction financing for this specific project, or copies of bank statements or other evidence of the availability of funds within 60 days, after an approved Sales Development Agreement has been executed specifically designated for this project.
4. Anticipated sales price of each house builder proposes to build and sell.

After lot proposals are approved by GHDP, Builders may begin the permitting process through the Building Inspection Department, which will allow commencement of work. For more Building Inspection information and scheduling please visit their online development [portal here](#).

Review and Approval of Lot Purchase Proposals

Proposals will first be reviewed by the Ole Asheboro Street Neighborhood Association’s Executive Board. Proposals requiring additional modifications will be returned to the submitter for modification. Acceptable proposals will be forwarded to the Greensboro Housing Development Partnership (GHDP) Board of Directors or designated officers for final approval. GHDP meets every other month and will review proposals as submitted by the Ole Asheboro Street Neighborhood Association’s Executive Board.

Lot Sales Transactions

Properties will be sold by GHDP by special warranty deed. Deed restrictions running with the land will be recorded on each property. Deeds are recorded at closing. These deed restrictions, as dictated by the program, and as seen in [Attachment B](#), are as follows:

1. LAND USE: Said property shall be used for residential purposes only, the dwelling cannot be rented, and must be occupied by the owners, or one of them.
2. TERM: Restrictions run with the land for 10 years.
3. ENFORCEMENT: These are enforceable restrictive covenants.

Funds shall be deposited at closing. In lieu of providing funds at lot closing, Builders may request to execute a purchase money note in favor of GHDP. In that event, twenty percent of the purchase price shall be deposited at closing with GHDP and the balance shall be paid when the Builder sells the property to a qualifying homebuyer. A sample of the Purchase Money Note is included as **Attachment C**.

SECTION FIVE – Available Properties Information

[Attachment D](#) identifies the lots being offered for sale. Lot surveys are available from GHDP upon request. Properties are being sold “as is” with no representations by GHDP as to soil and subsurface conditions. Purchasers are responsible for extending water and sewer lines from property line to house and for installation of meters if needed. Purchasers are also responsible for installation of curb cuts, driveway aprons, retaining walls, repair of sidewalks cut or damaged during home construction, and any other installations required by the City of Greensboro for permitting and Certificate of Occupancy.

SECTION SIX – Development Requirements

The development requirements attached to these lots are intended to ensure a high quality homebuilding program for the benefit of each purchaser and the stability of the Ole Asheboro neighborhood. Builders interested in building in Ole Asheboro should carefully study these requirements to ensure that their proposal meets the intent and specific standards herein.

1. Use of Property

All lots that are a part of this offering are to be used only for the construction of single family owner-occupied homes. Owner occupancy requirements for a period of 10 years run with the land and are enforced through deed restrictions.

2. Minimum Development Requirements

All homes built shall be a minimum of 1,200 square feet with at least 3 bedrooms and 2 baths.

3. Design Requirements

All construction shall follow the intent of the architectural and community pattern guidelines contained in the Ole Asheboro Redevelopment Plan, which are excerpted included as [Attachment E](#).

Designs must be based around one of the three architectural styles referenced in Attachment E, and listed below.

- [Ole Asheboro Craftsman](#)
- [Ole Asheboro Colonial Revival](#)
- [Ole Asheboro Victorian](#)

In addition, these styles must be fitted with specific architectural standards as dictated in [Attachment F](#) and will need to adhere to the “Single Family New Construction Guidelines” specified there within. These two documents used together will produce designs with the desired compatibility.

4. Sustainability

All construction projects shall fit the dwelling with EnergyStar™ appliances and WaterSense™ fixtures.

5. Licensing and Permitting Requirements

Builders are responsible for ensuring that all contractors working on the project hold required licenses and permits. Failure to utilize proper licensing and permits is grounds for removal of a firm from the approved builders list.

6. Assignments

No Builder may assign development rights to another firm or builder without prior approval by GHDP.

7. Proof of Income Qualification

GHDP is required to report to the City of Greensboro certain information about the homebuyer of each property. Homebuyers must qualify at or below 80% of the Area Median Income. Purchase contracts must be contingent upon income qualification. If the buyer is pre-contracted, they will need to be income qualified both at the time of contract signing, and at closing.

8. Warranty Requirements

Builders shall warranty all materials and workmanship for a minimum of one (1) year from sale of the property to the homebuyer. Manufacturer warranties shall be provided to each homebuyer for all roofing, HVAC systems, water heaters, and any other products subject to warranty. Warranty repair requests shall be immediately followed up on by the Builder. Failure to properly address a warranty request is grounds for removal from the approved builders list.

9. Insurance

Builders shall maintain adequate Workman's Compensation and general liability insurance coverage. Failure to provide a signed statement from an insurance carrier, demonstrating required coverage, will terminate a builder's approved status. Minimum insurance coverages:

1. Worker's compensation insurance in statutory limits required by applicable law, and employer's liability insurance in an amount not less than \$500,000.00 each accident, \$500,000.00 disease each employee and \$500,000.00 disease policy limit.
2. Commercial general liability insurance with a combined single limit for personal injury (including bodily injury and death) and property damage (including loss of use) of not less than \$1,000,000.00 per occurrence, \$2,000,000.00 products and completed operations aggregate and \$2,000,000.00 general aggregate.
3. Commercial vehicle liability insurance for any vehicle (including owned, hired, rented and non-owned vehicles) with a combined single limit for each accident of not less than \$1,000,000.00.
4. Builders Risk Insurance as required.

10. Reasons for Denial

Subject to approval by GHDP or their designee, applications may be denied for reasons such as the following:

- Failure to meet the project schedules established for the Program for previously approved applications
- Failure to respect the property of adjacent properties and/or property owner(s)
- Performing poor quality work to trade specifications, as determined by the Project Manager
- Using substandard materials or installation techniques
- Failure to honor warranty work in a prompt and satisfactory manner, as determined by the Project Manager
- Failure to maintain the required insurance coverages.

For terms of agreement between homebuilders and GHDP see [Attachment G](#), Sample Development Agreement.

SECTION SEVEN – Funding Request

As part of their application, Builders may also apply for gap financing for the lesser of:

- \$50,000 per lot, based on project costs and sales price,
- or 33% of total development cost (this includes up to 15% development fee).

Gaps will need to be demonstrated based on estimated costs and anticipated sales price. This financing will be available in three phases:

1. Prior to construction in form of a reduction in land costs, which will count towards the total allowable financing; (up to 33%, max \$16,667)
2. At permit sign-offs; and (up to 33%, max \$16,667)
3. A reimbursement of remaining, demonstrated construction costs after the home is purchased.

Construction expenses should be estimated based on the attached form, and proof of construction costs should be submitted along with the request for the Certificate of Completion from GHDP. Gaps must be demonstrated through the completion of the Preliminary Development Budget worksheet. A condensed formatted version is provided on the following page, an excel worksheet version is provided upon request.

Builders and GHDP will enter into Sales Development Agreement contracts after lot proposals have been approved. These agreements will detail the specifics of the development project. All Sales Development agreements entered into by GHDP with a builder will contain a clawback clause, in the event of a breach of contract. If Builders breach the contract after the funds have been disbursed, the land, with the improvements, will be returned to GHDP.

After gap financing is approved for a project, the City of Greensboro MWBE Policy is triggered and must be adhered to by the builder. That policy can be found [here](#).

Funding Request Application Process

GHDP shall review an application package of a prospective builder with the following requirements:

- If approved, the builder will receive an approval letter committing reimbursement funds.
- Contractor must begin construction within six months.
- Homes with building permits issued prior to application are not eligible.

Construction Procedures:

- Builder follows normal inspection procedures with the city's Inspections Department.
- Builder schedules final inspection with Planning Department's project manager to verify compliance with Housing Quality Standards prior to reimbursement.
- All homes must receive a Certificate of Completion from GHDP, prior to reimbursement

Closing and Reimbursement Procedures:

- Builder shall document all reimbursable costs with city.
- The Project Manager reviews and inspects work being requested for reimbursement.
- At the successful completion of all work, contractor/sub-contractors must sign a Release of Liens form, and GHDP shall sign a Certificate of Completion.

Single Family Lot Initiative Program

Preliminary Development Budget

[Insert Address Here] - [Project Name] (Square Footage)

ITEM	ESTIMATE	ASSUMPTIONS
<u>Acquisition</u>		
Purchase price	\$	
Credit report fee	\$	
Flood certification fee	\$	
Pro-rated taxes	\$	
Attorney fee/title search	\$	
Title insurance	\$	
Other inspection(s)	\$	
SUBTOTAL	\$ -	
<u>Construction</u>		
Anticipated number of weeks		
Materials	\$	
Subcontracted services	\$	
Direct labor estimate	\$	
Construction contingency	\$	
Other construction costs	\$	
SUBTOTAL	\$ -	
<u>Carrying costs</u>		
Loan interest payments	\$	
SUBTOTAL	\$ -	
<u>Resale</u>		
Target sale price		
Real estate commission	\$ -	
Closing costs to buyer	\$	
Loan pay-off	\$	
Pro-rated taxes	\$	
Liens	\$	
Attorney fee	\$	
Excise tax	\$	
Overnight mail fee	\$	
SUBTOTAL	\$ -	
<u>Development</u>		
Development fee	\$ -	
TOTAL DEVELOPMENT COSTS	\$ -	
Sale proceeds	\$ -	

Homebuyer Assistance

In addition, Eligible buyers can receive up to \$15,000 in homebuyer assistance to reduce down payment and closing costs expenses (additional requirements may be involved based on the funding source).

[Housing Connects GSO](#) offers different packages of homebuyer assistance of up to \$10,000 in down payment assistance (DPA). Buyers may be eligible if:

- If they are a First time homebuyer
- If they are buying a new or existing house as a primary residence within Greensboro
- If their annual household income does not exceed \$73,000 for two or fewer people, or \$84,000 for three or more people.
- If they complete a HUD certified, eight-hour in-person homebuyer education course.
- If they are able to secure a 15- or 30-year fixed rate first mortgage.
- If this is their first mortgage.

Also, since all of the Single Family Lot Initiative lots are within an active redevelopment area, any buyer of these homes will be eligible for a \$5,000 DPA Bonus (in addition to what is specified above), whether they are a first time homebuyer or not.