




Terry McKee, IT & Procurement Director

901 N. Broadway • Knoxville, TN 37917-6699
 865.403.1133 • Fax 865.594.8858
purchasinginfo@kcdc.org
www.kcdc.org

Request for Proposals

Equity Investor Services for Five Points Phase IV

Solicitation Number	C19002
Due Date	August 17, 2018
Due Time	11:00 a.m. eastern standard time
Deliver Responses to:	Knoxville's Community Development Corporation Procurement Division 901 N. Broadway Knoxville, TN 37917 
	The Procurement Building is behind the main office building.
Electronic Copies:	Electronic copies are available on KCDC's webpage or by email at purchasinginfo@kcdc.org .
Responses may be emailed to KCDC	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Printed copies required	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Questions About This Solicitation	Submit questions to purchasinginfo@kcdc.org KCDC will not accept questions via telephone.
Award Results	KCDC posts both a summary of the proposals received and the award decision at: http://www.kcdc.org/procurement/
Open Records/Public Access to Documents	All documents provided to KCDC are subject to the Tennessee Open Meetings Act (TCA 8-44-101) and requirements.

Check KCDC's webpage for addenda and changes before submitting your response



1. **Background and Intent**

- a. Knoxville's Community Development Corporation (KCDC) is the public housing and redevelopment agency for the City of Knoxville and for Knox County in Tennessee. KCDC's affordable housing property portfolio includes 20 sites with approximately 3,525 affordable housing units. KCDC also oversees approximately 3,958 Section 8 Vouchers, 82 Moderate Rehabilitation units and 20 Redevelopment areas. Several of the properties have been funded with Low Income Housing Tax Credits (LIHTCs) with KCDC as the sole General Partner and management company.
- b. In 1936, the State of Tennessee chartered KCDC as the public housing authority for the City of Knoxville. In 2012, KCDC assumed the duties of the former Knox County Housing Authority, and charter was expanded to all of Knox County. KCDC operates as a municipality under Tennessee law.
- c. KCDC's mission is to improve neighborhoods and communities by
 - Providing quality affordable housing
 - Advancing development initiatives
 - Fostering self-sufficiency
- d. KCDC has received a 2018 9% Low Income Housing Tax Credits (LIHTC) allocation for the Five Points Phase 4 development through the Tennessee Housing Development Agency (THDA). KCDC is seeking the LIHTC investor for the 2018 allocation.
- e. THDA also offers the Community Investment Tax Credit (CITC) program and KCDC also intends to use Community Investment Tax Credits as an additional source of funds.
- f. KCDC's 2017 Final Audit is available at www.kdc.org/https://www.kcdc.org/about/financials/ .

2. **Contact Policy**

The supplier may not contact an officer, agent or employee of KCDC other than the KCDC's Procurement Division about matters pertaining to this solicitation, from the issuance of this solicitation until its award. Information obtained from an unauthorized officer, agent or employee of KCDC will not affect the risks or obligations assumed by the supplier or relieve the supplier from fulfilling any of the conditions of the project. Such contact can disqualify the supplier from participation in the solicitation process.

3. **Evaluation**

All responses are subject to a determination of "responsive" and "responsible" prior to award. KCDC is the sole judge as to the supplier's "responsiveness" and "responsibility." KCDC reserves the right to request additional information to assist in the evaluation process. This includes references and business capacity information.

- a. KCDC will review all proposals and reserves the right to request necessary modifications, waive minor technicalities, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to KCDC's best interests.
- b. KCDC's Evaluation Team may elect to interview one or more respondents prior to making an award. Interviews may include an in-person discussion of the proposal. KCDC will not reimburse respondents for any costs associated with the interview process.
- c. KCDC's Evaluation Team may elect to first rank proposals with a simple numeric score and then detail score only the top tier of proposals.
- d. Proposers shall submit a formal letter of intent along with KCDC's Equity Investor spreadsheet, both of which serve as the basis for the evaluation of this proposal:
 - Total value of the Tax Credit proposal incorporating:
 - Total amount of credits proposed
 - Pay In Schedule
 - Description of adjusters
 - Capped amount of due diligence, legal, or other closing fees
 - Construction management fees if applicable
 - Any ongoing fees charged to the project
 - Pay-in schedule of Developer Fee
 - Ability to rely on proposal
 - Terms of the proposal
 - Anticipated purchase option language
 - Any guaranties required and limits to guaranties
 - Detailed description of the terms of recapture
 - Any other terms for consideration as necessary
 - Community Investment Tax Credit (CITC) Lending
 - Experience in combining CITC and tax credits or
 - Willingness to incorporate a CITC Lender
 - See <https://thda.org/business-partners/community-investment-tax-credit> for details

4. **General Instructions**

KCDC does not insert "General Instructions to Suppliers" in solicitation documents. These instructions are at www.kcdc.org. Click on "Procurement" and the link to the instructions. The supplier's submittal means acceptance of the terms and conditions set forth in KCDC's "General Instructions to Suppliers."

5. **Insurance**

The proposer agrees to maintain at its sole expense during the term of this agreement insurance coverages and limits in accordance with the proposer's standard business practices and acceptable to KCDC. Proposer shall provide KCDC with Certificates of Insurance evidencing such insurance prior to contract execution.

6. **Licenses**

The proposers shall maintain all licenses necessary to conduct business in the State of Tennessee.

7. **Questions**

Direct questions to purchasinginfo@KCDC.org with "Equity Investor Services" in the subject line, at least five days prior to the due date. KCDC does not accept questions via telephone calls.

8. **Reservation of Rights**

- a. KCDC reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience, upon 10 days' written notice to the successful proposer.
- b. KCDC reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of KCDC's Procurement Director.
- c. KCDC reserves the right to negotiate the fees proposed by the proposer if it so desires.
- d. KCDC has no obligation to compensate proposers for costs incurred in responding to this RFP.

9. **Submittals**

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documents provided by companies will become KCDC's property of when received.

10. **Project Description**

The Five Points Phase 4 development will be built on approximately 9.5 acres owned by KCDC. Demolition of the current units is in progress and should be completed (along with the site preparation) by January/February 2019. That scope of work, along with perimeter infrastructure work is excluded from this project and is funded from other sources. The proposed Five Points Phase 4 development consists of 82 units in 31 buildings, consisting of 14 one bedroom units; 23 two bedroom units; 23 three bedroom units; 18 four bedroom units and 4 five bedroom units.

11. **Construction Information**

- a. KCDC will competitively bid the construction using our Standard HUD contract.
- b. Proposers can assume a 15-16 month construction to completion schedule. Phased unit delivery is planned.
- c. The estimated closing date is April 2019 and the full lease up is estimated to be September 2020.
- d. The phased delivery schedule is currently estimated to begin 12 months after the notice to proceed. Many factors are still unknown in order to set specific months and number of units at this time.

12. **Development Team**

a. **General Partner:**

KCDC created Five Points 4 Corporation, a 100% owned instrumentality to be the General Partner. KCDC has a great deal of experience with LIHTC over the years and KCDC controlled General Partners currently have over 1,000 units either currently operating or under rehab/construction within the LIHTC program.

b. **Developer:**

The Five Points 4 Corporation will also serve as the developer.

c. **Property Manager:**

KCDC

d. **Construction Consultant/Owner's Representative:**

Partners Development has been the Owner's Representative for KCDC on the previous three phases of the Five Points development, as well as numerous other development projects. Role includes oversight of all A/E, construction and budgetary monitoring.

e. **Architect:**

Barber McMurry along with Urban Design Associates as consultants.

f. **Attorneys:**

Jordana Nelson and Mark Mamantov of Bass, Berry, & Sims.

- g. **General Contractor:**
To be determined by the formal bid process.
13. **2018 Low Income Housing Tax Credit Application**
The THDA on-line THOMAS submission is provided.
14. **Market Study**
KCDC has posted the Market Study to its webpage.
15. **Submittal Structure Instructions**
- a. **Order your proposal in this sequence:**
- Introductory cover letter
 - Response to the evaluation criteria listed above
 - Solicitation Document A General Information
 - Solicitation Document B Affidavits
 - Five Points Phase 4 Equity Proposals
- b. Submit one original (with all pages marked “original”), three printed copies and one electronic copy (email or flash drive) of your submittal).

This and the previous pages do not need to be returned

Equity Investor Services for Five Points Phase IV C19002
Solicitation Document A General Information

General Information about the Supplier	
Sign Your Name to the Right of the Arrow	
Your signatures means you agree to "KCDC's General Instructions to Suppliers" on www.kcdc.org .	
Printed Name and Title	
Company Name	
Street Address	
City/State/Zip	
Contact Person (Please Print Clearly)	
Telephone Number	
Cell Number	
Supplier's E-Mail Address (Please Print Clearly)	

Addenda

Addenda are at www.kcdc.org. Click on "Procurement" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a proposal.

Acknowledge addenda have been issued by checking below as appropriate:

None <input type="checkbox"/>	Addendum 1 <input type="checkbox"/>	Addendum 2 <input type="checkbox"/>	Addendum 3 <input type="checkbox"/>	Addendum 4 <input type="checkbox"/>	Addendum 5 <input type="checkbox"/>
-------------------------------	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------	-------------------------------------

Statistical Information (Check all the apply)

This business is at least 51% owned and operated by a woman	Yes <input type="checkbox"/> No <input type="checkbox"/>
This business qualifies as a small business by the State of Tennessee (Gross receipts of \$10,000,000 or less and employing less than 100 full time persons)	Yes <input type="checkbox"/> No <input type="checkbox"/>
This business qualifies as Section 3 business (as defined by HUD): It is at least 51% owned by a Section 3 resident (lives in Public Housing) or it employs Section 3 residents for at least 30% of its employee base; or it commits to sub contract at least 25% of the project's dollars to a Section 3 business.	Yes <input type="checkbox"/> No <input type="checkbox"/>
This business is owned & operated by persons at least 51% of the following ethnic background:	
Asian/Pacific <input type="checkbox"/>	Black <input type="checkbox"/>
Hasidic Jew <input type="checkbox"/>	Hispanic <input type="checkbox"/>
Native Americans <input type="checkbox"/>	White <input type="checkbox"/>

Supplier: _____

Conflict of Interest:

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the award or the supplier providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the supplier selected for award.
3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from suppliers, potential suppliers, or parties to sub-agreements.
4. By submission of this form, the supplier is certifying that no conflicts of interest exist.

Drug Free Workplace Requirements:

5. Private employers with five or more employees desiring to contract for construction services attest that they have a drug free workplace program in effect in accordance with TCA 50-9-112.

Eligibility:

6. The supplier is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

General:

7. Supplier fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
8. Such offer is genuine and is not a sham offer.

Iran Divestment Act:

9. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/quotes, each supplier and each person signing on behalf of any supplier certifies, and in the case of a joint bid/quote/quotes, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each supplier is not on the list created pursuant to § 12-12-106.

Non-Collusion:

10. Neither the said supplier nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded conspired, connived or agreed, directly or indirectly, with any other responder, supplier, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other supplier, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other supplier, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed award or agreement.

11. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the supplier or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

Accuracy of Electronic Copies:

12. If the supplier provides electronic copies of the bid/proposal/quote to KCDC, the supplier certifies that the information provided on paper and in the electronic format is identical unless specifically noted otherwise.

The undersigned hereby acknowledges receipt of these affidavits and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements.

Signed by _____	
Printed Name _____	
Title _____	
Subscribed and sworn to before me this date	
By (Notary Public) _____	
My Commission Expires on _____	
Notary Stamp	

Please download the Excel sheets from KCDC’s web pages and use those. Print and add it to the proposal packet in this spot. **Note: this is a representation of the form. The entire form is on KCDC’s webpage.**

EQUITY PRICING

Projected LIHTC	\$11,000,000.00
Equity to LP	
Pricing Factor	
Total Equity	
2020 Credit Delivery	
2021-2028 Credit Delivery	
2029 Credit Delivery	
Credit delivery upward Adj.	
Credit delivery downward Adj.	
Early Delivery Adj.	
Late Delivery Adj.	

OTHER MAJOR TERMS

Equity Due Dil./Legal Fee	
Any Construction Monitoring Fees	
Any ongoing fees to limited partner	
Minimum Op Reserve Balance	
Yearly Replacement Reserve	
Replacement Reserve escalator	
max spend without LP approval	
ODG Period	
Guarantor Liquidity requirement	
Proposed ROFR/Option language	
Please describe in LOI	Stabilized Operations, Any required guaranties and limits to guaranties, and a detailed description of recapture terms.

Five Points Phase 4		
THDA Tax Credit Line Item	LIHTC Application Estimate	Estimated Basis
Site Work	979,974	979,974
New Building Hard Cost	11,124,156	11,124,156
Accessory Building (Appliances)	91,225	91,225
General Requirements	543,044	543,044
Building Permits	47,850	47,850
Bonding	81,391	81,391
Contractor Insurance	76,249	76,249
Contractor's Overhead	254,596	254,596
Contractor's Profit	642,740	642,740
Total Construction Contract Cost	13,841,225	13,841,225
Construction Contingency	692,061	692,061
Total Construction Cost	14,533,286	14,533,286
Architect & Engineering Fee Design	259,523	259,523
Architect Fee-Supervision	155,714	155,714
Soils Boring	7,000	7,000
Survey	6,000	6,000
Engineering	103,809	103,809
Total For All Improvements	15,065,332	15,065,332
Soft Cost and Fees	679,905	192,001
Developer Fee	2,288,600	2,288,600
Total Estimated Development Cost*	18,033,837	17,545,933
SOURCES		
Perm Loan	3,800,000	
Equity	TBD	
Gap coverage	TBD	
	18,033,837	
CONSTRUCTION SOURCES		
Loan	14,200,000	
Equity	TBD	
Gap coverage	TBD	
	18,033,837	
*Total Development Cost estimated to meet LIHTC application requirements; however subject to change based on actual bids.		

PROPOSED FIVE POINTS PHASE 4 SITE MAP



- 1) **4-UNIT GARDEN BUILDING A (3-2-1-1)**
- 2) **4-UNIT GARDEN BUILDING B (1-1-1-1)**
- 3) 4-UNIT GARDEN BUILDING C (2-2-2-2)
- 4) **TOWNHOUSE BUILDING A (3-2-3)**
- 5) TOWNHOUSE BUILDING B (3-3-3)
- 6) COTTAGE DUPLEX (1-2)
- 7) 4 BEDROOM DUPLEX
- 8) 5 BEDROOM HOUSE