

CHATHAM COUNTY / CITY OF SAVANNAH  
LAND BANK AUTHORITY, INC.

P.O. Box 1027  
Savannah, GA 31402  
(912) 652-3846



July 15, 2011

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**Request for Proposals**

The Savannah Land Bank Authority (LBA) will evaluate proposals from qualified developers to purchase two vacant lots and build new single-family residential homes on the lots. When completed the homes must be sold to qualified home buyers whose household income, when adjusted for family size, does not exceed 80% of median income for the Savannah Metropolitan Statistical Area. Proposals may be submitted at any time during normal business hours 8:30a.m. to 5:00p.m., Monday through Friday, until Tuesday, August 2, 2011.

Proposals shall be awarded in accordance with the LBA bylaws which affords a priority of consideration to neighborhood non-profit entities obtaining the property for the production or rehabilitation of housing for persons with low or moderate incomes; secondly to governmental or local non-profit entities; and thirdly to individuals and other entities submitting proposals to produce or rehabilitate housing for persons with low or moderate incomes.

Proposals for the properties will be evaluated based on the plans and specifications for House Plans provided by the Department of Housing. Proposers may submit plans and specifications of their own choosing in addition to those available from the City of Savannah Department of Housing, as an alternative design. Submit front, rear, and side elevations for any alternative designs. The LBA may elect to substitute an alternative, yet similar, design before awarding the lot(s) to the successful developer(s). Evaluation of alternative designs will consider the total development cost for construction of that design. The total development cost associated with the plans and specifications provided by the Department of Housing will provide the starting point for any negotiations regarding alternative designs.

The properties are located in the Woodsville Neighborhood. The approximate sizes, taken from the Savannah Area Geographic Information System (SAGIS), are shown below. SAGIS depicts the property as a single lot. The LBA has subdivided the property to form two separate building sites. The Land Bank Authority's estimate of value for each lot is shown below.

<u>Address</u>	<u>Dimensions (Ft)</u>	<u>Size (SqFt)</u>	<u>Estimated Value</u>
9 Albion Street	66 x 127	8,382	22,000
11 Albion Street	66 x 127	8,382	22,000

Research indicates a sales price range of \$126,900 to \$135,000 for a new home built according to the recommended plans and specifications associated with each property is reasonable for this neighborhood. Plans and construction specifications for the proposed homes can be obtained by contacting Leron Mitchum at (912) 652-3846.

The City of Savannah via the Department of Housing has agreed to participate in the project financially. The City will provide a portion of the cost of construction as a zero interest loan repayable upon sale of the completed home(s) or 12 months from loan inception, whichever occurs first.

Construction is scheduled to begin on or about October 3, 2011. The Department of Housing will negotiate the construction period with the successful developer if the developer uses funds from the Housing Department. If construction of the approved new home is not completed within one year from the date of the transfer of ownership, the property with any and all improvements shall revert to the Land Bank Authority. Include an estimated completion date based on an October 3, 2011 start date.

Proposals shall be submitted in the following format and include the following information at a minimum. The sale of the property will not be based solely on the amount of money offered. The items listed in PART-I and PART-II will be considered when reviewing proposals. Information requested below should be attached to and submitted with a completed Proposal Form.

### **PART-I (Financial)**

1. Proposal Form: Complete the proposal form found in Section III of this RFP.
2. Lot Price: Indicate the price you are willing to pay to acquire the property. The LBA has indicated their estimate of value and reserves the right to reject a proposal if the price offered to purchase the property is deemed insufficient. The higher the lot price, the higher the points score for the item.
3. Development Costs: Provide an itemized breakdown proforma that shows all development costs including, but not limited to, land acquisition, soft costs (including, but not limited to, construction interest, marketing, real estate sale commission, overhead, profit, etc.) and hard construction costs for the house. The lower the development costs, the higher the point score for the item.
4. Development Financing: Provide a detailed development financing plan describing all funding sources required to fund the acquisition and construction of the house. Include bank commitment letters. Proposals that do not include commitment letters from a lender(s) may not be considered. List any financing, and the terms of such financing, that will be requested from the City. The lower the financing requested, if any from the City, the higher the point score for the item.
5. Development Subsidy: Provide a description of the subsidy (write-down) required from the City if the anticipated sale price of the house is less than the total development cost. The lower the subsidy, if any, requested from the City, the higher the point score for the item.

6. Alternative Home Designs: Provide drawings, plans, etc., sufficient to clearly illustrate the alternative home design, if submitted. The new home should blend with the neighborhood. Consider the design of homes currently existing in the area and how the new home will impact the streetscape. The better the new home blends into the neighborhood, the higher the point score for the item.
7. Sales Price: Indicate the price at which you plan to sell the completed home. The LBA has indicated what our research suggest is a reasonable sales price. Proposers have the option of selling the home at a different price provided that price does not exceed HUD's guidelines for sales prices for homes built in the Savannah area. The lower the sales price, the higher the points score for the item.

## **PART-II (Other Requirements)**

The information outlined below is required if this the first proposal submitted to acquire property for development from the LBA. The information submitted with the initial proposals shall be maintained in file. As your information changes submit those changes to the LBA for inclusion in your file.

1. Provide credentials and qualifications of the proposer. Additionally, provide the name of the builder(s), sub-contractors and suppliers that you intend to use on this project.
2. Customer satisfaction and relations are major elements of successful housing development projects and are of great concern to the LBA. Provide names, addresses and phone numbers of home buyers that have purchased houses that you have built (or that your builder has built) during the past two years. Outline how you have responded to customer complaints/concerns after a house is completed, sold and occupied by the home buyer. Describe problems that you have encountered with customers and customer "call backs" and how you have remedied the problems.
3. Provide a list of addresses of housing development projects you have completed and/or have under construction during the last two years. This should include project budgets, actual project costs, length of time to complete construction, project financing with lender names, and sales price.
4. Provide a proposed time period for construction and sale of the house.
5. Provide a marketing plan including any plans to involve a real estate company in the sale of the house.
6. Provide a description of how you plan to provide home buyer education to your customers. You do not have to provide the education yourself. You may list organizations that you plan to work with to insure that buyers receive this education.

7. Describe how you plan to provide construction employment opportunities to minority and female contractors, sub-contractors and low income neighborhood persons.
8. Describe how you plan to involve non-profit housing organizations in the development process. Letters of support or agreements are acceptable.

### **PART-III PROPOSAL FORM**

Proposals shall include fully completed Proposal Forms with additional information requested in **PART-I and PART-II** attached to this Form.

After reviewing proposals, the LBA reserves the right to select the course of action that it deems to be most cost effective and beneficial to the Neighborhood.

For the purpose of the table shown below, the following definitions shall apply:

- **Lot Price** shall be the price offered by the proposer to purchase the lot.
- **Soft Costs** shall include all costs other than the lot purchase price and construction costs. Soft costs include, but are not limited to, loan closing costs, loan interest, insurance, permits, marketing, sales, security, developer fee and other overhead expenses associated with developing houses.
- **Construction Costs** shall include all materials and labor required to construct houses in accordance with the plans, specifications and building code requirements.
- **Total Development Costs** shall be the total of the Lot Price, Soft Costs and Construction Costs.
- **Sales Price** shall be the price at which the proposer plans to market the complete house. Where City financing is requested, the proposer will coordinate the sales price with the City.
- **City Subsidy Requested** shall be the Total Development Costs per house minus the Sale Price.
- **City Financing Requested** shall be the amount of development financing per house that you would like and/or need the City to provide.
- **NOTES:** Keep in mind that the lower the Development Cost, City Subsidy requested and City Financing requested, the higher the point award.

**Complete the table below.**

<b>Address</b>	<b>Plan</b>	<b>Lot Price</b>	<b>Soft Cost</b>	<b>Construction Cost</b>	<b>Total Development Cost</b>	<b>Proposed Sale Price</b>	<b>City Subsidy Requested</b>	<b>City Financing Requested</b>
9 Albion	40-1288 E1							
11 Albion	40-1288 E1							

I have read and understand the requirements of this proposal and agree to comply with the same.

**SUBMITTED BY:** \_\_\_\_\_

**PROPOSER:** \_\_\_\_\_

**BY:** \_\_\_\_\_  
SIGNATURE DATE

**NAME (PRINT):** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CITY/STATE:** \_\_\_\_\_ **ZIP** \_\_\_\_\_

**TELEPHONE NUMBER:** ( \_\_\_\_\_ ) \_\_\_\_\_  
Area Code

