

# GRAND VALLEY STATE UNIVERSITY

## REQUEST for PROPOSALS

Issued November 15, 2016

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### BELKNAP AREA HOUSING DEVELOPMENT

**PROPOSAL DUE DATE: January 31, 2017**

There will be a pre-bid meeting for all interested developers on November 30, 2016 at 11:00 AM in room 123 at the GVSU Center for Health Sciences Building located at 301 Michigan Street NE Grand Rapids, MI 49503. Parking is available at the Center for Health Sciences Building. Please enter off of Lafayette Street.

## Grand Valley State University

### Belknap Area Housing Development Request for Proposals

1. Purpose: Grand Valley State University (the "University") seeks proposals from developers or other organizations for the development of mixed-income housing (the "Project") on an approximately 0.85 acre parcel of land (the "Property"), bordered on the north by Trowbridge, N.E., on the west by Lafayette, N.E., and on the east by Prospect, N.E., in the Belknap Neighborhood in Grand Rapids, Michigan. The University owns the Property and is issuing this Request for Proposal ("RFP") consistent with the Memorandum of Understanding-Belknap dated February 15, 2016, entered into by the University, the City of Grand Rapids, and the Neighbors of Belknap Lookout. The City of Grand Rapids' Great Housing Strategies document dated September 18, 2015 **should be used as guidance**, along with the Area Specific Plan for the Belknap Neighborhood, adopted by the City of Grand Rapids in September 2009.
2. The full proposal should be submitted in the form of one (1) hard copy with original signatures to: Grand Valley State University, Attention: Brian Copeland, 2056 James H. Zumberge Hall, 1 Campus Drive, Allendale MI 49401-9403 and one electronic copy via email to: [copelabr@gvsu.edu](mailto:copelabr@gvsu.edu). Proposals are due January 31, 2017.

Any proposal may be withdrawn or modified by the respondent, as long as the request is received by the University by email or at the above address prior to the date and time established for the receipt of proposals.

The cost of preparing a response to this RFP is the respondent's sole responsibility and will not be reimbursed by the University. The respondent shall not retain any proprietary interest in any materials submitted to the University as part of its proposal.

3. There could be an opportunity for post-bid interviews with the finalists, if necessary in the judgment of the University, with location and date to be determined.
4. The final selection and written notification will be completed by May 15, 2017.
5. Financial Terms: The University will consider structuring the transaction as a deed to the developer subject to restrictive covenants, or as a ground lease with the developer subject to similar restrictions. Each respondent should address which approach it requests, and how it would make payment to the University for value of the land either through purchase or ground lease. This could involve reference to a determination of fair market value and a statement of how and at what cost the University would have the right, at its option, to reacquire the Property at the end of the period within which it maintains control (see the time period described in the "Key Terms" section below.)

6. Information provided by the University: The following information package will be provided to each respondent:
- a. A title insurance commitment for the Property.
  - b. A survey of the Property.
  - c. An environmental site assessment for the Property has been completed and will be made available to the respondents considered to be finalists for the project.
  - d. The University makes no representations or warranties with regard to the accuracy of any of the material disclosed by the University. The successful respondent will conduct its due diligence investigations prior to or contemporaneously with the negotiation of a definitive agreement
7. Key Terms:
- a. The University will not be required to expend its own funds in the development of the Project. All costs related to design, development, and construction of the Project shall be the responsibility of the successful respondent.
  - b. The University will maintain control over the Project during the construction period and for a period of not less than thirty (30) years following the completion of the Project. The respondent should state whether a longer period of control could be provided to the University.
    - i. This control could be accomplished by the use of restrictive covenants in a deed from the University to the developer (enforceable by the University), or through a long-term ground lease between the University, as lessor, and the developer, as lessee.
    - ii. Elements of University control include use of the Project for mixed-income housing (see Section 9.a) and review of the design and site layout of the Project and subsequent modifications of the Project. The University will require a right of first refusal to acquire as a condition of the Project.
  - c. The University will not be responsible for, or contribute financially to, ongoing operation, maintenance, and upkeep of the Project. The respondent shall demonstrate capacity to perform property management functions.
  - d. Design and site layout along with ongoing maintenance and upkeep of the Project must be in compliance with City of Grand Rapids building, zoning, and property maintenance codes.
  - e. The type of building or buildings to be constructed on the Property would be one (1) or more buildings, consistent with design and other criteria in the Belknap Area Specific Plan (ASP) which designates the area "MH/Mixed Housing" that intends to provide housing opportunities to address changing needs and different life stages while promoting neighborhood diversity. Buildings shall not exceed 35 feet in height, as described by the City Zoning requirements.
  - f. The Project shall provide quality mixed-income housing at the Property. The minimum desired target for unit composition is 70% affordable and 30% market rate.
  - g. The Project is not intended to be used for student housing.

- h. The affordable units within the project shall be rent restricted for households at or below 60% of the Area Median Income (AMI) (See Footnote 1). Examples of AMI based on household size is provided below.

Household Size	Percent of Area Median Income					
	30	50	60	80	100	120
1	\$14,050	\$23,400	\$28,080	\$37,450	\$46,800	\$56,160
2	16,050	26,750	32,100	42,800	53,500	64,200
3	18,050	30,100	36,120	48,150	60,200	72,240
4	20,050	33,400	40,080	53,450	66,800	80,160

- i. The respondent shall demonstrate financial capacity to design, develop, construct and maintain the Project.
- j. The site will be available for construction of the Project beginning in September, 2018.

8. Proposal Response: Each respondent shall submit a proposal which provides the following information:

- a. A description of the respondent, including its history, number of employees, number of years in business, and a list of projects relevant to this RFP. In particular, include the number of affordable or mixed-income housing projects, if any, the respondent has developed. Provide project name and location, and indicate if those projects are currently owned and operated by the respondent. If sold, indicate how long the project was held in ownership by the respondent.
- b. A description of the development team and property management team, including a resume or biography of each team member.
- c. At least three (3) references with units of local government, universities, or other partnership entities for projects identified in 8.a. above. Include the name of the contact person, name of the organization, description of the project, dollar value of the project, and address, telephone number and email address for each reference.
- d. A description of the community engagement process used for projects identified in 8.a. above.
- e. A design concept plan or site rendering, including description of:
- i. Number of units (affordable and market rate)
  - ii. Unit size (including number of bedrooms)
  - iii. Site and unit amenities
  - iv. Parking (number of spaces per rental unit, type of parking)
  - v. Outdoor space
- f. A description of overall Project approach, including timelines for design, development and construction. Employment of local residents in the overall project is encouraged.

- g. A description of Project site management methods used for quality control, dust and noise control, and to safely separate construction efforts from neighboring properties.
  - h. A description of the overall approach to post construction property operation, management, and maintenance.
  - i. Proof of fund availability to complete the Project, reasonably acceptable to the University. Identify the type of resources intended to be used in connection with developing the Project, including bank financing, private funding and programs (including tax credit programs) under state or federal agencies or local programs. If the proposal is based on incentive contingencies, please describe.
  - j. A statement of the respondent's diversity efforts that promote, encourage and monitor on-site worker diversity.
  - k. A statement of the respondent's sustainability efforts to ensure positive environmental, social, and economic impacts on current and future generations.
  - l. A statement of why the respondent believes they are the best qualified company to complete this project.
  - m. A description of all litigation filed or pending at any time since January 1, 2011, involving the respondent or any affiliates. Upon request, the respondent should provide copies of pleadings from the litigation.
  - n. Compiled (by a CPA) or audited financial statements for the prior three (3) fiscal years. The financial statements should be sent in a separate sealed package that will be reviewed by an independent CPA firm as necessary. Include the auditor's opinion, balance sheet, schedules, and any related auditor's notes. Note that each response will be subject to disclosure under the Freedom of Information Act. Arrangements may be made, if necessary, for review of financial information by a qualified third party for the benefit of the University.
  - o. If publicly held, a copy of the most recent SEC Annual Report 10-K.
  - p. A certificate of incumbency or other proof that the officer signing the proposal is authorized to submit the proposal.
  - q. A description of the project construction schedule.
9. Proposal Evaluation/Basis of Selection: Factors that may be considered in evaluation of the proposal by the University in the selection process include, but are not limited to, the following:
- a. Attainment of goals to:
    - i. Develop mixed-income housing consistent with the Belknap ASP and City of Grand Rapids codes and ordinances.
    - ii. Achieve a minimum mix of 70% affordable housing units and 30% market rate units.
    - iii. Achieve a mix of studio (minimal), one, two and three bedroom units.
  - b. Experience in mixed-income development and property management
  - c. Design and quality of housing

- d. Experience and capacity to operate and maintain the Project.
- e. Operating/occupancy cost efficiency for tenants (i.e. utilities, green building design).
- f. Financial terms and conditions
- g. Financial capability of respondent to complete and manage the Project.

10. Additional Information: The successful respondent shall be expected to adhere to the City of Grand Rapids approval process, including review and approval by both the Planning Commission and City Commission.

The University reserves the right to reject any or all proposals, to waive irregularities or informalities, to negotiate terms, and, in general, to take the actions that it deems to be in the best interest of the University.

The University reserves the right to release modifications to this RFP in the form of a written addendum.

Questions regarding this RFP must be written and directed as follows:

Brian Copeland  
Grand Valley State University  
Associate Vice President for Business and Finance  
Phone: (616) 331-2831  
Email: copelabr@gvsu.edu

All answers to the questions will be shared with all known developers that have expressed an interest in the project. The last date for written inquiries is December 30, 2016.

Footnote 1: Area Median Income data can be found at the U.S. Department of Housing and Urban Development website. See link below:

[https://www.huduser.gov/portal/datasets/il/il2016/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2016/select_Geography.odn)

