



**Request for Proposals (RFP)  
Operating Support for  
Nonprofit Affordable Housing Developers  
HOME CHDO Funds**

**A. Overview**

In November 2019, voters in the City of Durham approved a five-year, \$95 million affordable housing bond which will be combined with \$65 million from local and federal funding for a total of \$160 million investment intended to significantly preserve and increase the quality and quantity of the city's affordable housing stock. This investment will:

- Build 1,600 new affordable housing units and preserve 800 affordable rental units
- Partner with the Durham Housing Authority (DHA) to redevelop four DHA properties as mixed income, mixed use communities
- Move 1,700 homeless individuals and households into permanent housing
- Provide 400 affordable home ownership opportunities for first-time homebuyers
- Help 3,000 low-income renters and homeowners remain in or improve their homes

Nonprofit affordable housing developers are expected to play an important role in delivering the housing envisioned as part of the bond program. However, the City of Durham recognizes that the COVID-19 pandemic has created substantial challenges for nonprofit developers, due to loss of rental income, delays in construction and decreases in fundraising revenue. For this reason, the City of Community Development Department has set aside funding to provide emergency operating assistance for nonprofit developers active in Durham. Organizations that meet the criteria laid out in this Request for Proposals (RFP) for Operating Funding are encouraged to submit applications for operating assistance.

**B. Application Requirements**

*Eligible Applicants*

Organizations must meet the following criteria in order to be considered for funding:

- Applicant must be a nonprofit 501(c)(3) organization; and
- Applicant must have received funding from the City of Durham Community Development Department after January 1, 2017, for the development or preservation of legally-restricted affordable housing units.
- Application must meet the criteria for HOME CHDO funding described below.

Housing authorities, including nonprofit subsidiaries of housing authorities, are not eligible to apply for this funding.

### *HOME CHDO Requirements*

The National Affordable Housing Act of 1990 (the Act) created the HOME Investment Partnerships Program (HOME). The Act's objectives include promoting partnerships between states, local governments and nonprofit organizations and increasing the capacity of nonprofit organizations to develop and manage affordable housing. To help achieve these objectives the Act requires that participating jurisdictions (PJs) set-aside at least 15% of their HOME funds for housing that is developed, owned, or sponsored by Community Housing Development Organizations (CHDOs). HOME CHDO funds may also be used to provide operating support to CHDOs engaged in affordable housing development.

CHDOs are a specific type of nonprofit organization defined in the HOME Final Rule (24 CFR Part 92). To be qualified as a CHDO, organizations must meet specific federal standards, including:

- The organization must have a mission dedicated to providing suitable housing that is affordable to low and moderate-income persons.
- The organization must have at least one year of experience serving the community.
- The organization must have completed at least one CHDO-eligible development within the past two years. Eligible activities include construction or rehabilitation of affordable rental housing or the construction of an affordable home ownership project.
- The organization must be able to demonstrate capacity and experience through a written narrative.
- One-third of the organization's board must represent groups serving low-income populations and no more than one-third can represent the public sector.

As an entitlement jurisdiction, the City of Durham is required to certify that an organization meets HUD CHDO requirements before awarding the organization any HOME CHDO funds.

### *Amount of City Funding*

The City is making funding available \$108,250 in HOME CHDO funding available through this RFP. In a separate application, the City is making additional City Dedicated Housing Funds available for operating support for eligible organizations. Interested organizations may apply for either funding source or both funding sources. Organizations must submit separate applications for each funding source.

### *Terms of City Funding*

Funds will be provided in the form of a grant.

### *Use of Funds*

Funds may be used to support:

- Staff salaries, wages and benefits
- Rent and utilities
- Communications costs
- Taxes
- Insurance
- Equipment, materials and supplies

Grantees will be required to submit backup documentation for all expenditures charged to the grant.

*Compliance and Monitoring* All organizations financed through this program will be required to submit to compliance monitoring by the City for the duration of the grant.

## C. Application Process

### *Schedule*

- RFP Issued: August 3, 2020
- RSVP deadline for RFP Workshop: August 10, 2020 by 5:00 pm
- RFP Workshop: August 12, 2020 at 2:00 pm
- Written Question and Response Period: August 3-18, 2020
- Written Questions and Responses Posted: August 26, 2020
- Proposals Due: September 11, 2020 by 4:00 pm
- Evaluation of Proposals: September 14-25, 2020
- Notification of Ineligible Proposals: Week of September 28, 2020
- Notification of Award/Non-Award: Week of September 28, 2020
- Anticipated Execution of Contract: November 2020

### *Requests for Clarification*

Questions regarding this RFP shall be submitted in writing **via electronic mail only** to [communitydevelopment@durhamnc.gov](mailto:communitydevelopment@durhamnc.gov).

### *Virtual RFP Workshop*

The City will conduct a virtual RFP Workshop on the date and time indicated above. During the workshop, City designees will endeavor to provide responses to, and/or additional clarification for any questions. Interested parties should contact [communitydevelopment@durhamnc.gov](mailto:communitydevelopment@durhamnc.gov) **by the RSVP deadline** to request login information for the workshop. Please write 'RSVP for Operating Support Workshop' in the subject line.

### *Application Submission*

Applicants are requested to provide a complete electronic version of their submission via E-mail to the Community Development Department at [communitydevelopment@durhamnc.gov](mailto:communitydevelopment@durhamnc.gov). Applicants should see that their applications are received at the following address by the date and time indicated above under "Schedule".

Applicants should be aware that the City of Durham's electronic mail system will only allow attachments that are 75 MB or smaller in size. If an applicant desires to submit an attachment that exceeds this size limit, then the applicant must provide a link to a site where the file can be found and downloaded.

## D. Application Format

Responses should include the following information.

1. *Cover Letter* - Please see Appendix A for a template.
2. *Applicant information* – Provide the following information:
  - a. Name of applicant organization
  - b. Name, title, phone number and E-mail for designated contact for this application
  - c. Amount of funding requested
3. *Statement of need* – In no more than five (5) pages, applicants should describe the following:
  - a. Impact of COVID-19 pandemic on organizational finances

- b. Brief description of the organization’s current operating reserves, including the amount of funding available and the number of months of operations these reserves could cover if utilized
  - c. Description and status of any funding requests that the organization has submitted since March 1, 2020, to address the impact of the COVID 19 pandemic on organization operations (e.g. Paycheck Protection Program)
  - d. Proposed use of City funds, including proposed performance measures
  - e. Impact on organization if no City funds are awarded
4. *Additional documentation* – Applicants should attach the following backup documentation, which does not count as part of the five page limit in Item 3.
- a. Most recent audit
  - b. Operating budget for current fiscal year, as approved by the organization’s board
  - c. Financial statements year to date for the current fiscal year
  - d. Relevant supporting materials for the information provided in Section 3, including documentation of financial impact, other funding sources requested etc.
5. *HOME CHDO Application* – Applicants must complete the City of Durham’s HOME CHDO application, which is included in Appendix B.

**E. Evaluation Criteria**

Funds will only be awarded to organizations that qualify as CHDOs, based upon City review of the applicant’s HOME CHDO application. Award decisions will be based on the following criteria:

- (1) Demonstrated financial need
- (2) Impact of City HOME CHDO funding on stabilizing organizational finances

## F. General Conditions

*Definitions in this RFP: City, RFP, Proposal, Applicant, Contractor, Should.*

Unless the context indicates otherwise – (a) The expressions “RFP,” “this RFP,” and “the RFP” refer to this document as it may be amended or updated. (b) “City” and “city” mean the City of Durham. (c) The “proposal” is the response of a person, firm, or corporation proposing to provide the services sought by this RFP. (d) The word “Applicant” or “applicant” is the person, firm, or corporation that submits a proposal or that is considering submitting a proposal. (e) The word “Contractor” or “contractor” is the person, firm, or corporation with which the City enters into a contract to provide the services sought by this RFP. That is, “contractor” generally refers to a successful applicant that has obtained a fully executed contract with the City, while “applicant” is generally reserved to the stage before a contract has been signed. (f) The word “should” is used to tell applicants what the City thinks it wants and/or what the project manager thinks is best. Applicants that want to increase the likelihood of being selected will, in general, do what the RFP says applicants “should” do, but failure to comply with all “shoulds” will not necessarily and automatically result in rejection.

### *Contract*

The City anticipates that the conclusion of the RFP process will be a contract between the City and the successful applicant under which the successful applicant will provide the goods and services generally described in this RFP. It is the City’s intention to use the contract that is attached as Exhibit C, modified and filled in to reflect the RFP and the proposal. If an applicant objects to any of the contract, it should state the objections in its proposal.

### *Insurance*

Contractor agrees to maintain, on a primary basis and at its sole expense, at all times during the life of this Contract the following applicable coverage’s and limits. The requirements contained herein, as well as City’s review or acceptance of insurance maintained by Contractor is not intended to and shall not in any manner limit or qualify the liabilities or obligations assumed by Contractor under this Contract.

- Commercial General Liability – Combined single limit of no less than \$1,000,000 each occurrence and \$2,000,000 aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations, Contractual Liability or Cross Liability.
- Automobile Liability – Limits of no less than \$1,000,000 Combined Single Limit. Coverage shall include liability for Owned, Non-Owned and Hired automobiles. In the event Contractor does not own automobiles, Contractor agrees to maintain coverage for Hired and Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Auto Liability policy. Automobile coverage is only necessary if vehicles are used in the provision of services under this Contract and/or are brought on a City of Durham site.
- Umbrella or Excess Liability – Contractor may satisfy the minimum liability limits required above under an Umbrella or Excess Liability policy. There is no minimum Per Occurrence limit of liability under the Umbrella or Excess Liability, however, the Annual Aggregate limits shall not be less than the highest ‘Each Occurrence’ limit for required policies. Contractor agrees to endorse City of Durham as an ‘Additional Insured’ on the Umbrella or Excess Liability, unless the Certificate of Insurance states the Umbrella or Excess Liability provides coverage on a ‘Follow-Form’ basis.
- Worker’s Compensation & Employers Liability – Contractor agrees to maintain Worker’s Compensation Insurance in accordance with North Carolina General Statute Chapter 97 and

with Employer Liability limits of no less than \$1,000,000 each accident, each employee and policy limit. This policy must include a Waiver of Subrogation.

- Additional Insured – Contractor agrees to endorse the City as an Additional Insured on the Commercial General Liability. The Additional Insured shall read ‘City of Durham as its interest may appear’.
- Certificate of Insurance – Contractor agrees to provide City of Durham a Certificate of Insurance evidencing that all coverage’s, limits and endorsements required herein are maintained and in full force and effect, and Certificates of Insurance shall provide a minimum thirty (30) day endeavor to notify, when available, by Contractor’s insurer. If Contractor receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify the City within five (5) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance. The Certificate Holder address should read:

City of Durham  
Attn: (Insert Name of Department maintaining the Contract)  
101 City Hall Plaza  
Durham, NC 27701

All insurance companies must be authorized to do business in North Carolina and be acceptable to the City of Durham’s Risk Manager.

*Discretion of the City*

1. The City of Durham reserves the right to reject any or all proposals.
2. NOTWITHSTANDING anything to the contrary in this document or in any addendums to this document, unless the contrary provision refers specifically to this provision, the City reserves the right (i) to negotiate changes of any nature with any applicant with respect to any term, condition, or provision in this document and/or in any proposals, whether or not something is stated to be mandatory and whether or not it is said that a proposal will be rejected if certain information or documentation is not submitted with it, and (ii) to enter into an agreement for some or all of the work with one or more persons, firms, or corporations that do not submit proposals. For example, all deadlines are for the administrative convenience or needs of the City and may be waived by the City in its discretion. This subparagraph B applies to the entire RFP, including the UBE portions.
3. Where the City asks or tells applicants to do stated things, such as that a proposal should follow a stated format or that the applicant should do stated things in seeking the contract, the City may reject a proposal because it does not comply with those requests, so the applicant is adding to its risk of rejection by non-compliance. Still, the City may, in its discretion, waive non-compliance. This subsection (C) does not limit subsections (A) and (B).
4. Of course, once a contract is signed, the parties to the contract may enforce the contract according to its terms as allowed by applicable law.

*Applicant to Bear Expense; No Claims against City*

No applicant will have any claims or rights against the City arising out of the participation by an applicant in the proposal process. No applicant will have any claims or rights against the City for the City’s failure to award a contract to it or for awarding a contract to another person, firm, or corporation, regardless of whether the other person, firm, or corporation participated in the RFP process or did not submit a

proposal that complied with the RFP. A notice of award will not constitute acceptance by the City; the City's only method of acceptance is the City's execution of a formal contract in accordance with law.

*State Treasurer's lists regarding Iran and Boycott of Israel*

If the value of the contract is \$1,000 or more, the following applies unless the applicant otherwise states in its proposal: the applicant affirms (by submitting a proposal) that (1) its name does not appear on the list of companies that are engaged in a boycott of Israel developed by the N. C. State Treasurer under N.C.G.S. 147-86.81(a)(1) or on a list created by the Treasurer pursuant to N.C.G.S. 147-86.58 as a company engaging in investment activities in Iran, and (2) it has no reason to expect that its name will appear on either of those lists. Take notice that a contract between a company named on either list and the City may be void.

*Notice under the Americans with Disabilities Act*

Persons who require assistance to participate in government activities should contact (919) 560-4197 or ADA@DurhamNC.gov no later than 48 hours before the event.

*Aviso bajo el Acto de Americanos Discapacitados*

Las personas que requieran asistencia para participar en actividades gubernamentales deben comunicarse al (919) 560-4197 o ADA@DurhamNC.gov a más tardar 48 horas antes del evento.

*Values of City of Durham regarding Treatment of Employees of Contractors*

1. **Statement of City EEO Policy.** The City of Durham opposes discrimination in employment because of race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. Therefore, it desires that firms doing business with the City:
  - not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, political affiliation or belief, age, or handicap.
  - take affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. This action includes employment, upgrading, demotion, transfer, recruitment or advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
  - state, in solicitations or advertisement for employees, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap.
  - include this Statement of City EEO Policy in every purchase order for goods to be used in performing City contracts and in every subcontract related to City contracts.
  
2. **Livable Wage.** The City of Durham desires that firms doing business with the City pay their workers a livable wage rate while working on City contracts. The livable wage rate is \$14.15 per hour through June 30, 2018, and \$15.00 per hour for July 1, 2018 – June 30, 2019. The City will re-set the rate for the

## **APPENDICES**

Appendix A – Cover Letter Template

Appendix B – HOME CHDO Application



**APPENDIX A**

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**COVER LETTER TEMPLATE**

**DATE**

Mr. Reginald J. Johnson, Director  
Community Development Department  
City of Durham  
101 City Hall Plaza  
Durham, NC 27701

Dear Mr. Johnson:

**NAME OF APPLICANT ORGANIZATION** is submitting a proposal in response to the City’s Request for Proposals (RFP) for HOME CHDO Operating Support. The undersigned, whose title and position with the applicant are stated next to or beneath his or her signature, has the authority to submit this proposal (including this cover letter) on behalf of the applicant in response to the City of Durham’s RFP.

Unless otherwise clearly stated in this response to the RFP, our proposal accepts the terms and conditions stated in the RFP, including the description of services to be performed and the provisions of the contract to be signed. **IF APPLICABLE: The undersigned applicant has read all the addendums issued by the City for this RFP, through and including Addendum No. \_\_\_\_.**

The applicant is not submitting any trade secrets to the City in connection with this proposal or the contract; if the contract is awarded to the applicant, the applicant will not submit any trade secrets to the City in connection with this proposal or the contract. The applicant acknowledges that the City will rely on the preceding sentence.

This proposal is not an offer, and the applicant retains the right to decline to enter into a contract with the City for this project.

Sincerely,

**Signature**

**Name of Applicant (typed)**

ACKNOWLEDGEMENT

Type/print the name of Notary Public signing this acknowledgment: \_\_\_\_\_

Place where acknowledgment occurred: County of \_\_\_\_\_, State of \_\_\_\_\_

Notary’s residence : County of \_\_\_\_\_, State of \_\_\_\_\_

I, the Notary Public named above, certify (1) the individual named above personally appeared before me this day, (2) I have personal knowledge, or satisfactory evidence, of the individual’s identity; and (3) the individual acknowledged signing the foregoing cover letter.

This the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. \_\_\_\_\_

Notary Public

My commission expires: \_\_\_\_\_