



City of Raleigh

Request for Proposals #: 274-050123SA-R

Title: 15 Summit Avenue Development

Proposal Due Date and Time: February 14, 2025, at 5:00 PM EST

ADDENDUM NO. 1

Issue Date: January 29, 2025

Issuing Department: Housing & Neighborhoods Department

Direct all inquiries concerning this RFP to:

Angelina Blackmon
Public-Private Partnerships Coordinator
Email: Angelina.Blackmon@raleighnc.gov

City of Raleigh
Addendum No. 1 to RFP 274- 050123SA-R

Issue Date: January 29, 2025

To: All Proposers

This Addendum, containing the following additions, clarifications, and/or changes, is issued prior to receipt of proposal packages and does hereby become part of the original RFP documents and supersedes the original RFP documents in case of conflict.

Receipt of this addendum must be acknowledged by signing in the area indicated below. Please make the follow additions, clarifications, and/or changes to the RFP as listed below and **sign and return this addendum with your proposal package.**

1. RFP City Subsidy for Affordable Housing (pg. 11)

~~The City is offering up to \$75,000 of subsidy per affordable unit for construction to permanent gap financing to support the construction of affordable units on this site.~~

~~**Maximum Value Per Units and Total Subsidy:** Up to \$75,000 per affordable unit~~

~~**Loan Term:** 20/30/40 years, or as long as affordability is maintained~~

~~**Affordability Period:** Minimum of 50 years, coterminous with land lease (if the land is leased from the City) or negotiated deed restrictions (if fee simple)~~

The City is offering up to \$75,000 of subsidy per affordable housing unit, not to exceed a project maximum of \$1,000,000. The subsidy may be used for a construction-to-permanent gap financing to support the construction of the affordable units on the site.

Maximum Value Per Units and Total Subsidy: Up to \$75,000 per affordable unit not to exceed \$1,000,000 for the entire project.

Loan Term: 20/30/40 years

Affordability Period: The affordability period of the gap financing loan must meet or exceed the gap financing loan terms.

Questions and Answers

The following questions have been received on RFP 274-050123SA, 15 Summit Avenue Development. Answers are provided below for each question.

1. Is the city looking for an apartment or do you have a preference of what type of building?

Response: Please refer to pg. 8 of the RFP, where the City Priorities and Recommendations have been outlined. The City is looking for a project that is feasible and that meets as many of the public priorities as possible, while managing risks. The Evaluation Team recommends that applicants adequately defend their building type and program choice in the written portion of their proposal, as well as any risk mitigation strategies that will or have been taken. This could include any conversations you have had with potential debt or equity partners and the level of confidence in the project's financial feasibility.

2. Are there any square-footage requirements for the proposal or the subsidies?

Response: There are no specific square footage requirements in the RFP, aside from any square footage requirements that may be listed in the [Unified Development Ordinance \(UDO\)](#).

3. In a perfect world, are there a certain number of units we're looking for?

Response: Please refer to pg. 8 of the RFP, where the City Priorities and Recommendations have been outlined. The City has not stated a specific number of units desired for this project. So long as the project meets the requirements stated in the UDO, there is flexibility in what can be proposed.

4. What's the perfect model to what the City is looking for? Is there a particular need for 1-, 2-, or 3-bedroom units?

Response: Please refer to pg. 8 of the RFP, where the City Priorities and Recommendations have been outlined. The City has not stated a specific program or bedroom count desired for this project. So long as the project meets the requirements stated in the UDO, there is flexibility in what can be proposed.

5. Little outparcel across the street – is it the responsibility of the developer to maintain this?

Response: The site, 15 Summit Ave, is technically only one parcel that is non-contiguous, as shown on [iMaps](#) (PIN 1703516283). The portion of the site that is on the east side of Summit Ave (referred to as the "outparcel") will therefore be the responsibility of the selected developer to maintain.

6. What is your definition of homelessness?

Response: The City of Raleigh utilizes the Department of Housing and Urban Development's (HUD) Four Categories of Homelessness, which can be found [here](#).

7. Why is the 30% set aside in this RFP and not the previous one (page 9)?

Response: Integration and housing choice for people with disabilities and those exiting homelessness is central to the City of Raleigh's housing goals.

8. Am I right in assuming that the 1 unit set aside for a City referral will be a household experiencing homelessness and/or household with disabilities and will therefore be counted among the 30% limit for housing reserved for those categories?

Response: Yes. The City is requiring that a minimum of 1 unit and up to 10% of units be set-aside for City of Raleigh referrals for households experiencing homelessness or with disabilities. A project may propose additional units be set-aside for people with disabilities or experiencing homelessness, however, no more than 30% of the total units can be restricted to these populations. Please see pg. 9 of the RFP for more information on this topic.

9. Referrals coming to the City – are we planning households with disabilities to come with subsidy or little/no rent?

Response: The referrals will come from City-approved housing programs(s) including, but not limited to, the [Bringing Neighbors Home Pilot Program \(BNH\)](#). BNH provides direct housing assistance for individuals living unsheltered along with voluntary case management, help moving into permanent housing, and access to supportive services. The city referred units can be underwritten to 60% of the Area Median Income (AMI).

10. Is this City bond funding? Want to confirm that this is not federal money.

Response: Yes, the City's gap financing will be sourced from local bond funds, and we do not anticipate including federal dollars.

11. Underwriting requirements, are you allowing vouchers to be part of our financial modeling? Based on project based and tenant based please.

Response: Tenant based vouchers will not be considered in the underwriting unless the applicant can provide some type of written guarantee from the voucher administrator verifying the vouchers are reserved for the proposed project. Project based vouchers may be considered in underwriting.

12. If we're getting labor/construct deeply discounted, would it be preferable to show what our cost would be OR what the normal cost would be with our donated cost shown as a source?

Response: If possible, it is preferable to show the full (i.e., non-discounted) labor and construction costs in your uses and include the donated labor and materials in your sources.

13. On the \$75k grant, you said it's based on the construction to permanent financing. If most or quite a bit of the construction cost is donated, would that be available to cover those parts which were not donated?

Response: Any City subsidy for affordable housing referenced in the RFP will come in the form of a construction-permanent loan and will not be a grant. A portion of the loan will be available during construction and can be used to cover hard costs, soft costs, and financing costs. The disbursement schedule will vary by project but is typically aligned with the construction draws. The City may request the final 10% of the loan be disbursed when the Certificate of Occupancy is obtained. Each proposal should include their assumptions regarding the City subsidy loan term and interest rate (as stated in the RFP on pg. 23), which will vary by project and be finalized with the selected development team during the negotiation period (as described in the RFP on pg. 20).

14. Will the slides and attendees be shared?

Response: Yes, the [slides](#) to the Pre-Proposal Conference have been posted on the [City website](#), alongside the RFP. The list of attendees can be made available with a records request. To make a records request, follow the link to the portal under "other requests" at the bottom of this City website: <https://raleighnc.gov/fix-it-report-it-request-it/services/records-request>

Thank you,

Angelina Blackmon

Public-Private Partnerships Coordinator - Housing & Neighborhoods Department

Sign below and return this addendum with your proposal.

Proposer Name & Company: _____ **Date:** _____

Signature: _____ **Title:** _____