

Administrative Services Committee Meeting

Meeting Date: 09/26/2023

HCD_ Property Management Services Approval Request to David Greem Realty – RFP23-273

Department:

HCD

Presenter:

Hawthorne Welcher, Jr. and/or HCD Staff

Caption:

Motion to approve Housing and Community Development Department's (HCD's) request to enter into contractual agreement with David Green Realty, LLC. for property management services (RFP 23-273). Recommendation of award is for a 2 year contract with option to extend for three (3) additional one (1) year terms.

Background:

Earmarked by the Augusta Georgia Land Bank Authority, HCD currently has 53 rental units throughout the Augusta, Georgia, Richmond County Area. Auben Realty previously managed the units, but the Augusta, Georgia Commission is reviewing the appointment of David Green Realty LLC as the new property management company. The primary objective of these rental units is to improve Augusta's housing index and address the affordable housing crisis in the area.

Despite the agreement's expiration between Auben Realty and Augusta c/o HCD, the relationship remains intact. An RFP was issued for the servicers following the Augusta Procurement Code procedures.

Analysis:

Four (4) vendors responded to the RFP. Through the evaluation process, David Greene Realty received the highest score. The Department requested to enter into negotiations with the vendor. Following a fair process that followed the proper procedures, the Department is requesting award to David Green Realty, LLC. as the new management company. The recommendation of award is for a 2 year contract with option to extend for three (3) additional one (1) year terms.

The approval will allow HCD to continue to provide decent, safe, and affordable housing to citizens in the Augusta-Richmond County area.

If approved by the Augusta, Georgia Commission, as per the budget, the management service fee for the contract term is estimated to be \$85 per unit for 53 units, resulting in a total cost of \$4,505.

HCD is committed to seeking viable assets to further the department's mission, create housing opportunities, and prevent the displacement of Augusta's residents. This will lead to an increase in units, revenue, and management fees.

Financial Impact:

HCD has planned to use the rent proceeds collected from the rental units that were funded by various sources, including HOME Investment Partnership, Housing Opportunities for Persons with Aids (HOPWA), Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP), and Laney Walker Bethlehem Bond (LWB). As per the budget, the management service fee for the contract term is estimated to be \$85 per unit for 53 units, resulting in a total cost of \$4,505.00. Through regular reporting, HCD will keep Augusta's Finance Department informed about any updates related to the units, revenue, and management fees.

Alternatives:

Do not approve HCD request to enter into an agreement with David Green Realty, LLC., for Property Management Services.

Recommendation:

Motion to approve Housing and Community Development Department's (HCD's)request to enter into contractual agreement with David Green Realty LLC., for property management services.

Funds are available in the following accounts:

Rent received from units in the form of Program Income (PI), from grants awarded by the U.S. Department of Housing and Urban Development (HUD) e.g., HOME, HOPWA, NSP, BOND.

CDBG-221073211-5211119-Eight (8) Units

Total CDBG \$4,248.00 (Total Rent for 1 Month)
 -\$680.00 (Management Fee \$85 per unit)

\$3568.00

HOME-221073112-5211119-Twenty (21) Units

Total HOME \$10,611.00 (Total Rent for 1 Month)
 -\$1,785.00 (Management Fee \$85 per unit)
\$8,826.00

HOPWA-221073213-5211119-Six (6) Units

Total HOPWA \$2,984.00 (Total Rent for 1 Month)
-\$510.00 (Management Fee \$85 per unit)
\$2,747.00

NSP (1&3)-221073217-5211119-Thirteen (13) Units

Total NSP (1&3) \$5,728.00 (Total Rent for 1 Month)
-\$1,105.00 (Management Fee \$85 per unit)
\$4323.00

BOND-297075220-5211119-Five (5) Units

Total Bond \$3,390.00 (Total Rent for 1 Month)
-\$425.00 (Management Fee \$85 per unit)
\$2965.00

REVIEWED AND APPROVED BY:

Procurement

Finance

Law

Administrator

Clerk of Commission