

CITY OF PONTIAC
REQUEST FOR PROPOSAL (**Revised 3/8/10**)
NSP Implementation Contract

The City of Pontiac is seeking submittals from qualified entities to implement its NSP 1 program. RFP's shall be submitted to the City Clerk, [47450 Woodward Avenue, Pontiac, MI 48342](http://www.pontiac.mi.us) no later than **3:00 p.m. on Wednesday, March 17, 2010**. Proposals must be submitted in a sealed envelope marked "NSP 1 RFP". Complete specifications are available on our website at or www.pontiac.mi.us or www.pontiac.mi.us/departments/federal_index.html scroll midway down the page, look for the Federal Programs Dept. tab, and click on that then click on the Proposal tab located to your right. **The final RFP will be available on the city's website Tuesday, March 2, 2010.**

Attention: This is a federally funded project. The Contractor and Subcontractors on this project must comply with HUD contract provisions 24CFR part 85.36(i), Davis-Bacon Act, Nondiscrimination, Equal Employment Opportunity, Affirmative Action, Section 3 requirements, Anti-Kickback Act, Federal Occupational Safety and Health Act and Department of Labor Standards and Regulations as set forth in the Contract Bid Documents. This municipality is an equal opportunity employer; businesses owned by women or minorities are strongly encouraged to bid.

The City reserves the right to reject any and all proposals, to waive defects in proposals, to enter negotiations with any applicant, to re-solicit for proposals and to conduct an application evaluation review meeting with any and all applicants. The City will not be responsible for any costs or fees associated with the preparation of a response to this request-for-proposals.

Ty Hinton, Director
Federal Programs Department
City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

THE CITY OF PONTIAC

REQUEST FOR PROPOSALS (Revised 3/8/10)

FOR

Project Managers/Developers for the Scattered Sites Rehabilitation Project

- Issue Date:** Sunday, February 28, 2010 (Detroit News)
- Pre-Response Conference:** Monday, March 8, 2010 at 2:00 p.m. local time
Pontiac City Hall
[47450 Woodward Avenue](#),
City Council Conference Room, 2nd Floor
Pontiac, Michigan 48342
- City-Response to Questions Deadline:** Friday, March 12, 2010 at 3:00 p.m. local time
- Response Deadline:** Wednesday, March 17, 2010 at 3:00 p.m. local time
City of Pontiac, City Clerk's Office
- Contact:** [Ty Hinton](#), Director
Federal Programs Department or
Phone: (248) 758-3780
Fax: (248) 758-3775
Email: THinton@pontiac.mi.us
MDorkins@pontiac.mi.us

Primary Objective: The City of Pontiac is seeking qualified organizations to serve as Project Managers/Developers for its Scattered Sites Rehabilitation Project to be funded by the "Neighborhood Stabilization Program #1". The properties to be rehabilitated are tax or bank foreclosed single-family/duplexes or Vacant and abandoned homes.

The City of Pontiac will implement the Neighborhood Stabilization Program (NSP) in accordance with the national objectives set forth in 24 CFR 570.208 (a) (2) which requires that the activity be limited to benefiting low, moderate and middle income ("LMMI") persons (up to 120% of AMI). The City highly values three (3) primary objectives:

- To house LMMI persons in currently vacant and foreclosed residential structures of two or less dwelling units.
- To spend minimal funds per property for the highest number of City of Pontiac code-compliant dwelling units.
- Limit affordability periods to no more than 15 years.

Written questions regarding the substance of the RFP or scope of work must be submitted via e-mail to the Pontiac Department of Federal Programs listed above no later than the Pre-Response Question Deadline indicated above.

Sealed Responses are due no later than the Response Deadline date and time indicated above and must be delivered to the Pontiac City Clerk's Office, located at 47450 Woodward Avenue, 1st Floor, Pontiac, Michigan 48342. Late responses will not be accepted – NO EXCEPTIONS.

RESPONDING COMPANY NAME _____

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DEFINITIONS

Soft Cost - normal, recurring costs associated with the ownership of property. Examples include: appraisal fees, lawn maintenance, snow removal, utilities, insurance, property taxes, home inspection fees, market analysis fees, boundary survey, environmental review record, technical assistance, legal fees, bank fees, construction loan interest, marketing and advertising fees, and liens.

RFP – Request for Proposal

NSP – Neighborhood Stabilization Program

FPD – Federal Programs Department

Developer’s Fee – Up to 20% of the total development costs.

Number of Copies – One (1) original plus four (4) (printed not handwritten) on paper and one copy on a computer disk (cd).

SECTION 1 - INSTRUCTIONS

- 1) **COMMUNICATIONS:** In an effort to create a more competitive and unbiased procurement process, the City desires to establish a single point of contact throughout the procurement process. From the issue date of this Response, until a Successful Respondent(s) is selected, all requests for clarification or additional information regarding this Response, or contacts with the City personnel concerning this Response or the evaluation process must be solely to the contact persons listed on the cover page of this RFP.

A violation of this provision is cause for the CITY to reject the Respondent's Response. If it is later discovered that a violation has occurred, the CITY may reject any Response or terminate any contract awarded pursuant to this RFP. No contact regarding this document with other CITY employees is permitted.

- 2) **PRE-RESPONSE INFORMATION AND QUESTIONS:** Each response that is timely received will be evaluated on its merit and completeness of all requested information. In preparing responses, Respondents are advised to rely only upon the contents of this RFP and accompanying documents and any written clarifications or addenda issued by the CITY. If a Respondent finds a discrepancy, error, or omission in the RFP package, or requires any written addendum thereto, the Respondent is requested to notify the CITY contact persons noted on the cover of this RFP, so that written clarification may be sent to all prospective Respondents. **THE CITY IS NOT RESPONSIBLE FOR ANY ORAL INSTRUCTIONS.** All questions must be submitted in writing to the CITY contact only, before the Pre-Response Question Deadline indicated on the front of this document. No contact regarding this document with other CITY employees is permitted. All answers will be issued in the form of a written addendum.
- 3) **PRE-RESPONSE MEETING:** The date, time and location of the meeting are indicated on the cover page of this RFP. **All Respondents are strongly encouraged to attend this conference.**
- 4) **RESPONSE MODIFICATIONS:** Clarifications, modifications, or amendments may be made to the Response at the discretion of the CITY.
- 5) **RESPONSE SUBMISSION:** To be considered, the Response must be prepared in the manner and detail specified in this RFP.
- a. **Applicants must submit one (1) original copy in document form and four (4) copies for a total of five (5) and; (1) copy of their response on a CD** of the entire Response which must be submitted to the City of Pontiac Clerk. The original must be marked and signed as an original. Each copy must be identical to the original. All copies must be stapled, bound with binder clips or placed in a 3-ring binder. Please prepare all responses economically.
 - b. Responses must be submitted to the **City of Pontiac Clerk's Office, 47450 Woodward Avenue, Pontiac, Michigan 48342**, before the date and time indicated as the deadline. It is each Respondent's responsibility to insure that the Clerk receives its Response prior to the deadline. This responsibility rests entirely with the Respondent, regardless of delays resulting from postal handling or for any other reasons. **Responses are due by 3:00 PM on March 17, 2010.**
 - c. Responses received after the above deadline will not be accepted and will be returned to the Respondent unopened. The Clerk's timestamp shall be the official time.
 - d. The opening of a Response does not constitute the City's acceptance of the Respondent as a responsive and responsible Respondent.

- e. Responses must be enclosed in a sealed envelope, or package, and clearly marked on the outside with the following: Project name, Deadline date and time, and Respondent's name, address, phone, fax, and contact name. If the Respondent believes that any information submitted is confidential, such information shall be separately sealed and labeled as confidential. Responses are subject to public disclosure after the deadline for opening in accordance with state law.
 - f. Submission of a Response establishes a conclusive presumption that the Respondent is thoroughly familiar with the RFP and specifications and terms of the Form of Contract, and the CITY's Procurement Ordinance and that the Respondent understands and agrees to abide by each and all of the stipulations and requirements contained therein.
 - g. All notations must be typed or printed in ink. No erasures are permitted. Mistakes may be crossed out and the person(s) signing the Response must initial corrections in ink.
 - h. Responses sent by telegram, facsimile, or other electronic means will not be considered.
 - i. All costs incurred in the preparation and presentation(s) of the Response are the Respondent's sole responsibility; no Response costs will be reimbursed to any Respondent. All documentation submitted with the Response will become the property of the City.
- 6) RESPONSE SIGNATURES:** An authorized official must sign the Responses. Each signature represents a binding commitment upon the Respondent to provide the goods and/or services offered to the CITY if the Respondent is determined to be the most responsive and responsible Respondent.
- 7) RESPONSE MODIFICATIONS:** Clarifications, modifications, or amendments to any Response that has been submitted, may only be made prior to the Response Deadline Date and Time and will only be allowed within the discretion of and upon the issuance of the written approval of the Department Director.
- 8) WITHDRAWAL:** Responses may only be withdrawn by written notice prior to the Deadline date set for the opening of Response. No Response may be withdrawn after the deadline for submission.
- 9) REJECTION:** The CITY reserves the right to reject any or all Responses, or to accept or reject any Response in part, and to waive any minor informality or irregularity in Responses received, if it is determined by the Department Director or their designee that the best interest of the CITY will be served by doing so. The CITY may reject any Response from any person, firm or corporation in arrears or in default to the CITY on any contract, debt, or other obligation, or if the Respondent is debarred by the CITY from consideration for a contract award.
- 10) PROCUREMENT POLICY:** Procurement for the CITY will be handled in a manner providing fair opportunity to all businesses. This will be accomplished without abrogation or sacrifice of quality and as determined to be in the best interest of the CITY.
- 11) COMPLIANCE WITH LAWS:** The Respondent must comply with all federal, state, and local laws and policies including, but not limited to:
- i. The provisions of the CITY Purchasing Ordinance applicable to contractors, being Chapter 2 captioned ADMINISTRATION, Article VI entitled Finance, Division 2 captioned Purchasing, Sections 2-516 through 2-530 of the Municipal Code of Pontiac, Michigan, and Contractor agrees to provide all required disclosures;
 - ii. The provisions of HUD regulatory requirements as they relate to Community Development Block Grant and Neighborhood Stabilization funding.
 - ii. The Michigan Civil Rights Act;

- iii. The Persons with Disabilities Act;
- iv. The Age Discrimination Act;
- v. Section 504 of the Rehabilitation Act;

- 12) NON-DISCRIMINATION:** CITY will not contract with any person or firm that discriminates against employees or applicants for employment because of any factor not related to job performance. The Respondent must comply with all federal, state and local laws and policies that prohibit discrimination in employment contracts.
- 13) DISQUALIFICATION OF RESPONDENTS:** Any one or more of the following causes may be considered sufficient for the disqualification of a Respondent and the rejection of the Response:
- a. Evidence of collusion among Respondents.
 - b. Lack of competency as revealed by either financial, experience, or equipment, information and statements.
 - c. Lack of responsibility as shown by past work.
 - d. Uncompleted work under other contracts which, in the judgment of the CITY, might hinder or prevent the prompt completion of additional work if awarded.
 - e. Lack of compliance with other contracts such as Federal, State and City of Pontiac regulations and laws
- 14) DISCUSSIONS:** Discussions may be conducted with responsible Respondents, in order to clarify and assure full understanding of, and conformance to, the solicitation requirements. Discussions may be conducted with Respondents who submit Responses determined to be reasonably susceptible of being elected for award, but Responses may be accepted without such discussions.

Respondents shall be afforded fair and equal treatment with respect to any opportunity for discussions and revisions of Responses. Such revisions may be permitted after submission and prior to award for the purpose of obtaining best and final offers. If during discussions there is a need for any substantial clarification of/or change in the RFP, the RFP shall be amended to incorporate such clarification or change. The Respondent shall reduce any substantial oral clarification of a Response to writing.

- 15) SUBCONTRACTORS:** In an effort to promote supplier diversity, the City encourages Respondents to identify and include qualified minority and women-owned businesses as subcontractors when proposing to provide products and services to the CITY. Respondents must reasonably demonstrate that they have taken all the necessary steps to include participation from diverse suppliers.
- 16) RESPONDENT RESPONSIBILITIES:** The Respondent must be capable, either as a firm or a team, of providing all services as described under SECTION 2 – SCOPE OF WORK and to maintain those capabilities until notification of the fact that their Response was unsuccessful. Exclusion of any service for this Response may serve as cause for rejection. The selected Respondent must remain capable of providing all services as described under SECTION 2 – SCOPE OF WORK and must maintain those capabilities until the agreement is successfully finished. The successful Respondent will be responsible for all Services in this Response whether they are provided or performed by the Successful Respondent or Subcontractor(s). Further, the CITY will consider the Successful Respondent to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the cost of any contract. The Successful Respondent must identify all Subcontractors and the Services they provide. The Successful Respondent is responsible for all payments and liabilities of all Subcontractor(s).

The CITY reserves the right to approve or reject, in writing, any proposed Subcontractor. If the CITY rejects any proposed Subcontractor in writing, the Successful Respondent shall be required to assume

the proposed Subcontractor's responsibilities. The Successful Respondent may propose another Subcontractor if it does not jeopardize the effectiveness or efficiency of the contract. Nothing contained in the Response or in the contract shall create or be construed as creating any contractual relationship between any Subcontractor and the CITY.

- 17) **CITY PARTICIPATION:** The Federal Programs Department (FPD) Director will serve as the primary liaison between the CITY and the Successful Respondent and will coordinate overall management and administration of the RFP.
- 18) **DISCLOSURE OF CONTENTS:** All information provided in the Response shall be held in confidence and shall not be revealed or discussed with competitors, until after award of the contract except as provided by law or court decision. All material submitted with the Response becomes the property of the CITY and may be returned only at the CITY's option.

Respondents must make no other distribution of their Responses other than authorized by this Response. A Respondent who shares cost information contained in its Response with other CITY personnel or competing Respondent personnel shall be subject to disqualification.

Respondents shall not be provided any information about other responses, prices or where the Respondent stands in relation to others at any time during the evaluation process. Any request for such information by a Respondent, its subcontractor or an affiliated party may be viewed as a compromise to the evaluation process and the requesting Respondent may be eliminated from further consideration.

Responses are subject to public disclosure after the deadline for submission in accordance to state law under the Freedom of Information Act (FOIA).

SECTION 2 - SPECIFICATIONS AND SCOPE OF WORK

- 1) **INTRODUCTION:** Through this Request for Proposals (RFP), the Charter City of Pontiac hereby invites businesses who meet the qualifications and specifications set forth herein to submit Responses or for the purpose of providing **scattered sites rehabilitation project development**.
- 2) **MINIMUM PROPOSALS:** Submissions will be deemed non-responsive and rejected without any further evaluation if they do not meet the following mandatory qualifications:
 - a) Non-profit or for-profit entities or a combination thereof are eligible to apply.
 - b) The Respondent, its subcontractor and/or its key personnel must have worked on at least three comparable projects.
 - c) The Respondent, and or its subcontractor must be a licensed residential builder.
 - d) The Respondent, its subcontractor and/or its key personnel must be a licensed real estate broker.
 - e) The Respondent, its subcontractor and or its key personnel must be experienced with scattered site housing property management.
 - f) The Respondent and its key personnel should demonstrate that they have experience in working with funding from the Housing and Urban Development Department of the United States, and is acquainted with all federal regulations and rules associated with such Department.

- g) The respondent must provide documentation of its access to capital and financial capability to manage this project while waiting for reimbursements.

3) PREFERRED PROPOSALS: The Respondent may be evaluated higher if they meet the following Criteria:

- a) The Respondent must possess prior experience with similar projects using NSP1 or NSP2 funding;
- b) The Respondent, its subcontractor and/or its key personnel must demonstrate knowledge of other federal, state, and local financial incentives and funding programs that may be leveraged to maximize NSP 1 projects.
- c) Respondent's proposal provides a higher number of homes to be rehabilitated than asked for in this RFP or a larger number to be sold than the minimal states in this RFP.
- d) Respondents proposing developer fees of less than 20%.

4) PROGRAM SPECIFICATIONS: The program contemplated under this RFP will include the following concerns at a minimum. Each Respondent should describe their understanding of each of the following areas within their response.

RESOURCES AVAILABLE: The City of Pontiac has available for this project \$1,817,801.00 in the City of Pontiac Federal **Neighborhood Stabilization Program-One (NSP1)** funds, as part of the Housing and Economic Redevelopment Act (HERA) to address the acquisition of at least (19) scattered site residential dwellings for rehabilitation and sale as owner occupied or rental residences. A minimum of nine (9) houses must be made available and sold to owner occupants. **City of Pontiac Federal NSP 1 funds will be available to provide Down Payment assistance for income eligible homebuyers on a first come, first served basis.** The City will have the ability to contract directly with qualified project developers to perform activities related to this program funding. Our end goal is to be able to offer housing for sale with end mortgages at \$55,000 or less.

POPULATION TARGETING OBJECTIVES: The City's highest priority is to acquire and rehabilitate for-sale housing for the City of Pontiac Federal NSP 1 income eligible households. It is understood that part of the project may not be marketable as for-sale housing and so a lease-to-own option may be explored by the project developer with other financial institutions, although this is not a preferred approach.

HOME BUYERS COUNSELING

A contractual agreement with a City of Pontiac approved housing counseling agency will be required under the provision of services for this RFP. The housing counseling agency will provide credit counseling and home buyers training for all persons applying to purchase units under this RFP.

5) SCOPE OF WORK

A portion of the NSP 1 funds allocated to the CITY will be used for the scope of services/work described in this section which includes, but is not limited to: management of the acquisition, rehabilitation, and disposition of properties that are identified under NSP; reporting; coordinating with local units of government; and project planning. The Project developers will also be responsible for obtaining bids from qualified subcontractors. Additional details are as follows:

a) Acquisition

Project developers will identify units suitable for acquisition and rehabilitation under this RFP, and manage the acquisition of properties, once said properties have been approved for acquisition by the CITY, including but not limited to:

- i) Identifying quality properties suitable for rehabilitation under this RFP;
- ii) Negotiating the purchase with all sellers; and
- iii) Managing all closings on behalf of the city.

b) Rehabilitation

Project developers will manage the rehabilitation of properties purchased by CITY, including but not limited to:

- i) Securing homes upon closing to prevent further blight maintaining them in accordance with local codes;
- ii) Determining the scope of the rehabilitation for each property;
- iii) Develop a project schedule and project budget, to be approved by the City;
- iv) Identify qualified contractors using the City's list of approved contractors.
- v) Oversee and coordinate the performance of rehabilitation and construction services, ensuring timely and accurate completion;
- vi) Award and administer sub-contracts to qualified bidders;
- vii) Manage the project budget;
- viii) Provide continuous reporting in accordance with HUD guidelines;

c) Sale/Rental of Rehabilitated Properties

- i) Provide a marketing plan to identify qualified buyers, including buyers for rental properties;
- ii) Coordinate homebuyers training counseling with a MSHDA approved housing counseling agency; Conduct a screening process to evaluate buyers or lease to own buyers;
- iii) Negotiate sales agreements and manage closings, or occupancy of qualified buyers or lease to own buyers;

- d) Responsibilities: The qualified Respondent(s) shall be responsible for understanding, and complying with all of the applicable NSP 1 Regulations and Rules promulgated by HUD, including those for reporting and recordkeeping. Such responsibility shall remain the sole responsibility of the Respondent.

5) CONTRACT TERM: The contract period will be from March 19, 2010 to March 18, 2011.

All work described in the Scope of Work will be contracted through subsequent Proposals that will be generated on a per unit basis.

6) COMPENSATION: Developer fee cannot exceed 20% of total development costs which must include all agreed upon soft costs.

SECTION 3 – NSP PROGRAM REQUIREMENTS

Use of NSP Funds – As an NSP grantee, the City has developed its own program and funding priorities. The NSP requires at least 25% of the funds appropriated for the purchase and redevelopment of abandoned and foreclosed homes be used to house individuals or families whose income does not exceed 50% of the area median income. All activities must benefit individuals or families whose income does not exceed 120% of the area median income. It is clear that this emphasis is on housing individuals or families, not on housing rehabilitation. The Project Manager/Developer that implements this program will receive up to 20% developer's fee, which must include all soft costs permitted by the Program.

Maximum Per-Unit Subsidy – The maximum Home Buyer Assistance will be no more than 50% of the required “down payment & closing costs” assistance, with a ceiling of no more than \$14,999 per buyer. The appraised value of the property after rehabilitation may not exceed the limits established by HUD. ****The sale price of the home may not exceed the costs incurred to acquire and rehabilitate the premises.**

Resale/Recapture Provisions - 24CFR 92.254(a) (5) states that housing that qualifies as affordable and is for purchase is subject to resale and/or recapture provisions. The City of Pontiac uses only the recapture provision. Under the City’s recapture provision, the investment that is subject to recapture is the assistance that enables the homebuyer to buy the dwelling unit. This assistance is a subsidy that makes the home affordable to a low-income homebuyer. Recapture will be a decreasing lien over the affordability period. Sales proceeds and any revenue exceeding costs are considered program income

- Program income must be returned to the City. **These funds will be returned to the City for possible continuation of the program in accordance with NSP1 guidelines.**
- Program income must be used for the same types of activities that were originally funded.

Marketing – The Project Manager/Developer under contract with the City of Pontiac must certify that it will develop an Affirmative Marketing Plan **(to be reviewed and approved by a City Representative)** and affirmatively market the properties. There must be verification of previous efforts/plans to affirmatively further Fair Housing. The Project Manager/Developer must also certify that their Affirmative Marketing Plan will require annual reviews of impediments to their Affirmative Marketing efforts.

Women and Minority Business Enterprise (W/MBE) Outreach – The Project Manager/Developer under contract with the City of Pontiac must certify that it will encourage participation of W/MBE subcontractors. and will also include Section 3 requirements to hire low income persons. Verification of outreach efforts will be required by the City.

Limitations

- All funds must comply with CDBG regulations/certifications
- 7 months to obligate NSP funds – 1 year to spend
- 75% of funds must benefit households (“HH”) or target areas <120% AMI
- 25% of funds must benefit HH or target areas <50% AMI
- Any purchase of property must be discounted 1% from current market appraised value

Environmental Review Record Requirements – Federal law, including the National Environmental Policy Act of 1969 (NEPA), require environmental review of all NSP funded projects. An Environmental Review Record for all projects including a project description, location map, flood plain map, statutory checklist, and environmental assessment is required prior to property acquisition. The Project Manager/Developer is responsible for preparation and submittal of ERR forms to City of Pontiac.

Historic Preservation Profile – If a property is fifty years of age or older, a Historic Preservation Profile is required. The Project Manager/Developer is responsible for preparation and submittal of SHPO forms to City of Pontiac. **To expedite this process**, verify property address with the City prior to submittal, as to the property’s Historic status.

Availability of Funds – \$1,817,801.00 in project funds is available for the total Project. A contract from March 19, 2010 to March 18, 2011, will be executed between the City and the successful Project Manager/Developer. Contract extensions are generally not allowed. Note: Federal regulations prohibit obligating or spending grant funds before receipt of an official award letter and contract.

Developer’s Fee – Developer’s fees of not more than of the total development costs which must include all agreed upon soft costs.

Soft costs are defined as normal, recurring costs associated with the ownership of property. Examples include: appraisal fees, lawn maintenance, snow removal, utilities, insurance, property taxes, home inspection fees,

market analysis fees, boundary survey, environmental review record, technical assistance, legal fees, bank fees, construction loan interest, marketing and advertising fees, and liens.

Hard costs are defined as tangible, physical improvements to real property. Examples include: acquisition of land and existing structures, site preparation, property security, construction labor and materials, bond premiums, appliance purchases, landscaping installation, infrastructure improvements, hazardous material abatement, building permits, sales tax, closing/title/recording costs and realtor fees.

- **Eligible Projects** – The City will implement an acquisition/rehab/resale project in the City’s defined targeted area program. Some of the resale units may be for the ultimate purpose of rental. Vacant, foreclosed single-family homes must be appraised before and after rehab. Purchase price to client may not exceed the total amount spent on acquisition/rehab and soft costs, if the soft costs are involved in the development of a successful NSP assisted dwelling unit. Note the Program requirement that any purchase of property must be discounted 1% from current market appraised value.
- **Eligible Costs** – Only Bank or Tax foreclosed properties can be acquired and rehabilitated with NSP funds. The City wishes to purchase only vacant homes for this project as funds are not available to pay relocation costs. The typical vacant home will average \$35,000 cost to rehabilitate. The typical acquisition price will average \$20,000 and energy efficiency upgrades are expected to be a minimum of \$5,000 but these estimates will vary according to the requirements of each dwelling unit.
- **Eligible Areas** - The eligible areas are the target areas that the City has identified for NSP1 to acquire rehab and sale or rent (vacant) tax or bank foreclosed homes. Generally these homes will be located west of Saginaw and Woodward Avenue, with a focus upon “tipping point” communities such as Indian Village, Washington Park and Seminole Hills. Some units will be considered in other areas if reasonably justified.

Homebuyer Assistance Guidelines – Compliance shall be within the following guidelines:

- 75% of funds must benefit HH and target areas <120%AMI
- 25% of funds must benefit HH and target areas <50% AMI
- All buyers will receive fixed rate mortgages with interest rates and closing costs at the best available rate for borrowers with good credit in the local market.
- Adjustable Rate Mortgages, Interest Only Mortgages, Balloon Mortgages, or any other mortgage that is classified as Sub Prime by the City of Pontiac will not be accepted.
- The Loan to Value ratio at the end of the mortgage shall not exceed 97%.
- All buyers must provide at least \$1,000 from their own funds.
- All buyers receiving homebuyer assistance must be qualified by a local lender. Include percentage of gross income to be spent on housing, such as, 28%, 30%. 37%, etc.
- All participants in the program must receive a minimum 8 hours of housing counseling from a HUD certified entity. Post-purchase counseling is preferred.

Low Income Definitions – Households must meet the following income limits:

FAMILY SIZE	VERY-LOW INCOME (50%)	MODERATE INCOME (80%)	MIDDLE INCOME (120%)
1	\$24,850	\$39,750	\$59,640
2	\$28,400	\$45,450	\$68,160
3	\$31,950	\$51,100	\$76,680
4	\$35,500	\$56,800	\$85,200
5	\$38,350	\$61,350	\$92,040
6	\$41,200	\$65,900	\$98,880
7	\$44,000	\$70,450	\$105,600
8	\$46,850	\$75,000	\$110,040

Not less than 25% of these funds are to be used for the purchase and redevelopment of abandoned or foreclosed homes that will be used to house individuals or families whose incomes do not exceed 50% of area median income.

Recapture Provision – NSP funds will also be used for homebuyer assistance to make the purchase more affordable to qualified buyers. In no case will these funds exceed \$14,999 per property. These funds are subject to the recapture provision detailed in **CFR 24 Part 92.254**. Again, spending minimal funds per property for the highest number of City of Pontiac code-compliant housing units is a goal of this program.

SECTION 4 - OTHER REQUIREMENTS:

ADMINISTRATION: For **sale/lease to own** projects will be developed by either for-profit or non-profit affordable housing developers, OR, a combination of the two, with at least 3 years of experience administering federal CDBG or HOME funds; specific NSP construction management experience preferred.

PROPERTY STANDARDS: All housing units must meet the 2006 International Property Maintenance Code and Model Energy Code for Existing Buildings and the International Energy Conservation Code, 1998 (IECC) and receive a Certificate of Compliance before the property is occupied. Rehabilitation requiring building permits must be performed in accordance with 2006 International Building Code and International Fire Code if necessary.

ENERGY EFFICIENCY: Reducing the long-term operating costs is a high priority. Rehabilitation that maximizes **energy efficiency is required**.

SECTION 3 REQUIREMENTS: Project Developers will be required to fulfill federal Section 3 requirements. Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that fosters local economic development, neighborhood economic improvement, and individual self sufficiency. The Section 3 program requires that recipients of Certain HUD financial assistance provide job training employment and contracting opportunities for low or very low income residents in connection with HUD projects and activities in their neighborhoods.

To fulfill this requirement, the City of Pontiac will prefer developers who include in their proposal opportunities for local contractors and or employment opportunities for Pontiac residents, particularly residents of the target neighborhoods.

ACCESSIBILITY: The City encourages the creation of barrier free, accessible and visitable units to the greatest extent possible. The Fair Housing Act, the Americans with Disabilities Act, the Architectural Barriers Act, Section 504 standards and the Universal Architectural Design requirements/standards apply to all federally funded projects.

HEALTHY HOMES: Green Construction and Healthy Home standards are encouraged to ensure that the construction materials minimally impact people with health issues in their homes as well as the environment. Residential hazards can include mold and moisture, lead-based paint, radon, asbestos, allergy triggers, combustible materials, chemical off-gasing, pests and pesticides, and poor indoor air quality. Project developers should use the 'Green Communities Guidelines' or USGBC's Re-Green rehabilitation standards as minimum criteria. If an alternative standard is desired by the developer, a full copy of the standard must be included in the submission.

INCOME QUALIFICATION: All buyers must be federal NSP Program income eligible (up to 120% AMI). Income/asset verification with source documentation is required for all tenants at initial occupancy as well as annual re-certifications by affidavit or source documentation in a lease-to-own program option.

EQUAL EMPLOYMENT OPPORTUNITY (EEO): Developer must comply with all federal, state and local laws related to EEO regulations.

DAVIS BACON: HUD requires that all contractors and subcontractors comply with Davis-Bacon Labor Standards for housing projects that include 12 or more units in Federal funded projects.

PRESERVATION: The City of Pontiac supports the preservation of existing subsidized housing projects to ensure long-term, safe and decent affordable housing.

SECTION 5 - EVALUATION CRITERIA AND SUBMITTAL REQUIREMENTS

Application Evaluation – Applications must meet minimum submission requirements. Only complete applications will be considered. At the City's discretion, missing information may be requested. After an initial review of the applications, oral interviews will be scheduled with the NSP RFP Committee and qualified applicants. After interviewing selected applicants, the Committee will score applications in accordance with the criteria set forth in the scoring criteria below. A contract will be negotiated with the firm receiving the highest rating from the Committee. Work is expected to begin mid-April.

Answers must thoroughly explain the applicant's program and should be submitted in a document limited to 5 double-sided pages with up to an additional 3 double-sided pages of photographs of similar projects that have been completed within the past 5 years; required certificates and forms are not included in the page limit. The City reserves the right to make additional inquiries and may request the submission of additional information.

In addition, submit a complete response to each of the following items on **Experience** and **Proposals**:

- (1) Describe how you meet or exceed the minimum Proposals in the scope of Work in this document.
- (2) Describe how you meet or exceed the preferred Proposals in the Scope of Work in this document.
- (3) Describe the experience (including years of experience) in providing similar services.
- (4)

- (5) Provide at least three (3) references for the similar projects named, including name of the establishment, address, dates of service, contact name and telephone number. Clearly indicate for the projects which, if any, of the proposed key personnel worked on each.
- (6) Describe the experience and Proposals of key personnel. Include detailed resumes.

Deadline for Submittal – Sealed responses to this RFP must be received no later than **3:00 p.m. (EST) on Wednesday March 17, 2010. The sealed envelope or package must be clearly marked on the outside with the following:** “NSP1 RFP”, Deadline date and time, Respondent’s name, address, telephone number, fax number, and contact name. Applications received after the deadline will not be considered. Acceptable methods of delivery are hand delivery, certified mail, or other delivery-service requiring signature by the City. All hand delivered copies will be date stamped. Applications may not be submitted via fax or e-mail during the submittal phase.

Qualified applicants may be scheduled for an oral presentation/interview with the NSP RFP Committee. **Presentations will be held on Tuesday, March 30, 2010.** Applicants will have 40 minutes to set up, present, answer questions and depart. Applicants will be contacted by the City with the specific time and location of the presentation; appointments will be in the evening.

Number of Copies - Applicants must submit one (1) original copy in document form and four (4) copies for a total of five (5) and; one (1) copy of their response on a CD of the entire Response and must be submitted to the City of Pontiac Clerk. The original must be marked and signed as an original. Each copy must be identical to the original. All copies must be stapled, bound with binder clips or placed in a 3-ring binder. Please prepare all responses economically.

EXCEPTIONS: Respondent shall clearly identify any proposed deviations from the language contained herein. Each exception must be clearly defined and referenced to the proper paragraph in this RFP. The exception shall include, at a minimum, the Respondent's proposed substitute language and opinion as to why the suggested substitution will provide equivalent or better service and performance. If no exceptions are noted in the Respondent's Response, the CITY will assume complete conformance with this specification and the successful Respondent will be required to perform accordingly. Responses not meeting all requirements may be rejected. Responses taking exception to any language in the Form of Contract may be rejected as non-responsive.

SHORTLISTING: The CITY may shortlist the Respondents based upon responses to the above items. If necessary, the CITY will conduct interviews/demonstrations. The CITY will notify each Respondent on the shortlist, if such presentation is required. These presentations will provide an opportunity for the Respondents to respond to questions posed by the evaluation committee and to clarify their Responses through exhibition and discussion. The CITY will not reimburse oral presentation costs of any Respondent.

SCORING: All proposals will be reviewed and ranked on the basis of the evaluation criteria below:

40 points - Professional experience of development team – based on previous projects and verified by references; creative approaches to projects and; evidence of cost saving measures.

25 points - Financial package including budget, appropriate funding sources, leveraging of funds, per unit funding request, and cost analysis

20 Points - Construction: construction specs, energy efficiency and green building components

05 Points - Proposed work plan/ability to complete the work within the prescribed time

10 Points - Project Management Plan

Proposal Costs - All costs of responding to this Request for Proposal are the responsibility of the applicant.

Misstatements - If the City determines that a recipient of NSP funds has made a misstatement on their application for administration of a grant, the City may require the repayment of those funds.

RFP Requirements

General

1. Provide a company profile including principal areas of expertise and previous experience, especially related to HOME, CDBG, NSP or other federally funded programs. Include an organizational chart depicting the management of the firm's organization and its relationship to any other entity that will be involved in implementing the program.
2. The name, title, e-mail address, mailing address, telephone and fax numbers of the person authorized to represent the applicant in any correspondence, negotiations and sign any contract.
3. Key personnel's hours in each phase of the project.
4. Describe the firm's proposed project team staffing, workload and ability to competently and expeditiously provide NSP services for the City of Pontiac.
5. Current and projected projects and the percentage of personnel time each will devote to each assignment if selected for this project

Financial

6. The NSP program is a reimbursement program. Applicants must submit information on how they will fund program activities prior to reimbursement. Submit documents showing levels of funding commitments available for the program and sources of that funding.
7. Financial information must include financial defaults within the last three (3) years.
8. Complete project budget, including a pro forma of all costs and projected sale amounts. All funding must be contractually obligated by 9/19/010. All work must be completed within 12 months. Submit proposed schedule (with activities broken down) and implementation strategy. Developer's fees will be up to 20% which must include all [soft costs](#). Document, on a separate line item, total projected developer's fees.
9. Most recent full year's financial statements (audited preferred).

Acquisition

10. Explain how and when the Project Manager/Developer will perform the initial risk assessment (lead/asbestos testing). All contractors, trades and sub-trades that work on building components that contain lead must be lead certified. Include proof of certification.
11. Identify any external sub-contractors and describe their roles and responsibilities.
12. What is Project Manager's/Developer's strategy to purchase properties given that the offer must be discounted 1% from current market appraised value and preference is given to FHA and HUD properties?
13. In the initial appraisal, as-is value and projected improvements should be included. Who will perform this service? Include a task list in critical path format of all projected activities.
14. How will the Project Manager/Developer handle submissions to SHPO?
15. How will the Project Manager/Developer handle Environmental Review Requirements?
16. Describe the entire acquisition process, including identification of eligible properties. All paperwork must be submitted to and receive approval of City before purchase.

Rehabilitation

17. It is the City's intent to invest minimally in each house to maximize the number of rehabilitated houses, positively impact the largest number of neighborhoods, and assist the most homeowners. Describe how this goal will be met. Include detailed projected rehabilitation costs per house (and how the numbers are derived).
18. All sub-trades must be bid. State how this will be accomplished fairly and transparently.

19. Existing housing conditions must meet property maintenance codes, Housing Quality Standards; rehabbed work must meet Michigan Residential Code requirements. Discuss experience with both codes.
20. How many houses will be included in the proposal? What guarantees does the City have of the Project Manager/Developer meeting this goal? What impediments could affect this goal?
21. Sustainable / green components are encouraged. Explain how this goal will be met within the 3 objectives of the City's program.
22. Describe how you will identify critical milestones and ensure progress.
23. Describe how you will manage the project budget, schedule and scope.
24. Describe how you will ensure quality control.

Sale/Lease to Own/Rent

25. Describe marketing approach and previous experience in identifying potential eligible buyers and selling properties.
26. Homeowners must be income eligible. Explain how you will target this specific market. Some ultimate purchasers may be nonprofit organizations. Explain how you will identify and approach qualified potential organizations.
27. Submit proof of HUD-approved housing counseling organization (8 hours in a HUD-qualified housing counseling program is required).
28. Down payment assistance will be limited to 50% of the down payment amount required to assist the homebuyers' moving into rehabilitated homes. In no case, shall the subsidy exceed affordability limits for a maximum 5-year period. Explain how this will be implemented.
29. List name, title, e-mail address, mailing address, telephone and fax numbers for the parties responsible for ongoing property maintenance for the duration of the affordability period if the house is not sold.
30. Compliance with affordability criteria is required (24 CFR Part 92 Maximum 5 years). Discuss how this will be implemented and the "exit strategy" at the end of the 5 year period.
31. Please describe your organization's approach to finding available mortgage funds for buyers and list any and all institutions that you have relationships with to assist with the financing of homeowner purchases.

Documentation

Program income, if any, must be documented and returned to the City of Pontiac for possible reuse, in accordance with NSP1 guidelines.

AFFIDAVIT, RELEASE AND CERTIFICATION FORM

The undersigned Applicant hereby applies to the City of Pontiac (the "City"), for a commitment of Neighborhood Stabilization Program Funds. The undersigned is responsible for ensuring that the project will consist of qualified low income housing as described in the application, and will satisfy all applicable City, State and Federal requirements in the acquisition, rehabilitation and subsequent operation of the project to receive a commitment of NSP Funds. The applicant represents and certifies that the application has not requested any more NSP Funds than are necessary to provide affordable housing as outlined in the City's Program. In planning this Program, the Applicant certifies that it has provided for and will continue to encourage the participation of persons of low income as defined in the Program.

The Applicant understands that the City will determine the eligibility of the Applicant, at least in part, on the figures submitted with the application by the Applicant, the readiness of the Applicant to proceed, and the Applicants ability to implement all tasks outlined in this RFP. The Applicant is responsible for the accuracy of these figures. Misrepresentations or omissions may be the basis for the cancellation, termination and/or repayment of an award.

The Applicant acknowledges and agrees that it will at all times cooperate with regard to requests for submittal of additional information from the City.

The Applicant acknowledges and agrees to fully comply and cooperate with all monitoring activity of the City after the date of commitment. The Applicant will give the City, the U.S. Department of Housing and Urban Development, and any City authorized representatives, access to and the right to examine all records, books, papers, or documents related to the application and implementation of Pontiac NSP funding awards. By executing this authorization and release, the Applicant authorizes the City to obtain, furnish and release to all appropriate agencies, full and complete records, reports and/or information pertaining to the Applicant and its application under the NSP program.

The Applicant agrees that the City, its agents, employees, attorneys, contractors and representatives will at all times be indemnified and held harmless against all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including, but not confined to, attorney's fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments, and any loss from such judgments or assessments) directly or indirectly resulting from, arising out of, or related to acceptance, consideration and approval or disapproval of the Applicant's application and implementation of the Program.

The Applicant hereby represents and certifies under penalty of A.R.S. 13-2311 and 39-161 that the information set forth herein and all material submitted by the Applicant to the City, are to the best of the Applicant's knowledge, true, complete and accurately describe the proposed project. The undersigned is duly authorized to execute this instrument on behalf of the Applicant and possesses the legal authority to apply for NSP Funds and to implement the proposed Program.

The applicant understands that all representation made herein and all documentation submitted is subject to verification by the City, and that any misrepresentations or inaccuracies, whether intentional or not, may subject the application to a loss of competitive scoring points or to disqualification. For the purposes of verification, the Applicant hereby authorizes the City to request information related to this transaction from any lender, investor, or other institution or entity named in this application.

IN WITNESS WHEREOF, the Applicant has caused this document to be duly executed in its name as of this _____ day of _____, 2010.

Applicant Name (print):	Signature:
By:	
Its:	