



REQUEST FOR PROPOSALS

NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3)

RFP# HI0418-1113

Issue Date: May 6, 2011

Issued By:

Nassau County Office of Community Development

Edward P. Mangano, County Executive

Robert Walker, Chief Deputy County Executive

John Sarcone, Director

Kevin J. Crean, Deputy Director

Request for Proposals

Table of Contents

A.	Introduction.....	2
B.	Anticipated Proposal Schedule	3
C.	Eligibility and Program Information.....	3
	<i>Eligible Applicants:</i>	3
	<i>Eligible Areas</i>	3
	<i>Priority Properties:</i>	3
	<i>Eligible Properties:</i>	3
	<i>Property Acquisition:</i>	4
	<i>Resale of Properties:</i>	5
	<i>Rental Properties:</i>	5
	<i>Other Terms:</i>	6
D.	Federal and Local Requirements	6
	Timeliness:	6
	Program Income:	6
	Audits:	6
	National Objective:	7
	Labor Standards/Davis Bacon Act:	7
	Lead-Based Paint:	7
	Environmental Review and Historic Preservation:	7
	Ineligible Reimbursements:	7
	Affirmative Action:	7
	Insurance:	7
E.	Application Funding and Approval Process	7
	Organizational Experience and Capacity (including, but not limited to)	7
	Conceptual Soundness	8
	Readiness to Proceed	8
	Financial Feasibility	8
F.	Proposal Submission Instructions	8
	Financial Statement:	8
	Operating Budget:	8
	Project Budget:	8
	Tax-exempt Status:	9
	Board of Directors’ Roster:	9
G.	Contract Proposal Evaluation Criteria	9
	Background and Experience 55 Points	9
	Response to the Request for Proposal 35 Points	9
	Benefit 10 Points	9
H.	General Information.....	10
I.	Appendix A – Maps of Eligible Areas.....	12
J.	Appendix B – Sample Contract with Nassau County.....	12
K.	Appendix C – Affirmative Marketing Plan	12

A. Introduction

The Nassau County Office of Community Development (OCD) is the Nassau County office responsible for administering HUD formula funded housing and community development programs. Nassau County received \$2,116,070 from the U.S. Department of Housing and Urban Development (HUD) under the recently authorized Neighborhood Stabilization Program 3 (NSP3). These funds will provide assistance to the County for financing the acquisition and rehabilitation of foreclosed and abandoned homes in eligible target areas.

OCD is seeking program partners that may include for profits, not-for-profits and developers to implement the NSP3. In their response to this Request for Proposals (RFP), interested program partners are expected to include information regarding their overall housing experience, including any experience with rehabilitation and reuse of abandoned properties; experience with the management of rental properties, if any, should also be provided since portions of the NSP program will apply to both owner-occupied and rental housing. Participant resumes and financial statements should also be included.

Beyond professional experience, the County is interested in any preliminary ideas that applicants may have with regard to the foreclosure programs and how the NSP3 grant might be used in Nassau County to address this problem. A narrative detailing how your organization plans to leverage these funds with other sources to finance your activities should be included in the submission.

In addition to the RFP, OCD will collaborate with our consortium members to revitalize and stabilize targeted areas that are most impacted by foreclosures. In order to focus our neighborhood stabilization efforts, OCD will concentrate its NSP3 funded activities in targeted areas include other Nassau County HOME and Community Development Block Grant projects.

The Agreement resulting from this solicitation, if any, shall be awarded to the highest rated responsive and responsible firm based on the evaluation criteria set forth in this RFP. Nothing contained herein shall obligate the County to award an Agreement on the basis of this solicitation. Any resulting Agreement will be subject to compliance with all provisions of Federal, State and Local Laws and Executive Orders, including but not limited to those requiring affirmative action and equal employment opportunity.

Nassau County is committed to a policy of equal opportunity and does not discriminate against vendors on the basis of age, sex, sexual orientation, race, color, creed, religion, ethnicity, national origin, disability, marital status, familial status, veteran status or any other basis protected under applicable federal, state, and local laws, regulations, and ordinances.

B. Anticipated Proposal Schedule

RFP Issue Date	May 6, 2011
Proposal Due Date	June 1, 2011
Award Date	June 15, 2011

Dates indicated above are subject to change at the sole discretion of the County.

C. Eligibility and Program Information

Eligible Applicants:

Eligible applicants under the NSP3 include nonprofits, for profits and developers with experience in constructing and/or rehabilitating housing projects within Nassau County. Nonprofits may collaborate with for profit developers.

Eligible Areas

Each program partner is required to rank, on a scale of 1 – 5, the top 5 areas of interest they would like to target for development. The eligible targeted areas designated by HUD are outlined on the maps included in Appendix A. Eligible target areas include portions of Roosevelt, Hempstead, Elmont/North Valley Stream, Valley Stream, Uniondale, Long Beach, Island Park, Baldwin Harbor, Baldwin, New Cassel, Freeport, East Massapequa and Inwood (see Appendix A) Please select the top five, and number them 1 through 5, with 1 being the target area of highest interest for development.

Priority Properties:

Priority will be given to multifamily properties in neighborhoods with the highest number of foreclosed homes, factoring in other planned and on-going housing and community development activities. Those areas in which the use of NSP funds are expected to have the greatest impact will be selected as the preferred target areas under Nassau County's NSP3. Please refer to the targeted area maps attached in Appendix A. This does not preclude homes in lesser-impacted areas from being eligible.

Eligible Properties:

This funding is intended to stabilize neighborhoods through the following:

- The purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties for eligible households.;
- Redevelopment of sites where there were vacant or demolished properties. New construction of housing is eligible as part of redevelopment;
- Demolish or rehabilitate abandoned, foreclosed or blighted properties;
- Reuse properties for affordable rental housing

Property Acquisition:

The County may establish a **maximum of \$250,000 per home** for acquisition and rehabilitation costs. Additional funding may be available upon prior approval from the County. Properties must be purchased at a discounted rate from the current-market-appraised value as noted below:

- Nassau County will assist in negotiating real estate owned (REOs) properties with the various lenders that participate in the NSP Program.
- HUD requires a minimum 1% discount of the appraised market value of the REO.

We plan to review the inventory of REOs, tax lien properties and other foreclosed and abandoned homes to determine the level of rehabilitation necessary to bring the home up to a standard for sale and rental. In the event that the rehabilitation expenses exceed 50% of the cost of the property, the County will consider the option of demolition.

Scattered Site Single Family Homes:

Nassau County intends to work with banks that have REO properties in targeted neighborhoods. Nassau County intends to review each targeted area (see Appendix A) and review the list of foreclosures provided by the banks to determine whether the dwelling needs to be rehabilitated, demolished, or converted to meet the needs of the community.

- Nassau County currently participates in a Long Island NSP working group which includes governmental agencies, banks, developers and nonprofit organizations.
- Nassau County will assist in the marketing of Neighborhood Stabilization Homes to homebuyers and renters. All marketing plans must be approved by OCD.
- Nassau County will work with the banks, nonprofit and for-profit developers, and local municipalities on the acquisition/rehabilitation/sale of properties.
- Potential homeowners must participate in eight (8) hours of homeownership counseling through Nassau County's Homeownership Center.
- NSP funds will be used for gap financing.
- REOs will be identified through foreclosure sales, servicers, public and private partnerships with affordable housing developers.
- Nassau County does not anticipate any relocation issues as we intend to target foreclosed and abandoned homes. However, all NSP-funded properties must comply with the Federal URA regulations.

Multifamily Housing:

Nassau County may provide financial assistance to abandoned and blighted multifamily housing, leveraging other housing funds for either substantial rehabilitation or demolition and new construction. Nassau County has a significant demand for quality affordable rental and ownership multifamily units. However, some developments have become so blighted and deteriorated that they do not meet HUDs housing quality standards. Nassau County is considering utilizing a portion of NSP funds to provide much needed gap financing.

The County has some blighted and abandoned public housing developments and properties that could be redeveloped as affordable rental or homeownership housing. In addition to rentals serving the needs of households up to 50% of area median income, Nassau County anticipates a need for rental housing for households up to 120% of area median income.

Homes Meeting the Needs of Low Income Households and Persons with Special Needs:

The purchase and rehabilitation of homes and residential properties to be used for rentals may be undertaken by nonprofit housing service providers who provide services for persons with special needs, veterans and the homeless.

The Nassau County Office of Housing and Homeless Services administers the Housing Choice Voucher Program (Section 8) as a local administrator for New York State Homes and Community Renewal. The Program helps low-income families afford both permanent rental housing, subsidizing a portion of the monthly rent, and homeownership.

Resale of Properties:

The re-sale price of an NSP-funded home to an income-eligible homebuyer shall be equal to or less than the aggregate of the acquisition, rehabilitation and delivery cost and shall be limited to 110% of the property net development cost (acquisition, rehabilitation, holding, sale, redevelopment, etc.) The homes must be sold to a buyer that has completed 8 hours of HUD-approved homebuyer counseling, and must be maintained as the purchaser's primary residence during a defined affordability period. The annual income of the homebuyer may not exceed 120% of the area median income (AMI), adjusted for family size.

The NSP redefines and supersedes the definition of "low- and moderate-income" of the CDBG program by allowing participation by households whose incomes exceed 80% but are no greater than 120% of the AMI. HUD will refer to this new income group as "middle income," but continue to use the CDBG definitions of "low-income" and "moderate-income." HUD will use the term "low-, moderate- and middle-income" (LMMI) to refer to the national objective of the program. In addition, the County will offer a Down Payment Assistance Program for qualifying homebuyers to assist with the purchase under the NSP.

- 1.) All of the funds made available under the NSP3 will be used to benefit individuals and families whose incomes do not exceed 120% of area median income.
- 2.) Not less than 25% of these funds are to be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of area median income.

Rental Properties:

Applicants must have experience in rental management and/or contract with a reputable organization.

Other Terms:

Rehabilitation of acquired homes shall be to the extent necessary to comply with the applicable laws, codes and other requirements relating to housing safety, quality, and habitability. Rehabilitation to increase energy efficiency of a home is encouraged when feasible. All participants will be required to complete and certify a NSP report for each home that is purchased under the program.

- Bank owned (REO) properties must include a “discount” of 1%
- Developers may earn a profit no more than 10% of the total development cost.
- All activities must be in compliance with all applicable federal regulations including but not limited to:
 - National Environmental Protection Act (NEPA) environmental clearance (<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nspenvironmentalreq.cfm>).
 - Fair Housing and Equal Opportunity (<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/docs/submitfheofacts.doc>)
 - Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act
 - Community Development Block Grant regulations
 - Neighborhood Stabilization Program 3 specific regulations

D. Federal and Local Requirements

The NSP3 Program is subject to numerous Federal and local requirements, some of which are listed below. Additional requirements are referenced in the NSP regulations. We encourage applicants to familiarize themselves with these requirements to ensure that their organization has adequate administrative systems in place to properly administer the Program.

Timeliness:

Federal guidelines requires that these funds be spent in a timely and expeditious manner. Funding provided under the NSP3 must be obligated within 18 months of the County receiving the funding. Funds must be expended within three (3) years of the date of the County’s grant agreement with HUD.

Program Income:

Funds generated from NSP funding must be reported to HUD and are subject to HUD regulations. Nassau County reserves the right collect all program income generated by funded activities.

Audits:

Depending on the type of project or activity to be funded, an audit performed in accordance with Governmental Audited Standards may be required.

National Objective:

Under the NSP, HUD has adjusted the beneficiaries of projects to include middle-income persons. Each NSP funded project must assist persons with incomes at or below 120% of the AMI. 25% of the NSP funds must serve those at or below 50% of the AMI.

Labor Standards/Davis Bacon Act:

Davis Bacon Act requirements are applicable only to the rehabilitation of residential properties that contain more than seven (7) units.

Lead-Based Paint:

Rehabilitation activities must comply with the latest revisions of the Lead Based Paint Poisonings Act.

Environmental Review and Historic Preservation:

Environmental review and historic preservation clearance must be completed before funds can be committed.

Ineligible Reimbursements:

Costs incurred and funds expended prior to certification of the subrecipient or developer agreement are not reimbursable. All reimbursement requests will be reviewed at the time of submission to determine eligibility.

Affirmative Action:

Applicant organizations must demonstrate their efforts to utilize minority and women-owned business in contracting services.

Insurance:

The County requires all entities receiving funding to comply with the insurance and bonding requirements of 24 CFR Part 84.31 and 84.48, Bonding and Insurance.

E. Application Funding and Approval Process

OCD staff will review the proposals for eligibility, feasibility and completeness. To be considered eligible, applications must be complete and consistent with the goals and priorities as identified in the RFP. The major criteria used to evaluate NSP3 proposals include:

Organizational Experience and Capacity (including, but not limited to)

- Must possess the skills and experience of the applicant and its partner(s) are appropriate to the size and complexity of the project.
- Must be experienced in construction and/or rehabilitation of housing projects with in Nassau County.
- Must demonstrate the ability to provide program management and oversight.

Conceptual Soundness

The project design and scope of work must respond to a locally identified need and be appropriate for the proposed residents. Elements of the project shall meet all thresholds and eligibility requirements of the funding sources

Readiness to Proceed

The proposed schedule should demonstrate that the project can be completed in a timely manner and that adequate staffing is available to expedite NSP projects.

Financial Feasibility

Project sources and uses of funds will be reviewed for consistency, and to ensure that identified sources have been committed.

After review and analysis of the submitted application, staff will use the supplied information to finalize a strategy to implement the NSP3 Program. Selected organizations will enter into an Agreement with the OCD. It is anticipated that this will take place in June 2011.

The County reserves the right to negotiate with applicants, to issue addenda to this RFP, and reject any and all submissions at its sole discretion. The County has no obligation to enter into an agreement with any party as a result of their response to this RFP.

F. Proposal Submission Instructions

- Complete application in its entirety for the NSP funding requested. Forms should be typed.
- Return one (1) original application and five (5) copies with all attachments.
- Submit applications by 4:00 pm on June 1, 2011. Applications must be returned in hardcopy format with original signatures.
- Submit the following items with each application.

Financial Statement:

Please submit your most recent audited or reviewed financial statement performed by a Certified Public Accountant.

Operating Budget:

A copy of the organization's operation budget for the current fiscal year.

Project Budget:

A copy of the project budget showing all funding sources and uses (i.e. acquisition, rehabilitation, resale and soft costs). Identify specific items that the County's NSP funds would pay for, if approved. Please refer to the application.

Tax-exempt Status:

If applicable, please submit one of the following documents verifying the organization’s non-profit status:

Board of Directors’ Roster:

If applicable, include a current list of the organizations officers and members of its Board of Directors, including the name, position held, address and telephone number.

G. Contract Proposal Evaluation Criteria

Proposal elements, as described above, will be reviewed and evaluated for completeness and responsiveness according to pre-determined standards and selection criteria. Proposals will be deemed responsive only if the program partner responds to and meets all of the requirements of this RFP. Program partners may be invited for interviews to discuss project requirements and proposal elements in more detail should the selection committee request such. The County reserves the right to award all or any part of this project, and to waive any technical irregularities or omissions, or to cancel this RFP and solicit new proposals if, in the County’s sole judgment, the best interests of the County will be served. **The selection committee will evaluate each proposal and use the following for scoring each submission:**

Background and Experience 55 Points

1. Applicant’s experience in the field, including past performance on similar projects (20 points).
2. Applicant’s ability to leverage NSP 3 funds (15 points)
3. Qualifications and experience of the project team (10 points)
4. Applicant’s business history (5 points).

Response to the Request for Proposal 35 Points

5. The quality of applicant’s proposal, including the level of detail and analysis provided on the key elements noted in the requirements sections of the RFP, the ability to meet the proposed timeline, and the resources which will be dedicated to the successful implementation of the project. (35 points).

Benefit 10 Points

6. Applicant’s ability to work with the local municipalities and nonprofits within the area of development. (5 points)
7. The value of the applicant’s services relative to cost (5 points).

The total number of points awarded in all categories, together with any other information that would assist the Selection Committee in the selection process, shall determine the party (or parties) to whom the contract is offered. The Selection Committee may, at its sole discretion,

develop a “short list” of respondents who will be called for an interview with the Selection Committee Staff.

H. General Information

1. **Incurring Cost.** The County shall not be liable for any costs incurred in the preparation and production of a proposal in response to this RFP or for any work performed prior to the issuance of a contract.

2. **Rejection of Proposals.** This RFP does not commit the County to award a contract, or to procure, or to contract for services or supplies. Notwithstanding any other provisions of this RFP, the County reserves the right to award this contract to the vendor(s) that best meet the requirements of the RFP, and not necessarily to the lowest proposer. The County reserves the right to accept or reject any or all proposals received as a result of this request; to negotiate with all qualified sources; or to cancel in part or in its entirety this RFP if it is in the interests of the County to so do.

The County may require the Proposer selected to participate in negotiation and to submit any price, technical, or other revisions, or their proposals as may result from negotiations.

3. **Addenda to Request for Proposals.** Amendments to this RFP may be necessary prior to the closing date and will be furnished by mail to all prospective Proposers who have requested these materials.

4. **Contract Negotiations.** The County intends to enter into contract negotiations with the firm or firms selected by the RFP Evaluation Committee, who shall be required to enter into a written contract with the County in a form approved by legal counsel for the County. The contract usually includes, without limitation, the standard clauses set forth in Appendix “E”, as well as Appendix L and the Additional Federal Requirements for HUD Contracts, attached hereto. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the contract. The contract may contain provisions not contained herein.

The County reserves the right to negotiate the terms and conditions of the contract with the selected proposer(s), if any. These negotiations could include all aspects of services and fees. Neither the selection of a vendor nor the negotiation of the contract with such vendor(s) shall constitute the County’s acceptance of the proposal or a binding commitment on behalf of the County to enter into a contract with such vendor(s), as any binding arrangement must be set forth in the contract signed by both parties and is subject to all requisite approvals.

5. **Additional Information.** The County may award a contract based upon offers received without discussion of such offers with the Proposers. Each offer, therefore, should be submitted in the most favorable terms that the Proposers can offer the County from a price and technical standpoint. However, the County reserves the right to request additional data or oral discussions or presentations in support of written proposals from any and all of the proposers. In addition, the County reserves the right to make on-site visits to the proposer’s place of business to assess and/or evaluate proposer’s qualifications.

6. **Disclosure of proposal contents.** The County will withhold proposals submitted under this RFP from disclosure, unless otherwise required by law, including, but not limited to, the Freedom of Information Law (“FOIL”). Proposers shall indicate in their proposals any information they submit that they feel is exempted from disclosure under FOIL. In the event that the County determines that information is required by applicable law to be disclosed, the County will notify the Proposer in advance of such disclosure to enable the Proposer to take such action as it deems appropriate. Copies of executed contracts are not exempt from FOIL.

7. **Ownership of Information:** All materials submitted in response to this Request for Proposals will become the property of the County.

8. **Examination of Records:** In submitting a proposal, the successful Proposer agrees that the County shall have access to and the right to examine directly all pertinent documents, papers and records of the Proposer and/or any sub-proposer as related to any contract and/or subcontract resulting from this RFP until six years after final payment has been made pursuant to any contract awarded as a result of the County’s acceptance of proposal.

10. **Subcontracting:** The Proposer will be responsible for the entire contract performance. The Proposer must indicate in the RFP if it intends to use a sub-contractor for any part of the work. If so, the Proposer shall identify each sub-contractor by name, business address and expertise, and must include the name(s) of the principal(s) of the subcontracting entity. A full description of the tasks to be performed by the sub-contractor must be included. The Proposer will not be permitted to subcontract any part of the contract or any of the rights and obligations thereunder without the prior written approval of the County.

11. **Negotiated Changes:** In the event that negotiated changes occur after the awarding of the contract, the same pricing policies called for in the original contract will remain in effect.

12 **Disclaimer:** The County and its respective officers, directors, agents, members and employees make no representation or warranty and assume no responsibility for the accuracy of the information set forth in this RFP. Further, the County does not warrant nor make any representations as to the quality, content, accuracy or completeness of the information, text, graphics, links or other facet of this RFP once it has been downloaded or printed from this or any server, and hereby disclaims any liability for technical errors or difficulties of any nature that may arise in connection with the Website on which this RFP is posted, or in connection with any other electronic medium utilized by respondents or potential respondents in connection with or otherwise related to the RFP.

I. Appendix A – Maps of Eligible Areas

J. Appendix B – Sample Contract with Nassau County

K. Appendix C – Affirmative Marketing Plan