

**REQUEST FOR PROPOSALS**  
**7/16/10**  
**SINGLE FAMILY HOME RENOVATION PROJECT**

**Proposals Due: September 2, 2010**

**SUMMARY:** The Portland Housing Bureau (PHB) seeks proposals from qualified development teams to purchase up to twenty (20) single family homes. Nine (9) homes are located in the Interstate Corridor Urban Renewal Area (ICURA) and eleven (11) are in the Lents Town Center Urban Renewal Area (LTCURA). Selected developer(s) will purchase and renovate the homes for sale to first time home buyers earning no more than 80% of the area's median family income (MFI). The public investment will be protected by permanent affordability restrictions targeting the homes to low income buyers and limiting future price increases.

Through this competitive solicitation, the PHB seeks proposals for the acquisition of specified bundles of homes and for proposals best meeting RFP goals within available funding.

**INFORMATION SESSION:** a Non-mandatory session for this solicitation will be held on July 26, 2010 in the PHB Conference Room on the 5<sup>th</sup> floor at 421 SW 6<sup>th</sup> Ave, Portland, Oregon, from 1:00 to 2:30 PM.

**EVALUATION CRITERIA:**

Contracting / Renovation Plan	33 points
Homeownership Plan	33 points
<u>Qualifications/Capacity</u>	<u>34 points</u>
Maximum Score	100 points

**SOLICITATION COORDINATOR:**

Art Hendricks  
Portland Housing Bureau  
421 SW 6<sup>th</sup> Ave, Suite 500, Portland, Oregon 97204  
503-823-4623  
[arthendricks@portlandoregon.gov](mailto:arthendricks@portlandoregon.gov)



## SCHEDULE

<b>Request for Proposals Issued:</b>	July 16, 2010
<b>Non-mandatory Information Session:</b>	July 26, 2010 1:00 – 2:30 PM Portland Housing Bureau 421 SW 6 <sup>th</sup> Ave, Suite 500, Portland, OR
<b>All properties open for inspection:</b>	July 29, 2010      9:00 AM to 4:00 PM July 30, 2010      9:00 AM to 4:00 PM August 5, 2010     9:00 AM to 4:00 PM August 6, 2010     9:00 AM to 4:00 PM
<b>Proposals Due:</b>	September 2, 2010 at 5:00 PM
<b>Anticipated Notice of Awards:</b>	September 24, 2010

*Proposals must be received by date & time due to be considered. PHB reserves the right to change any dates.*

<b>TABLE OF CONTENTS</b>	<i>Page Number</i>
RFP Overview	1
Schedule	2
I. Summary	3
II. Project Guidelines	4
III. Proposal Guidelines	5
IV. Evaluation	6
V. Preparation Instructions	7
Exhibit A: Cover Sheet (submit with proposal)	8
Exhibit B: Certification ( submit with proposal)	9
Exhibit C: Buyer Affordability – Excel Worksheet (submit with proposal)	10
Exhibit D: Uses of Funds – Excel Worksheet (submit with proposal)	11
Exhibit E: Sources of Funds – Excel Worksheet (submit with proposal)	12

## I. SUMMARY

---

In 2007 and 2008, the Housing Authority of Portland (HAP) sold its single family public housing stock to fund more efficient, higher density, rental housing. In support of this long term affordable housing preservation strategy and to further the homeownership and job creation urban renewal plan goals, the Housing Department of the Portland Development Commission (PDC) acquired nine single family homes from HAP in the Interstate Corridor Urban Renewal Area (ICURA) and eleven single family homes in the LTCURA.

The homes are being offered in four “bundles” of 4-6 houses. Bundles have been designed to include some homes in poor condition and some homes in better condition. Proposers can propose the purchase of one to four bundles. Homes are only available in the bundles as offered. Using an evaluation process, PHB will select one or more developers to purchase, renovate and market the properties. Developers will be provided loans for the acquisition and renovation costs. As these funds are from the respective urban renewal area’s Tax Increment Financing (TIF), significant public benefit in the form of long-term affordability for low and moderate income first time homebuyers is expected.

### **RFP Goals:**

- Increase the availability of affordable housing by providing homeownership opportunities for households at or below 80% MFI;
- Promote affordable housing for historically disadvantaged communities, especially in pursuit of closing the minority homeownership gap; and
- Support small businesses and increase employment and training opportunities for women, people of color, and M/W/ESBs.

### **AVAILABLE PROPERTIES:**

See <http://www.portlandonline.com/phb/index.cfm?c=53134> for property descriptions.

#### **Bundle A: LENTS**

6719 SE 86<sup>th</sup>  
6801 SE 86<sup>th</sup>  
8730 SE Rural  
8732 SE Rural  
6936 SE 91<sup>st</sup>

#### **Bundle B: LENTS**

8037 SE Duke  
6325 SE 86<sup>th</sup>  
6111 SE 86<sup>th</sup>  
6317 SE 89<sup>th</sup>  
6109 SE 90<sup>th</sup>  
10105 SE Pardee

#### **Bundle C: ICURA**

8920 North Drummond  
3107 North Houghton  
3220 North Hunt  
9020 North Chautauqua  
8606 North Curtis

#### **Bundle D: ICURA**

8702 North Arlington  
3325 North Halleck  
3309 North Halleck  
3101 North Arlington

## II. PROJECT GUIDELINES

---

### A. General Project Guidelines

- Proposers: Developers can be individuals, or for-profit or non-profit entities. Partnering arrangements that further the goals of the RFP are encouraged.
- Term of Project: All homes to be conveyed in fall 2010 pursuant to a Purchase and Sales Agreement or a Development Agreement. All properties in a bundle to be conveyed to developer at the same time. Renovations to be complete and properties sold to buyers by 12 months following developer's acquisition.
- Project Type: It is anticipated that each single family home will be renovated as a single family home. Alternative proposals such as demolition and new construction may be submitted, but there is no additional PHB funding available to assist with such alternatives.
- Developer's Purchase Price and Acquisition Financing: Properties are available only in the bundles as described herein. On average, within the bundle, each single family home will be sold to developers for \$130,000 in the LTCURA and \$160,000 in the ICURA. PHB will provide 100% acquisition financing to developers and will secure the loans as first position mortgages. There will be no payments required during renovation, and no fees or interest if mortgage covenants are met. The acquisition financing provided by PHB will be due on sale.
- Renovation Financing: In addition to acquisition financing, PHB will loan up to \$63,000 per home for developer's hard and soft costs including the developer's fee. The \$63,000 per home may be distributed as needed by developer within the bundle (i.e. one home may need \$53,000 and another \$73,000). The proposal must include a summary renovation plan, contracting plan, and budget for each home. This loan will be secured as a mortgage and released as construction draws during renovation. If mortgage covenants are met, repayment of the renovation financing by developer is not required and renovation loan will be released at the time of sale through forgiveness or conversion to downpayment assistance as described below.
- Sales to Buyers and Down Payment Assistance: After renovation, the homes to be sold to eligible buyers at fair market price as determined by third party appraisal. It is expected that the fair market value after renovation will be more than \$130,000 in LTCURA and more than \$160,000 in ICURA allowing for the repayment of the acquisition financing to PHB as required under URA budget forecasts. The difference between the amounts owed to PHB per house (averaging \$130,000 in LTCURA and \$160,000 in ICURA) and the sales price to the buyer will become a down payment assistance loan to the homebuyer.
- Affordability: After renovation, all homes to be sold to families with income at or below 80% MFI. The buyer's housing expenses after purchase (insurance, principal, interest, taxes, and private mortgage insurance) shall not exceed 30% of household income. Proposers are required to have a proposed mechanism to provide for long term affordability and designed to protect the public subsidy. The affordability mechanism must be described in detail in the proposal. Different affordability models such as a land trust may result in a different treatment of the down payment assistance from that described above.

- First Time Buyers: All homes to be sold to first time buyers with one exception. In Bundle “A”, the property at 6801 SE 86th should be marketed to a household in need of accessibility modifications as a priority over first-time buyers. Definition of “First Time Buyer” to be that used in FHA/HUD programs, i.e. generally a household that has not owned a principal residence for the past three years (please see <http://www.hud.gov/offices/hsg/sfh/ref/sfhp3-02.cfm> ). Proposal to describe how developer will document first time buyer status. Proposer to include information on any support available to buyers/owners including closing cost assistance, homebuyer training, or post-purchase support.
- Rehabilitation Standards: All properties are being offered in “as-is” condition. All properties shall be renovated or redeveloped to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. At minimum, renovation must adhere to City of Portland Title 29 (<http://www.portlandonline.com/auditor/index.cfm?c=28193>). Proposers should look to other city/county resources to assist with rehabilitation. Energy efficiency improvements and green building practices are strongly encouraged and evaluation will consider the extent to which Earth Advantage and other sustainable building standards will be met.
- Minority-owned, women-owned and emerging small businesses: PHB is committed to furthering social equity by providing contracting and employment opportunities to those in the community that, historically, have been left out of many public economic opportunities. At a minimum proposer will comply with established City policies and goals that 20% of “hard construction costs” be awarded to M/W/ESB firms. Proposals that document historical utilization of minority, women and emerging contractors and/or subcontractors on projects and outline a clear plan to exceed the required goals on this specific project will receive a higher score (see Evaluation section further in document).
- Inspections and Reviews: More detailed information on each home is available on PHB’s website (<http://www.portlandonline.com/phb/index.cfm?c=53134> ). However, developer must rely solely on its own inspection to determine condition of each property. All homes will be open for inspection from 9:00 AM – 4:00 PM on July 29, July 30, August 5, and August 6, 2010. Any PHB representative at the property will not be able to answer questions about the homes or the RFP at the time of inspection. Any questions about this solicitation should be directed to the Solicitation Coordinator, Art Hendricks in writing at [arthendricks@portlandoregon.gov](mailto:arthendricks@portlandoregon.gov)

### **III. PROPOSAL GUIDELINES**

---

#### **SUBMITTAL REQUIREMENTS**

Section IV (Evaluation) of this RFP, contains the process and criteria with which proposals will be evaluated and proposers should use the information in that section as a guide. Please organize proposals in the following order.

1. Cover Sheet (Exhibit A)
2. Narrative on proposed renovation and contracting plan with scope and budget for each home,
3. Narrative on proposed home ownership plan including marketing, affordability model,

4. Narrative on qualifications and capacity,
5. Names of two professional references with contact information,
6. Executed Certification (Exhibit B),
7. Project Worksheets (Exhibits C, D, & E - proposer may provide this information in another format).

## **IV. EVALUATION**

---

### **EVALUATION PROCESS**

PHB will convene an Evaluation Committee to evaluate the proposals received by the due date in accordance with RFP criteria and guidelines, and make recommendations on funding and property disposition to PHB management. The committee will include representation from Portland's minority communities and may include representatives from the URAs, PHB, PDC, and real estate industry.

Any proposal that does not meet the requirements of this RFP will not be considered. The PHB reserves the right to (i) to waive minor imperfections or discrepancies in proposals, (ii) reject any or all of the proposals, (iii) fund a single or multiple proposals, or (iv) make any changes in this solicitation to better further the goals of the City.

After evaluations and initial selection determinations, PHB will enter into negotiations with selected proposers on the specific scope, schedule, budget, financing, affordability model, and resale requirements which will be incorporated in a Development Agreement.

### **EVALUATION CRITERIA**

#### **A. Renovation and Contracting Plan (up to 33 points)**

- Is the scope of work appropriate and adequate for each house?
- Can the proposed scope be done within the available budget?
- Are there any apprenticeships or other job training opportunities offered by proposer?
- What is the plan for quality control in renovation?
- How does proposal meet RFP goals of 20% of value of construction awarded to emerging small businesses, and businesses owned by women and minorities?
- Does proposal promote sustainable practices in renovation or green renovation?

#### **B. Homeownership Plan (up to 33 points)**

- Does proposal provide for affordable homeownership?
- What is the target income?
- Does proposal provide for any pre- and post-purchase education or support for buyers?
- Is there an adequate plan for marketing units and selecting buyers?
- Will the marketing plan reach historically underserved populations?
- What is the plan for permanent or long term affordability?
- What is plan for monitoring compliance with affordability restrictions in the long term?

**C. Qualifications/Capacity (up to 34 points)**

- Does the proposer have qualified staff, employees, or consultants to implement proposal?
- Are there any proposed community partnerships that further RFP goals?
- Has proposer successfully completed housing renovation projects?
- Has proposer successfully completed affordable housing projects?
- Has proposer fulfilled previous public funding monitoring/reporting requirements?
- Is proposal feasible and in compliance with requirements of RFP?
- Does proposer have the financial, legal and organizational capacity for project?
- Are the sources and uses appropriate and feasible for the proposed plan?
- Does the budget adequately allow for developer's holding and sales costs?
- Are there any other funds or benefits leveraged by PHB/PDC funds?
- Are the fees to developer adequate and appropriate?
- Does the proposal deliver public benefit appropriate to the public funding?
- Does proposer have record of cultural sensitivity in providing services/housing and employing historically underserved populations?

---

**V. PREPARATION INSTRUCTIONS**

---

**Proposal Preparation and Submission:** Proposals shall be a maximum of ten (10) pages in length; not including Cover, Certification or Exhibits. Proposers shall submit one (1) ORIGINAL hard copy of the proposal, five (5) photocopies, and one electronic version by the due date. The original proposal must bear an original ink signature and be marked "ORIGINAL." The proposals must be typed. The electronic copy of the proposal should be in Microsoft Word format and emailed directly to the solicitation coordinator by the proposal due date. No facsimile proposals will be accepted.

In accordance with the City of Portland's [Sustainable Paper Use Policy](#), please submit proposal in loose leaf, unbound sets (staples are acceptable), on recycled paper with at least 30% post-consumer waste content. Please do not use ring binders, section dividers or materials which cannot be easily recycled. Double-sided printing is preferred.

Submit proposals in a sealed package or envelope clearly marked with the name of the RFP and the date and time proposals are due. PHB will not be liable for any lost or late proposals. Deliver proposals by due date and time to:

Arthur Hendricks  
Single Family Home Renovation Project  
Portland Housing Bureau  
421 SW 6<sup>th</sup> Ave., Suite 500  
Portland, OR 97204

**Questions and Requests for Clarification or Change:** All requests for clarification regarding technical information, procedures, contract requirements or any other matter regarding this solicitation should be submitted in writing to the Solicitation Coordinator, Art Hendricks ([Arthendricks@portlandoregon.gov](mailto:Arthendricks@portlandoregon.gov)).

**Restrictions on Communication:** Proposers are cautioned not to undertake activities or actions to promote or advertise their proposals or to make any direct or indirect attempt to influence the Evaluation Committee members except upon invitation in a formal interview.

---

Exhibit A

---

**COVER SHEET**  
**SINGLE FAMILY HOME RENOVATION PROJECT**

**Name of Organization:**

**Address:**

**www:**

**Contact Person:**

**Telephone:**

**E-mail:**

---

**Identify property bundle(s) proposed for purchase:**

**List any community partners:**

The undersigned certify that the information provided herein, to the best of their knowledge, is true, complete, and accurately describes the proposal.

---

**Signature and Title of Authorized Individual**

---

**Date**



**Exhibit B**  
Proposer Certification

---

**Proposer to return executed Exhibit B with proposal. Failure to do so may disqualify proposal.**

1. By submitting a proposal, proposer expressly represents it has taken no exception to any term, condition, obligation or requirement contained in this solicitation document, or any addenda to this solicitation, which is not expressly stated in its proposal.
2. Prior to contract execution, a proposer agrees to: 1) [register to conduct business in the State of Oregon](#); 2) [obtain a City of Portland Business License](#); 3) [obtain certification as an Equal Employment Opportunity \(EEO\) employer](#) through the City of Portland, Bureau of Purchases; 4) provide adequate proof of insurance; and 5) provide verification of non-profit status if applicable. Proposer agrees to maintain such certification, insurance, accreditation and/or license(s) that may be required to perform work for the duration of the contract term.
3. Proposer agrees to make the proposal a binding offer to the PHB for a period of ninety (90) calendar days from the date proposals are due.

Proposer further certifies:

4. It is an independent contractor as defined in ORS 670.600 et al. and is, to the best of its knowledge, not in violation of any federal, state or local tax law.
5. This proposal is genuine and not made in the interest of, or on behalf of, any undisclosed person, firm or corporation; proposer has not induced any person, firm or corporation to refrain from proposing; and proposer has not sought by collusion or fraud to obtain for itself any advantage over any other proposer or over the Portland Housing Bureau (PHB).
6. It has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest, and that the key personnel and principals identified to perform work under an awarded contract do not have any undisclosed personal or business relationships with any of the PHB officers or employees.
7. The undersigned warrants that s/he is an authorized representative of the proposer; has read, understands and agrees to be bound by all RFP instructions, specifications, contract terms and conditions contained herein (including all addenda issued for this solicitation); that the information provided in this proposal is true and accurate; and understands that providing incorrect or incomplete information may be cause for proposal rejection or contract termination.

Signature of Proposer's duly authorized representative:

\_\_\_\_\_ Date: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Legal Name of Proposer/Firm: \_\_\_\_\_

(Mandatory) Federal Tax Identification Number (FEIN or SSN): \_\_\_\_\_

# EXHIBIT C

Provide information for each house in the bundle requested.

Buyer Affordability			Input data					formula	form updated June 30, 2010
Address	URA	Bundle #	# Bdrms	Assumed family size	Monthly Mortgage Payment	Monthly Taxes, PMI, Insurance	Monthly Housing Cost	Minimum Income @30%	Notes
1	6719 SE 86TH	LENTS	A				0	0	
2	6801 SE 86TH	LENTS	A				0	0	
3	8730 SE Rural	LENTS	A				0	0	
4	8732 SE Rural	LENTS	A				0	0	
5	6936 SE 91st	LENTS	A				0	0	
6	8037 SE Duke	LENTS	B				0	0	
7	6325 SE 86th	LENTS	B				0	0	
8	6111 SE 86th	LENTS	B				0	0	
9	6317 SE 89th	LENTS	B				0	0	
10	6109 SE 90th	LENTS	B				0	0	
11	10105 SE Pardee	LENTS	B				0	0	
12	8920 North Drummand	ICURA	C				0	0	
13	3107 North Houghton	ICURA	C				0	0	
14	3220 North Hunt	ICURA	C				0	0	
15	9020 North Chitauqua	ICURA	C				0	0	
16	8606 North Curtis	ICURA	C				0	0	
17	8702 North Arlington	ICURA	D				0	0	
18	2235 North Halleck	ICURA	D				0	0	
19	3309 North Halleck	ICURA	D				0	0	
20	3101 North Arlington	ICURA	D				0	0	

# EXHIBIT D

Provide information for each house in the bundle requested.

## Development Costs / Uses of Funds

form updated June 30, 2010

	Address	URA	Bundle #	Acquisition (see note)	Renovation Cost	Holding Costs	Marketing/ Sale Costs	Developer Fee	Other	Total Cost	Notes (describe other costs)
1	6719 SE 86TH	LENTS	A	130,000						-	
2	6801 SE 86TH	LENTS	A	130,000						-	
3	8730 SE Rural	LENTS	A	130,000						-	
4	8732 SE Rural	LENTS	A	130,000						-	
5	6936 SE 91st	LENTS	A	130,000						-	
6	8037 SE Duke	LENTS	B	130,000						-	
7	6325 SE 86th	LENTS	B	130,000						-	
8	6111 SE 86th	LENTS	B	130,000						-	
9	6317 SE 89th	LENTS	B	130,000						-	
10	6109 SE 90th	LENTS	B	130,000						-	
11	10105 SE Pardee	LENTS	B	130,000						-	
12	3702 North Drummand	ICURA	C	160,000						-	
13	3107 North Houghton	ICURA	C	160,000						-	
14	3220 North Hunt	ICURA	C	160,000						-	
15	9020 North Chitauqua	ICURA	C	160,000						-	
16	8606 North Curtis	ICURA	C	160,000						-	
17	8702 North Arlington	ICURA	D	160,000						-	
18	2235 North Halleck	ICURA	D	160,000						-	
19	3309 North Halleck	ICURA	D	160,000						-	
20	3101 North Arlington	ICURA	D	160,000						-	
										\$ -	

Note: Acquisition prices may be modified by developer as long as total within bundle is the same as shown above.

Single family Renovation Project

Request for Proposals

Page 11

# EXHIBIT E

Provide information for each house in the bundle requested.

## Permanent Financing / Sources of funds

*form updated June 30, 2010*

	Address	URA	Bundle #	Buyer Mortgage	Buyer Downpayment	Other	Other	sales price	Notes
1	6719 SE 86TH	LENTS	A					0	
2	6801 SE 86TH	LENTS	A					0	
3	8730 SE Rural	LENTS	A					0	
4	8732 SE Rural	LENTS	A					0	
5	6936 SE 91st	LENTS	A					0	
6	8037 SE Duke	LENTS	B					0	
7	6325 SE 86th	LENTS	B					0	
8	6111 SE 86th	LENTS	B					0	
9	6317 SE 89th	LENTS	B					0	
10	6109 SE 90th	LENTS	B					0	
11	10105 SE Pardee	LENTS	B					0	
12	3702 North Drummand	ICURA	C					0	
13	3107 North Houghton	ICURA	C					0	
14	3220 North Hunt	ICURA	C					0	
15	9020 North Chitauqua	ICURA	C					0	
16	8606 North Curtis	ICURA	C					0	
17	8702 North Arlington	ICURA	D					0	
18	2235 North Halleck	ICURA	D					0	
19	3309 North Halleck	ICURA	D					0	
20	3101 North Arlington	ICURA	D					0	