

Kane County Foreclosure Redevelopment Program

HOME Investment Partnership Program
Neighborhood Stabilization Program



**2014
Request for
Qualifications**



**Kane County
Office of Community Reinvestment
719 South Batavia Avenue
Building A, Fourth Floor
Geneva, Illinois 60134**

KANE COUNTY FORECLOSURE REDEVELOPMENT PROGRAM

Request for Developer Qualifications

Deadline for Submission: June 20, 2014

General Program Description

The Kane County Foreclosure Redevelopment Program (KCFRP) is funded through the U.S. Department of Housing and Urban Development (HUD) with HOME Investment Partnership Program (HOME) and Neighborhood Stabilization Program (NSP) funds. The goal of the program is to redevelop abandoned/foreclosed homes that might otherwise become blighted and adversely affect the surrounding neighborhood and community. Kane County anticipates approximately \$1.4 million will be available under the program in 2014.

With this Request for Developer Qualifications, Kane County is seeking to engage the services of one or more development partners to assist in carrying out the program. In addition to stabilizing and enhancing neighborhoods affected by home foreclosures, homes redeveloped under the program must provide quality affordable housing to income-eligible households (see income levels on page 3). Proceeds from the sale of properties redeveloped under the program will return to the county and will likely fund additional redevelopment work. Developer(s) selected under this RFQ process may be retained by the county to undertake such additional work.

Scope of Development Services Sought by Kane County

I. Roles of Development Partner(s) and the County

Development partners will be expected to complete (in a timely manner) the acquisition, rehabilitation, and resale of abandoned/foreclosed properties. Certain activities in the redevelopment process will be completed in close consultation with the county, which will have final approval of property selection and project design, and will be heavily involved in the sale of redeveloped properties, particularly as it applies to pricing and end-financing incentives offered to eligible homebuyers. The roles of the development partner and county are summarized in the following table.

Activity	Development Partner	County
Property Selection	X	X
Property Management	X	
Project Design	X	X
Rehabilitation Coordination	X	
Property Sale & Marketing	X	X

II. Property Acquisition

Development partners must have the capacity and experience to negotiate and close on the purchase of eligible properties. All properties redeveloped under the program must either be foreclosed or abandoned. “Foreclosed” is defined as a property whose title has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

All properties purchased must be single-family detached homes or single-family attached townhomes/condominiums. Each property must be purchased for an amount that is at least 1% less than its current market-appraised value (i.e. an appraisal completed within the past six months).

Communities throughout Kane County have been affected by foreclosures and abandoned properties. Office of Community Reinvestment staff will determine areas of greatest need when funding agreements have been executed. In addition to redeveloping properties in areas of greatest need, the following factors will be considered in the property selection process:

- Extent to which the property is an “eyesore” when viewed from the street;
- Extent to which the home has interior and/or exterior property maintenance issues;
- Length of time the property has been vacant or abandoned;
- The number of code violations;
- The presence of mold or other environmental issues;
- The extent to which the level of deterioration affects the ability of a homebuyer to qualify for a conventional first mortgage; and
- Extra consideration will be given to properties that are located in close proximity to schools, parks, and transit, and those that are highly visible within the priority areas.

III. Rehabilitation

Development partners should be experienced in all aspects of the rehabilitation of distressed residential properties. They should have the expertise and ability to properly evaluate building conditions (including structural and environmental issues), prepare the necessary scopes-of-work and specifications, and oversee the work of various contractors. All properties redeveloped under the program are expected to meet the following standards:

- Provide decent, safe and habitable housing that – at a minimum – meets local code requirements. (All housing units rehabilitated must pass inspections by the local municipality or by the county, as applicable.)
- Provide housing that meets or exceeds the 2009 model energy code.
- Provide a high quality of design, incorporating both “green” and “healthy homes” features where both desirable and practicable. (Go to www.nchh.org for more info on “healthy homes” from the National Center for Healthy Homes. See The Enterprise Foundation Green Communities Criteria at www.greencommunitiesonline.org/ for more information on “green” features.)

- Adhere to lead-based paint regulations (applicable to pre-1978 housing).

IV. Resale of Redeveloped Homes

Development partners will be expected to design and implement (in consultation with the county) a marketing strategy for all redeveloped homes intended for homeownership. Prospective homebuyers will apply to the county for approval prior to or at the time they submit an offer to purchase a property. In addition to meeting the applicable income requirements (see below), homebuyers will be required to complete an 8-hour homebuyer education course sponsored by a HUD-certified homebuyer counseling agency of their choosing.

Income Limits for Chicago MSA FY2013*

Household Size	Moderate Income 80% MFI (Max for HOME)	Middle Income 120% MFI (Max for NSP)
1	\$40,550	\$60,800
2	\$46,350	\$69,500
3	\$52,150	\$78,200
4	\$57,900	\$86,900
5	\$62,550	\$93,850
6	\$67,200	\$100,800
7	\$71,800	\$107,750
8	\$76,450	\$114,700

*HUD updates the above income limits for the Chicago Metropolitan Statistical Area on an annual basis.

The maximum sale price of each redeveloped property under the program will be capped at the lesser of the following:

- The after-rehabilitation appraised value of the property; or
- The total cost of acquisition, rehabilitation, and redevelopment of the property, including related activity delivery costs, which may include, among other items, costs related to the sale of the property. (Sales and closing costs are eligible redevelopment or rehabilitation expenses.)

Submission Requirements

Developers interested in responding to this RFQ should submit a Statement of Qualifications (SOQ) that includes completed forms (provided in this packet), a narrative regarding the

developer's and development team's experience and capacity, and various attachments. These items are summarized below.

- **Section 1 – Developer Information:** Please provide general information about the developer and the type(s) of project(s) the developer wishes to undertake under the program. The additional materials requested in the checklist should be submitted with the completed packet.
- **Section 2 – Certifications:** All SOQs must include this document signed by the Chief Executive Officer of the development entity. This certification states that the information in the completed packet is true and correct and that the developer will comply with all applicable regulations if selected to participate in the program.
- **Section 3 – Development Team:** Use this space to list all participants in the purchase, rehabilitation, management and/or resale of properties redeveloped under the program.
- **Section 4 – Development Fee Schedule and Leverage:** Indicate the fees that the developer and various members of the development team will charge in association with work performed under the program. Also, list any leverage (cash, equity, grants, in-kind services, fee waivers, etc.) the developer expects to utilize to complete projects financed under the program. Submit documentation of each source.
- **Section 5 – Developer Narrative and Financials:** Developers should describe, in narrative format, their qualifications, experience, and capacity to carry out the redevelopment of distressed properties under this program. Be as complete as possible. The information provided in this section will greatly affect the county's evaluation of the developer and development team. Developers must have access to sufficient plant and capital to undertake work financed under this program, including the ability to cover project expenses prior to receiving reimbursement from the county. As proof of financial capacity, developers should submit financial statements and evidence of approved line(s) of credit.

Any incomplete SOQ packages will be disqualified from consideration. Developers may submit additional information they deem pertinent but not listed above.

Submission Deadline and Selection Process

All SOQs are due to the Kane County Office of Community Reinvestment at **4:30 pm, Friday, June 20, 2014**. **Developers are encouraged to scan and submit their materials electronically (in pdf format) to OCR@countyofkane.org**. Those who wish to submit hard copies may mail or hand-deliver their materials to the Kane County Office of Community Reinvestment, 719 Batavia Avenue, Geneva IL 60134. Materials should not be bound.

Regardless of the method of submission, all materials submitted become property of the county. SOQs received after the deadline will be marked "Late Delivery" and returned to the sender.

Following the submission deadline, Kane County reserves the right to request additional information from developers and/or members of the development team.

SOQs will be reviewed by county staff and forwarded to the NSP and/or HOME Commissions which are comprised of county and municipal officials, and private citizens. Developers will be evaluated on a competitive basis according to the following criteria:

- **Developer Qualifications:** Consideration will be given to the development team's qualifications to redevelop distressed residential property into high-quality affordable housing, especially in the Kane County market area.
- **Project Manager Qualifications:** The qualifications and experience of the individual(s) identified as project manager(s) will be evaluated.
- **Experience:** Consideration will be given to the developer's track record of completing acquisition and rehabilitation projects on time and within budget and their experience working with Federal funding (NSP, HOME, CDBG, etc.).
- **Value:** Priority will be given to development teams that are expected to provide a high quality of service in relation to the fees they propose.
- **Capacity:** Consideration will be given to the developer's capacity, both in terms of their anticipated work load, and ability to provide financial the guarantees/assurances necessary to ensure the successful completion of projects.

Limitations

The county reserves the right to reject any or all proposals, and to waive any technicality, informality, or irregularity in the proposals received. The county further reserves the right to enter into a contract with the firm(s) whose proposal(s), in the judgment of the county, offers the best quality and/or best satisfies the county's requirements. The selection of a development partner, however, in no way obligates the county to enter into an agreement with the selected developer. The final selection will not require competitive bidding.

Questions/Clarification

The staff of the Kane County Office of Community Reinvestment is available to answer questions regarding the Foreclosure Redevelopment Program in general, and the SOQ requirements discussed herein. Please contact Chris Dall, Project Manager, at 630-444-3048 or dallchris@countyofkane.org for further assistance.

KANE COUNTY FORECLOSURE REDEVELOPMENT PROGRAM

Statement of Qualifications

SECTION 1 – DEVELOPER INFORMATION

Developer Name:

Sponsor/Developer Address:

Contact Name:

Phone:

Fax:

E-mail:

DEVELOPER INFORMATION CHECKLIST

Please indicate the type of organization and provide all listed information with this application:

- Community Housing Development Organization
 - Application for CHDO Certification (available from the Kane County Office of Community Reinvestment)

- Other Not-For-Profit Organization
 - Evidence of 501(c)(3) or 501(c)(4) status
 - Copies of articles of incorporation and by-laws
 - Certified financial statement (or recent certified audit)

- Private For-Profit Organization
 - If a corporation, Articles of Incorporation and by-laws. If a partnership, Partnership Agreement and, if applicable, Certificate of Limited Partnership
 - Certified financial statement
 - Nature of ownership entity:
 - partnership - evidence of current ownership percentages of partners
 - sole proprietorship
 - corporation

PROJECT TYPES

Please indicate the type(s) of project(s) that the developer wishes to undertake with Kane County Foreclosure Redevelopment Program funds.

Homebuyer up to 120% AMI

Homebuyer up to 80% AMI

SECTION 2 – CERTIFICATIONS

The Developer certifies that all information furnished in/with this Statement of Qualifications (SOQ) is provided for the purpose of obtaining financial assistance under Kane County's Foreclosure Redevelopment Program and is true and complete to the best of the Developer's knowledge and belief. If any information provided herein changes following submission of this SOQ, the Developer agrees to notify Kane County's Office of Community Reinvestment immediately. The Developer understands and agrees that if false information is provided in/with this SOQ, which has the effect of increasing the Developer's competitive advantage, the Kane County Office of Community Reinvestment may disqualify the Developer and deem the Developer ineligible to receive any funds in the future.

Verification of any of the information contained in/with this SOQ may be obtained from any source named herein. Submission of this application shall constitute the Developer's authorization for the Kane County Office of Community Reinvestment to undertake such investigations as it deems necessary to determine the accuracy of this SOQ and the Developer's suitability for funding from Kane County's Office of Community Reinvestment. The Kane County Office of Community Reinvestment reserves the right to require audited financial statements of each development team member as part of its underwriting process.

The Developer will at all times indemnify and hold harmless Kane County against all losses, costs, damages, expenses and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the Kane County's acceptance, consideration, approval, or disapproval of this SOQ and the issuance or non-issuance of funds herewith.

The Kane County Office of Community Reinvestment retains the right to reject any and all proposals, and, in its sole determination, to waive minor irregularities. Further, the Developer acknowledges by execution of this certification that the Kane County Office of Community Reinvestment will review this SOQ and reach its determination with the fullest discretion allowable by law.

The Developer further certifies that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from HUD programs.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this document to be executed in its name on the _____ day of _____, _____.

Legal Name of Developer: _____

Signature: _____

Name: *(please type)* _____

Title: _____

Date: _____

SECTION 3 – DEVELOPMENT TEAM

Complete the following information for each member of the development team.

Developer:

Contact:

Address:

Phone:

Fax:

E-mail:

If projects financed under the program will be a co-venture and/or syndicated, please list the co-partner and/or the owner organization.

Co-partner:

Contact:

Address:

Phone:

Fax:

E-mail:

Owner:

Contact:

Address:

Phone:

Fax:

E-mail:

Architect:

Contact:

Address:

Phone:

Fax:

E-mail:

General Contractor:

Contact:

Address:

Phone:

Fax:

E-mail:

Attorney:

Contact:

Address:

Phone:

Fax:

E-mail:

,

Property Management:

Contact:

Address:

Phone:

Fax:

E-mail:

Lead based Paint Inspector:

Contact:

Address:

Phone:

Fax:

E-mail:

Appraiser:

Contact:

Address:

Phone:

Fax:

E-mail:

Survey Firm:

Contact:

Address:

Phone:

Fax:

E-mail:

Realtor:

Contact:

Address:

Phone:

Fax:

E-mail:

SECTION 4 – DEVELOPMENT FEE SCHEDULE & LEVERAGE

FEES			
Developer Fee	%	of Hard Rehabilitation & Acquisition Cost	
Seller Realtor Commission	%	of Sale Price	
Buyer Realtor Commission	%	of Sale Price	
Other (please define)	%	of	
Other (please define)	%	of	
CARRYING COSTS DURING REHABILITATION			
Lawn & Snow Maintenance	Cost per unit per month		\$
Property Management	Cost per unit per month		\$
Other (please define)	Cost per unit per month		\$
PROFESSIONAL SERVICES (Provide per-unit costs for applicable services.)			

Legal	(Purchase of Unit)	\$
Legal	(Sale of Unit)	\$
Accounting		\$
Marketing /Advertising		\$
Appraisal	(Pre-Purchase)	\$
Appraisal	(Post Rehabilitation)	\$
Architect		\$
Lead Based Paint Inspector		\$
Home Inspector		\$
Energy Audit		\$
Survey		\$
Other (please define)		\$
Total Professional Fees:		\$

LEVERAGE (Submit documentation for each source, i.e. commitment letter, etc.)	
Cash	\$
Equity	\$
Grants	\$
In-Kind Services	\$
Fee Waivers	\$
Other (please define)	\$
Total Leverage: \$	

SECTION 5 – DEVELOPER NARRATIVE AND FINANCIALS

Provide a written statement containing the following information:

- The qualifications of the developer to undertake the redevelopment and sale of distressed residential properties, especially in the Kane County market.
- The qualifications of each member of the development team, with an emphasis on their experience working together on projects involving the redevelopment of distressed residential properties.
- The name(s) and qualifications of the individual(s) who will be assigned to manage projects financed under this program.
- A summary of projects completed by the developer in the last four years. Identify any sources of public financing utilized to complete the projects, along with contact names and telephone numbers for each government agency. *(By submitting this information, the developer understands that the county may contact the agencies to confirm the quality of work performed by the developer.)*
- A list of all residential projects currently in predevelopment, preconstruction, and construction, including the name and location of each project, unit count, and housing type (rental, owner, special needs, mixed use).

As evidence of the developer's financial capacity to undertake work financed under this program, submit the following documents.

- Audited financial statements for 2013 for the lead entity and any co-partner(s) and all proposed affiliated organizations.
- Statement of financial condition (unaudited, if audited statement is not available) for 2014 for the lead entity. This statement should show current obligations, guarantees, contingent liabilities, or other financial commitments which restrict the entity from providing completion guarantees, operating deficits, and guarantees which may be reasonably required by the county.
- Evidence of approved line(s) of credit available to the developer to cover project expenses prior to receiving reimbursement from the county. If an individual person or persons is or are proposed to offer financial guarantees, audited financial statements or personally signed financial statements are required in addition to that of the developer.