

CITY OF MASSILLON NEIGHBORHOOD STABILIZATION PROGRAM REQUEST FOR PROJECT PROPOSALS

The City of Massillon is soliciting Project Proposals from qualified firms to provide Single Family Residential Acquisition, Rehabilitation, Redevelopment and Resale services. This Request For Proposals (RFP) describes the services needed, requirements for submission of Statements of Qualifications, and the format to be followed.

INTRODUCTION

The City of Massillon is seeking qualified companies (“Development Partners”) with extensive experience in the acquisition, rehabilitation/redevelopment, and resale of single family housing to partner with the City of Massillon’s Neighborhood Stabilization Program (NSP). Applicants/proposers may be either a private non-profit agency or a for-profit developer.

The NSP Program is a federally funded program designed to address the problems caused by vacant, abandoned, and foreclosed residential properties in areas of greatest need. The City of Massillon has been awarded Federal NSP funds by the State of Ohio totaling \$1,578,149 and will utilize the majority of these funds to acquire, rehabilitate and/or redevelop vacant, foreclosed or abandoned homes and residential properties, and to provide home buyer assistance for the subsequent sale of these rehabbed/redeveloped homes by partnering with Development Partners selected through this RFP and other Request For Qualification (“RFQ”) processes.

PROGRAM DESCRIPTION

In general, the Development Partners will be responsible for the acquisition, rehabilitation and/or redevelopment, asset management and resale of single family residential properties to eligible homebuyers. The following are the primary guidelines of the City of Massillon NSP Program:

ACQUISITION: Using NSP funds, the City will assist selected Single Family Development Partners (“Development Partners”) by providing financing for the acquisition of foreclosed, vacant, or abandoned single family units. The Development Partners will acquire vacant, abandoned, or foreclosed homes and residential properties by submitting a proposal that includes the cost to acquire, rehabilitate and/or redevelop and re-sell the property. The proposal will include the estimated after-rehab resale value of the house. A development agreement will be entered into between the Development Partner and the City.

NSP ELIGIBLE NEIGHBORHOODS: NSP funds can only be used within designated eligible neighborhoods. The State of Ohio has certified 8 neighborhoods within the City of Massillon eligible for NSP assistance. Please refer to the City of Massillon NSP Program Summary, posted on-line at the City’s Community Development website, for maps indicating the NSP eligible area neighborhoods.

DISCOUNT: In accordance with NSP requirements, all foreclosure acquisitions must be purchased at a minimum of 1% below the current market appraised value of the

property. Appraisals must be completed within 60 days of the final offer being made. The residential property being acquired must be foreclosed or abandoned and vacant.

OWNERSHIP: Rehabilitated/redeveloped properties will be resold to homebuyers who are at or below 120% area median income. All homebuyers must obtain a fixed rate home mortgage loan with a term not in excess of 30 years, receive 8 hours of homebuyer education from a HUD certified counseling agency, and occupy the dwelling as their principal place of residence.

REHABILITATION: Inspections of all properties shall be conducted by the City of Massillon. The Development Partners will evaluate the condition of the property and prepare a Scope of Work, which must receive City approval prior to initiation of work. The rehabilitation Scope of Work must meet the Ohio Department of Development Residential Rehabilitation Standards (RRS).

DEMOLITION AND REDEVELOPMENT: The demolition of structures located on selected properties is eligible provided that the structures have been determined to be blighted by the City of Massillon in accordance with the definition of a blighted structure that is set forth in the Ohio Revised Code (ORC 1.08). Once cleared, the property may then be redeveloped through the construction of a single family home for sale to an NSP eligible household. In certain cases, NSP funds may be used to acquire vacant residential property for single family housing construction and sale to qualified homebuyers.

ENERGY EFFICIENCY: All NSP assisted projects will be encouraged to utilize “green” building techniques to make homes energy efficient, including the use of energy star appliances.

AFFORDABILITY: The properties can only be resold to homebuyers who are at or below 120% of area median income. Homebuyers may be required to have an affordability covenant recorded on the property if they receive financial assistance from NSP funds.

FINANCING: The City will finance the acquisition, rehabilitation and/or redevelopment of eligible NSP selected properties through a development agreement with the Development Partner.

PROGRAM INCOME: All proceeds from the sale of NSP assisted homes shall be returned to the City of Massillon.

COMPENSATION: The Development Partner will be entitled to a developer’s fee based upon the cost of rehabilitation/redevelopment.

CAPACITY: Development Partners will not be allowed to hold title to more than three NSP properties at any given time. If this limit is reached, a Development Partner must sell one or more rehabilitated/redeveloped properties in order to be eligible to purchase additional NSP properties.

DEVELOPMENT PARTNER MINIMUM QUALIFICATIONS

The City of Massillon would prefer to partner with companies that are fully integrated in all areas of real estate development including construction, asset management, and real estate sales. However, applicants who must "partner" with another company to fulfill the minimum qualifications are also encouraged to apply (shall demonstrate the cooperative ability to provide the minimum qualifications). Preference will be given to applicants that meet the following:

1. Demonstrated real estate experience in acquiring and selling owner occupied properties for development / redevelopment. This experience includes negotiating directly with sellers to acquire property; negotiating directly with buyers to sell property; listing, marketing and placing properties on the Multiple Listing Service; and, having an Ohio real estate license in good standing.
2. Demonstrated experience with rehabilitation and construction of single family properties. This experience includes evaluating property conditions, identifying building code violations, preparing a written rehabilitation scope of work, determining rehabilitation costs; preparing building plans, obtaining required building permits and inspections, and having a general contractor license in good standing.
3. Demonstrated experience in asset management including maintaining and securing properties.
4. Demonstrated experience working with local governments in rehabilitating or constructing new single family residential property. This experience includes a clear understanding of government program regulations.
5. Development Partners will be required to have an understanding of and ability to work with the Neighborhood Stabilization Program federal regulations.

SUBMISSION REQUIREMENTS

Proposals must include:

1. A detailed program description, including how you intend to proceed with this type of activity;
2. Project timeline, including length of time for each element of the program;
3. Project budget, including all cost to operate this program and how these cost will be broken up;
4. Number of properties to be undertaken;
5. Name, address, and phone number of the contact person;
6. Listing of key personnel to complete project, including resumes;
7. A listing of at least three (3) professional references;
8. A narrative describing how the applicant meets the Development Partner Minimum Qualifications, including the agency's experience in undertaking similar residential projects.

Successful applicant(s) will be determined by the scope and capacity of the agency to conform to the requirements of the NSP program and the City of Massillon's determination of the agency's capability of providing the best service for qualified clientele, the applicant's past performance, and overall project cost. Successful applicant(s) will enter into a contract agreement with the City of Massillon.

All NSP Funds must be committed by August 31, 2010, and all NSP project activities must be completed by March 31, 2013.

NSP REGULATIONS AND PROGRAM GUIDELINES

All respondents are expected to familiarize themselves with the NSP program and to follow the requirements contained in it. The City of Massillon reserves the right to review employee qualifications of the agency(s) who will be undertaking the proposed project(s). The City of Massillon reserves the right to reject any or all proposals and to waive any informalities or irregularities in applications/proposals received.

NSP PROGRAM WORKSHOP

There will be an NSP informational workshop on Wednesday, October 14, 2009 at 3:00 P.M. in Massillon City Council Chambers, located on the second floor of the Municipal Government Center, One James Duncan Plaza, Massillon, Ohio.

CONTACT INFORMATION

Information on the City of Massillon NSP Program can be found on the City's Community Development Dept. website: <http://www.massillonohio.com/commdevelopment/index.html>

Or contact:

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