

**CITY OF MIDDLETOWN
REQUEST FOR PROPOSALS (RFP)
REAL ESTATE AGENT**

SUBMISSIONS BEGIN: February 16, 2016

BACKGROUND

The United States Department of Housing and Urban Development (HUD) allocated to the City of Middletown \$2,144,379 in Neighborhood Stabilization Program (NSP) funds authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program. In addition, under ARRA, the City received NSP3 funds as a consortium with Butler County. NSP funds are intended to address the problems of vacant, abandoned and foreclosed properties while providing affordable rental and homeownership opportunities to households in areas of greatest need that earn at or below 120 percent of the Area Median Income (AMI). The City of Middletown Community Revitalization Department is responsible for carrying out the Neighborhood Stabilization Program. The City will also utilize other sources of funding including, but not limited to, City funds, State funds, CDBG, and HOME to address property needs within the City. This RFP is not limited to any specific program, rather the total real estate needs for the City that a Real Estate Agent can provide.

The purpose of this RFP is to identify a qualified Real Estate Agent (hereafter referred to as "Agent") to represent the City for the purchase, marketing, and sale of City owned properties as quickly as possible. The agent will represent the interests of the City and the HUD program (if applicable) without hesitation, and should be able to ensure the transactions are as simple and seamless as possible.

CITY OF MIDDLETOWN OBJECTIVES

Given the scale of the foreclosure issue, its adverse impact on neighborhoods and the City overall, the following goals have been established:

1. Stabilize neighborhoods by getting vacant and foreclosed properties rehabilitated up-to-code and occupied as quickly as possible
2. Target investment to protect neighborhoods impacted by foreclosure and help preserve public and private investments
3. Demolish vacant properties that have become a nuisance or blight on the neighborhood

4. Ensure compliance with affordability restrictions on rehabilitated housing units (depending on funding source, if applicable)
5. Where appropriate, market vacant City-owned properties for productive end use. Marketing and sale could be based on a set sale price or could involve donation with a viable business plan and proof of financial ability.

NSP REQUIREMENTS

The regulations governing NSP were published in the Federal Register on October 6, 2008 (Volume 73, No.194) and Federal Register Bridge Notice on June 19, 2009 (Vol. 74, No. 117) and can be viewed at www.hud.gov/nsp. Respondents are strongly encouraged to read these regulations prior to submitting their response to this RFP.

REHABILITATION STANDARDS

Rehabilitation activities with HUD funding must adhere to HUD Housing Quality Standards (“HQS” found at 24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I). In addition, rehabilitation work must also adhere to all codes and ordinances of the City of Middletown and the International Property Maintenance Code (IPMC).

INCOME LIMITS (when using NSP funds)

HERA also stipulates that all NSP funds must assist families making no more than 120% of the area median income (AMI). In addition, 25% of the NSP funds must be targeted to families whose household income is at or below 50% AMI.

Certain properties when made available through the disposition process will be designated to be occupied only by families whose income is at or below 50% AMI at the time of occupancy.

The table below shows the income limits for various household sizes at 50% and 120% of area median income.

2015 - HUD Area Median Income Guidelines
Cincinnati-Middletown, OH-KY-IN HUD Metro FMR Area

	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
50%AMI	\$24,950	\$28,500	\$32,050	\$35,600	\$38,450	\$41,300	\$44,150	\$47,000
120%AMI	\$39,900	\$45,600	\$51,300	\$56,960	\$61,550	\$66,100	\$70,650	\$75,200

Median Income = \$71,200

Effective 3/6/2015

BUYER SELECTION (when using NSP funds)

The City of Middletown will be responsible for selection of the winning bidder on each NSP property. At the time of bid, all bidders must submit a lender pre-approval letter and an application provided by the City of Middletown that requests information such as the number of people that will be living in the property, household income, etc.

When bids are received, the City of Middletown will accept them on a first come-first serve basis providing the following:

- **Price is non-negotiable**. All bidders are to offer full asking price and bids will be awarded on a first come, first serve basis. If accepted, the City will provide subsidies to the maximum loan amount the buyer is qualified for. A letter from the lender certifying that amount may be requested by the City.
- The amount of home buyer subsidy required will be calculated by utilizing a HUD provided feasibility spreadsheet and can not exceed internal maximum thresholds.
- The winning bidder must provide the City all requested household income documentation within 5 days of bid acceptance. This documentation includes, but is not limited to: 2 years tax returns, most recent 60 day paystubs, and other income information as needed. Upon receipt of this documentation, the City must determine if the household is income qualified to purchase the property ($\leq 120\%$ or $\leq 50\%$ of area median income depending on the property).
- Winning bidder must be willing to complete 8 hours of homebuyer education prior to the scheduled closing date.

OTHER REQUIREMENTS

All NSP activities are encouraged to follow Minority-Owned Business Enterprise (MBE) and Women-Owned Business enterprise (WBE) local hiring and HUD Section 3 requirements.

The agent will comply with City requests/requirements regardless of the funding that is used for the property.

REHABILITATION FOR HOMEOWNERSHIP (when using NSP funds)

1. Sustainable affordability is a principal goal. In order to achieve this goal, properties targeted for homeownership will carry a fifteen (15) year affordability restriction.

2. Beginning upon sale of the unit to a qualified owner-occupant, affordability restrictions apply regardless of the term of any financing or the transfer of ownership. This restriction will be enforced via a second mortgage on the property. This lien will recapture all or a portion of the NSP subsidy, if at any time during the affordability period the home is sold to a non-income qualifying household, sold as a rental property, is no longer owner occupied, or is refinanced in an amount that effectively “cashes out” the NSP investment
3. Properties purchased by the City that will be rehabilitated, are done so to code and to the extent necessary to make a significant improvement in that neighborhood.
4. All homebuyers will be required to receive 8 hours of homebuyer counseling from a HUD-certified counseling agency.

SERVICES TO BE PROVIDED

The services provided for property sale:

1. Provide assistance to the City in the monitoring of the sale of available properties, including providing written updates as to each property’s status.
2. Develop and make recommendations to marketing efforts of specific properties based upon market conditions and program regulations, if applicable.
3. Marketing, including listing the property in the Multiple Listing Service (MLS).
4. Coordinate with client, counselor and lender to help client structure the best financing.
5. Schedule the 8 hours of homebuyer counseling for the purchasing party for NSP renovated homes.
6. Prepare purchase agreement in accordance with the City’s requirements.
7. Assist in structure of appropriate financing.
8. Attend closing or lease signing.
9. Prepare progress reports and attend progress meetings with City of Middletown as requested.

The services provided for property purchase:

1. As requested, provide the City an updated inventory of qualified housing that is available for purchase under NSP guidelines.
2. Prepare all purchase documents and any City required materials.
3. Represent the best interests of the City without hesitation.
4. Be available to provide City staff property access to inspect any properties prior to purchase.
5. Promptly provide the City with a copy of all fully executed purchase documents.
6. Arrange for utilities to be transferred into City's name (where applicable).
7. Attend the purchase to provide the City with keys and any other information the may be needed.

EVALUATION CRITERIA

The following criteria may be considered in reviewing submittals. Responses that do not include all of the applicable requirements will not be evaluated. Selection may heavily be weighted to the agent(s) with the best marketing proposal (#5 below) and experience with similar programs (#3 below).

REQUIRED DOCUMENTS

Your response must include the following information:

- _____ 1. The agent's legal name, work address, and telephone number of the agent that will be representing the City of Middletown.
- _____ 2. The agent(s) overall experience and qualifications.
- _____ 3. The agent(s) experience (if any) with government grant programs and/or subsidies. Provide any real-life examples and references.
- _____ 4. Three client references with contact information.
- _____ 5. A proposed marketing plan to maximize exposure of the residential and commercial

properties being sold which will minimize the time on the market. Be specific in your plan and among other things, identify how you will market residential and commercial properties.

_____ 6. Provide examples of any creative marketing ideas that have been successful regarding the sale of a property.

_____ 7. Indicate all your fees per sale of house and commercial property. Include fee structure for marketing and transfer of donated City property if such a sales arrangement would be appropriate and in the City's best interests. You may itemize sole agent and dual agent fees if you choose.

_____ 8. The 2 attached affidavits below

SUBMITTAL

RFP responses must be signed and submitted via hard copy. Documents must be in a clear legible 12 point font and 8.5x11 inch format. Incomplete submittals will not be considered. Responses submitted electronically will not be considered. Respondents must adhere to the Submittal Requirements. Failure to comply with the instructions of this RFP will be cause for rejection of submittals.

Respondents will not be deemed qualified if they have an unsatisfactory prior performance record with the City of Middletown or federal agencies. Further, respondents that are not in good financial standing with any City department at the time of submittal will not be considered.

QUALIFICATION PROCESS

The Selection Committee comprised of City staff will review qualifications in accordance with the evaluation criteria set forth herein and City objectives and policies.

The City reserves the right to:

- Reject any or all proposals submitted;
- Request clarification of the proposals;
- Waive any irregularities or errors in responses that the City finds to be minor;
- Request additional information from respondents to this RFP;
- Waive or change any irregularity or error in the RFP or the agent(s) procurement process; make any change necessary to ensure that this RFP is consistent with local, federal, and State procurement procedures;
- Select more than one agent from proposals submitted in order to obtain the

most qualified service provider for the tasks required or to ensure timely completion of tasks; and

- Elect to negotiate fees or other contract issues with the selected agent(s) before recommending execution of a contract(s). If a satisfactory agreement cannot be reached within 15 days, the City may elect to enter negotiations with another qualified respondent to this RFP.

Agents may submit responses to this Request for Proposals to become considered, starting February 16, 2016. This RFP will remain open until 5:00pm on March 4, 2016 at which time all proposals will be open and reviewed. Please state "Real Estate Agent RFP" on the outside of the response package.

The right to reject any and all proposals is reserved by the City of Middletown. Formalities may be waived at the option of the City Council

THE CITY OF MIDDLETOWN DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE AND HANDICAPPED STATUS IN EMPLOYMENT OR THE PROVISION OF SERVICES.

Proposals should be mailed to:

City of Middletown
Community Revitalization Department
"Real Estate Agent RFP"
1 Donham Plaza
Middletown, OH 45042

Any questions may be directed to:

Rachel Cox
HUD Program Administrator
Community Revitalization Department
(513)425-7950
rachelc@cityofmiddletown.org

CITY OF MIDDLETOWN

AFFIDAVIT FOR DELINQUENT PERSONAL PROPERTY TAX

_____, being first duly sworn says that he/she is the _____

of _____, which company is submitting a bid

to the City of Middletown for _____

on _____ (date)

Affiant says that no personal property taxes are currently due to Butler/Warren County, Ohio, as of the date of said bid.

(Signature)

SWORN TO AND SUBSCRIBED before me, a notary public this _____ day of _____, 20_____.

Notary Public

My Commission expires _____, 20_____.

(OR 5719.042)

CITY OF MIDDLETOWN

AFFIDAVIT

RELATIONSHIP TO CITY OFFICIALS OR EMPLOYEES TO BE SIGNED BY AN OFFICER OF BIDDER

STATE OF OHIO

COUNTY OF _____,ss

_____ (name and title) being first duly sworn says that he/she is related by blood or marriage to the following City of Middletown officials or employees _____

(if none, write in "none")

Affiant further states that he/she knows of no person in his/her company who is related by blood or marriage to any City of Middletown official or employee, except the following:

<u>Name of Company Person</u>	<u>Relationship</u>	<u>City Official or Employee</u>
_____	_____	_____
_____	_____	_____

(If none, write "no exception")

Further affiant saith not.

(Signature)

(Title and Company Name)

(Address)

SWORN TO AND SUBSCRIBED before me a notary public this _____ day of _____, 20_____.

Notary Public

My Commission expires _____, 20_____.