



REQUEST FOR PROPOSAL – HOUSING COUNSELING SERVICES

INTRODUCTION

Overview

This Request for Proposals (“RFP”) is being issued by the City of Hamtramck. The purpose of this notice is to solicit proposals from Professional Housing Counseling Agencies/Firms for assistance with prospective home buyers for properties located in targeted neighborhood and census tracts in the City of Hamtramck that are being redeveloped as part of the Neighborhood Stabilization Program 2 (NSP2) housing development initiative (See Appendix A– NSP2 Boundaries and Map). In addition to working with the general public the Agency will assist with remediation of the Garret v. Hamtramck. (See Appendix B)

Companies or individuals with demonstrated experience in Housing Counseling Services and with an interest in making their services available to Hamtramck are invited to respond to this RFP. “Respondents” are defined as, the companies or individuals that submit proposals in response to this RFP. The Respondents shall be financially solvent and each of its members if a joint venture, its employees, agents or sub-consultants of any tier shall be competent to perform the services required under this RFP document.

The City of Hamtramck is seeking to encourage participation by respondents who are MBE/WBE or Section 3 business enterprises.

Nothing in this RFP shall be construed to create any legal obligation on the part of the City of Hamtramck or any respondents. The City of Hamtramck reserves the right, in its sole discretion, to amend, suspend, terminate or reissue this RFP in whole or in part, at any stage. In no event shall the City of Hamtramck be liable to respondents for any cost or damages incurred in connection with the RFP or any other cost incurred in reliance on the RFP. No respondent shall be entitled to repayment from the City of Hamtramck for any costs, expenses for fees related to this RFP. All supporting documentation submitted in response to this RFP will become property of the City of Hamtramck. Respondents may also withdraw their interest in the RFP, in writing, at any point in time as more information becomes known.

Each respondent is responsible for labeling the exterior of the sealed envelope containing the proposal response with the proposal number, proposal name, proposal due date and time, and your firm’s name. The proposal due date for this Bid is:

DUE DATE:by 4:00 p.m., Monday, January 30, 2012(NO EXCEPTIONS)

The City of Hamtramck follows Michigan State Housing Development Authority (MSHDA) Neighborhood Stabilization Program 2 Procurement Policies and Procedures which can be found at:

http://www.michigan.gov/documents/mshda/mshdacd_nsp2_procurement_331622_7.pdf

and are updated periodically as changes to the policy occur.

Housing Counseling Agencies must comply with the City of Hamtramck Fair Housing Policy as stated below.

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, sexual orientation or disability, is a fundamental policy of the City of Hamtramck. The City of Hamtramck is committed to diligence in assuring equal housing opportunity and non-discrimination to all aspects of its housing activities. The City of Hamtramck has an ethical as well as legal imperative to work aggressively to ensure that The City of Hamtramck housing programs comply fully with all local, state and federal fair housing laws.

For questions on Fair Housing, please contact our Fair Housing Compliance Specialist, Sharon Ray at (313) 588-6358 or sray@hamtramckcity.com

Time of Completion

Any agreement awarded pursuant to this RFP solicitation shall be in accordance with the scope of work and compensation as outlined below, and within a mutually agreed upon expedited timeframe.

Term of Contract(s)

Any contract awarded pursuant to this RFP solicitation shall be for a contract period ending February 10, 2013, with the possibility of an extension.

Number of Housing Counseling Services Provided

The City of Hamtramck anticipates up to **39** homes to be built/renovated with NSP2 funds and sold to eligible buyers who have successfully completed 8-hours of housing counseling. The City of Hamtramck anticipates housing counseling services will be needed for up to **150-300** individuals/households as a result of this RFP.

Parties Interested in Housing Counseling Services

The selected Housing Counseling Agency will attend the Plaintiff Class Community Outreach Meeting(s) and be introduced to the Plaintiff class. At which time they may choose to pre-register clients.

The Housing Counseling Agency will be responsible to contact the Plaintiff Attorney or a Representative to verify the names of the individuals eligible to purchase a home that need to complete the HUD 8-hour required housing.

It is understood that individuals who are eligible in purchasing homes will in this order:

1. Do initial interview with the Housing Counseling Agency including a1040 income verification.
2. Timely completion of housing counseling will occur within reasonable limits set forth by the City of Hamtramck and schedule set by the client.
3. An 8-Hour Housing Counseling Certificate will be issued upon completion of the Housing Counseling Program with the name of the individual and date of completion.
4. Provide credit counseling.
 - a. Examination of income and expenses to verify taxes, principal, insurance, utilities, and maintenance fund will not exceed 30% gross income.

Type of Contracts(s)

It is proposed that, if a contract is entered into as a result of this RFP, it will be a time and material contract based upon a fixed price. Negotiations may be undertaken with those respondent(s) whose proposal, based on price and other factors, as determined by The City of Hamtramck show them to be qualified, responsible and capable of performing the work. The determined price of the contract(s) shall be adhered to and at no time will the contractor(s) be allowed to bill for work not agreed upon.

Questions about this Proposal

Questions that arise prior to submission of proposals must be submitted in writing to: sray@hamtramckcity.com

Addendum to RFP

In the event it becomes necessary to revise any part of this RFP, addendums will be provided to all respondents via the City of Hamtramck's website: www.hamtramck.us

Independent Price Determination

By submission of a proposal the respondent(s) certifies and, in the case of a joint proposal, each party thereto certifies as to its own organization in connection with this proposal that:

1. The prices in the proposal have been arrived at independently, without consultation, communication or agreement, for the purposes of restricting competition, as to any matter relating to such prices with any other offerer or with any competitor; and
2. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the offerer and will not knowingly be disclosed by the offerer or to any competitor; and
3. No attempt has been made or will be made the offerer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.
4. Each person signing the proposal also certifies that
 - a. He/She is the person in the offerer's organization responsible within that organization of the decision as to the prices being offered in the proposal, and

- b. He/She is not the person in the offerer's organization responsible with that organization for the decision as to the prices being offered in the proposal but that he/she has been authorized in writing to act as agent for the persons responsible for such decision.

PROFESSIONAL SERVICE REQUIREMENTS

Scope of Work

A. Housing Counseling

The City of Hamtramck is seeking housing counseling agencies/firms to provide HUD required 8-hours of housing counseling for prospective homebuyers interested in NSP2 homes. The City of Hamtramck may choose to retain multiple contractors for housing counseling. The proposed pricings should be based on a per household/person basis.

HUD 8-Hour Pre-Purchase Counseling

- Provide a copy of the program model and curriculum that will be used to conduct the HUD required eight (8) hours of Pre-Purchase Counseling.
- The HUD required Pre-Purchase Counseling must utilize the National Industry standards for Homeownership Education and Counseling (<http://www.homeownershipstandards.com>)
- A "Certificate" must be provided to each participant who completes the HUD required Pre-Purchase Counseling.
- The HUD required Pre-Purchase Counseling must cover the following topics:
 1. The Difference between Homeownership and Renting
 2. Financial Literacy/Money Management
 - a. Basic Banking
 - b. Debt Management
 - c. Construction of a Household Budget
 3. Consumer Education
 4. Understanding and Repairing Credit
 5. Insurance and Home Warranties
 6. Homeownership Responsibilities
 7. Homeownership Safety and Security
 8. Foreclosure Prevention
 9. Property Tax Information
 10. Utility Assistance Programs
 11. Other Available Community Services

Credit Counseling and Income Verification

- Examination of income and expenses to verify taxes, principal, interest, insurance, utilities, and maintenance fund will not exceed 30% gross income
- Credit repair and remediation to help potential homeowners obtain a mortgage
- Conduct 1040 Income Verification

Education

- Managing and maintaining a home
- Wealth creation

Reporting

- Provide monthly activity and progress reports to designated City of Hamtramck NSP2 staff
- All records and files shall be maintained in accordance with the City of Hamtramck and the NSP2 recordkeeping guidelines.

B. Ongoing Support

Provide ongoing case management for a period of 2-3 years post-closing. This monitoring would include the following:

1. Monitor an escrow account set up for the homeowner for taxes, insurance, maintenance and repairs. This escrow account will be set up at the closing and will be jointly managed by the homeowner and the counseling agency. After the 2-3 year period the account will be closed and the balance delivered to the homeowner.
2. Provide homeownership home maintenance training

C. Additional Requirements

The Respondent(s) represents by submission of their proposals that neither it nor its principals are presently debarred, suspended, declared ineligible, or excluded from participation in the activities proposed under this RFP by any Federal, State or City Agency.

All respondents will be required to certify that they are not on the U.S. Comptroller General's List of Ineligible Contractors nor any firm, partnership, or association in which they have substantial interest nor any other person, both natural and corporate, having substantial interest nor any other person, both natural and corporate, having substantial interest in their business in designated as an ineligible bidder or on the U.S. Comptroller General's List of Ineligible Contractors.

All contractors will be required to comply with all applicable federal and state equal opportunity, affirmative action and minority representation laws.

EVALUATION CRITERIA AND SCORING

In evaluating responses to this Request for Proposal, the City of Hamtramck will take into consideration the experience, capacity, and costs that are being proposed by the Respondent. The following Evaluation Criteria will be considered in reviewing submittals:

A. Experience and Capacity

The point system is to evaluate the experience and capacity of the Respondent.

1. Experience in providing housing counseling services on HUD or MSHDA funded projects. (15 points total) There will be 5 bonus points awarded to any Agency with R-31 Plaintiff Class experience (See Attachment B).

One (1) to three (3) years of experience.	5 points
Four(4) years of more experience	10 points

2. Capacity to complete housing counseling services in timely manner (15 points total)

5 Hamtramck NSP2 clients in two weeks through HUD 8-hour program	5 Points
5 Hamtramck NSP2 clients a one week through HUD 8-hour program	10 Points
10 Hamtramck NSP2 clients a one week through HUD 8-hour program	15 Points

3. Availability of Counseling Services (15 Points)

Services are available on a limited basis weekdays only	5 Points
Services are available on weekday, evenings and weekends to meet clients' needs	10 Points
Services are available weekdays, evenings and weekends and counseling can be completed within one week and initial client contact with agency	15 Points

4. References (10 Points)

References from 3 organizations that you have provided services to for HUD or MSHDA funded projects in the last 3 years.

5. Respondents will be awarded up to 5 points each for being a certified MBE/WBE or Section 3 business. (15 points)

6. Cost (30 points)

Highest 1/3 of proposals	10 Points
Middle Cost 1/3 of proposal	20 Points
Lowest Cost 1/3 proposal	30 Points

SUBMITTAL REQUIREMENTS

RFP responses must be submitted both via hard copy and scanned pdf e-mail copy sent to: sray@hamtramckcity.com. The electronic PDF file may also be delivered via CD or memory stick. Each respondent shall submit one (1) original and two (2) copies of the following documents in clear, legible, 12 point font, and 8.5 by 11 inch format. Responses not submitted

via hard copy will not be considered. Respondents are advised to adhere to the Submittal Requirements. Failure to comply with the instructions of this RFP will be cause for rejection of submittals.

The City of Hamtramck reserves the right to seek additional information to clarify responses to this RFP. Each response must include the following:

A. Letter of Interest

Please submit a Cover Letter of Interest signed by a duly authorized officer or representative of the Respondent, Not to exceed two pages in length. The Letter of Interest must also include the following information:

1. The principal place of business and the contact person, title telephone/fax numbers and email address
2. A brief summary of the qualifications of the Respondent and team.
3. Description of the organization (i.e. Corporation, Limited Liability Company, or Joint Venture).
4. The names and business addresses of all Principals of the Respondents. For purposes of this RFP “Principals” shall mean persons possessing an ownership interest in the Respondent.
 - If the Respondent is a partially owned or fully-owned subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization’s approval rights, if any, over the activities of the Respondent.
 - If the Respondent is a partially owned or fully-owned or subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization’s approval rights, if any, over the activities of the Respondent.

B. Threshold Requirements

These documents must be submitted and acceptable before the City of Hamtramck, NSP2 Team will review the Experience and Capacity proposal:

1. Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State if Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
2. Evidence of Insurance: Commercial General Liability with limits not less than \$2,000,000; Workers Compensation and Employers Liability with limits not less than \$500,000; Automobile Liability with limits not less than \$1,000,000 per occurrence; and, Professional Liability with limits not less than \$1,000,000.
3. Evidence of Financial Stability: All Respondents shall include their most recent financial statements with the proposal response. This information will assist the City of Hamtramck’s NSP2 Team in determining the Respondent’s financial condition. The City of Hamtramck’s NSP2 Team is seeking this information to ensure that the

proposer's have the financial stability and wherewithal to assure good faith performance.

4. Professional Reference: Three (3) references organizations that you have provided services to for HUD or MSHDA funded projects in the last 3 years, including date of project, contact person and phone number, and a brief description of the project.
5. Conflict of Interest statement & Supporting Documentation: Respondent shall disclose any professional or personal financial interest that may be a conflict in representing the City of Hamtramck.
6. The Certificate Form Note attached hereto at the end of this RFP and incorporated herein by reference must be signed by Respondent and attached to the Letter of Interest. Additionally, at least one of the proposals submitted is to include an **original signature** of an official authorized to bind the proposer to the proposal response.

C. Main Proposal

Please provide the following information:

1. Years of experience and detailed qualifications in facilitating housing counseling services for various residential projects in compliance with HUD and MSHDA standards, including team's resumes. Past projects will be reviewed to determine if the respondent has successfully completed project similar in nature and scope. Respondents should provide narrative examples of three(3) projects that are similar in nature to projects described and the RFP.
2. Capacity of complete housing counseling services to multiple individuals for different projects within a short period of time. (See scoring criteria for capacity evaluation thresholds). From the time and individuals contacts you agency, describe the process and timeline for the completion of the housing counseling.
3. Hours of operation, locations of offices, number of full-time and part-time staff persons at each office to provide services.
4. Provide a copy of the program model and curriculum that will be used to conduct the HUD required eight (8) hours of Pre-Purchase Counseling.
5. Example of the Certificate issued for 8-hours of HUD Housing Counseling.
6. Indication of amount of group counseling and individual counseling.
7. Example of any forms participates will be required to fill out and list of any information they are expected to provide.
8. Pricing proposal. The City of Hamtramck may choose to retain multiple contractors for housing counseling. The proposed pricing should be based on a fixed fee per person/household basis.
9. Respondents should state whether they are a MBE/WBE, Section 3 business enterprise. If so, please provide a copy of a current certification letter.

SELECTION PROCESS

The Selection Committee comprised of City of Hamtramck staff and NSP2 partners from the City of Hamtramck and Capital Access staff whom will review qualification in accordance with the evaluation criteria set forth herein and Michigan NSP2 Consortium objections and policies. Proposals that are submitted timely and comply with the mandatory requirements of the RFP will be evaluated in accordance with the terms of the RFP. Any contract resulting from this RFP will not necessarily be awarded to the vendor with the lowest price. Instead, contract shall be awarded to vendor whose proposal received the most points in accordance with criteria set forth in RFP.

QUESTIONS

Questions that arise prior to submission of proposals must be submitted in writing via email to: sray@hamtramckcity.com

SUBMITTAL DUE DATE

Each respondent shall submit one (1) original and two (2) copies as a response to this RFP are due Monday, 4:00 p.m. on January 30, 2012, NO EXCEPTIONS. Responses to this RFP in pdf file format must be e-mailed to: sray@hamtramckcity.com. The electronic copy can also be delivered via CD or memory stick. Each Respondent is responsible for labeling the exterior of the sealed envelope containing the proposal response with the proposal number, proposal name, proposal due date and time, and your firm's name. Hard copies must be delivered to:

City of Hamtramck
City Clerk's Office
Attn: Jason Friedmann
3401 Evaline, 1st floor, Hamtramck, Michigan 48212



RFP SUBMITTAL REQUIREMENTS CHECKLIST

Please provide Checklist with response to RFP

- Letter of Interest**
- Certificate Form Note**
- Certificate of Good Standing (Corporation) of Existence (Limited Liability Company) issued by the Michigan Secretary of State (if Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)**
- Evidence of Insurance**
- Evidence of Financial Stability**
- References**
- Conflict of Interest Statement & Supporting Documentation**
- Main Proposal including Pricing Proposal**
- MBE/WBE, Local Hiring, HUD Section 3, if applicable**
- RFP Submittal Requirements Checklist**



CERTIFICATION FORM NOTE

THIS PAGE MUST BE COMPLETED AND INCLUDED WITH THE SUBMITTAL CERTIFICATION

The undersigned hereby certifies, on behalf of the Respondent named in this Certification (the “Respondent”), that the information provided in the RFP submittal to the City of Hamtramck is accurate and complete, and I am duly authorized to submit same. I hereby certify that the Respondent has reviewed this RFP in its entirety and accepts its terms and conditions.

(Name of Respondent)

(Signature of Authorized Representative)

(Typed Name of Authorized Representative)

(Title)

(Date)



(Appendix B)

HISTORY OF *GARRETT v. HAMTRAMCK* AND PROVISION OF REQUIRED RELIEF

The *Garrett, et al. v. City of Hamtramck, et al.* case was filed in 1968, went to trial before Judge Damon J. Keith in federal court in 1970, and was decided in 1971. The case was brought on behalf of African-American residents of the City of Hamtramck who had been or were scheduled to be displaced from the City in what the Court found to be “a planned program of population loss.” The City had identified three predominantly African-American neighborhoods for removal. The first was a small community primarily located on Wyandotte Street in the center of the City. This area was completely cleared. The next two planned clearances were in the Denton-Miller and Grand Haven areas at opposite corners of the City. Once identified for clearance, the areas rapidly deteriorated, and the residents were forced out by the adverse conditions. The Court found that the City was engaged in an intentional program of black removal in violation of the Equal Protection Clause of the Constitution.

Because of racial discrimination in the private housing market, African-American families who were forced out of the neighborhoods could not, for the most part, find other housing in Hamtramck. Unlike white residents who were later cleared from the Wyandotte area, displaced African-Americans had to leave the City.

The federal court also found that the African-American residents of the Smith-Clay area in the southwest corner of the City who had been displaced earlier, and those residents who were also displaced by the construction of the I-75 expressway, were also entitled to relief. The Court of Appeals that reviewed Judge Keith’s opinion disagreed with this part of the decision, so that those African-Americans displaced from these two projects were excluded from the case.

The Court ordered that eligible Plaintiffs (those who had lived in the Wyandotte, Denton-Miller and Grand Haven areas) were entitled to first priority for affordable housing that had to be developed in the City. The concept was that since the City had forced the Plaintiffs out, the City had to develop affordable housing so that the Plaintiffs could return. None of the relief included payment of damages to the Plaintiffs.

The legal appeal of Judge Keith’s decision was completed by the middle of the 1970’s. Very little was accomplished until 1981, however, because of ongoing disagreements with the City as well as the City’s poor financial condition. In 1981, an agreement was reached between the City and the Plaintiffs that 150 affordable senior citizen units and 200 family houses would be developed. In the mid 1980’s, the senior citizen plaza was

constructed, but nothing was done for the families. Because of continuing disagreements and lack of funds, it took until 1999 to see real relief for the Plaintiffs.

With technical and financial assistance from Wayne County, federal assistance, and funds from a special account established by the Court, the resources to develop the housing and improve the one remaining Plaintiff neighborhood in Grand Haven was finally available. The City government also changed, and those who came into office were of the opinion that relief was overdue and that the City should work with the Plaintiffs.

PROJECT ACCOMPLISHMENTS UNDER THE GARRETT CASE

Since 1999, the Grand Haven neighborhood has been improved, including \$2.88 million in environmental testing and remediation through a Wayne County Brownfield Redevelopment Authority and EPA grant, and all new infrastructure including roads/walks, sewer, sanitary, storm and waterlines, funded through a combination of a HUD BEDI Grant, HUD 108 loan, City of Hamtramck CDBG and Act 51 funds. Since 2004, close to \$1.2 million has been utilized to rehabilitate much of the pre-existing neighborhood housing, including twenty (20) Plaintiff family homes and a number of houses rented by Plaintiffs.

Beginning in 2005, private investment exceeding \$4 million has been made for twenty-four (24) new for-sale housing units constructed and sold in this neighborhood, with subsidies up to \$65,000 for the Plaintiff families to make it more affordable. This project has been developed and constructed by Grand Haven Homes, LLC. A total of thirty (30) units should be accounted for under this for-sale project. Three (3) additional for-sale housing units were developed and sold on Evaline Street by the Hamtramck Community Development Corporation, with project costs at \$427,500. Three (3) model units were developed and constructed by Town Center Homes, LLC. An effort is underway to sell the model units utilizing a short term land contract if necessary. Each of these projects will also count toward the 200 unit count. Of the thirty (30) for-sale units constructed to date, almost all were purchased by Plaintiff families.

With recognition by the Court that many years had passed since the clearance of African-American families had begun, with some Plaintiffs having passed away, and others having reestablished themselves elsewhere and not wishing to move back, in 2007 the Court directed that children and grandchildren of Plaintiffs would be eligible for the affordable housing being developed, if their Plaintiff status could be established.

For those Plaintiffs who could not afford to purchase a new home, we began planning other types of housing options. Sixty (60) units of Low Income Housing Tax Credit (LIHTC) financed rental housing were constructed in 2007. This project contains single family scattered sites. We were able to accommodate forty-two (42) Plaintiff families in the sixty (60) unit LIHTC projects, Hamtramck Square I and II, at initial lease up. Hamtramck Square I and II were developed by Shelbourne Development LLC and included a private investment exceeding \$11 million. Since 2007 we have

accommodated nine (9) additional families in this housing. The completion of this sixty (60) unit project allows us now to account for ninety-six (96) units built toward the case.

In 2008, there were 104 units remaining unaccounted for to meet the Court's requirement of 200 units. We have now accounted for, through plans, financing, and substantial construction, a total of sixty five (65) of this 104 unit balance. Oak Hills Construction Inc., has been selected by the Michigan State Housing Development Authority (MSHDA) as the designated developer to rehabilitate and construct thirty five (35) units of rental housing that will be financed by MSHDA, and that will also provide project based Section 8 vouchers to the project. This \$6.1 million project is anticipated to begin rent up between now and June, 2011.

Wayne County has also selected Neighborhood Housing Solutions LLC to proceed with the provision of thirty (30) units of rehabilitated housing units to be offered for-sale and financed with Wayne County Neighborhood Stabilization Program dollars and Wayne County HOME Program funding. Construction under this project began recently.

The City of Hamtramck, utilizing NSP2 funds, is planning the thirty nine (39) units left to be designated for development. This will be a combination of rehabilitated housing and new construction. The project will be for-sale housing.

The severe downturn in the housing market has impacted the for-sale market of housing in Hamtramck as well as the entire area. To meet the central requirement of the *Garrett* Court's orders that housing must be affordable by the Plaintiffs, flexibility in selling and financing this thirty nine (39) unit project is required. Through the NSP2 program and additional subsidies from the *Garrett* case, it is expected that the housing will be affordable, particularly for properties in Neighborhood Enterprise Zones (NEZ) that will be given a priority. If the increase in required credit scores turns out to be an impediment, lease to own and/or land contract may need to be utilized on a short term basis for some of the units until credit scores can improve sufficiently for a mortgage.

Under the direction of federal judge Honorable Judge Damon J. Keith, the entire project team, including the City of Hamtramck, Wayne County, MSHDA and the Plaintiffs, are working to bring these last units to fruition and to fully resolve the remedy in this longstanding lawsuit.

More information on this case can be provided by Michael Barnhart, Plaintiffs' Counsel at michaelbarnhart@comcast.net.

APPENDIX A: MAP AND BOUNDARIES OF NSP2 HAMTRAMCK TARGET AREA

