SUBJECT: Appraisal GAP Financing - Rebid

BID #: ESC-0312-20 **OPEN DATE: 1/29/2020**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

KIND AND BASIS OF CONTRACT: Service Contract – Eighteen (18) months from date of contract execution

AGENCY: Neighborhoods

BASIS OF AWARD: Highest Scoring Bidder Based on Evaluation Criteria

NUMBER OF BIDS INVITED: 10 **NUMBER RECEIVED:** 3 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval to reject Grace and Truth Community Development Corporation for failure to provide accurate information on Form 4, GAP Affidavit. Recommend approval of award to the two (2) highest scoring bidders: Kingsley Redevelopment LLC and PDC Management Group LLC as outlined below. Period of service is for eighteen (18) months from date of contract execution. Total expenditure amount not to exceed $79,560.00.

1	Kingsley Redevelopment LLC	79	$ 49,900.00
2	PDC Management Group LLC	83.67	$ 29,660.00

Funding Source: 11601.174107.583010.000000.001342.00000.0000000 - To be executed by formal contract through the Office of General Counsel

Attachments: Recommendation Memo, Tabulation and Scoring Sheets, Rejection Letter and Evaluation Criteria

ANALYST: _____ Annette Burney **RESPECTFULLY SUBMITTED** _____ for GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Thomas J. Daly, II, Chief, Housing and Community Development

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(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF CSPEC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING _____ MEMBERS DISAPPROVING _____ DATE: _____

_____ _____ OTHER: _____

_____ _____

_____ _____

_____ _____

_____ _____

ACTION OF AWARDING AUTHORITY DATE _____

APPROVED _____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

Neighborhoods Department
Housing and Community Development Division
214 N. Hogan St. 7th FL
Jacksonville, FL 32202
(904) 255-8200

MEMORANDUM

April 24, 2020

TO: Greg Pease, Chief of Procurement
Finance and Administration Department

THRU: Thomas J. Daly, II, Esq. Thomas J. Daly, Jr. Digitally signed by Thomas J. Daly, Jr. Date: 2020.05.05 11:22:42 -04'00'
Chief, Housing & Community Development Division

FROM: Robert Ownby, Housing Property Administrator
Neighborhoods Department

SUBJECT: **CSPEC - Appraisal GAP Financing RFP ESC-0312-20 awards**

The Housing and Community Development Division has received 6 proposals from the Appraisal GAP Financing RFP Re-bid ESC 0312-20. Of the 6 proposals received only 2 passed the minimum threshold requirements and received scores. The proposals were evaluated in accordance with the Appraisal GAP Financing RFP as documented on the attached scoring sheets. Based on the average score, the results of the evaluation are as follows:

Affordable Housing Developers	Average Scores
Kingsley Development LLC	79
PDC Management Group, LLC	~~84~~ 83.67 DK

In accordance with Section 2.6 of the RFP, The HCDD seeks to award multiple contracts. Awards are recommended as follows through funding from Index Code ERCD1N1FR, Subobject 08301.

Kingsley Development LLC – Recommend approval to award in the amount not to exceed **$49,900.00**
PDC Management Group, LLC - Recommend approval to award in the amount not to exceed **$29,660.00**

Of the 4 proposals that did not pass the minimum threshold requirements, 3 proposals submitted by Grace and Truth CDC failed to provide accurate information as requested within Form 4, the GAP Affidavit. It was discovered by HCDD staff that Grace & Truth CDC is currently undergoing a foreclosure lawsuit. This was not disclosed as it was requested within the affidavit.

The last proposal that did not receive a score was submitted by Kingsley Development LLC for the property located at 1031 Kenmore Street. This property was donated by the City of Jacksonville to Grace & Truth CDC on Sept. 11, 2019 through the Surplus Property Donation Program. This donation by the City of Jacksonville is Deed Restricted with the requirement that upon conveyance of the property the new owner's income must be at or below 140% of Area Median Income. Within the submitted proposal Grace & Truth is proposing to sell the donated property to Kingsley Development LLC. The sale of this property would not be possible due to the Deed Restrictions tied to the donated property.

Please do not hesitate to contact me at 255-8283 or rownby@coj.net if you have any questions.

Authority:
[2017-0764]
[2017-0861]
[2019-022]

CC: Annette L. Burney, Purchase Analyst – Procurement Division

TITLE: APPRAISAL GAP FINANCING - REBID BID NO.: ESC-0312-20 OPEN DATE: January 29, 2020 @ 2 P.M. ANALYST: Annette Burney No. Invited: (10) No. Received (3) No Bids: (0) Recorded By: Renata Barnett Announcer: Olive Wallace-Cohen		Grace & Truth Community Development Corp.			Kingsley Redevelopment LLC			PDC Management Group		
NOTES:										
Projects Submitted		1017 Kenmore St.	969 Ardoon St.	961 Ardoon St.	1031 Kenmore St.	759 Escambia St.		4413 Bessie Circle E.		
TOTAL GAP:		$ 47,000.00	$ 49,000.00	$ 48,000.00	$ 49,900.00	$ 49,900.00		$ 29,660.00		
COMPETENCE	20									
FINANCIAL RESPONSIBILITY	20									
PROJECT PLANS AND SPECIFICATIONS	25									
PROJECT TIMELINE	10									
PROJECT MARKETING PLAN	5									
COST GAP	20									
TOTAL POINTS	100									
MINIMUM REQUIREMENTS		Y			Y			Y		
Florida Corporation for at two (2) years (Good Standing)		✓			✓			✓		
Applicable Business License		✓			✓			✓		
Completion of two (2) Affordable Housing Projects in five (5) years		✓			✓			✓		
FEMA/Flood Zone		✓			X			✓		
Execute GAP Financing Affadavit (Form 4)		✓			✓			✓		
CONFLICT OF INTEREST		Y			Y			Y		
INSURANCE AGENT ACKNOWLEDGEMENT		Y			Y			Y		
ADDENDUM (1)		Y			Y			Y		

Appraisal GAP Financing - Rebid

ESC-0312-20

Total Points	20 Points	20 Points	25 Points	10 Points	5 Points	20 Points	OVERALL	Rank
FIRM: Kingsley Redevelopment LLC	Competence	Financial Responsibility	Project Plans & Specifications	Project Timeline	Project Marketing Plan	GAP Financing Request	Total Points (100 max)	
759 Escambia Street								
Shaun Rycroft	15.00	20.00	25.00	10.00	4.00	4.00	78.00	
Robert Ownby	20.00	20.00	25.00	8.00	3.00	4.00	80.00	
Travis Jeffery	20.00	20.00	25.00	5.00	5.00	4.00	79.00	
Average	18.33	20.00	25.00	7.67	4.00	4.00	**79.00**	
Project Name								
Reviewer 1							0.00	
Reviewer 2							0.00	
Reviewer 3							0.00	
Average	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	
Project Name								
Reviewer 1							0.00	
Reviewer 2							0.00	
Reviewer 3							0.00	
Average	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	

Appraisal GAP Financing - Rebid

ESC-0312-20

Total Points	20 Points	20 Points	25 Points	10 Points	5 Points	20 Points	OVERALL	Rank
FIRM: PDC Management Group LLC	Competence	Financial Responsibility	Project Plans & Specifications	Project Timeline	Project Marketing Plan	GAP Financing Request	Total Points (100 max)	
4413 Bessie Circle E.								
Shaun Rycroft	20.00	20.00	25.00	10.00	5.00	12.00	92.00	
Robert Ownby	20.00	10.00	20.00	10.00	5.00	12.00	77.00	
Travis Jeffery	10.00	20.00	25.00	10.00	5.00	12.00	82.00	
Average	16.67	16.67	23.33	10.00	5.00	12.00	**83.67**	
Project Name								
Reviewer 1							0.00	
Reviewer 2							0.00	
Reviewer 3							0.00	
Average	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	
Project Name								
Reviewer 1							0.00	
Reviewer 2							0.00	
Reviewer 3							0.00	
Average	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	

City of Jacksonville, Florida

Lenny Curry, Mayor

Procurement Division
Ed Ball Building
214 N. Hogan Street, Suite 800
Jacksonville, Florida 32202

ONE CITY. ONE JACKSONVILLE.

May 1, 2020

932 North Shore Drive
Jacksonville, FL 32208

NOTIFICATION OF FORMAL BID REJECTION

BIDDER'S NAME: Grace and Truth Community Development Corporation

CONTACT NAME: Bishop E.M. Johnson

BID NUMBER: ESC-0312-20

NAME OF BID: Appraisal GAP Financing - Rebid

DATE OPENED: 1/29/20

REASON FOR REJECTION:
Vendor is being rejected for failure to meet specification requirements, specifically, failure to provide accurate information on Form 4, GAP Affidavit.

IF YOU WISH TO PROTEST THE RECOMMENDED REJECTION OF THIS BID, PLEASE RESPOND IN ACCORDANCE WITH THE CITY OF JACKSONVILLE BID PROTEST PROCEDURES. DIRECT ALL PROTEST TO THE RESPECTIVE ANALYST/BUYER, FACSIMILE NUMBER (904) 255-8837.

BUYER'S SIGNATURE: _____
Annette L. Burney

Leslie-Burney, Annette

From: Leslie-Burney, Annette
Sent: Friday, May 01, 2020 1:30 PM
To: 'E.M. Johnson'
Cc: Pease, Gregory
Subject: FW: ESC-0312-20 REJECTION NOTICE - Appraisal GAP Financing
Attachments: ESC-0312-20 REJECTION NOTICE.pdf

Bishop Johnson:
Please find the attached notice of rejection for the subject RFP. Please email me with any questions or concerns.

Thank you,

Annette L. Burney
Purchasing Analyst
Procurement Division
Finance and Administration Department
214 N. Hogan Street, Suite 800
Jacksonville, FL 32202
Ph.: 904-255-8810
Fax: 904-360-8527
Email: aburney@coj.net

*** Privacy Act: This communication may contain privileged or other official city information. If you are not the intended recipient or believe that you have received this communication in error, please reply to the sender indicating that fact and delete the copy you received. It is a violation of Federal Law to print, copy, retransmit, disseminate, or otherwise use this information.

-----Original Message-----
From: P0697@coj.net [mailto:P0697@coj.net]
Sent: Friday, May 01, 2020 1:24 PM
To: Leslie-Burney, Annette
Subject: ESC-0312-20 REJECTION NOTICE

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location: Ed Ball 8th Floor
Device Name: P0697

For more information on Xerox products and solutions, please visit http://www.xerox.com

SECTION 4
DESCRIPTION OF SERVICES AND DELIVERABLES

1. INTRODUCTION

1.1. The Appraisal Gap Financing Program (GAP) creates a financial incentive for affordable housing developers to rehabilitate or construct new single family residential homes in economically challenged real estate markets. The Contractor is able to fill the "gap" between what it costs to renovate or build a single family home and the appraised value.

1.2. Qualified Contractors can receive up to $50,000 per single family home (as justified by a certified property appraisal and an accepted development pro forma), for up to three projects within eighteen (18) months.

1.3. **Qualified Contractor would submit one proposal packet per single family home development. Each proposal packet will be ranked independently from one another. The maximum amount eligible per single family home development project is $50,000.**

1.4. **Qualified developer may submit up to three (3) proposal packets in which the total subsidy does not exceed $150,000.**

1.5. In order to be a qualified developer, the Contractor must meet the minimum Requirements for Affordable Housing Developers. Eligible homebuyers must be income qualified individuals, having household incomes as provided within the **Program Income Limits (Attachment L).**

2. PROGRAM GOALS

2.1. Increase affordable housing development opportunities in areas of the City of Jacksonville where significant need and impact can be identified and documented;

2.2. Maximize the leveraging of resources to the greatest extent possible;

2.3. Strategically promote homeownership opportunities for low and moderate income individuals and families who are buying their first homes;

2.4. Reduce blight, promote the development, stabilization and preservation of neighborhoods; and

2.5. Spur residential development across the City by assisting families with incomes up to 140% of the Area Median Income (AMI) to purchase single-family homes.

3. PROJECT GRADING AND DELIVERABLES

3.1. Proposals will be graded based upon criteria outlined in the evaluation matrix in **Attachment B.** Points will be awarded for each category based upon the response of the contractor. The contractor will be expected to give detailed information on the project as it pertains to competence and experience, Financial Responsibility, The plans and specifications, Project Timeline, project marketing plan and the overall GAP financing amount requested.

3.2 All projects must undergo an environmental review. Sites with the below mentioned negative characteristics may be ineligible if sufficient mitigation and/or abatement efforts are not included in the project design or such efforts are deemed not feasible. The distances are to be measured from all parcel boundaries of the development site.

- within 300 feet of junk or scrap metal yards
- within 3,000 feet of active railroad tracks
- within 1,000 feet of an interstate highway including frontage and service roads
- within 300 feet of heavy industrial uses

- within 300 feet of a solid waste or sanitary landfill
- within 100 feet of high voltage transmission power lines
- within 5,000 feet of any civilian or military airport 60 dB noise contour
- Site must not be within an Airport Accident Potential Zone **https://library.municode.com/fl/jacksonville/codes/code_of_ordinances?nodeId=ZOSE_CH656ZOCO_PT10REREAILAADTH**
- Site must not be within a flood zone as determined by FEMA Flood Map Service Center. **https://msc.fema.gov/portal/search**

Applicants with sites adjacent to one or more negative features are strongly encouraged not to submit projects with these potential environmental impacts without the sufficient mitigation and/or abatement efforts needed within your development plan.

3.3 The contractor is expected to deliver based upon information provided within the Response a completed single family new construction home or the rehabilitation of an existing single family home that meets the minimum housing standards and specifications as outlined in **Attachment H** and that is sold to a homebuyer who earns less than 140% of Area Median Income.

3.4 Funds for the development GAP finance program will be distributed upon the sale of the home. The Contractor will supply as evidence of completion the Certificate of Occupancy of the subject property, the finalization of all open permits, the final development proforma reflecting the actual costs, the Licensed General Contractor's (builder on record) final lien release, the executed purchase and sale agreement for the property (if the sales price of the property has decreased from the initial subject-to appraisal the contractor must submit a justified reason in the form of a final appraisal) and the Homebuyers Certified Income statement. Funds for the development GAP finance program with disbursement instructions will be sent to the closing agent/attorney for the distribution upon sale.

4. SITE VISIT

Neighborhoods Department staff may schedule meetings, as needed, with the Contractor at the proposed development site to track and monitor the single family home development progress.

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ATTACHMENT B
EVALUATION MATRIX

This attachment outlines the specific requirements for proposals under the Appraisal GAP Financing Program. In addition to submitting a **GAP financing Cover Page (Attachment C)** the proposal must include the following categories of criteria listed in the same order as indicated below.

Category		Evaluation Criteria		Maximum Points	Vendor Score
Competence		**I.** Competence and Experience: Provide information pertaining to technical education, licensure and training, and experience in the type of project to be undertaken. **II.** Workload: **a.** Provide information on past, current, and projected workload. **b.** Provide information on availability of adequate personnel and contractors used to undertake the project. **III.** Partnership: Evidence of meaningful involvement between the local community and the entity serving as applicant. **IV.** Previous Experience: A description of previous development experience with specific details regarding any affordable housing experience within or outside of the proposed community.		20	
Financial Responsibility		**I.** Provide a detailed financial plan including all of the following: **a.** A list of sources of matching and/or leveraging funds including percentage of funding support from all other sources. **b.** The status of the funding availability (requested/committed)including a timeline for access to matching or leveraging funds. **c.** Letters from financial institutions or investors evidencing commitment of financing from relevant funding sources documenting financial capacity to complete the project. d. If applying for the City of Jacksonville's 2018 HOME Revolving Loan Fund provide a statement certifying this on company letterhead outlining the details of your HOME Loan application. II. Provide the Subject-To Appraisal of the proposed project by a licensed appraisal company no more than 6 months old. The proposed sales price of home as declared by the Subject-To Appraisal shall be listed with the submitted Development Proform and justify the Development GAP. **III.** Provide copies of contracts related to any funding source setting forth funding conditions.		20	

		IV. Provide copies of construction contracts as it relates to the physical development or rehabilitation of the site per the provided architectural plans and specifications. If construction contracts are not available provide a formal quote from a third-party licensed contractor for the development of the site per the submitted architectural plans and specifications. If self performing construction activities provide all associated costs per the provided architectural plans and specifications broken out by a Schedule of Values using the Divisions of Construction as defined by the Construction Specification Institute's Master Format. Construction costs either contracted out or self-performed must be accurately reflected in single family home development budget pro-forma (**Form 1**). **V.** If the Contractor is planning on using its own funds to finance the project, the Contractor shall provide at least two (2) years of audited financial statements. If audited financial statements are unavailable then the Contractor shall provide unaudited financial statements and state within the response that audited financial statements are unavailable. Unaudited financial statements shall be certified as true and correct by the CFO or CEO of the Contractor. The Contractor shall also provide relevant bank statements to verify adequate liquidity. **VI.** Provide statements of revolving lines of credit supporting all funding sources identified in the **Price Sheet/Certification of Funding Sources (Form 2)**. Statements of revolving lines of credit must state the maximum amount and availability of the credit line. **VII.** Provide a complete single family home development budget (pro-forma) including sources and uses (**Form 1**). All sources of funds must equal the total cost of the project. **CONTRACTOR'S DEVELOPER FEE IS CAPPED AT 10 %**			
Project Plans and Specifications		**I. Narrative:** Provide a short summary of the proposal that includes project scope and the expected need for the funding. Include a description of the existing real estate market and how the proposal will address the present needs while providing stability for community residents in the future. Contractors are encouraged to supply sufficient market information regarding need for the program/project and appraisal GAP funding. The proposal should target those areas within the City of Jacksonville that have experienced significant depopulation, disinvestment, or foreclosures and affirmatively further fair housing by placing affordable housing stock in areas without affordable housing. **II. Site Control:** Provide evidence of site control or, in the alternative, evidence of the ability to acquire the proposed site (option to purchase) in a timely manner (i.e., within three months of a funding award).		25	

		III. Zoning and Utility Availability: Provide evidence that the proposed single family home project complies with zoning ordinances and local land development plans. Provide evidence that the proposed site has proper water/sewer/electrical availability by the way of a JEA Service Availability Letter for the proposed site. **IV. Identification of Property and Location Map:** a. Provide a map of the site and neighborhood identifying location and address of proposed renovation and the surrounding area of impact. b. Provide the legal description of the project property **V. Existing Condition Photos:** Provide photographs of the proposed site, contiguous sites, surrounding area, and neighborhood, as well as photographs of the interior of the property. **VI. Architectural Drawings/Development Plan:** Provide architectural plans and specifications of the proposed project or development plans. Rehabilitation/New construction projects shall include a listing of detailed project specifications which meet the City's **New Home Construction/ Housing Rehabilitation Specifications (Attachment H).**			
Project Timeline		I. Provide details of the proposed renovation/new construction start and completion dates. The timeline should also include key milestones to timely move the project to closing. II. Project shall commence within three (3) months of the Effective Date of this Contract and construction completed within twelve (12) months from the Effective Date of this Contract and the completed project will be sold within eighteen (18) months from the Effective Date of this Contract. The Neighborhoods Department Director at his or her discretion may approve a time extension upon receipt of a written request outlining need for extension.		10	
Project Marketing Plan		I. Describe how the project will be marketed to potential homebuyers and identify any of Contractor's pre-qualified home buyers.		5	
Cost: GAP Financing Request		As indicated in the **Form 1**- Price Sheet, Proposals requesting the lowest amount of GAP Financing per $10,000 increment, shall receive the maximum number of points. Contractor's developer fee is capped at 10% of total development cost. The table below will be used to determine the score for price Based on the total GAP Subsidy (Line 35) on Form 1, Price Sheet.		20	

		Requested GAP Amount / Points Awarded 0-$9,999 / 20 $10k-$19,999 / 16 $20k-$29,999 / 12 $30k-$39,999 / 8 $40k-$49,999 / 4 $50k / 0			
Total Score		**Maximum Points Available One Hundred (100)**		**100**	

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