SUBJECT: APPRAISAL GAP FINANCING

BID #: ESC-0472-18 **OPEN DATE: 8/8/18**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

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

AGENCY: Neighborhoods

BASIS OF AWARD: Highest Scoring Bidder Based on Evaluation Criteria

NUMBER OF BIDS INVITED: 7 **NUMBER RECEIVED:** 3 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval of award to the two (2) highest scoring bidders, Metro North Community Development Corporation and Northwest Jacksonville Community Development Corporation as outlined below. Recommend approval to waive as a minor irregularity missing addendum #2 for Northwest Jacksonville CDC. The addendum has since been received. A third bidder, Revitalize Arlington, Inc., will not be funded due to low score. Period of service is for eighteen (18) months from date of contract execution. Total expenditure amount not to exceed $289,950.00.

Metro North CDC. – $148,860.00
Northwest Jacksonville CDC - $141,090.00

Funding Source: ERCD1N1FR-08301-HC9999-HCO999 – To be executed by formal contract through the Office of General Counsel

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

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

CONCURRENCE BY: Julie Adamson, Operation Direction, Neighborhood Department

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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 _____

City of Jacksonville, Florida

Lenny Curry, Mayor

Neighborhoods Department
Neighborhood Property Administration
214 N. Hogan Street, 7th Floor
Jacksonville, FL 32202
(904) 255-7033

ONE CITY. ONE JACKSONVILLE.

MEMORANDUM

October 11, 2018

10/11/18 15:10:55
Procurement Division

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

FROM: Julie Adamson, CPA
Operations Director, Neighborhoods Department

SUBJECT: **Appraisal GAP Financing RFP Score Recommendations**

The Neighborhoods Department received nine proposals by three different firms for the Appraisal GAP Financing RFP. The following proposals have been ranked and scored through the criteria outlined in the RFP. The minimum average score accepted is 60. Six of the nine proposals scored over 60 and are being recommend for funding. Please see below the listing of submitted projects, the average score, the recommended funding amount and the funding source. If any additional information is needed please feel free to contact me at 255-0799 or by email at JAdamson@coj.net.

Metro North Community Development		Average Score	Recommended Funding Amount	Funding Source
Projects Submitted	3845 Notter Ave	75.67	$49,620.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999
Projects Submitted	411 Birch St	75.67	$49,620.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999
Projects Submitted	3843 ~~Notter Ave~~ Perry St.	75.67	$49,620.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999

$148,860.00

Northwest Jacksonville CDC		Average Score	Recommended Funding Amount	Funding Source
Projects Submitted	1072 W. 12th St	83.17	$47,030.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999
Projects Submitted	2033 Payne Ave	84.83	$47,030.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999
Projects Submitted	2023 Payne Ave	84.83	$47,030.00	Index code: ERCD1N1FR Subobject: 08301 Project: HC9999 Grant: HCO999

$141,090.00

Revitalize Arlington Community Development		Average Score	Recommended Funding Amount	Funding Source
Projects Submitted	Lot 1	58.83*	$0.00	NA
Projects Submitted	Lot 2	58.67*	$0.00	NA
Projects Submitted	Lot 3	58.67*	$0.00	NA

***Proposal did not meet the minimum scoring threshold**

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

TITLE: APPRAISAL GAP FINANCING BID NO.: ESC-0472-18 OPEN DATE: August 8, 2018 @ 2 P.M. ANALYST: Annette Burney No. Invited: (7) No. Received (3) No Bids: (0) Recorded By: Renata Barnett Announcer: Pearl Mitchell		Metro North Community Development			Northwest Jacksonville CDC			Revitalize Arlington Community Development		
Notes:										
Projects Submitted		3845 Notter Ave	411 Birch St	3843 Perry St.	1072 W 12th Street	2033 Payne Ave	2023 Payne Ave	Lot 1	Lot 2	Lot 3
TOTAL GAP:		$ 49,620.00	$ 49,620.00	$ 49,620.00	$ 47,030.00	$ 47,030.00	$ 47,030.00	$ 39,640.00	$ 39,640.00	$ 39,640.00
COMPETENCE	20	20.00	20.00	20.00	20.00	20.00	20.00	16.67	16.67	16.67
FINANCIAL RESPONSIBILITY	20	11.67	11.67	11.67	20.00	20.00	20.00	9.17	7.50	7.50
PROJECT PLANS AND SPECIFICATIONS	25	23.33	23.33	23.33	22.67	24.33	24.33	10.00	14.17	14.17
PROJECT TIMELINE	10	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
PROJECT MARKETING PLAN	5	6.67	6.67	6.67	6.50	6.50	6.50	5.00	5.00	5.00
COST GAP	20	4.00	4.00	4.00	4.00	4.00	4.00	8.00	5.33	5.33
TOTAL POINTS	100	75.67	75.67	75.67	83.17	84.83	84.83	58.83	58.67	58.67
MINIMUM REQUIREMENTS			Y			Y			Y	
501 (c) (3) Non-profit Corporation			✓			✓			✓	
Applicable Business License			✓			✓			✓	
Completion of two (2) Affordable Housing Projects			✓			✓			✓	
Execute GAP Financing Affadavit (Form 4)			✓			✓			✓	
CONFLICT OF INTEREST			Y			Y			Y	
INSURANCE AGENT ACKNOWLEDGEMENT			Y			Y			Y	
ADDENDUM (2)			2			#1			#1	

Appraisal GAP Financing

ESC-0472-18

Total Points	20 Points	20 Points	25 Points	10 Points	10 Points	20 Points	OVERALL	Rank
FIRM: Metro North	Competence	Financial Responsibility	Project Plans & Specifications	Project Timeline	Project Marketing Plan	GAP	Total Points (100 max)	
3845 Notter Ave								
Reviewer 1	20.00	10.00	25.00	10.00	10.00	4.00	79.00	
Reviewer 2	20.00	20.00	25.00	10.00	5.00	4.00	84.00	
Reviewer 3	20.00	5.00	20.00	10.00	5.00	4.00	64.00	
Average	20.00	11.67	23.33	10.00	6.67	4.00	**75.67**	
411 Birch Street								
Reviewer 1	20.00	10.00	25.00	10.00	10.00	4.00	79.00	
Reviewer 2	20.00	20.00	25.00	10.00	5.00	4.00	84.00	
Reviewer 3	20.00	5.00	20.00	10.00	5.00	4.00	64.00	
Average	20.00	11.67	23.33	10.00	6.67	4.00	**75.67**	
3843 Perry Street								
Reviewer 1	20.00	10.00	25.00	10.00	10.00	4.00	79.00	
Reviewer 2	20.00	20.00	25.00	10.00	5.00	4.00	84.00	
Reviewer 3	20.00	5.00	20.00	10.00	5.00	4.00	64.00	
Average	20.00	11.67	23.33	10.00	6.67	4.00	**75.67**	

Appraisal GAP Financing

ESC-0472-18

Total Points	20 Points	20 Points	25 Points	10 Points	10 Points	20 Points	OVERALL	Rank
FIRM: North West Jax CDC	**Competence**	**Financial Responsibility**	**Project Plans & Specifications**	**Project Timeline**	**Project Marketing Plan**	**GAP**	**Total Points (100 max)**	
1072 W 12th Street								
Reviewer 1	20.00	20.00	25.00	10.00	10.00	4.00	89.00	
Reviewer 2	20.00	20.00	25.00	10.00	4.50	4.00	83.50	
Reviewer 3	20.00	20.00	18.00	10.00	5.00	4.00	77.00	
Average	20.00	20.00	22.67	10.00	6.50	4.00	**83.17**	
2033 Payne Ave								
Reviewer 1	20.00	20.00	25.00	10.00	10.00	4.00	89.00	
Reviewer 2	20.00	20.00	25.00	10.00	4.50	4.00	83.50	
Reviewer 3	20.00	20.00	23.00	10.00	5.00	4.00	82.00	
Average	20.00	20.00	24.33	10.00	6.50	4.00	**84.83**	
2023 Payne Ave								
Reviewer 1	20.00	20.00	25.00	10.00	10.00	4.00	89.00	
Reviewer 2	20.00	20.00	25.00	10.00	4.50	4.00	83.50	
Reviewer 3	20.00	20.00	23.00	10.00	5.00	4.00	82.00	
Average	20.00	20.00	24.33	10.00	6.50	4.00	**84.83**	

Appraisal GAP Financing

ESC-0472-18

Total Points	20 Points	20 Points	25 Points	10 Points	10 Points	20 Points	OVERALL	Rank
FIRM: Revitalize Arlington	**Competence**	**Financial Responsibility**	**Project Plans & Specifications**	**Project Timeline**	**Project Marketing Plan**	**GAP**	**Total Points (100 max)**	
0 25th Street - Lot 1								
Reviewer 1	20.00	5.00	25.00	10.00	5.00	8.00	73.00	
Reviewer 2	15.00	12.50	0.00	10.00	5.00	8.00	50.50	
Reviewer 3	15.00	10.00	5.00	10.00	5.00	8.00	53.00	
Average	16.67	9.17	10.00	10.00	5.00	8.00	**58.83**	
0 25th Street - Lot 2								
Reviewer 1	20.00	5.00	25.00	10.00	5.00	8.00	73.00	
Reviewer 2	15.00	12.50	12.50	10.00	5.00	8.00	63.00	
Reviewer 3	15.00	5.00	5.00	10.00	5.00	0.00	40.00	
Average	16.67	7.50	14.17	10.00	5.00	5.33	**58.67**	
0 25th Street - Lot 3								
Reviewer 1	20.00	5.00	25.00	10.00	5.00	8.00	73.00	
Reviewer 2	15.00	12.50	12.50	10.00	5.00	8.00	63.00	
Reviewer 3	15.00	5.00	5.00	10.00	5.00	0.00	40.00	
Average	16.67	7.50	14.17	10.00	5.00	5.33	**58.67**	

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. 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 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.

3.3 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 appraisal of the subject property, the final development proforma reflecting the actual costs, the Licensed General Contractor's (builder on record) final lien release 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 for the non-profit corporation or, if applying as a partnership, for all partners 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. **II.** Provide copies of contracts related to any funding source setting forth funding conditions. **III.** 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 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		20	

		out or self-performed must be accurately reflected in single family home development budget pro-forma (**Form 1**). **IV.** 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. **V.** 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. **VI.** 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). **III. Zoning:** Provide evidence that the proposed single family home project complies with zoning ordinances and local land development plans. **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		25	

		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 start and completion dates. The timeline should also include key milestones to timely move the project to closing. **II.** Projects shall commence within three (3) months of award and achieve renovation completion, evidenced by the finalizing of all open permits, within twelve (12) months of award. 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.		**20**	
Total Score		**Maximum Points Available One Hundred (100)**		**100**	

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QWS3270X 10/12/2018 10:32 AM
FAML6350 V5.1 ** NW COJ FAMIS PRODUCTION ** 10/12/2018
LINK TO: ACCOUNT SUMMARY INQUIRY 10:31 AM

FISCAL MO/YEAR : 12 2018 CURRENCY CODE :
INDEX CODE : ERCD1N1FR FORECLOSED PROPERTY REGISTRY-HOUSING SER
SUBOBJECT : 08301 OTHER GRANTS AND AIDS
PROJECT : HC9999 JACKSONVILLE HOUSING COMMISSION
PROJECT DETAIL :
GRANT : HCO999 JACKSONVILLE HOUSING COMMISSION
GRANT DETAIL :
USER CODE :

S	SEPT 2018	ANNUAL BALANCE	ALL YEARS BALANCE
ESTIMATED REVENUES	.00	.00	.00
REVENUES	.00	.00	.00
UNREALIZED REVENUES	.00	.00	.00
BUDGET	.00	408,200.00	983,400.00
EXPENDITURES	.00	.00	.00
ENCUMBRANCES	.00	.00	.00
PRE-ENCUMBRANCES	.00	.00	.00
REMAINING BALANCE	.00	408,200.00	983,400.00

F1-HELP F2-SELECT F4-PRIOR F5-NEXT
F9-LINK F10-PRIOR-MO F11-NEXT-MO

G014 - RECORD FOUND

CITY OF JACKSONVILLE
DIVISION OF PROCUREMENT
ED BALL BUILDING – 8TH, FLOOR
214 N. HOGAN STREET
JACKSONVILLE, FL 32202

ADDENDUM NUMBER: **TWO (2)**

BID NUMBER: **ESC-0472-18**

PROJECT NAME: **Appraisal GAP Financing**

OPENING TIME AND DATE: **2:00 P.M., Wednesday, August 8, 2018**

THIS ADDENDUM IS ISSUED FOR THE INFORMATION OF BIDDERS ON THE ABOVE TITLED PROJECT AND WILL BE PART OF THE CONTRACT

The purpose of this addendum is for the following:

1. Attachment B, Financial Responsibility (IV)
A question was asked during the pre-bid conference held on 6/18/18 regarding non-profit organizations providing audited financial statements. Criterion IV states:

> **IV.** 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.**

2. Request for Available Required Forms
The following required forms are available electronically:

Attachment C – GAP Financing Cover Page
Form 1 - Price Sheet (Development Pro-forma)
Form 2 - Certification of Funding Sources
Form 4 - Request for Appraisal GAP Financing Affidavit

To receive electronic copies of the above documents, bidders must send written request to aburney@coj.net. No changes shall be made to the forms without written consent from the City of Jacksonville.

Please note: The above forms are only a portion of the forms required for bid submission. Bidders are responsible for making sure all required forms in the RFP are included with their response.

DATE: **June 20, 2018** **Analyst:** **Annette Burney**

RECEIPT ACKNOWLEDGED BY RETURN OF SIGNED COPY WITH BID.

Bidder's Signature

Title

Company

Date