

**OFFICIAL NOTICE #57574
REQUEST FOR QUALIFICATIONS**

**MILWAUKEE CHALLENGE FUND FOR
THE REDEVELOPMENT OF CITY OWNED TAX FORECLOSED PROPERTIES**

The Department of City Development (DCD) is requesting responses to this Request for Qualifications (RFQ) from developers who have both the capacity and proven experience to undertake larger-scale development activity – minimally 15 or more units in a 12 month period.

The RFQ can be found on DCD’s web site at the following link:

<http://city.milwaukee.gov/Projects/RequestsforProposals.htm>

The City will be holding an Optional Pre-Submission Informational Meeting on the RFQ on **Friday, March 13, 2015 at 10:00 am**. Interested parties are invited to attend to hear more about the City’s Strong Neighborhood efforts and this RFQ. The meeting will be held at Manpower, 100 Manpower Place in Milwaukee. There is street parking available, as well as parking in the structure on Cherry Street. See the map at the following link: <http://goo.gl/maps/UJUAE>

Questions regarding this RFQ should be addressed to Scott Stange in writing via email at: sstang@milwaukee.gov. The deadline for questions regarding the RFQ is **March, 20, 2015**. Any additional information and/or clarification(s) regarding this RFQ will be posted on the above referenced website in the form of an addendum to this RFQ by **March 24, 2015**.

Proposals are due April 1, 2015 by 11:00 a.m.

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Attachments:

- A. Affidavit of No Interest (**must be completed and attached to your proposal**)
- B. Non-Debarment Form (**must be completed and attached to your proposal**)
- C. Designation of Confidential and Proprietary Information Form

**CITY OF MILWAUKEE
DEPARTMENT OF CITY DEVELOPMENT
809 N. Broadway
Milwaukee, Wisconsin 53202**

March 3, 2015

The City has experienced a significant increase in the number of properties it has acquired through the tax foreclosure process, and currently owns over 1,000 tax foreclosed properties. In 2014, the City launched its “Strong Neighborhoods Plan” – a comprehensive effort to address all impacts of the tax foreclosure issue and stabilize City neighborhoods. Revitalization is a key component of the plan.

The goals of the City’s Strong Neighborhood Plan are to:

- Return vacant City tax foreclosed properties to productive use
- Provide high quality affordable housing opportunities for Milwaukee residents
- Cluster redevelopment efforts in a manner that results in a positive impact for the surrounding neighborhood
- Encourage new investment in housing in Milwaukee neighborhoods
- Provide construction opportunities for local small business enterprises and job opportunities for local residents

Going forward, the City wishes to expand these efforts, and given the significant size of the City’s inventory, the City is seeking development team partners who have the capacity to undertake larger scale development activity – at a minimum, the redevelopment of at least 15 properties in a 12 month period.

Based on responses to this Request for Qualifications, the City will work with a select number of development teams in targeted neighborhoods. The City will work with these teams to identify City owned tax foreclosed properties for redevelopment, and as necessary, provide them with the resources – both properties and “gap financing” to undertake their redevelopment.

This Request for Qualifications (RFQ) seeks developers who have both the capacity and proven experience to undertake larger-scale development activity – minimally 15 or more units in a 12 month period. Specific activities under this RFQ that the City is seeking in partners include the following:

- Acquisition of city owned foreclosed properties for rehabilitation and sale for home owner-occupancy
- Acquisition of city owned foreclosed properties for rehabilitation for affordable lease/option opportunities
- Acquisition of city owned foreclosed housing for affordable rental housing

Neighborhoods

The City has selected three targeted neighborhoods for consideration – Century City, Harambee and Washington Park. These neighborhoods were selected based on criteria including the following:

- Concentrations of city owned tax foreclosed properties

- Proximity to past, current and proposed investments
- Presence of local neighborhood partners to address quality of life issues that will strengthen and support the project investment

Teams may also propose other targeted neighborhoods, but will be required to provide a rationale for their neighborhood selection that considers the characteristics identified above.

Challenge Funds and City Properties

Given the condition of its inventory, the City understands that gap financing may be needed to make the acquisition and rehabilitation of City owned tax foreclosed properties economically feasible. After selection of development teams, the City anticipates that its partnership with selected developers would work as follows:

1. City will select participating development team and confirm target neighborhood.
2. City Real Estate will reserve properties within the target area for development team for the initiative.
3. A pool of funds will be set aside to provide gap financing for the properties that would be redeveloped under the initiative.
4. Developer will enter into a Development and Sales Agreement which would detail the responsibilities of both the City and the Developer under the initiative.
5. Developer will undertake the redevelopment of properties purchased from the City. For each property selected, Developer must provide a scope of work (incorporating the minimum rehabilitation standards described below), and a sources and uses of funds/budget for the selected property (or group of properties).
6. City will commit funds to provide the gap financing for the individual project(s).
7. City funds will be the “last” money in the project, or, if developer finances 100% of project, City funds would be reimbursed upon completion.
8. Developer will periodically report on its activity, including status of rehabilitation, lease up, sales, SBE contracting activity, and other information as required by the City.

Rehabilitation Standards

The City has worked with many developers in the past to address the redevelopment of foreclosed and vacant properties in both the Low Income Housing Tax Credit Program and the Neighborhood Stabilization Program. For the purposes of the Strong Neighborhoods Challenge Fund, we are seeking a “moderate” rehabilitation standard.

Scopes of work should address all existing code violations and visible lead hazards. Additionally, the replacement of roofs, porches, siding/exterior painting, and major mechanicals that appear to have less than 5 years life remaining should be included in

scopes of work. Furnaces and hot water heaters installed under the program should be high efficiency, Energy Star rated models. To the extent the development budget allows, additional exterior and energy efficiency upgrades are encouraged.

The rehabilitation of properties under this program should be carried out in accordance with the City of Milwaukee's "Rehabilitation Technical Specifications and Performance Standards" manual (available online at <http://city.milwaukee.gov/RehabilitationTechni16398.htm>), except those portions of the manual relating specifically to requirements that are imposed by the U.S. Department of Housing and Urban Development on projects receiving federal funding.

Contracting Goals

Providing business and employment opportunities for City of Milwaukee firms and residents is an objective of the Strong Neighborhoods Plan. There will be a 40% Small Business Enterprise ("SBE") contracting goal for work undertaken as part of this effort. A directory of SBE contractors is available at www.city.milwaukee.gov/OSBD. Innovative partnerships and efforts to incorporate the employment of City residents and/or job training activities are also encouraged and will be considered in the evaluation of responses to this RFQ.

Partnerships

The acquisition and rehabilitation of vacant properties is an important goal. However, in itself, property renovation will not result in sustainable neighborhood change. Development teams should reach out to partner with local neighborhood organizations to enhance the impact of their redevelopment efforts.

For the selected target area, proposals should identify opportunities for activities like the following:

- Work with local organizations to identify tenants and prospective homeowners for your redeveloped properties
- Work with organizations/residents to improve one or more vacant city lots near the redevelopment activity
- Collaborate and support the efforts of neighborhood organizations efforts to address quality of life issues in the neighborhood
- For homeownership projects, work with the City's non-profit home buying counseling agencies for referrals of prospective homeowners, or to provide counseling services for tenants in a lease-to-own project

The examples above are not intended to be all inclusive, as each neighborhood has its own unique characteristics. We want you to consider how you would collaborate with local neighborhood organizations to support and complement the impacts of your development activities. A list of key neighborhood organizations in proposed Target Neighborhoods is attached.

Submission Criteria

Respondents should provide the following information:

1. Experience/Qualifications

- (A) List each member of your team (e.g., developer, property manager, real estate broker, etc.). **Describe in detail** their experience in the acquisition, development, management and sale of scattered site residential housing. Describe the number of years and the number of units developed/owned/managed. Provide a list of all properties currently owned in the City of Milwaukee. In your response to this criteria, please make sure to highlight your specific experience with scattered site housing.
- (B) For teams that involve an entity in addition to the developer (e.g. a real estate broker or property management firm), identify your **“lead”** team member. This will be the member who will be responsible for coordinating activity under your proposal, entering into the Development and Sales Agreement with the City, and will be accountable for activities under your plan.
- (C) Describe experience in working small business enterprises, and with mentorship or job creation programs.
- (D) Describe any partnerships with community or resident based organizations that you have been engaged in with your previous development activity.
- (E) Provide the most recent two years of audited financial statements.
- (F) Describe any other unique qualifications or experience that will be helpful to implementing your proposed activity.

2. Neighborhood

Indicate the neighborhood you are proposing to work in. If you have selected a neighborhood other than one included in this RFQ, provide the geographic boundaries for that neighborhood and the reasons that you selected it. The area

should include a sufficient number of City owned properties to meet your development goals.

A note on geography: the purpose of targeting is to concentrate resources to achieve a visible and sustainable impact. However, going forward, we anticipate there will be some limited flexibility in regard to property development on blocks immediately adjacent to your target boundaries. Keep this potential flexibility in mind if you are proposing neighborhood boundaries other than those provided, i.e., the area should be compact enough to accomplish a visible impact, understanding that if opportunities become available in close proximity, you won't necessarily be constrained.

3. Development Strategy

Indicate what development strategies you are proposing – acquisition and rehabilitation for: (1) sale to homeowner occupants, (2) development of a lease/option program, or (3) development of affordable rental housing (including combinations of these three strategies). Also indicate if you would incorporate City owned vacant lots that are adjacent to properties you will be developing in your development. The activities that you are proposing should be consistent with your experience.

4. Commitment to use of Small Business Enterprises/other employment opportunities

As indicated previously, the contracting goal for work under this initiative is 40% participation by Small Business Enterprises (SBE). This goal will be included in the Development and Sales Agreement. Describe your strategy to reach the 40% participation rate. Include any other innovative strategies or efforts you would employ to achieve the City's overall goal of providing business and job opportunities for City residents.

For a listing of SBE firms certified by the City of Milwaukee go to the following link and click on the SBE Business Directory: <http://city.milwaukee.gov/osbd>

5. Leverage and development subsidy

Recognizing that until properties are selected, the amount of gap financing requested cannot be determined, in general terms, describe your financing model. Explain the mechanisms you would employ to leverage private capital and/or financing in your proposed development.

More specifically, based on the neighborhood you have selected and your experience and knowledge – provide the following:

Rental and lease/option projects

What would a typical proforma look like in terms of projected rents, income and cash flow? What would your estimated sources of funds look like, i.e., on a per unit basis, what would be the average amount of debt and equity that could be supported? For example, projected rents for the neighborhood are \$X, projected expenses are \$X/unit, and based on those assumptions, we estimate that we could support \$X amount of debt and \$X amount of equity on a per unit basis.

For lease/option projects, include your assumptions regarding the length of time a renter would occupy a unit before qualifying for purchase. What portion of the monthly rent would be held toward a down payment? How would the option price be set?

For sale projects:

What would you project the average sales price of for sale housing in the neighborhood you have selected? In regard to development budget, what would your expectations be for compensation to your development team, i.e. development fee, construction oversight fees, etc? How would you finance the development phase of the acquisition and rehabilitation?

6. Neighborhood Partnerships

Describe your commitment to and plan for working with local neighborhood organizations and residents to leverage your development activities. Respondents should reach out to organizations in their targeted geography and consider opportunities for collaboration.

Selection

Participating entities will be selected based on their response to the above criteria. The evaluation of submissions will be based on:

- Experience and capacity – ability of entity to acquire, hold, develop, sell and/or own and manage scattered site, tax-foreclosed properties and the experience and qualifications of key team members responsible for the implementation of the activities. (40 points)
- Commitment to working with emerging business enterprises in both development and contracting activities (20 points)
- Ability to leverage funds – financial feasibility (30 points)
- Neighborhood engagement – the extent to which the respondent has, or is willing to work collaboratively with local neighborhood organizations (20 points)
- Special considerations – other qualifications, development strategies or factors you would like us to consider in evaluating your proposal (10 points)

Pre-Submission Informational Meeting

The City will be holding an Optional Pre-Submission Informational Meeting on the RFQ on March 13, 2015 at 10:00 a.m. The meeting will be held at Manpower, 100 Manpower Place, Milwaukee. Interested parties are invited to attend to hear more about the City's Strong Neighborhood efforts and this RFQ.

Other Tools that may help you in your response:

In preparing your response, you may wish to utilize:

- The City's Strong Neighborhoods Mapping Tool – allows you to look at target geographies and key indicators, including tax delinquencies, foreclosures, vacant properties, owner occupancy, etc. www.city.milwaukee.gov/mapmilwaukee (Link on left hand side of page under "Mapping Applications")
- Vacant Lot Pattern Book – ideas for improving vacant lots in City neighborhoods <http://city.milwaukee.gov/NIDC> (link on lower right hand side of page)
- Milwaukee Market Value Analysis (MVA) compares residential market conditions between neighborhoods within the City of Milwaukee. The MVA analyzes the values of specific variables across all residential markets within the city and, based upon the analysis, defines market types that allow different neighborhoods in the city to be compared against each other on the basis of market strength or weakness. You can access MVA data by adding the MVA mapping layer in the Strong Neighborhoods Mapping tool listed above.

Deadline for Submissions

Questions regarding this RFQ should be addressed to Scott Stange in writing via email at: sstang@milwaukee.gov. Deadline for questions regarding the RFQ are due by, **March 20, 2015**. Any additional information and/or clarification(s) regarding this RFQ will be posted on the above referenced website in the form of an addendum to this RFQ by **March 24th, 2015**. Questions initiated after **March 20, 2015**, will not be considered. All addendums issued by DCD will be posted on the Internet at <http://city.milwaukee.gov/Projects/RequestsforProposals.htm> by the end of the day on **March 24th, 2015**.

It is the responsibility of the Developer, prior to submitting a response to the RFQ, to determine whether all addendums have been received and are included in the RFQ response.

An **original and 3 (three) copies** of the proposal should be submitted to DCD's Bid Desk no later than **11:00 a.m., April 1, 2015**. The proposals must be submitted **along with the required Affidavit of No Interest and Debarment Certification**. Late submissions will not be accepted.

Proposals should be mailed or delivered to:

**Bid Desk
Department of City Development
809 N. Broadway, 2nd floor
Milwaukee, WI 53202-3617**

Proposal to be clearly marked: **Official Notice #57574– Milwaukee Challenge Fund
for The Redevelopment of City Owned Tax
Foreclosed Properties**

***** Please note: For proposals submitted by courier delivery service (e.g. UPS®, FedEx®, etc.), the building at the address above does not open until 8:00 a.m. Instructions to delivery drivers should be explicit in regard to that time as well as the above noted address of the bid desk. Without such instructions, a package may not be delivered on-time to the correct location within the City complex.**

General RFQ Requirements

1. Interpretations of RFQ -Any requests for interpretation should be submitted in writing to Scott Stange, sstang@milwaukee.gov. No oral interpretations will be made to any Developer as to the meaning of the RFQ requirements. All interpretations will be posted and answered on the Internet. If you received your RFQ from the Internet you will be responsible for keeping abreast of the addenda as they come in. All such addenda shall become a part of the RFQ, and all Developers shall be bound by such, whether or not received by the Developer.

2. Receipt of Proposals - Proposals received prior to the time of opening will be secure. The officer whose duty it is to open them will decide when the specified time has arrived, and no proposal received thereafter will be considered. No responsibility will be attached to an officer for the premature opening of a proposal not properly addressed and identified.

Developers are cautioned to allow ample time for transmittal of proposals by mail or otherwise. Developers should secure correct information relative to the probable time of arrival and distribution of mail at the place where proposals are to be forwarded.

3. Withdrawal of Proposals - Proposals may be withdrawn on written request dispatched by the Developer in time for delivery in the normal course of business prior to the time fixed for closing. Negligence on the part of the Developer in preparing a proposal for offer to DCD confers no right of withdrawal or modification of the proposal after such proposal has been opened. In case of withdrawal of a proposal by a Developer, the Developer will be disqualified thereby from submitting a second proposal on the contract at hand. See Section 66.0901(5), Wisconsin Statutes.

4. Rejection of Proposals - DCD reserves the right to reject the proposal of any Developer who has previously failed to perform properly or to complete on time contracts of a similar nature, who is not in a position to perform the contract, or who has habitually and without just cause neglected the payment of bills or otherwise disregarded his obligations to subcontractors or employees.

5. Miscellaneous - DCD reserves the right to waive informalities in any proposals, reject any or all proposals in whole or in part, with or without cause, and to accept the proposal(s) which in its judgment best meets its needs.

6. Equal Employment Opportunity - The Developer agrees that there will not be discrimination as to race, sex, sexual orientation, religion, color, age, creed, or national origin in regard to obligation, work, and services performed under the

terms of any contract ensuing from this RFQ. Developer must agree to comply with Executive Order No. 11246, entitled "Equal Employment Opportunity" and as amended by Executive Order No. 11375, as supplemented by the Department of Labor Regulations (41 CFR, Part 60).

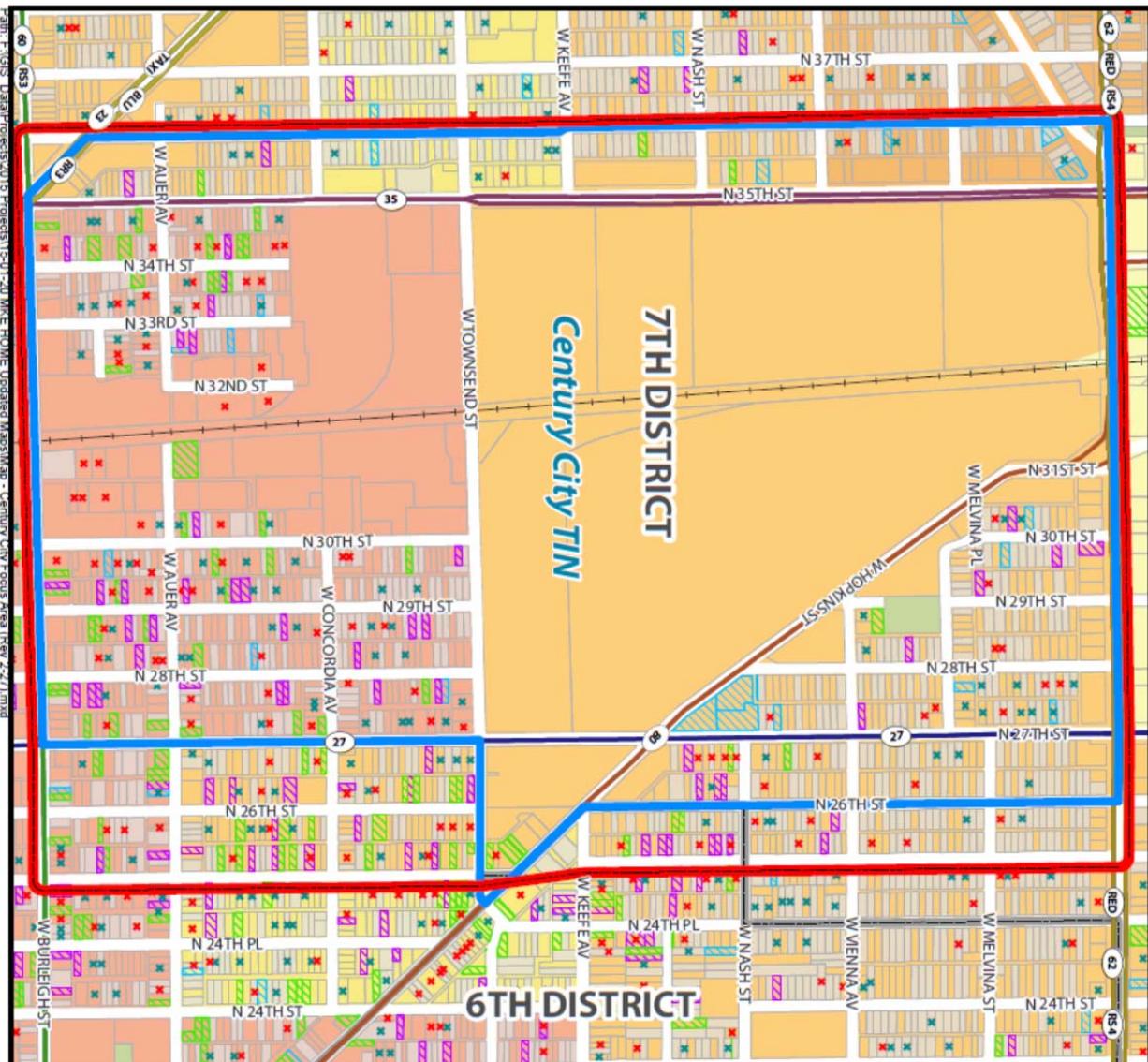
7. Indemnification - The Developer agrees that it will indemnify, save and hold harmless DCD and the City of Milwaukee, their officers, employees, or agents, from and against all claims, demands, actions, damages, loss, costs, liabilities, expenses, judgments, and litigation costs, including reasonable attorney's fees, photocopying expenses and expert witness fees, recovered from or asserted against DCD or the City of Milwaukee on account of injury or damage to person or property or breach of contract to the extent that such damage, injury, or breach may be incident to, arising out of, or be caused, either directly or proximately, wholly or in part, by an act or omission, negligence or misconduct on the part of the Developer or any of its agents, servants, employees or subcontractors.

DCD shall tender the defense of any claim or action at law or in equity, arising out of or otherwise related to an act or omission, negligence, misconduct, or breach of contract on the part of the Developer or any of its agents, servants, employees or subcontractors, to the Developer or its insurer and, upon such tender, it shall be the duty of the Developer and its insurer to defend such claim or action without cost or expense to DCD.

8. Ethics - It is the policy of the Department of City Development that contracts shall not be awarded to any Developer team that includes individuals who have left City employment within the past 12 months, or individuals who are currently members of the RACM board.

9. Wisconsin Public Records Law - Both parties understand that the City of Milwaukee is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Agreement are subject to and conditioned on the provisions of Wis. Stat. 19.21, *et seq.* The Developer acknowledges that it is obligated to assist DCD in retaining and producing records that are subject to Wisconsin Public Records Law, and that the failure to do so shall constitute a material breach of this Agreement, and that the Developer must defend and hold DCD harmless from liability under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement.

Century City Target Area - 25th – 36th, Burleigh - Capitol



CENTURY CITY

Ownership Conditions

Prepared by the Department of City Development, 27 February 2015
 Source: City of Milwaukee Information & Technology
 Management Division, Real Estate Division

Legend

- Bank Foreclosed Property
- City Foreclosed Structure
- City Vacant Lot
- Owner Occupied Residential
- Focus Area
- Aldermanic Districts
- Targeted Investment Neighborhood

Tax Delinquency

- 2 Years
- 3+ Years

2013 Market Value Analysis

List of Community Organizations and Contacts

Century City

Triangle Neighborhood Association

www.city.milwaukee.gov/Projects/30thStreetIndustrialCorridor

Contact: Yvonne McCaskill

414-445-0284

mccaskillym@yahoo.com

Harambee

Harambee Great Neighborhood Initiative/Riverworks

www.riverworksmke.org

Contact: Leif Stetson

414-364-6486

Leifo@riverworksmke.org

Washington Park

Washington Park Partners

www.washingtonparkpartners.org

Contact: Bess Earl

414-344-1818

Bess.earl@umcs-wi.org

Attachment A

AFFIDAVIT OF NO INTEREST

STATE OF WISCONSIN]
] SS
MILWAUKEE COUNTY]

_____, being first duly sworn, on oath deposes and says that he/she is the agent of the _____, for the attached submission for Official Notice #57574 – Milwaukee Challenge Fund for The Redevelopment of City Owned Tax Foreclosed Properties.

Affiant further deposes and says that no officer, official or employee of the Department of City Development of the City of Milwaukee has or will receive anything of value in connection with the issuance of an agreement ensuing from this RFQ

(Signature)

Subscribed and sworn to before me this ___ day of _____, 20__.

Notary Public, Milwaukee County, Wis.
My commission expires _____.

Attachment B

Non-Debarment Certification

The undersigned, being duly authorized to act on behalf of _____ (the “DEVELOPER”), hereby certifies that neither the DEVELOPER nor any of its principals are debarred, suspended, or proposed for debarment for federal financial assistance (e.g., General Services Administration’s List of Parties Excluded from Federal Procurement and Non-Procurement Programs).

The DEVELOPER further certifies that all potential sub-recipients, contractors, and any and all of their principals are not debarred, suspended or proposed for debarment, and that the DEVELOPER will not enter into any transactions with any sub-recipients, contractors, or any of their principals who are debarred, suspended or proposed for debarment.

Attachment C

DESIGNATION OF CONFIDENTIAL AND PROPRIETARY INFORMATION

Material submitted in response to the DCD Request for Qualifications No. 57574 includes proprietary and confidential information that qualifies as a trade secret, as provided in Wis. Stats. §§ 19.36(5) & 134.90, or is otherwise material that can be kept confidential under the Wisconsin Public Records Law. As such, the proponent asks that certain pages, as indicated below, of this proposal be treated as confidential material and not released, to the extent allowed by Wisconsin law. Therefore, I am providing the following information with the express understanding that it is being submitted to DCD under a pledge of confidentiality. I would not have submitted this information had the DCD not pledged to keep it confidential* and request that the following pages not be released:

<u>Section</u>	<u>Page</u>	<u>Topic</u>

*NOTE: Proponents are cautioned that the ENTIRE PROPOSAL WILL NOT FALL WITHIN THE CONFINES OF THE PLEDGE OF CONFIDENTIALITY. PLEASE LIMIT DESIGNATIONS OF CONFIDENTIALITY ONLY TO PROPRIETARY OR TRADE SECRET INFORMATION, OR OTHER LIMITED INFORMATION THAT YOU PROVIDE ONLY UPON RECEIPT OF A PLEDGE OF CONFIDENTIALITY

IN THE EVENT THE DESIGNATION OF CONFIDENTIALITY OF THIS INFORMATION IS CHALLENGED, THE UNDERSIGNED HEREBY AGREES TO PROVIDE LEGAL COUNSEL OR OTHER NECESSARY ASSISTANCE TO DEFEND THE DESIGNATION OF CONFIDENTIALITY.

Failure to include this designation in the proposal response may mean that all information provided, as part of the proposal response will be open to examination and copying.

Signature (Authorized Representative)	Telephone Number
Name (Please Print)	Company Name
Title	Date

NOTE: The DCD, as custodian of these public records has the obligation, pursuant to the Public Records Law, to determine whether the above information can be kept confidential.

The DCD will notify any proponent if a determination is made that the requested information cannot be kept confidential.

PROPRIETARY INFORMATION: Proprietary information submitted in response to this request for proposal will be handled in accordance with applicable DCD procurement regulations. A proponent responding to this proposal should not include any proprietary information as part of its proposal unless the proponent 1) designates the specific information that it maintains is proprietary and the reason(s) for such designation in a separate document to the DCD, Purchasing/Contract Services Division and 2) identifies the specific information when it occurs within the proposal.

The DCD preference is for the proponent to segregate all information designated as confidential into one section of the Request for Proposal and/or a separate document for easier removal to maintain its confidential status. The response to the proposal should indicate which portion of the requested information is confidential and where this information is located within the response, i.e. under separate cover, in confidential Section No. _____, etc. Data contained in the proposal and all documentation becomes the property of the DCD, Purchasing Division.

Generally, proposals are available for public review after the Purchasing/Contract Services Division has awarded and executed a contract.