

CITY OF PORTLAND, MAINE
Department of Planning and Development
Housing & Community Development Division

**Professional Financial Underwriting Consulting Services for Housing
Development Projects**

REQUEST FOR PROPOSALS
Notice and Specifications

The City of Portland, Maine is seeking proposals from a consultant or consultant team for professional financial underwriting consulting services. This project will require a consultant or consultant team with expertise in affordable and market-rate housing investment, underwriting and financing.

Sealed Proposals plainly marked “**Professional Financial Underwriting Consulting Services for Housing Development Projects RFP #4316**” will be submitted to the City of Portland Purchasing Office at City Hall on 389 Congress Street in Portland, Maine 04101. Eight (8) copies of the proposal and one (1) electronic copy on a CD/DVD will be submitted before **3:00 p.m. on Thursday, February 25, 2016**. The City of Portland reserves the right to accept or reject any/or all proposals. Late, unsigned proposals or proposals submitted electronically shall not be accepted. Proposals shall remain open to acceptance for thirty days from their opening.

Copies of the above documents will be available at the Purchasing Office, Room 103, City Hall, 389 Congress Street, Portland, ME 04101. Each prospective bidder will be required to obtain from the City each copy of the proposal form and each set of plans; e-mail jrl@portlandmaine.gov, phone (207) 874-8654, or fax (207) 874-8652.

Proposals from vendors not registered with the Purchasing Office may be rejected; receipt of this document directly from the City of Portland indicates registration. Should a vendor receive this Request from a source other than the City, please contact 207-874-8654 to ensure that your firm is listed as a vendor for this RFP.

All questions shall be directed to the City of Portland Purchasing Office by telephone at 207-874-8654 or by email at mff@portlandmaine.gov. All questions must be received at least five business days before the opening date. Questions received after this time will not be addressed. Responses that substantially alter this RFP will be issued in the form of written addenda to all those that have registered and received an RFP from the City of Portland Purchasing Office. Oral explanations or interpretations given before the proposal submittal deadline will not be binding.

Equal Employment Opportunities Vendor shall comply fully with the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998, as amended (WIA, 29 CFR part 37); the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR part 37 and all other applicable laws, including the Maine Human Rights Act, ordinances and regulations regarding equal opportunity and equal treatment.

The successful proposer shall agree to defend, indemnify and save the City harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City's Corporation Counsel of coverage for General Public and Automobile Liability insurance in amounts not less than \$400,000 per person, for bodily injury, death and property damage, protecting the contractor and the City, and naming the City as an additional insured from such claims, and shall also procure Workers' Compensation insurance.

All materials and equipment used as well as all methods of installation shall comply at a minimum with any and all Federal, OSHA, State and/or local codes, including applicable municipal ordinances and regulations.

Pursuant to City procurement policy and ordinance, the City is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Proposers who are delinquent in their financial obligations to the City must do one of the following: bring the obligation current, negotiate a payment plan with the City's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful proposer.

It is the custom of the City of Portland, Maine to pay its bills 30 days following equipment delivery and acceptance, and following the receipt of correct invoices for all items covered by the purchase order. In submitting proposals under these specifications, proposer should take into account all discounts; both trade and time allowed in accordance with this payment policy and quote a net price. The City is exempt from the State's sales and use tax as well as all Federal excise taxes.

Introduction

The City of Portland is requesting proposals from qualified firms or individuals to provide quality professional financial underwriting consulting services for housing development projects funded through the City's HUD funded programs, local resources and Tax Increment Financing.

Background

The City of Portland, Maine is an entitlement community as defined by HUD and receives a HOME Program Grant based on that status and a funding formula. HUD HOME regulations and local policies require an underwriting review of housing financing requests. In order to meet these requirements, the City must ensure that their allocations of funds are consistent with certain criteria.

Scope of Services

The City of Portland is seeking a qualified professional housing financial underwriter to provide a range of services. Listed below are examples of the types of tasks that the City of Portland may request of a professional housing underwriting consultant. Specific tasks will be identified and contracted out on an as-needed basis to include but not limited to providing financial underwriting consulting services for the following activities to include affordable housing development (new construction and rehabilitation), mixed-use development, land acquisition and development, and other services as needed.

Qualifications and requirements:

A. Qualifications for financial underwriting consulting services, including but not limited to:

- Extensive knowledge of the HOME Program rules and regulations (<https://www.onecpd.info/home/home-final-rule/>)
- Knowledge of Tax Increment Financing (AHTIF) (MRSA30-A§5245 Municipal Affordable Housing Development Districts)
- Review of project costs for developing and constructing the project in order to determine both reasonableness and eligibility
- Review of resources of financing for the project
- Review the projected profitability and financial health of the project
- Review of the proposed financing and operating terms.

B. Requirements for financial underwriting consulting services on an as needed basis, including but not limited to:

- Examination and analysis of project cost during development phase
- Examination and analysis of individual cost items
- Examination and analysis of construction loan
- Examination and analysis of permanent project financing

- Examination and evaluation of HOME and other affordable housing requirements including:
 - Proposed project's maximum HOME funds investment per unit and total HOME eligible costs for the project
 - Maximum rents charged for HOME assisted units
 - Impacts of other housing programs on the proposed project
 - Tax Increment Financing requirements and terms
- Examination and analysis of proposed project's rent and income calculations, including rent/utility allowances; income and square footage; and net operating income (NOI)
- Examination and analysis of monthly date of project's operating expenses for Year 1 and total operating expense for project's subsequent years
- Examination and analysis of project's Operating Pro-Forma and profitability
- Examination and analysis of plan for financing the housing project to include funding sources including but not limited to equity, first and second mortgages, etc.
- Examination and analysis of the project's year-by-year projection of the project's income and expenses based upon the information provided
- Examination and analysis of the project's sources and uses
- Examination and analysis of the project's financial gap between the amount of financing obtained and the total funding needed for the project
- Review and analyze subsidy layering components provided by the City to determine the appropriate level of federal funds to be used for the project

Consultant shall provide the City with a detailed written report of its evaluation and feasibility analysis of the assigned project including recommendations and be prepared to discuss said evaluations and feasibility analysis with the City's Planning Department staff and City Council, as needed.

Process

The consultant will work with and report to the Director of the Planning and Urban Development Department and the Housing & Community Development Division Director.

Submittal Requirements

Each consultant submittal shall include a written response to the questions posed below.

- 1. Firm Qualifications and Experience:** Provide a detailed statement as to its qualifications as it pertains to working with HUD funding and projects utilizing tax increment financing mechanisms. The statement shall include the size of the firm, the location of the office from which the work is to be performed and the number and nature of the professional staff to be employed on this contract.

The statement shall include a list of previous and current contracts which are similar in the scope of the services described herein and a short description of the services provided. Information shall include contract duration with dates, services performed and contracting agency including name, address and telephone number.

Please provide a minimum list of 3 clients with whom the company has performed a similar scope of work including points of contact (person's name, company's name, address and telephone number) and a brief description of the project.

- 2. Project Staff Qualifications and Experience:** The firm must designate a chief qualified person of the firm to serve in the capacity as outlined in Sections A & B above. The designated underwriting consultant will be the person who primarily will work with the City of Portland and will be the person responsible for providing all requested services as outlined in Sections A & B and subsequent contract.

The underwriting consultant or firm must also identify any other principal supervisory staff, management staff and other staff who would be assigned to this engagement. In addition, the consultant must provide information on the experience of each of these persons, including work experience, information on relevant continuing professional education for the past three (3) years, and membership in professional organizations relevant to the performance of this engagement.

Indicate how the quality of staff will be assured over the term of the agreement. Also, indicate the ability to meet tasks in a timely manner and how you or your firm will make every effort to provide described services in a timely manner to the City of Portland.

It is not intended that the underwriting consultant designated by the firm may change for any reason. Other personnel assisting the underwriting consultant may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with prompt notification to the City of Portland. However, in either case, the City of Portland retains the right to approve or reject replacements.

- 3. References:** Please provide a list of a minimum of three clients with whom the company has performed a similar scope of work including points of contact (person's name, company's name, address, telephone number and email address) and a brief description of the project.
- 4. Affirmative Statements:** Please provide affirmative statements for the following:
 - a. Independence from the City of Portland;
 - b. List and describe the firm's professional relationships involving the City of Portland for the past five (5) years; and
 - c. Conflict of Interest Statement.
- 5. Contact Information:** Please provide the name, address, phone number, fax number, and e-mail address of the respondent in the proposal. A signature page shall be included stating that "I certify that all of the information in this proposal to be true and accurate".
- 6. Price Proposal:** The proposal should include an hourly rate for services described in Scope of Services above.

Consultant Selection Criteria

The City intends to use a quality based selection process to select a consultant to work on this project. A selection committee made up of City staff members will review the submitted consultant proposals and rank them in terms of the criteria listed below. The selection committee may or may not conduct interviews with the proposers.

Selection Criteria	Maximum Score
Firm Qualifications and Experience	35
Project Staff Qualifications and Experience	35
Have a demonstrated satisfactory record of performance	30

If City staff members determine they cannot negotiate a satisfactory contract with the best qualified firm, the City will terminate negotiations with that firm and begin contract negotiations with the second best qualified firm. The City intends to follow this process until a satisfactory consultant services contract can be negotiated and signed for the project.

Reservation of Rights

The City reserves the right to substantiate any proposer's qualifications, capability to perform, availability, past performance records and to verify that the proposer is current in its financial obligations to the City.

The City of Portland, Maine, reserves the right to waive any informality in proposals, to accept any proposal or portion thereof, and, to reject any and all proposals, should it be in the best interest of the City to do so.

January 25, 2016

Matthew F. Fitzgerald
Purchasing Manager

PROPOSAL

The UNDERSIGNED hereby declares that he/she or they are the only person(s), firm or corporation interested in this application as principal, which it is made without any connection with any other person(s), firm or corporation submitting an application for the same.

The UNDERSIGNED hereby declares that they have read and understand all conditions as outlined in the invitation, and that the application is made in accordance with same.

The UNDERSIGNED hereby declares that any person(s) employed by the City of Portland, Maine, who has direct or indirect personal or financial interest in this application or in any portion of the profits which may be derived therefrom has been identified and the interest disclosed by separate attachment. (Please include in your disclosure any interest which you know of. An example of a direct interest would be a City employee who would be paid to perform services under this application. An example of an indirect interest would be a City employee who is related to any officers, employees, principal or shareholders of your firm or to you. If in doubt as to status or interest, please disclose to the extent known).

The proposer acknowledges the receipt of Addenda numbered _____ (if applicable)

COMPANY NAME: _____
(Individual, Partnership, Corporation, Joint Venture)

AUTHORIZED SIGNATURE: _____ DATE: _____
(Officer, Authorized Individual or Owner)

PRINT NAME & TITLE: _____

ADDRESS: _____

Zip Code

TELEPHONE: _____ FAX: _____

24 HOUR #: _____

E-MAIL ADDRESS: _____

FEDERAL TAX I.D. NUMBER: _____

PRICE: Hourly Rate for Services Provided: \$_____

NOTE: All applications must bear the handwritten signature of a duly authorized member or employee of the organization making the application. This sheet must be signed and returned with proposal page.