



REQUEST FOR QUALIFICATIONS (RFQ)

for

DEVELOPMENT PARTNERS OF THE ROCHESTER LAND BANK CORP.

Issued: June 29, 2018
Due: July 20, 2018



**Rochester Land Bank
Corporation**
City Hall, Room 125 B
30 Church Street
Rochester, NY 14614
(585)428-7320
www.rochesterlandbank.org



Bidders Information Meeting:
July 10, 2018
1:30 PM – 3:00 PM
City Council Chambers, 3rd Floor

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Tel. 585/428-7290

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DEVELOPMENT PARTNERS

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<http://www.cityofrochester.gov/>

**ROCHESTER LAND BANK
REQUEST FOR QUALIFICATIONS**

DEVELOPMENT PARTNERS

The Rochester Land Bank Corp (RLB) is seeking proposals from investors, property developers and housing service providers that are interested in participating in a pilot program with the RLB. The RLB will work with these partners to identify potential properties for acquisition at the City of Rochester's tax foreclosure sale. The RLB will acquire the identified properties by exercising use of its Preferred Bid, whereby the property auctioned is deemed sold to the Land Bank regardless of any other bid by any other party, for the opening bid amount. Following RLB's acquisition, the properties will be transferred to these partners, for the price of the opening bid amount, who will provide quality rehabilitation, with the end goal of creating homeownership and affordable rental opportunities for all. For those partners that choose to retain the structures as rental properties, the submissions must demonstrate the capacity to comprehensively manage the rental property and the willingness to hold rents to affordable levels for a 10 year period. – see Addendum C for additional information on income and rental limits. For those that elect to convey the properties, the homes shall be sold to first-time homeowners that will owner-occupy the home.

PART 1. BACKGROUND INFORMATION

The Rochester Land Bank is seeking qualifications from individuals and/or companies that are interested in partnering with the RLB in an acquisition/rehabilitation program. This is an opportunity for individuals and/or entities to participate in furthering the goals of the RLB and the City of Rochester in the continued development of quality owner occupant homeownership and rental units. For those partners that choose to retain the structures as rental properties, the submissions must demonstrate the capacity to comprehensively manage the rental property.

As part of this program, partners must commit to financing the rehabilitation and/or construction efforts with no financial assistance from the RLB. If private financing is not necessary, partners must prove they have the financial capacity to carry out a typical rehabilitation project, or at least, have the capacity to stabilize the structure to prevent further deterioration.

For you and/or your organization to be considered, a completed proposal addressing all the elements in the following checklist must be submitted to the Rochester Land Bank by **Friday, July 20, 2018 by 4:00 PM.**

PART 2. DESIRED HOUSING AND DEVELOPER DESCRIPTION

The most desired housing projects will incorporate a mix of sales to owner-occupants and quality rental housing with responsible property management. The inherent challenge in this program will revolve around property selection. The list of properties will be made available to the selected partners approximately 60-90 days prior to the auction event and applicants will have approximately 14 days to review the properties and provide the RLB with their choice of properties. Partners may indicate up to 20 properties they are interested in acquiring.

The list of properties to be auctioned is not static as property owners have the ability to redeem/pay their tax lien to the City Treasurer and remove their property from the auction list. A property that is on the initial tax foreclosure list is not guaranteed to be on the list the day of the tax foreclosure auction. The RLB will not know which properties are available until the day of the auction.

Following the completion of the auction, the RLB will provide the partners a list of properties it successfully bid on. The properties will be offered to the partners by a rotational lottery method described below.

The rotational lottery method will determine the order in which partners shall select properties for acquisition. Each partner will pick a number from a hat to determine the order in which they will exercise their option to purchase a property. The partner drawing #1 will select first, followed by the partner drawing the #2 spot and so on. Once each partner has had an opportunity to select a property, the order shall reset and the selection process will repeat.

The lottery order and property selection will take place within 14 days of the auction.

Program Conditions

1. Potential participants must conform to the Rochester Land Bank's purchaser eligibility guidelines. In order to be eligible the following conditions shall apply:
 - A. The Rochester Land Bank Corp Executive Director hereby deems it to be in the best interest of the RLB to sell real property to purchasers who will be responsible property owners, and to that end, the staff of the RLB shall review City records to determine whether or not potential purchasers have been the subject of tax foreclosure proceedings, owe property taxes on other real property within the City of Rochester, have been the subject of a cancellation of sale by the City of Rochester or own other property within the City of Rochester that is in violation of City codes.
 - B. Purchasers who have engaged in fraudulent activity in connection with the sale of a City-owned or RLB owned property, who have lost real property through tax foreclosure proceedings within the previous five years, who own property within the City of Rochester for which taxes are not current, who have had a sale cancelled by the City of Rochester or the RLB within the previous three years, who have been held in contempt of a court order for failure to abate code violations within the previous five

years or who have unsatisfied judgments in the Municipal Code Violations Bureau within the previous five years shall be ineligible to purchase property from the RLB. Purchasers who own property within the City of Rochester that is in violation of City codes shall be deemed ineligible to purchase property from the RLB unless the violation(s) are on property that is part of construction, rehabilitation or development projects, or is undergoing periodic certificate of occupancy renewal, and it is established by the Department of Neighborhood and Business Development that the purchaser is making satisfactory progress toward the abatement of said violations. Where the purchaser is not an individual, these provisions shall also apply to officers, principals and related businesses or associations. Such provisions shall not apply to purchasers of unbuildable vacant land.

2. The identification, coordination of efforts from the RLB and utilization of the RLB's preferred bid will obligate the partner to acquire the selected property and undertake the rehabilitation. There are no specific geographic areas that partners must focus on, but selected partners are encouraged to seek out properties in areas where they may already have properties, as this will assist in property management functions.
3. Projects must be compatible with the market and neighborhood. For example, if a single-family property is purchased, the RLB would not support a change in use to a higher density property use.
4. A design and rehabilitation that is accommodating to diverse and mixed income households. High-quality, durable materials and architectural treatments should be employed to reflect and respect any historic character of the neighborhood.
5. For commercial properties: The identification, support of and coordination with existing business and expansion of retail development objectives, especially those that will enhance, or revitalize, commercial corridors.
6. Strong encouragement for the utilization of innovative and new technology for a sustainable development, green construction standards and energy efficiency.
7. Partners must commit to selling the completed properties to first-time homeowners that will be owner-occupants or to rent the properties at affordable rent levels for a minimum of 10 years. Investors with less than 5 years of experience in property management will be required to complete a landlord training program and supply proof of course completion prior to closing. See Land Bank staff for the list of available providers.
8. Properties selected may be occupied. If a property is occupied, the purchaser must be prepared to manage the occupants responsibly. Occupants do retain certain rights and purchasers are strongly advised to consult their attorney for legal advice.

To be considered for this program, all information requested must be addressed and, if applicable, provided.

PART 3. PROGRAM DESCRIPTION

1. The selected partners shall be provided with the list of properties that the City of Rochester intends to foreclose upon based on a delinquent tax lien. This list will be made available approximately 60-90 days prior to the auction event. Partners shall have ~14 days to indicate the property/properties which they would like the RLB to acquire on their behalf.

Partners will be notified of the number of properties that they are approved to acquire, based on their RFQ submission. The list of properties to be acquired must be submitted to the RLB by the prescribed deadline and the list of properties must be ranked in order of preference. The list that the City Treasurer provides for review is not static and properties are redeemed daily, thus there is no guarantee that a selected property will remain on the foreclosure list.

Once the list of partners has been established, a rotational lottery order selection method shall be used to determine the order in which each partner shall select their property acquisition(s). That selection order shall remain until all participants have acquired their pre-approved limit.

2. The RLB cannot utilize the Preferred Bid if the opening bid exceeds market value. The RLB will have appraisals performed to ensure that the minimum bid determined by the Treasurer does not exceed the property's market value. If the appraised value does exceed market value, that property will not be part of this program.

3. Prior to the auction, each approved partner shall submit a good faith deposit to the RLB in the amount of \$1,000 for as many properties they were approved for (i.e. if a partner was approved to purchase 3 properties, they must submit \$3,000 to the RLB as a good faith deposit). Following the auction, partners are obligated to pay the cost of the preferred bid for the properties acquired on their behalf, as well as any legal fees and costs associated with the conveyance of title. If the partner does not pay the balance of the purchase price to the RLB by the prescribed deadline, the RLB shall retain the entirety of the partner's good faith deposit as liquidated damages.

4. Once the sale has been finalized (RLB Board approval, payment in full is received, all conveyance documents/contracts are signed), the partner may begin rehabilitation. All properties must be complete within a 12-month period, otherwise the RLB will have the option to revest title to the property. The rehabilitation is considered complete when the certificate of occupancy (C/O) has been issued for the property. If the property has multiple units, all such units must have their C/O. Partners will not be provided any financial assistance from the RLB or the City of Rochester.

5. Following the rehab and issuance of the C/O, the partner must either (1) retain ownership for a 10 year period and rent the property or properties at affordable levels,

as determined by HUD or (2) sell the property to an owner-occupant, first-time homeowner who agrees to occupy the premises for a minimum of 10 years.

PART 4. SUBMISSION REQUIREMENTS

The RLB invites real estate investors, developers, not-for-profit organizations etc. with a proven track record of property rehabilitation, property management and responsible ownership to submit their qualifications and history of property rehab, management and ownership. Respondents must submit five (5) hard copies and one (1) electronic version on a flash drive no later than July 20, 2018 at 4:00 pm.

To be considered for participation in this program, all respondents must clearly, completely and concisely address each of the following areas in its response to the RFQ:

1. **DEVELOPMENT TEAM.** Respondents should include a description of all members of their development team. This should include any individual that will be a title owner, engineer, architect, construction team etc. For all named persons/entities provide a description of relevant experience and their intended role on the team. For the development team, respondents should provide a diagram/organizational chart. For a team led by a joint venture, clearly show the structure and percentage of ownership held by each team member.
2. **RELEVANT PREVIOUS EXPERIENCE.** Respondents should demonstrate their experience in the successful rehabilitation, management and/or marketing and sales of previous projects. In order to illustrate their ability to fulfill the goals of this program, respondents should highlight:
 - Addresses of previous real estate rehabilitation projects.
 - Total money spent on each project
 - The date each project was initiated
 - Names of any partners involved in these projects
 - Current rents for any property that remains in their ownership
 - If project was in the City of Rochester, provide the name of the inspector
3. **CONCEPTUAL PLAN.** Respondents should include a written narrative that describes the overall plan for the property following rehabilitation. The text should include a marketing plan that details how the finished property will be marketed for sale or rent – where you intend to post the listing; will you use a real estate agent/broker, how you will engage the community so people in the immediate neighborhood are aware of the property. If respondent intends to retain and rent the property, include a full description of your property management plan.
4. **FINANCIAL CAPABILITY.** Respondents must provide detailed information about their ability to fulfill their obligations and complete the rehabilitation project. Each

respondent will need to provide documentation that demonstrates that they have access to a minimum of \$10,000 for each property that they would like to acquire and the monies to cover the acquisition cost(s). NOTE: the RLB is not suggesting that \$10,000 will be sufficient to fully rehabilitate any of the units/structures. Respondents shall provide the following:

- Information about the respondents overall financial position, any past history of raising capital, and resources available in order to complete the rehabilitation project/projects.
- If the respondent is a corporation – most recent annual financial statements (prior 3 years).
- Composition of real estate portfolio by type and the occupancy percentage, also broken down by each property as of the date of submission.
- A statement indicating that the respondent does not currently and has not had any loans in default within the past five (5) years, has not filed for bankruptcy, or had a property foreclosed on by the City of Rochester within the past five (5) years. Alternatively, if any of these have occurred, include a description of the actions and project-related circumstances in which the actions took place.
- Description of any litigation that has been filed against the individual respondent, the development team or its members related to a real estate project during the past five (5) years, as well as the outcome of that litigation.

5. DEVELOPMENT PROPOSAL EVALUATION CRITERIA

Please be advised that this is a competitive process. Submissions receiving the highest amount of points will be recommended for inclusion. The RLB will select respondents who have successfully demonstrated, to the satisfaction of the RLB, the greatest capacity to undertake property development and/or rehabilitation project(s) and to fully comply with the conditions and requirements set out in this Request for Qualifications (RFQ).

Projects will be rated and ranked with the following criteria:

EVALUATION CRITERIA	
1. Financial Feasibility: Soundness of the respondent's financial capability. Applicant has submitted sufficient proof of capital.	30%
2. Relevant Experience: There is evidence of prior experience in the rehabilitation of properties. Respondents have provided adequate documentation of previous rehabilitation projects. In addition, the developer has demonstrated ability or has completed similar	25%

projects and has a sustainable property management strategy.	
3. Concept Plan: The submission has demonstrated an acceptable marketing approach regarding the sale or rental of properties. Respondent has supplied sufficient information to document previous marketing efforts and a prudent approach to future marketing.	20%
4. Development Team: The respondent has demonstrated that the project team has previous experience in property rehabilitation, rental, sales and management. Each member has a defined role and an organizational chart is submitted.	25%
5. Additional consideration will be given to developers/investors who reside in the City of Rochester	5%

PART 5. PROPOSAL SELECTION PROCESS

Proposals must be postmarked or received by the RLB **no later than 4:00 PM on July 20, 2018.** **Submit five (5) hard copies and one digital version on a flash drive of your response to:**

Rochester Land Bank Corporation
30 Church Street - Room 125B
Rochester, New York 14614
Attn: Paul J. Scuderi, Executive Director

Proposals will be reviewed by representatives of the RLB. Developers should provide sufficient information in their written proposals to enable the review team to form a recommendation. The RLB reserves the right to invite any or all respondents to an interview to explore further the possibility of an engagement. Participation in an interview upon such an invitation would be voluntary and in no way implies acceptance. Any expenses resulting from such an interview or the preparation of the RFQ submission shall be the sole responsibility of the respondent.

The partner(s) selected via the RFQ will enter into a written contract with the RLB. The developer's response to this Request for Qualifications indicates their acceptance of the terms. All respondents please note that the establishment of a contract for participation in this program is contingent upon approval by RLB Board of Directors.

PART 6. TIMETABLE

The timetable for the Proposal review and selection process is as follows:

RFP issued	Friday, June 29, 2018
Bidders Information Meeting	Tuesday, July 10, 2018 1:30 PM – 3:00 PM City Council Chambers, 3 rd Floor
Deadline for Questions	Friday, July 13, 2018
Responses to Questions Posted	Wednesday, July 18, 2018
Proposals due by	4:00 PM on Friday, July 20, 2018
Review, including potential interviews and determinations, by	Friday, August 3, 2018
Property Selection with rankings due from approved partners	Monday, August 20, 2018
City of Rochester Tax Foreclosure Auction	Thursday, November 15, 2018
Partner Lottery/Property Selection	Tuesday, November 27, 2018

**Except for the issue and due dates, all dates are approximate and subject to change.*

The RLB does not discriminate in any aspect of contracting on the basis of age, race, color, national origin, creed, disability, marital status, gender or sexual orientation.

Questions about this RFP

Questions must be submitted in writing, via e-mail. All questions will be shared and posted on the RLB website. Please contact Rita Rajca, Legal Assistant, with questions rita.rajca@cityofrochester.gov.

For a proposal to be considered for review, the application form provided as Attachment A on the following page **must** be submitted as the top (or first) page of the proposal.

PART 7. RIGHTS RESERVED BY THE RLB

This RFQ may be withdrawn by the RLB for any reason and the RLB shall have no liability for any costs incurred in preparing the proposal.

All materials submitted with the proposal shall become the property of the RLB

and will be subject to the New York State Freedom of Information Law (FOIL). All proprietary information submitted with the proposal must be clearly identified and requested to remain confidential.

The selection of a partner is within the RLB's sole discretion. No reasons for rejection or acceptance of proposals are required to be given and decisions may be based on other qualifications and not solely on costs.

Attachment A: Proposal Application

REQUEST FOR QUALIFICATIONS (RFQ) for DEVELOPMENT PARTNERS

Issued: June 29, 2018

DUE: July 20, 2018 by 4:00 PM

Applicant Name: _____

Applicant Street Address: _____

City, State & Zip: _____

Mailing Address if different from Street Address: _____

Contact Person: Name, Title: _____

Telephone No.: _____ Email Address: _____

Fax Number: _____

Organization Type: ☐ For Profit ☐ Not for Profit

Taxpayer I.D. No.: _____
(If Applicable)

Description of Organization: _____

Office Hours/Days and Hours of Operation:

Attachment B: Proposal Checklist

Rochester Land Bank Corporation Proposal Checklist

Applicants must submit a proposal containing all of the items listed below to be considered as a Land Bank partner:

1.		Describe the overall plan for each property and its ultimate use after rehabilitation. Will the property be marketed for sale or rent? Include what zoning approvals are needed. If a rental project, please describe your management plan (Out-of-town-bidders must engage a local management company or contact.)
2		Provide a minimum 5 year projected operating income statement for rental projects, or for such term as is consistent with your funding resources, if applicable.
3		Proposed project timetable.
4		<p>Financial Capability. Respondents must provide detailed information about their ability to fulfill their obligations and complete the rehabilitation project. Each respondent will need to provide documentation that demonstrates that they have a minimum of \$10,000 for the property that they would like to acquire and the monies to cover the acquisition cost(s). NOTE: the RLB is not suggesting that \$10,000 will be sufficient to fully rehabilitate any of the structures. Respondents shall provide the following:</p> <ul style="list-style-type: none">i. Information about the respondents overall financial position, any past history of raising capital, and resources available in order to complete the rehabilitation project/projects. If the respondent is a corporation – most recent annual financial statements (prior 3 years). If project is an existing company, accountant-prepared, financial statements for the past three fiscal years, including balance sheets, income statements and cash flow statements each year. (If accountant prepared financial statements are not available, Federal income tax returns for the past three years are sufficient).ii. Composition of real estate portfolio by type and the occupancy percentage, also broken down by each property as of the date of submission.iii. A statement indicating that the respondent does not currently and has not had any loans in default within the past five (5) years, has not filed for bankruptcy, or had a property foreclosed on by the City of Rochester within the past five (5) years. Alternatively, if any of these have occurred, include a description of the actions and project-related circumstances in which the actions took place.iv. Description of any litigation that has been filed against the individual

		respondent, the development team or its members related to a real estate project during the past five (5) years, as well as the outcome of that litigation.
5		Relevant previous experience with details of all projects undertaken within the last three years and the status of each project.
6		Three references provided by current or past lender(s), customer(s) or tenants.

Attachment C

Income/Rental Chart

Income guidelines – 2018 **% of Median Family Income**

	30%	50%	60%	65%	80%
Family Size					
1	15550	25900	31080	33670	41450
2	17800	29600	35520	38480	47400
3	20000	33300	39960	43290	53300
4	22200	37000	44400	48100	59200
5	24000	40000	48000	51948	63950
6	25800	42950	51540	55796	68700
7	27550	45900	55080	59644	73450
8	29350	48850	58620	63492	78150

Rent Guidelines, 2018

	30%	50%	60%	65%	80%
Efficiency	389	648	777	842	1036
1 BR	445	740	888	962	1185
2 BR	500	833	999	1082	1333
3 BR	555	925	1110	1203	1480
4 BR	600	1000	1200	1299	1599
5 BR	645	1074	1289	1395	1718