

AGENDA ITEM NO. IG
COUNCIL MEETING: 11/08/2012
APPROVED BY _____

DEPARTMENT DIRECTOR _____

CITY MANAGER *Denna Smit*

November 8, 2012

FROM: Mark Scott, Interim Director
Development and Resource Management Department

BY: CLAUDIA CÁZARES, Manager *Claudia Caza*
Housing and Community Development Division

SUBJECT: REJECT ALL PROPOSALS FOR NEIGHBORHOOD SSTABILIZATION PROGRAM 3 (NSP3)
MULTI-FAMILY ACQUISITION AND REHABILITATION PROJECTS

RECOMMENDATIONS

Staff recommends that the City Council reject all proposals submitted for the Request For Proposals (RFP) for NSP3 by qualified developers or housing development company(ies) to acquire foreclosed or abandoned multi-family housing property(ies) for rehabilitation and management as a long term affordable multi-family housing apartment complex(es).

EXECUTIVE SUMMARY

The City of Fresno Housing and Community Development Division (HCD) requested proposals from qualified developer(s) or housing development company(ies) to acquire foreclosed or abandoned multi-family housing property(ies) for rehabilitation and management as a long term affordable multi-family housing apartment complex(s). On August 31, 2012, two proposals were received and opened by the Housing and Community Development Division. The submittals were from TFS Investments LLC and Central Valley Christian Housing Development Corporation. Staff recommends rejection of all proposals as the request was too narrow to adequately address the utilization of the full spectrum of NSP3 activities and goals. Additionally, HCD is adopting new policies and practices to utilize the Purchasing Division for all RFP and Request for Qualifications (RFQ) to ensure compliance with local and federal procurement processes.

BACKGROUND

The City of Fresno is the recipient of \$3.547 million of Neighborhood Stabilization Program 3 (NSP3) from the U.S. Department of Housing and Urban Development (HUD), as authorized under the Dodd-Frank Wall Street Reform and Protection Act of 2010 (Dodd-Frank Act), Public Law 111-203. On August 10, 2012, HCD requested proposals from qualified parties for the development of certain eligible properties with NSP3 funds. The RFP was limited to the use of the very-low income set aside portion of the program. The Set-Aside component of NSP3 requires at least 25% of the funding to be used for persons at or below 50% of the Area Median Income. Staff prepared specifications and solicited requests from over 100 developers and development agencies; two proposals were received on August 31, 2012.

REPORT TO THE CITY COUNCIL

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In the RFP HCD staff proposed to provide up to \$1,000,000 in NSP3 funds for the purchase and rehabilitation of a foreclosed or abandoned multi-family affordable housing property selected by HCD. Subsequently, staff has found that the RFP does not allow staff to fully implement the requirements of the program. Additionally, staff is ensuring that RFP and RFQ processes are aligned with the city-wide RFP and RFQ process. While HCD has been following a previously approved process; staff desires to utilize the Purchasing Division and their procurement expertise to carry out this process. Staff request City Council approval of the rejection of all proposals to allow for additional time to revise the Request for Proposals, issue a Request for Qualifications, and submit to the City Council at a later date.

Staff is concurrently preparing specifications to advertise and solicit qualifications funded with NSP3 and NSP1 financing. The request for qualifications will be advertised by the City's Purchasing Division. Evaluation of the responses to the RFQ will be submitted to the City Council for consideration of award at the November 29, 2012 Council meeting.

FISCAL IMPACT

There is no fiscal impact as part of this action.