

**CITY OF AURORA
REQUEST FOR QUALIFICATIONS (RFQ)
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
REAL ESTATE ATTORNEY**

SUBMISSIONS BEGIN: December 28, 2009

BACKGROUND

The United States Department of Housing and Urban Development (HUD) has allocated to the City of Aurora \$3,083,568 in Neighborhood Stabilization Program (NSP) funds authorized by the Housing and Economic Recovery Act of 2008 (HERA) as an adjunct to the Community Development Block Grant (CDBG) Program. NSP funds are intended to address the problems of abandoned and foreclosed homes and other residential properties, while providing affordable rental and homeownership opportunities to households in areas of greatest need that earn at or below 120 percent of the Area Median Income (AMI). The City of Aurora Division of Neighborhood Redevelopment (DNR) is the City agency responsible for carrying out the Neighborhood Stabilization Program.

The purpose of the NSP funds is to address the effects of the housing crisis that has occurred due to subprime mortgage lending which, nationally, resulted in significant numbers of homeowners entering into foreclosure and entire neighborhoods becoming vacant or abandoned. Therefore, NSP funds, as required by HERA, can only be dispersed in those areas determined to be an Area of Greatest Need (AGN). In the City of Aurora, the map below depicts the Census Tracts that have been identified as Areas of Greatest Need. Responders are encouraged to review the City's NSP Amendment.

The City of Aurora believes that the success of the Neighborhood Stabilization Program will require the full participation of the non-profit and for-profit development communities. The purpose of this RFQ is to identify qualified Attorney(s) for the necessary real estate work associated with this Program.

CITY OF AURORA OBJECTIVES

Given the scale of the foreclosure issue, its adverse impact on neighborhoods, the following neighborhood stabilization goals have been established:

1. Stabilize neighborhoods by getting vacant and foreclosed homes up-to-code and occupied as quickly as possible
2. Strategically target investment to protect neighborhoods impacted by foreclosure, preserve public and private investments, and make a measurable impact in targeted areas
3. Create efficiencies and economies of scale by acquiring vacant, foreclosed properties in bulk at a discount from lending institutions and redeveloping those properties with a broad network of qualified development partners
4. Prioritize investment on vacant, foreclosed multi-unit properties and other larger buildings that adversely impact neighborhood stability and quality of life in targeted areas
5. Ensure compliance with affordability restrictions on rehabilitated homeownership and rental housing units

NSP Requirements

The regulations governing NSP were published in the Federal Register on October 6, 2008 (Volume 73, No. 194) and Federal Register Bridge Notice on June 19, 2009 (Vol. 74, No. 117) and can be viewed at www.hud.gov/nsp. Respondents are strongly encouraged to read these regulations prior to submitting their response to this RFQ.

HERA requires that all NSP funds be obligated to specific activities no later than 18 months after the City received funds from HUD.

Rehabilitation Standards

HERA provides that any NSP-assisted redevelopment activity shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. HERA defines rehabilitation to include improvements to increase the energy efficiency or conservation of properties, and HUD is encouraging the use of NSP funds to incorporate energy efficiency improvements in NSP-assisted homes to provide for long-term affordability and increased sustainability.

Rehabilitation activities must adhere to HUD Housing Quality Standards (“HQS” found at 24 CFR, Subtitle B, Chapter IX, Part 982, Subpart I). In addition, rehabilitation work must also adhere to all aspects of the Municipal Code of Aurora and more specifically its property maintenance code.

Income Limits

HERA also stipulates that all NSP funds must assist families making no more than 120% of the area median income (AMI). In addition, 25% of the NSP funds must be targeted to families whose income is at or below 50% AMI.

Certain rental units when made available through the disposition process will be designated to be occupied only by families whose income is at or below 50% AMI at the time of occupancy. Generally, buildings having two or more units will be used to meet this overarching goal.

The first table below shows the income limits for various household sizes at various levels of area median income. The second table provides the maximum affordable monthly rents at 30% AMI and 50% AMI.

Household Size	Income Limits for the Chicago-Naperville-Joliet, IL HUD Metro Area (% of Area Median Income)						
	30%	40%	50%	60%	80%	100%	120%
1	\$ 15,850	\$ 21,123	\$ 26,400	\$ 31,680	\$ 42,200	\$ 52,800	\$ 63,350
2	\$ 18,100	\$ 24,120	\$ 30,150	\$ 36,180	\$ 48,250	\$ 60,300	\$ 72,400
3	\$ 20,350	\$ 27,160	\$ 33,950	\$ 40,740	\$ 54,250	\$ 67,900	\$ 81,450
4	\$ 22,600	\$ 30,160	\$ 37,700	\$ 45,240	\$ 60,300	\$ 75,400	\$ 90,500
5	\$ 24,450	\$ 32,560	\$ 40,700	\$ 48,840	\$ 65,100	\$ 81,400	\$ 97,700
6	\$ 26,250	\$ 35,000	\$ 43,750	\$ 52,500	\$ 69,950	\$ 87,500	\$ 104,950
7	\$ 28,050	\$ 37,400	\$ 46,750	\$ 56,100	\$ 74,750	\$ 93,500	\$ 112,200
8	\$ 29,850	\$ 39,800	\$ 49,750	\$ 59,700	\$ 79,600	\$ 99,500	\$ 119,450

Chicago-Naperville-Joliet, IL HUD Metro Area 2008 Maximum Affordable Monthly Gross Rents (Maximum Rents When Tenants Pay No Utilities/Landlord Pays All Utilities)		
Number of Bedrooms	30% AMI	50% AMI
0	\$ 396	\$ 660
1	\$ 424	\$ 706
2	\$ 509	\$ 848
3	\$ 588	\$ 980
4	\$ 656	\$ 1,093
5	\$ 724	\$ 1,206

Other Requirements

All NSP construction activities will be subject to the Davis-Bacon Act. All NSP participants will be required to pay their subcontractors Davis-Bacon wages on buildings with 8 or more units and maintain records that demonstrate their compliance with this requirement.

In addition, NSP construction activities are encouraged to follow Minority-Owned Business Enterprise (MBE) and Women-Owned Business enterprise (WBE) local hiring and HUD Section 3 requirements.

DISPOSITION OPTIONS

Rehabilitation for Homeownership

1. Sustainable affordability is a principal goal. In order to achieve this goal properties targeted for homeownership will carry the following affordability restrictions based on the amount of the per unit NSP expenditure:

Affordability Restrictions for Owner Occupied Properties

NSP Expenditure per unit of Homeownership housing	Minimum affordability period in years
Under \$14,999	Five (5)
\$15,000 to \$39,999	Ten (10)
Over \$40,000	Fifteen (15)

2. NSP assisted units must meet the affordability restrictions for not less than the applicable period specified above, beginning upon sale of the unit to a qualified owner-occupant. Affordability restrictions apply regardless of the term of any financing or the transfer of ownership. Liens will be imposed on homeownership properties that will recapture a portion of the NSP subsidy, if at any time during the affordability period the home is sold to a non-income qualifying household or is refinanced in an amount that effectively “cashes out” the NSP investment
3. Subject to the guidelines of the program, homes purchased by the City will be rehabilitated.
4. All homebuyers will be required to receive 8 hours of homebuyer counseling from a HUD-certified counseling agency.

Rehabilitation for Rental

Twenty five percent of the City’s NSP grant will be used to assist households making no more than 50% AMI adjusted for household size as defined by HUD. Acquisition and redevelopment of rental units will meet this requirement. NSP funds cannot be used to provide rent subsidies.

SERVICES TO BE PROVIDED

The legal services that may be provided by Attorney(s), in consultation with the City of Aurora staff, include:

- Negotiation and preparation of purchase and sale contract documents
- Preparation and review of all closing documents in order for the City to obtain clear title to property being purchased and give clear title to properties being sold
- Other duties as assigned related to purchase and sale of real estate

EVALUATION CRITERIA

The following criteria will be considered in reviewing submittals. Responses that do not include all of the applicable requirements will not be evaluated.

REQUIRED DOCUMENTS

Your response must include the following information:

- _____ 1. The firm's legal name, address, and telephone number
- _____ 2. The principal(s) of the firm and their experience and qualifications, and the experience and qualifications of the staff available to be assigned to the project.
- _____ 3. Three references for the firm/attorney(s)
- _____ 4. The hourly rate of pay/flat rate charge for each team member who would be assigned to this project

- _____ 5. Indicate the Responders expected timeframe for response/completion of each request by the City of Aurora

SUBMITTAL

RFQ responses must be signed and submitted via hard copy. Documents must be in a clear legible 12 point font and 8.5x11 inch format. Incomplete submittals will not be considered. Responses submitted electronically will not be considered. Respondents must adhere to the Submittal Requirements. Failure to comply with the instructions of this RFQ will be cause for rejection of submittals.

Respondents will not be deemed qualified as NSP ATTORNEYS if they have an unsatisfactory prior performance record with the City of Aurora or federal agencies. Further, Respondents that are not in good financial standing with the City at the time of submittal will not be considered.

QUALIFICATION PROCESS

The Selection Committee comprised of City staff and independent professionals will review qualifications in accordance with the evaluation criteria set forth herein and City objectives and policies. City will notify Respondents who do not meet the minimum requirements as outlined in this RFQ.

Responses to the Request for Qualifications will be processed on a rolling basis. ATTORNEYS may submit responses to become qualified under the City of Aurora NSP program starting December 28, 2009 and thereafter until such time as the City in its sole discretion closes the RFQ process. Please state "NSP Attorney RFQ" on the outside of the response package.

Questions and responses should be directed to:

Karen Christensen, Manager
City of Aurora Division of Neighborhood Redevelopment
51 E. Galena Blvd
Aurora, IL 60505
kchristensen@aurora-il.org

APPENDIX A AREAS OF GREATEST NEED

