



DANE COUNTY
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION

REQUEST FOR PROPOSAL (RFP)

Revised 05/2022

RFP NUMBER: 122049

RFP TITLE: CDBG – Mortgage Reduction

**RFP DEADLINE: Friday, July 1, 2022
2:00 p.m. (CST)**

**PROPOSALS
MUST BE
UPLOADED TO: Purchasing Bid Dropbox
www.danepurchasing.com**

Late, faxed, mailed, hand-delivered or unsigned proposals will be rejected

Dane County requires that all applicants follow/use the application format provided, complete all question fields, and sign the Vendor Information & Application form. Failure to do so may result in the application to become ineligible for funding and may not be scored.

**DIRECT
ALL INQUIRES TO:**

Megan Rogan
Purchasing Officer
(608)283-1487
rogan.megan@countyofdane.com
www.danepurchasing.com

PROPOSAL SUBMISSION CHECKLIST

- Update Vendor Registration
- Read Entire RFP Document

- RFP Response

- Upload RFP Response to Purchasing Bid Dropbox

DATE ISSUED | May 17, 2022

Table of Contents

- 1.0 RFP OVERVIEW**
 - 1.1 Introduction
 - 1.2 Clarification of the Specifications
 - 1.3 Vendor Conference
 - 1.4 Calendar of Events
 - 1.5 Evaluation Criteria
 - 1.6 Submittal Instructions
- 2.0 PROJECT OVERVIEW AND SCOPE OF SERVICES**
 - 2.1 Definitions and Links
 - 2.2 Scope of Services/Specification Overview
- 3.0 PROPOSAL PREPARATION REQUIREMENTS**
 - 3.1 [Attachment A – Vendor Information](#)
 - 3.2 Need and Justification
 - 3.3 Beneficiaries
 - 3.4 Project Approach
 - 3.5 Experience and Qualifications
 - 3.6 Financial Information
 - 3.7 Mandatory Requirements
- 4.0 REQUIRED FORMS**
 - 4.1 [Attachment A – Vendor Information](#)
 - 4.2 [Attachment B – Dane County Application for 2023 CDBG Funds](#)
- 5.0 APPENDICES**
 - [Appendix A – Dane County Urban County Consortium Members](#)
 - [Appendix B – Oral Presentation Questions](#)
 - [Appendix C – CDBG & HOME Mortgage Reduction Assistance – Deferred Payment Loans Program Standards](#)
 - [Appendix D – CDBG/HOME Program Rehabilitation Manual](#)

1.0 RFP OVERVIEW

1.1 Introduction

The purpose of this document is to provide interested parties with information to enable them to prepare and submit a proposal according to the specifications set forth within this document.

The County intends to use the results of this process to award a contract or issue of purchase order for the product(s) and or services(s) stated.

The Dane County Purchasing Division is the sole point of contact for questions and issues that may arise during the RFP process.

Dane County requires that all applicants follow/use the application format provided, complete all question fields, and sign the Vendor Information & Application form. Failure to do so may result in the application to become ineligible for funding and may not be scored.

The amount of funding available for this project is unknown at this time. The funding of this project is contingent upon Dane County's receipt of Community Development Block Grant and/or HOME Investment Partnership program funds from the federal department of Housing and Urban Development.

1.2 Clarification of the Specifications

All inquiries concerning this RFP must be **emailed** to the **person indicated on the cover page** of the RFP Document.

Any questions concerning this RFP must be submitted in writing by e-mail on or before the stated date on the **Calendar of Events** (Section 1.4).

Proposers are expected to raise any questions, exceptions, or additions they have concerning the RFP document at this point in the RFP process. If a proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the proposer should immediately notify the contact person of such error and request modification or clarification of the RFP document.

Proposers are prohibited from communicating directly with any employee of Dane County, except as described herein. No County employee or representative other than those individuals listed as County contacts in this RFP is authorized to provide any information or respond to any question or inquiry concerning this RFP.

1.3 Vendor Conference

[There will not be a vendor conference.](#)

1.4 Calendar of Events

Listed below are specific and estimated dates and times of actions related to this RFP. The actions with specific dates must be completed as indicated unless otherwise changed by the County. In the event that the County finds it necessary to change any of the specific dates and times in the calendar of events listed below, it will do so by issuing an addendum to this RFP and posting such addendum on the Dane County [website](#). There may or may not be a formal notification issued for changes in the estimated dates and times.

DATE	EVENT
May 17, 2022	RFP Issued
June 23, 2022	Last day to submit written inquiries (2:00 p.m. CST)
June 25, 2022	Addendums or supplements to the RFP posted on the Purchasing Division website
July 1, 2022	Proposals due (2:00 p.m. CST)
Week of August 15, 2022	Oral Presentations by invited vendors
Fourth Quarter of 2022	Notification of intent to award sent to vendors
Spring of 2023	Contract start date (subject to change based on County's notice of CDBG & Home allocation from HUD).

If funding is awarded, funds will not be available until (at minimum):

1. A Contract Agreement is executed between the award recipient and Dane County;
2. Pre-award compliance requirements are met by award recipient. These vary depending on the nature of the project, and may include but not limited to completion of an Environmental Review; evidence of adequate record-keeping system; and obtaining necessary permits.

Please keep in mind that a contract agreement cannot be executed until HUD has approved Dane County's 2023 Annual Action Plan. Timing of the submission and approval of Dane County's Annual Action Plan varies depending on HUD's announcement of the annual entitlement allocations, which is generally 3-4 months into the program year.

1.5 Evaluation Criteria

In order to be evaluated, programs must: 1) be an eligible activity, 2) be located in, or provide services to, residents of one of the member communities of the Dane County Urban County Consortium, 3) address one of the funding priority areas established by the CDBG Commission, 4) not be a HUD listed debarred or ineligible contractor, and 5) if CDBG eligible, meet one of the three national objectives. Applications deemed eligible will be presented to the CDBG Commission Application Review Team.

The Application Review Team will evaluate the applications using the following criteria:

Application Review Criteria	
Item	Maximum Points
1. National Objective- Need and Justification	30
2. Project Approach	30
3. Experience and Qualifications	15
4. Financial Information	15
5. Past Performance	5
6. Partnerships	5
TOTAL POINTS	100

For 2023 the criteria in the Requests for Proposals (RFPs) for each application are delineated and tailored to the nature of the application. The definition and location of the items that are part of the review criteria will vary from one application template to the next but each follows the same order. In general the definitions used are:

Meeting a National Objective- Need and Justification (30 points maximum):

The program overview adequately describes the problem that is being addressed by the proposed project (worth up to **5 points**). Statements are substantiated and related to the needs and the priorities in the 2020-2024 Consolidated Plan (worth up to **5 points**). Provides a description of how funds may be targeted to areas of greatest need (worth up to **10 points**).

How accessible is the program geographically to low-and-moderate income persons? Additional points will be given to projects physically located in census tracts where 47.8% of the population is considered low-and-moderate income, or projects that contain components that locate the services in close proximity to the population to be served (i.e. community pop-ups) (worth up to **10 points**).

Project Approach (30 points maximum):

The application describes what the program/project will do; how it will be implemented, operated, and administered within a realistic time period; how it will be provided; and how low-income participants will access services. The description should include:

- A description of the work that will be undertaken and a description of how the work will address the identified problem (worth up to **5 points**).
- A work plan for how the project/program will be organized, implemented, operated, and administered, and the timeline and milestones from initiation to completion. Work on the project - meaning funds will be spent - will begin in 2023. (worth up to **10 points**),
- Outreach and marketing initiatives that will be implemented to inform potential participants and to ensure that they are aware of the services/activities to be provided (worth up to **5 points**).
- Outcomes are identified and can reasonably be expected to be achieved (worth up to **8 points**).

- If the project requires temporary displacement, indicates the number of households and describes specific assistance to be provided to households temporarily displaced (worth up to **2 points**. Maximum points awarded if no displacement).

Experience and Qualifications (15 points maximum):

The application provides documentation to justify the organization’s capacity to conduct this project. The project is consistent with the mission of the organization.

- The organization has undertaken projects of similar complexity to the one for which funds are being requested (worth up to **4 points**).
- There are staff resources with the skills and experience to administer and conduct an accountable and responsible project (worth up to **7 points**).
- There appears to be adequate board and management oversight along with a commitment to quality and service improvement (worth up to **4 points**).

Financial Information (15 points maximum):

The application clearly explains and justifies each proposed budget line item and why CDBG and/or HOME funding is required to make the project viable. An explanation is included on the basis for the cost estimates for the project. The budget is realistic. The organization is financially stable. Efforts have been made to secure and to leverage other funding for the project. The application identifies eligible sources of match, if required. Certain types of projects may also be required to submit: a budget summary, detailed project budget, prior- or current-year operating costs, and a 15-year operating budget (worth up to **15 points**).

Past Performance (5 points maximum):

If the organization has been previously funded, a review of past expenditures and performance shows that the organization has been able to meet timelines and goals in a reasonable fashion, i.e., no unexpended dollars from prior years. Compliance with the contract will include, but not be limited to, submission of reports, adherence to scope of services, and quality of work. (Worth up to **5 points**). New applicants will be automatically awarded 5 points.

Partnerships (5 points maximum):

Identifies any partnerships that have been or will be formed to ensure the success of the project (worth up to **5 points**).

1.6 Submittal Instructions

Proposals must be received in the Purchasing – Bid Dropbox located on the www.danepurchasing.com website no later than the date and time indicated within the RFP Deadline field on the RFP Cover Page or addenda. Late, faxed, mailed, hand-delivered, or unsigned proposals will be rejected unless otherwise specified. Dane County is not liable for any cost incurred by proposers in replying to this RFP.

All proposals **must be saved as one PDF file** unless otherwise specified within the RFP document and the file name shall include the RFP# and name of business submitting proposal.

Example of how to name the files:
120012 – Vendor Name – RFP Response

To Submit a Proposal:

1. Go to www.danepurchasing.com and click on Purchasing – Bid Dropbox or click on the Open RFP's and Bids page link.
2. Click on the Submit a Bid button within the green Purchasing Bid Dropbox.
3. Type in the Email, First Name, Last Name and Company information and click Continue.
4. Drag and drop the RFP files one at a time into the “Drag files here” box.
5. After all files have been placed into the “Drag files here” box, click on the blue Upload button.
 - a. The file upload status can be seen for each document uploaded.
 - b. After each document reaches 100%, it will say “Uploaded”.
6. Confirm all files have been uploaded and then close out of the window.

2.0 PROJECT OVERVIEW AND SCOPE OF SERVICES

2.1 Definitions and Links

The following definitions and links are used throughout the RFP.

County: Dane County

County Agency: Department/Division utilizing the service or product.

Dane County Purchasing website: www.danepurchasing.com

Fair Labor Practices websites: www.nlrb.gov and <http://werc.wi.gov>

Purchasing

Proposer/Vendor/Firm/Contractor: a company submitting a proposal in response to this RFP.

2.2 Scope of Services/Specification Overview

2.2.1 Project Description

Dane County is soliciting applications from organizations interested in operating a mortgage reduction program to promote homeownership opportunities for low-and-moderate income residents of the Dane County Urban County Consortium (see Appendix A). Funding is expected to be available under the HUD-funded Community Development Block Grant (CDBG) program. The County reserves the right to fund this project with Home Investment Partnership (HOME) funds. This change in funding source and its implications will be discussed with prospective Subrecipient(s). Please refer to the attached document: CDBG & HOME MORTGAGE REDUCTION ASSISTANCE – DEFERRED PAYMENT LOANS PROGRAM STANDARDS (Appendix B).

Eligible Applicants

Public or private non-profit agencies or organizations including faith-based organizations, units of local government, and Community-Based Development Organizations.

Project Basics

Applicants may target the program to a specific community, a specific development, or to the entire Dane County Urban County Consortium.

Organizations selected as subrecipients to operate a mortgage reduction program will be expected to comply with the requirements in the *CDBG & Home Mortgage Reduction Assistance – Deferred Payment Loans Program Standards* for operating the program.

These include, in part:

- ◆ Marketing the program.
- ◆ Conducting initial pre-screening, intake, and income eligibility determinations of applicants.
- ◆ Assuring prospective homebuyers complete an approved homebuyer education course.
- ◆ Conducting required underwriting.
- ◆ Documenting the eligibility of the property receiving assistance.
- ◆ Notifying the County CDBG/HOME Specialist once the pre-approved prospective homebuyer has an accepted offer to purchase on a home so that an environmental review may be conducted. The County will also arrange for an on-site Housing

SECTION 2 – PROJECT OVERVIEW AND SCOPE OF SERVICES

Quality Standards (HQS) inspection to be conducted by the County's representative. All offers to purchase will be contingent on the property passing the environmental review and HQS inspection.

Eligible Borrowers

- Eligible borrowers must be purchasing a single-family home and not own any other real estate.
- Borrower must be an owner-occupant of the property and take occupancy within 60 days of acquisition.
- Borrower must meet the definition of a first-time homebuyer as defined in 24CFR92.
- Eligible borrowers must meet the Department of Housing and Urban Development (HUD) income requirements for low-and-moderate income households at the time of application. Verification of income will be required.
- The minimum amount of "liquid assets" the borrower can have in reserves after closing must be at least \$750 and the maximum amount of "liquid assets" the borrower can have in reserves cannot exceed the equivalent of twelve months of PITI (principal, interest, taxes, and insurance). "Liquid assets" includes: checking accounts, savings accounts, life insurance net cash value, stocks, bonds and annuities. Excluded are: IRA's, 401K plans, pension profit sharing, other pensions, employee retirement funds and personal property, including automobiles.
- All household members must be legal citizens of the United States or qualified aliens.
- Borrower must complete a homebuyer education course that complies with the Housing Counseling Certification requirements of 81 FR 90632.
- Eligible borrowers must qualify for a first mortgage that does not exceed the prevailing market rates. First mortgages must be fixed rates loans with no negative amortization, balloon payments or adjustable rate features.
- Borrower's maximum housing debt to income ratio, after including CDBG or HOME assistance, may not exceed 38%. Borrower's total debt to income ratio must not exceed 45%. Loan requests with a housing ratio below 25% will be approved on a case by case basis.
- Borrower must contribute \$500 of the purchase price from the borrower's own funds.
- Eligible borrowers may receive only one Dane County mortgage reduction loan at the time of purchase.
- Subrecipients administering programs on behalf of Dane County, may in agreement with the County, choose to implement more stringent eligibility standards.

SECTION 2 – PROJECT OVERVIEW AND SCOPE OF SERVICES

Eligible Properties

- ◆ One- to – four unit property, a condominium unit, or a manufactured home (manufactured housing must be connected to permanent utility hookups and must be located on land that is owned by the manufactured housing owner).
- ◆ Property must be located in one of the participating municipalities of the Dane County Urban County Consortium.
- ◆ The property being purchased must be owner-occupied or vacant at the time the purchase contract is signed. Mortgage Reduction Assistance funds cannot be used to purchase a property that will displace any tenants.
- ◆ The sales price of the property may not exceed 95 percent of the median purchase price for that type of single-family housing for Dane County as published by HUD.
- ◆ Total debt secured by the property, including the CDBG-or HOME-funded loans, cannot exceed 103% of the value of the property based on the purchase price of the property or the appraised value, which ever amount is less
- ◆ Property must meet all applicable State and local code requirements, and must meet the housing quality standards in 24 CFR 982.401.
- ◆ Properties constructed or manufactured before 1978 must be inspected for lead-based paint hazards. If deteriorated paint is found it must be properly remediated in compliance with the Lead Safe Housing Rule before closing.
- ◆ Property must pass an environmental review conducted by Dane County Community Development Block Grant staff.

Eligible Costs

In addition to the loan itself, the County's Mortgage Reduction loan will cover the following reasonable and necessary costs incurred by the homebuyer:

- ◆ Appraisal fee
- ◆ Credit reports
- ◆ Title closing fee
- ◆ Title insurance
- ◆ Recording fee
- ◆ Legal fee
- ◆ Survey
- ◆ Reasonable loan origination and processing fees. Reasonable will be based on WHEDA fees
- ◆ Prepaid escrows
- ◆ First Year Mortgage Insurance Premium or funding fee
- ◆ Home buyer education fee
- ◆ Other WHEDA fees, as appropriate

If funded under the CDBG Program, staff and overhead costs **DIRECTLY** related to carrying out the activity specified in 24 CFR 570.201-204, such as providing direct services to consumers, work specifications preparation, loan processing inspections, and other services related to assisting potential homebuyers may be charged to project costs. This may include staff time spent supervising staff who are carrying out the activities specified in 24 CFR 570.201-204 when that time is spent addressing a direct consumer, service, or property issue. It does not include supervisory time spent on such functions as employee evaluations.

SECTION 2 – PROJECT OVERVIEW AND SCOPE OF SERVICES

If funded under the HOME program, staff and overhead costs **DIRECTLY** related to carrying out the project, such as loan processing, credit verification, and other services related to assisting potential homebuyers, e.g., housing counseling, may be charged to project costs **only if** the project is funded and the individual becomes the owner of the HOME-assisted project.

2.2.2 **Objectives:**

To promote homeownership for low-and moderate-income households in the Dane County Urban County Consortium through the provision of mortgage reduction loans.

2.2.3 **Needs:**

1. Projects must assist low-and moderate-income persons in the participating municipalities of the Dane County Urban County Consortium.
2. It is expected that projects will meet community needs documented through “hard” data sources.
3. Any additional funding needed to make the project viable must be secured in order for a contract to be executed.
4. Projects must be shovel-ready, meaning that the project will begin in the year in which the contract was awarded.
5. Projects must be delivered in a cost effective manner with measurable performance outcomes.
6. It is expected that all or a portion of funds will be targeted to areas of greatest need.

2.2.4 **Current Operations:**

The 2022 funds were awarded to Habitat for Humanity of Dane County in the amount of \$280,000, Operation Fresh Start, Inc. in the amount of \$54,000, and Movin’ Out in the amount of \$218,000.

SECTION 3 – PROPOSAL PREPARATION REQUIREMENTS

3.0 RFP RESPONSE PREPARATION REQUIREMENTS

Proposals shall be organized to comply with the section numbers and names as shown below. Each section heading should be clearly marked. The RFP sections which should be submitted/responded to are:

3.1 Attachment A – Vendor Information

3.2 Need and Justification

The project need and justification adequately describes the problem that is being addressed by the proposed project. Statements are substantiated with “hard” data sources. Provides a description of how funds may be targeted to areas of greatest need.

3.3 Beneficiaries

The application describes the population to be served. Additional points will be given to projects located in census tracts where 47.8% of the population are considered low-and-moderate income.

3.4 Project Approach

The application provides:

- A detailed description of the scope of work that will be undertaken and a description of how the work will address the identified problems.
- A description of any partnerships that have been or will be formed to ensure the success of the project.
- Plans for notice and the relocation process for tenants, if needed.
- A work plan for how the project/program will be organized, implemented, operated, and administered, and the timeline and milestones from initiation to completion. Work on the project – meaning funds will be spent – will begin in 2023.

3.5 Experience and Qualifications

The application describes the experience of the organization related to rehabilitation work, performing income documentation for income eligibility, and the experience and qualifications of key staff to be assigned to the project. There appears to be adequate board and management oversight.

3.6 Financial Information

The application clearly explains and justifies each proposed budget line item and why CDBG funding is required to make the project viable. An explanation of the bases of the cost estimates for the project is included. The budget is realistic. The organization is financially stable. Efforts have been made to secure and to leverage other funding for the project.

3.7 Mandatory Requirements

In order to be evaluated, programs must:

NOTE: Programs not meeting the mandatory requirements will not be evaluated.

- 3.7.1 Be an eligible activity.

SECTION 3 – PROPOSAL PREPARATION REQUIREMENTS

- 3.7.2 Be located in, or provide services to residents of one of the member communities of the Dane County Urban County Consortium.
- 3.7.3 Address one of the funding priority areas established by the CDBG Commission.
- 3.7.4 Not be a HUD listed debarred or ineligible contractor.
- 3.7.5 If CDBG eligible, meet one of the three national objectives.

4.0 REQUIRED FORMS

The following forms must be completed and submitted in accordance with the instructions given in Section 1.6.

Attachment A **Vendor Information Form**

Attachment B **Dane County Application for 2023 CDBG Funds**