

**CITY OF  
HAMTRAMCK  
SHOPPER'S WORLD  
REDEVELOPMENT**

REQUEST FOR DEVELOPMENT PROPOSALS



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# Request for Development Proposals

**Date:** September 9th, 2011

**Owner:** The City of Hamtramck

## General

The City of Hamtramck Community and Economic Development Department is seeking proposals from qualified, experienced property development entities (Contractor) for development services for a 60,000 SF development project.

This RFP is for a Rehabilitation Development in the Central Business District of the old Shopper's World Building located at 9808 Joseph Campau Hamtramck, MI. Companies with demonstrated experience in development services and completing rehabilitation or new construction of mixed-use residential properties, and with an interest in making their services available to the City of Hamtramck are invited to respond to this RFP. "Respondents" means the companies or individuals that submit proposals in response to this RFP.

Services and deliverables will include, but not be limited to:

- Design and construction to remodel existing structure into a mixed-use or 100% residential, code-compliant and marketable structure
- Marketing of the residential portion of the structure for purchase or lease

The City of Hamtramck is encouraging participation by respondents who are MBE/WBE or Section 3 business enterprises. The work contemplated is professional in nature. The Respondent shall be financially solvent and each of its members (if a joint venture), its employees, agents or sub-consultants of any tier shall be competent to perform the services required under this RFP document.

Nothing in this RFP shall be construed to create any legal obligation on the part of the City of Hamtramck or any respondents. The City of Hamtramck reserves the right in its sole discretion, to amend, suspend, terminate, or reissue this RFP in whole or in part, at any stage. In no event shall the City of Hamtramck be liable to respondents for any cost or damages incurred in connection with the RFP process, including but not limited to, any and all costs of preparing a response to this RFP or any other costs incurred in reliance on this RFP. No respondent shall be entitled to repayment from the City of Hamtramck for any costs, expenses or fees related to this RFP. All supporting documentation submitted in response to this RFP will become the property of the City of Hamtramck. Respondents may also withdraw their interest in the RFP, in writing, at any point in time as more information becomes known. There is no guarantee that any or all of the developers will obtain contracts to complete the work.

The proposed development is located at 9808 Joseph Campau, in the heart of the City of Hamtramck's downtown, and in the designated "Central Business District" CBD per the Hamtramck Zoning Ordinance # 497 of 2004 as amended. The Ordinance may be found at [http://www.hamtramck.us/documents/HamtramckZoningOrdinance\\_001.pdf](http://www.hamtramck.us/documents/HamtramckZoningOrdinance_001.pdf). Development located in this district is required to have a commercial component on the main level that encourages, and allows convenient pedestrian access, and expands upon the walkability and unique character of the City's downtown. The City's vision for this district, which is supported by the City's Master Plan (Attachment B) and Downtowns of Promise Plan (Attachment C) includes mixed-use projects with a unique commercial component on the main level and office and residential uses located on upper levels of the structure. The master plan can be found at [http://www.interface-studio.com/isftp/HAM/HAMTRAMCK\\_MP\\_DRAFT.pdf](http://www.interface-studio.com/isftp/HAM/HAMTRAMCK_MP_DRAFT.pdf) and due to the file size of the Downtowns of Promise electronic copies are available upon request by emailing [sray@hamtramckcity.com](mailto:sray@hamtramckcity.com). The City may choose to consider a proposal that consists of exclusively residential components, however, it should be noted that this would be required to be an exceptional proposal and will

require numerous extra steps in the planning and zoning approval process including variance requests to the City's Zoning Board of Appeals.

The City is encouraging respondents to be as creative as possible. All ideas are encouraged. Examples include carving out the center of the building from Joseph Campau to the alley and covering the subsequent walkway to make an arcade, thereby increasing the number of store fronts and natural light to the upper floors, adding on vertically, and a garden on the roof. While demolition is generally discouraged, if a convincing proposal is submitted, it may be considered and would be subject to approval by the State Historic Preservation Office.

**This is a Federally Funded Project.**

The Contractor and Subcontractors on the project must comply with HUD contract provisions 24 CFR part 85.36(i), Nondiscrimination, Equal Employment Opportunity, Affirmative Action, Section 3 requirements, Anti-Kickback Act, Federal Occupational Safety and Health Act and Department of Labor Standards and Regulations as set forth in the Request for Proposal. The City of Hamtramck is an equal opportunity employer; businesses owned by women or minorities are strongly encouraged to provide a proposal.

# PROFESSIONAL SERVICE REQUIREMENTS

## Scope of Work

The City of Hamtramck seeks sealed proposals from development service companies interested in providing development services for the redevelopment of the Shoppers World Building. Services and deliverables will include, but not be limited to:

- Design and construction to remodel existing structure into a mixed-use or 100% residential, code-compliant and marketable structure
- Marketing of the residential portion of the structure for purchase or lease

The City of Hamtramck is facilitating and funding the acquisition of the building for the purposes of redevelopment. During the program period, which ends February 10, 2013, the City seeks to invest \$3 million into the redevelopment of the building.

**The scope of work and project guidelines are attached in Attachment A. This document is under review by MSHDA, may be revised, an addendum issued and further discussed in the pre-proposal meeting on September 22<sup>nd</sup>.**

## SUBMITTAL REQUIREMENTS

RFP responses must be submitted **both** via hard copy and scanned e-mail copy sent to [ahowbert@capitalaccessinc.com](mailto:ahowbert@capitalaccessinc.com).

Each respondent shall submit one (1) original and two (2) copies of the following documents in a clear, legible, 12 point font, and 8.5 by 11 inch format. **Responses not submitted both via hard copy and e-mail will not be considered.** Respondents are advised to adhere to the Submittal Requirements. Failure to comply with the instructions of this RFP will be cause for rejection of submittals.

The City of Hamtramck reserves the right to seek additional information to clarify responses to this RFP. Each response must include the following:

### Letter of Interest

Please submit a Cover Letter of Interest signed by a duly authorized officer or representative of the Respondent, not to exceed two pages in length. The proposal must also include the following information:

1. The principal place of business and the contact person, title, telephone/fax numbers and email address with the description of organization (i.e. Corporation, Limited Liability Company, nonprofit, private or Joint Venture).
2. The names and business addresses of all Principals of the Respondent. For purposes of this RFP "Principals" shall mean persons possessing an ownership interest in the Respondent. If the Respondent is a partially owned or fully-owned subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization's approval rights, if any, over the activities of the Respondent.
3. Years of experience and detailed qualifications including resumes of the development services team. A minimum of three (3) references of related projects, including date of project, contact person email address and phone number, and a brief description, including photographs and location of the project.
4. Capability to conduct development services.
  - a. Project Proposal – Include the property site plan, building elevations, commercial use floor plan and at least 3 examples of residential unit floor plans that your firm would propose for this project. Include cost and sale amounts for each example. Identify the company's role on the project, including photos and renderings, project values, number of units and the type of financing

- involved. Include your firm's experience and/or program for incorporating Energy Star ratings, green retrofits, geothermal or other green technologies.
- b. Project feasibility/long term sustainability – Include the project pro forma for your proposed development. Include financial cash flow and projected income for 15 year term if rehabilitation or 20 year term for new construction. The pro forma must include the developer fee, environmental costs, design costs, testing costs, permit costs, broker, loan, legal, insurance, accounting and other non-construction fees, financing costs, construction costs and marketing costs. The pro forma also needs to include utility costs, maintenance costs taxes and any other post construction costs.
  - c. Community relationships/developments – Include your firm's experience in the community development industry. Include joint ventures, partnerships or other relationships relative to this project.

## Threshold Requirements

The following items must be submitted and acceptable for the proposal to be reviewed:

5. The Certification Form Note attached hereto at the end of this RFP and incorporated herein by reference must be signed by Respondent and attached to the Letter of Interest.
6. Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State (If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
7. Evidence of Insurance: Provide copies of all insurances including, but not limited to: Commercial General Liability with limits not less than \$1,000,000; Workers Compensation and Employers Liability with limits not less than \$500,000; Automobile Liability with limits not less than \$1,000,000 per occurrence, and a \$2,000,000 Umbrella Policy.
8. Evidence of Financial Stability: All Respondents shall include their last two year financial statements with the proposal response. This information will assist the City of Hamtramck in determining the Respondent's financial condition. The City of Hamtramck is seeking this information to ensure that the respondents have the financial stability and wherewithal to assure good faith performance. Disclosure of failed financial projects is also required.
9. Conflict of Interest Statement & Supporting Documentation: Respondent shall disclose any professional or personal financial interests that may be a conflict of interest in representing the City of Hamtramck. In addition, all Respondents shall further disclose arrangement to derive additional compensation from various investment and reinvestment products, including financial contracts.
10. Respondents should state whether they are an MBE/WBE or Section 3 business enterprise. If so, please provide a copy of a current MBE/WBE certification letter or Section 3 Certification. MBE/WBE status is not considered as a criterion for award but is requested for statistical purposes.

## **Additional Information**

Funding Application and Project Underwriting – After the initial review of proposals received, the firms selected to be short-listed the propose a rental based project for this program will need to complete a **2011 MSHDA Combined Application for Rental Housing Programs** that can be found at the MSHDA web page link listed below:

[http://www.michigan.gov/documents/mshda/mshda\\_li\\_ca\\_02\\_primary\\_application\\_183842\\_7.doc](http://www.michigan.gov/documents/mshda/mshda_li_ca_02_primary_application_183842_7.doc)

along with all documentation outlined in pages 3-5 of Addendum I, entitled Threshold Review Phase, that can be found at the MSHDA web page link listed below:

[http://www.michigan.gov/documents/mshda/MSHDA-Recovery-Direct-Lending-Program-Parameters\\_279599\\_7.pdf](http://www.michigan.gov/documents/mshda/MSHDA-Recovery-Direct-Lending-Program-Parameters_279599_7.pdf)

***Please note the following changes from the published list of documents for Threshold Review Phase:***

- P/T8 Capital Needs Assessment – Not required with application, but will be completed as part of underwriting process.
- P/T14 – Resident Information not required.
- P/T15 – Development Financial Statements not required.

**Nondiscrimination:** For all State Contracts for goods or services in amount of \$5,000 or more, or for Contracts entered into with parties employing three or more employees; in connection with the performance of Work under this Contract, the Contractor and its Subcontractors and Suppliers must comply with the following requirements:

1. Not to discriminate against any employee or applicant for employment because of race, color, religion, national origin, age, sex, height, weight or marital status and take affirmative action to ensure that applicants are employed, and the employees are treated during employment, without regard to their race, color, religion, national origin, age, sex, height, weight or marital status. Such action must include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. To state in all solicitations or advertisements for employees placed by on on behalf of the contractor, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight or marital status.

3. To send, or have its collective bargaining representative send, each labor union or representative of workers with which there is a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor unions or workers' representative of the contractor's commitments under Section 202 of Federal Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. To comply with the Federal Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor, the Elliot-Larsen Civil Rights Act, 1976 PA 453, as amended , MCL 37.2201 *et seq.*; the Michigan Persons With Disability Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et Seq.*; and all published rules, regulations, directives, and orders of the Michigan Civil Rights Commission (MCRC) which may be in effect on or before the date of Bid opening.

5. The Contractor must furnish and file compliance reports within the times, and using the forms prescribed by the MCRC. Compliance report forms may also elicit information as to the practices, policies, programs, and employment statistics of the Contractor and Subcontractors. The Contractor must permit access to Records by the MCRC and its agent for purposes of ascertaining compliance with the Contract and with rules, regulations, and orders of the MCRC. The Contractor must also furnish all information and reports required by Federal Executive Order no. 11246 of Sept. 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. If, after a hearing held under its rules, the MCRC finds that the Contractor has not complied with the nondiscrimination requirements of the Contract Documents, MCRC may, as part of its order, certify its findings to the Administrative Board of the State of Michigan, which may order the cancellation of the Contract and/or declare the Contractor ineligible for future contracts with the State until the Contractor complies with the MCRC's order. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Federal Government contracts in accordance with procedures authorized in Federal Executive Order No 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 of September 23, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs 10.1 through 10.7 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Federal Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**Michigan Residency for Employees:** Fifty percent of the persons employed on the Work by the Contractor must have been residents of the State of Michigan for not less than one year before beginning employment on the Work. This residency requirement may be reduced or waived to the extent that Michigan residents are not available or to the extent necessary to comply with the federal funds used for the Project. This requirement does not apply to employers who are signatories to collective bargaining agreements that allow for the portability of employees on an interstate basis.

## Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that, within the past three (3) years, the vendor, an officer of the vendor, or an owner of a 25% or greater interest in the vendor:

- (a) Has not been convicted of a criminal offense incident to the application for or performance of a contract or subcontract with the State of Michigan or any of its agencies, authorities, boards, commissions, or departments.
- (b) Has not been convicted of a criminal offense which negatively reflects on the vendor's business integrity, including but not limited to, embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, negligent misrepresentation, price-fixing, bid-rigging, or a violation of state or federal anti-trust statutes.
- (c) Has not had a loss or suspension of a license or the right to do business or practice a profession, the loss or suspension of which indicates dishonesty, a lack of integrity, or a failure or refusal to perform in accordance with the ethical standards of the business or profession in question.
- (d) Has not been convicted of a criminal offense or other violation of other state or federal law, as determined by a court of competent jurisdiction or an administrative proceeding, which in the opinion of DMB indicates that the vendor is unable to perform responsibly or which reflects a lack of integrity that could negatively impact or reflect upon the State of Michigan, including but not limited to, any of the following offenses under or violations of:
  - i. The Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.101 to 324.90106.
  - ii. A persistent and knowing violation of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
  - iii. 1965 PA 166, MCL 408.551 to 408.558 (law relating to prevailing wages on state projects) and a finding that the vendor failed to pay the wages and/or fringe benefits due within the time period required.
  - iv. Repeated or flagrant violations of 1978 PA 390 MCL 408.471 to 408.490 (law relating to payment of wages and fringe benefits).
  - v. A willful or persistent violation of the Michigan Occupational Health and Safety Act, 1974, PA 154, MCL 408.10001 to 408.1094, including: a criminal conviction, repeated willful violations that are final orders, repeated violations that are final orders, and failure to abate notices that are final orders.
  - vi. A violation of federal or state civil rights, equal rights, or non-discrimination laws, rules, or regulations.
- (e) The City of Hamtramck, at its discretion, may conduct background checks. Signing of this form confirms respondent's approval to do so.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award and may be grounds for debarment.

Typed Name & Title of Authorized Representative \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ I am unable to certify to the above statements. My explanation is attached.

**PROFESSIONAL/CONTRACTOR DEMOGRAPHICS,  
STATISTICS AND CERTIFICATION**

1. Company Name: \_\_\_\_\_
2. Company Address: \_\_\_\_\_  
\_\_\_\_\_
3. Principal Place of Business (zip code): \_\_\_\_\_
4. Year of Establishment \_\_\_\_\_

**Woman, Minority, or Veteran Owned Small Business Representation**

(For Statistical Use Only)

**DEFINITIONS:**

'Woman-owned business,' means a small business that is at least 51% owned by a woman or women who are US citizens and who control and operate the business.

The vendor represents that it IS \_\_\_\_\_, IS NOT \_\_\_\_\_ a woman-owned small business.

'Minority-owned business,' means a small business that is at least 51% owned by a minority or minorities who are US citizens and who control and operate the business.

The vendor represents that it IS \_\_\_\_\_, IS NOT \_\_\_\_\_ a minority-owned small business.

African American \_\_\_\_\_ Arab American \_\_\_\_\_ Asian American \_\_\_\_\_ Hispanic \_\_\_\_\_  
American Indian \_\_\_\_\_ Eskimo \_\_\_\_\_

'Qualified Disabled Veteran,' means a business entity that is 51% or more owned by one or more veterans with a service-connected disability.

'Qualified Disabled,' means a business entity that is 51% or more owned by one or more with a service-connected disability.

The vendor represents that it IS \_\_\_\_\_, IS NOT \_\_\_\_\_ qualified disabled.

'Veteran-owned business,' means a small business that is at least 51% owned by a veteran or veterans who are U.S. citizens and who control and operate the business.

The vendor represents that it IS \_\_\_\_\_, IS NOT \_\_\_\_\_ a veteran-owned small business.

The contractor represents and warrants that the company meets the above (when checked) and can provide supportive documentation upon request.

\_\_\_\_\_  
Authorized Agent Name (print or type)

\_\_\_\_\_  
Authorized Agent Signature

Fraudulent Certification as a Qualified Disabled Veteran is subject to debarment under MCL 18.264.

## Certification of a Michigan Based Business

(Information Required Prior to Contract Award for Application  
of State Preference/Reciprocity Provisions)

DEFINITION: To qualify as a Michigan business, vendor must have during the 12 months immediately preceding this bid deadline, or if the business is newly established, for the period the business has been in existence, it has (check all that apply):

Bidder shall also indicate one of the following:

- Bidder qualifies as a Michigan business (provide zip code: \_\_\_\_\_)
  - ( ) Filed a Michigan single business tax return showing a portion or all of the income tax base allocated or apportioned to the State of Michigan pursuant to the Michigan Single Business Tax Act, 1975 PA 228, MCL 208.1 – 208.145; or
  - ( ) Filed a Michigan income tax return showing income generated in or attributed to the State of Michigan; or
  - ( ) Withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Department of Treasury; or

I certify that **I have personal knowledge** of such filing or withholding, that it was more than a nominal filing for the purpose of gaining the status of a Michigan business, and that it indicates a significant business presence in the state, considering the size of the business and the nature of its activities.

I authorize the Michigan Department of Treasury to verify that the business has or has not met the criteria for a Michigan business indicated above and to disclose the verifying information to the procuring agency.

- Bidder does not qualify as a Michigan business (provide name of State: \_\_\_\_\_).
- Principal place of business is outside the State of Michigan, however service/commodity provided by a location within the State of Michigan (provide zip code: (\_\_\_\_\_)).

\_\_\_\_\_  
Authorized Agent Name (print or type)

\_\_\_\_\_  
Authorized Agent Signature

Fraudulent Certification as a Michigan business is prohibited by MCL 18.1268 § 268. A BUSINESS THAT PURPOSELY OR WILLFULLY SUBMITS A FALSE CERTIFICATION THAT IT IS A MICHIGAN BUSINESS OR FALSELY INDICATES THE STATE IN WHICH IT HAS ITS PRINCIPLE PLACE OF BUSINESS IS GUILTY OF A FELONY, PUNISHABLE BY A FINE OF NOT LESS THAN \$25,000 and subject to debarment under MCL 18.264.

# CERTIFICATION FORM NOTE

THIS PAGE MUST BE COMPLETED AND INCLUDED WITH THE SUBMITTAL CERTIFICATION

The undersigned hereby certifies, on behalf of the Respondent named in this Certification (the "Respondent"), that the information provided in this RFP submittal to the Michigan Land Bank is accurate and complete and I am duly authorized to submit same. I hereby certify that the Respondent has reviewed this RFP in its entirety and accepts its terms and conditions.

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(Name of Respondent)

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(Signature of Authorized Representative)

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(Typed Name of Authorized Representative)

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(Title)

---

(Date)

# EVALUATION CRITERIA AND SCORING

In evaluating responses to this Request for Proposal, The City of Hamtramck will take into consideration the experience, capacity, and various plans that are being proposed by the Respondent.

The following point system will be used to evaluate the proposal submittals:

1. Project development team experience and qualifications: up to 20 points
2. Project readiness up to 20 points
3. Project feasibility & long term sustainability up to 15 points
4. Proposed project plans/design: up to 15 points
  - a. Proposed design
    - i. Elevations & layout
    - ii. Energy Efficiency
    - iii. Health, Building and Safety compliance
    - iv. Visit-ability and Walk-ability features
  - b. Proposed total construction and design cost
5. Marketing and lease-up plan: up to 10 points
6. Developer Financial Stability up to 10 points
7. Section 3 program up to 10 points

## SELECTION PROCESS

The Selection Committee will review proposals in accordance with the evaluation criteria set forth herein and Michigan NSP2 Consortium objectives and policies. Proposals that are submitted on time and comply with the mandatory requirements of the RFP will be evaluated in accordance with the terms of the RFP. Any contract resulting from this RFP will not necessarily be awarded to the vendor with the lowest price. Instead, ability to contract shall be awarded to the vendor whose proposal receives the most points in accordance with criteria set forth in the future RFP. A number of development services companies may be awarded contracts to complete the work depending on the needs of the client and the capabilities of the development services companies.

## QUESTIONS

A **mandatory** RFP review meeting and building walk-through will be held on Monday, September 22<sup>nd</sup> beginning at 10:00am. The day will begin in City Hall Council Chambers located at 3401 Evaline Hamtramck, MI to answer questions. The building walk through will be at 1:00pm. Questions regarding this RFP should be submitted in writing via email to: [ahowbert@capitalaccessinc.com](mailto:ahowbert@capitalaccessinc.com).

## SUBMITTAL DUE DATE

Responses to this RFP are due by 4:00 pm on October 17th, 2011. Responses to this RFP must be e-mailed to: [ahowbert@capitalaccessinc.com](mailto:ahowbert@capitalaccessinc.com). Each Respondent is responsible for labeling the exterior of the sealed envelope containing the proposal response with the proposal name (Hamtramck NSP2 Shopper's World Proposal), proposal due date and time, and your firm's name. Hard copies must be delivered to:

The City of Hamtramck City Clerk  
ATTN: Jason Friedmann  
Community and Economic Development Director  
3401 Evaline  
Hamtramck, MI 48212

# RFP SUBMITTAL REQUIREMENTS CHECKLIST

Please provide Checklist with response to RFP

- Letter of Interest
- Description and Capacity of Company
- Project Proposal and Marketing Capability
- References
- Certification Form Note
- Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State (If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
- Evidence of Insurance
- Evidence of Financial Stability
- Conflict of Interest Statement & Supporting Documentation:
- Debarment Certification
- Statistics & Certification
- Michigan Business Certification
- MBE/WBE (collected for statistical purposes only), Local Hiring, HUD Section 3 Certification, if applicable

## Attachment A

### Hamtramck NSP2 Mixed-Use Multifamily Guidelines

<p>Target Area Served with NSP2 Funds:</p>	<p>The City of Hamtramck seeks to invest up to \$3.0 million of NSP2 funds in a mixed-use project to redevelop a 60,000 SF commercial property located 9808 Joseph Campau, formerly Shopper’s World.</p>
<p>Use of NSP2 funds for Project</p>	<p><b>REHAB</b></p> <p>Rehab costs are eligible for NSP2 subsidy for the residential portion of mixed-use, multi-family properties <b><i>only</i></b>. The City will underwrite construction costs in detail to comply with applicable state and federal construction quality and cost reasonableness regulations.</p> <p>The project must:</p> <ul style="list-style-type: none"> <li>A. Meet applicable local and state health, building and safety codes including HUD Lead Based Paint Regulations where there will be rehabilitation of structures built before 1978 and the Zoning Ordinance found at <a href="http://www.hamtramck.us/documents/HamtramckZoningOrdinance001.pdf">http://www.hamtramck.us/documents/HamtramckZoningOrdinance001.pdf</a>. Please also see the Attachment D - Downtown Development Authority Storefront Design Guidelines. Due to the file size of Attachment D interested parties can request a copy by emailing <a href="mailto:sray@hamtramckcity.com">sray@hamtramckcity.com</a>.</li> <li>B. Comply with the Uniform Federal Accessibility Standards (UFAS) requiring that at least 5% of the units are handicapped accessible to the extent feasible in rehabilitation projects. The required number of units designed to meet barrier free standards in new construction projects, is 5% of the total number of units, plus an additional 2% of the units be made accessible for persons with hearing and vision impairments.</li> <li>C. Incorporate Universal Design for ingress and egress that promote “Visitability” and “Walkability”</li> <li>D. This project must achieve a 5 Star Energy Star® rating to be eligible to receive NSP2 funding. Please see ATTACHMENT E - <b><i>NSP2 Recommended Energy Efficient and Environmentally-Friendly Green Elements.</i></b> Also see (<a href="http://tinyurl.com/6bcfpcb">http://tinyurl.com/6bcfpcb</a>, pages 80-83) for HUD guidance.</li> <li>E. Help meet the City’s Section 3 goals for local business and labor</li> <li>F. Pay Davis Bacon prevailing wages.</li> </ul>
<p>Required Developer Investment</p>	<p>Developers must provide a minimum equity investment of 10% of the Total Development Costs in the proposed project.</p> <p>Developers must pay for 100% of the commercial portion of mixed-use building improvements with developer equity or other financing. NSP2 funds may pay for a portion of common areas, mechanicals, roof, façade,</p>

	<p>related infrastructure on a proportionate basis between residential and commercial square footage. Developer must provide a Construction Schedule of Values by trade breakdown separating all construction related expenses by residential and commercial uses. All construction draws shall clearly separate residential and commercial construction costs and payments based upon the approved Construction Schedule of Values.</p> <p>Developers may complete infrastructure and raw construction improvements (vanilla shell) for commercial / retail space and wait to complete finish work as commercial / retail tenants are secured. The City will determine with the Developer at time of plan approval the level of finish required for commercial / retail spaces, and Developer must demonstrate that the required financial resources are secured and available to complete tenant build-out.</p> <p>Developers must show that debt service on any financing for commercial portion of buildings will be paid from rents from commercial space and/or a guarantee from Developer. Developer must show sufficient reserves on balance sheet pledged to project to support guarantee.</p> <p>The City will not release NSP2 funds unless satisfactory evidence of all financing for commercial space has been submitted and construction on commercial space commences concurrently with residential construction.</p>
<p>Project Readiness</p>	<p>Successful project(s) must be able to complete a construction loan closing and begin construction activities no later than <b>January 15th, 2012</b>, and complete all construction related work, lease-up of the project and complete permanent loan closing by <b>December 1, 2012</b>. It is anticipated that selected Developers will receive conditional NSP2 funding commitment no later than November 7<sup>th</sup>, 2011, and will need to demonstrate receipt of <b>all</b> funding commitments for project by December 15<sup>th</sup>, 2011.</p> <p>If all conditions outlined in funding agreement are not met by this date, the conditional commitment letter may be rescinded by Hamtramck and all award funds re-allocated to other eligible NSP2 projects.</p>
<p>Maximum NSP2 Subsidy Funding</p>	<p>It is anticipated that \$3.0 million of NSP2 funds will be the amount invested in awarded project(s) under this RFP. The maximum NSP2 investment is expected to be no more than \$150,000 / unit. However, the City may consider Developer requests for a waiver up to \$200,000 / unit where higher costs are anticipated due to historic restoration, use of green building materials and methods, implementing alternative energy systems to reduce energy expenses (i.e., solar, geothermal), or higher level amenities that are required (identified in the market analysis / plan) to attract target market(s).</p> <p>It is expected that NSP2 funds would leverage other equity and investment funding for the proposed project. Project(s) that leverage a higher</p>

	percentage of non-NSP2 funds will receive more points in the scoring process.
Construction Financing	NSP2 funds may be used as 100% financing for residential portion of the project during construction period, assuming costs are not in excess of program allowances, or other financing is being leveraged for the project. City of Hamtramck will record a construction mortgage for the amount of financing that will be satisfied at condo sale closing for condo based projects.
	<b>Guidelines for Condo Based Proposals</b> <b>Please also see the general guidelines continued below</b>
Sales Price	NSP2 regulations require that the sales price cannot exceed Total Development Costs or Appraised Fair Market Value / Market Sales Price, whichever is lower.
Contractor Performance Bond	Contractor shall obtain a payment and performance bond, each in the amount of 100% of the total bid amount.
Buyer Down Payment Requirement	Buyers of NSP2 funded homes must pay for 50% of the required lender down payment. For example, if a private lender requires 3% down payment, buyer must invest 1.5% from their own cash.
Homebuyer Property Taxes and Insurance	Homebuyer shall obtain a home purchase mortgage from a private lender that will create and service an escrow account for the receipt of property tax and insurance payments from the buyer. Homebuyer shall obtain a Standard Homeowners Insurance Policy in the amount of the full replacement cost of the home and include General Liability coverage as required by the lender. Homebuyer via condo association must provide the City of Hamtramck with annual copies of paid property tax receipts and undated Certificates of Insurance as proof of insurance coverage for the full term of the affordability period.
Homebuyer Affordability Subsidy Assistance	<b>Down Payment Assistance and Mortgage Buy Down:</b> NSP2 funds may be invested to buy down first mortgage to 80% of after-improved appraised value. NSP2 funded Down Payment Assistance may not exceed 20% of after-improved appraised value. City of Hamtramck encourages developers to help buyers secure home loans that avoid PMI. <b>Closing Cost Assistance</b> NSP2 funds may be used to subsidize 100% all NSP2-eligible closing costs. City of Hamtramck will record a forgivable soft second mortgage for amount of Homebuyer Assistance subsidy.

<p>Affordability Requirements :</p>	<p>Income Qualified buyers must obtain home purchase mortgages from private sources other than NSP2 based on as-improved appraised value of homes. Homebuyer housing cost burden defined as principal, interest, taxes and insurance (PITI) and shall not exceed 30% of household’s gross monthly income.</p> <p><b>Long-term Affordability:</b> Long-term affordability requirements of the HOME Investment Partnerships Program requirements found at 24 CFR 92.254 will apply. Recapture guidelines apply, and affordability is based on dollar amount of final direct NSP subsidy that enabled homebuyer to purchase unit. A recordable document is placed on the unit to ensure continued affordability. City of Hamtramck will require prior written authorization for the use of resale provisions as an affordability mechanism under the NSP2 Program. Recapture or repayment is a mechanism to recover all, or a portion, of the direct assistance if the buyer sells the house during the period of long-term affordability. Direct assistance is defined as the total amount received by the buyer for down payment assistance, closing cost assistance, mortgage financing, or principal buy down. MSHDA will utilize a forgivable loan model to recapture all or a portion of the assistance provided. The long-term affordability and recapture guidelines are summarized below.</p> <table border="1" data-bbox="373 997 1481 1375"> <thead> <tr> <th>Direct Assistance</th> <th>Affordability Period</th> <th>Amount Forgiven</th> </tr> </thead> <tbody> <tr> <td>Less than \$15,000/unit</td> <td>5 years</td> <td>1/5 of direct subsidy amount per year over five years</td> </tr> <tr> <td>\$15,000 - \$40,000/unit</td> <td>10 years</td> <td>1/10 of direct subsidy amount per year over ten years</td> </tr> <tr> <td>More than \$40,000/unit</td> <td>15 years</td> <td>1/15 of direct subsidy amount per year over fifteen year</td> </tr> </tbody> </table>	Direct Assistance	Affordability Period	Amount Forgiven	Less than \$15,000/unit	5 years	1/5 of direct subsidy amount per year over five years	\$15,000 - \$40,000/unit	10 years	1/10 of direct subsidy amount per year over ten years	More than \$40,000/unit	15 years	1/15 of direct subsidy amount per year over fifteen year
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<p>NSP First Mortgage Loan Products:</p>	<p><b>First Mortgages:</b></p> <p>If buyer does not use a MSHDA Single Family mortgage product, conventional mortgages must meet MSHDA’s requirements for acceptable mortgage products. See Section G of MSHDA Community Development Housing Resource Fund Summary at <a href="http://tinyurl.com/4vc8ggr">http://tinyurl.com/4vc8ggr</a></p> <p><b>80/20 Loan</b></p> <p>City of Hamtramck will offer an 80/20 loan product with NSP2 funds. City of Hamtramck will provide 20% in mortgage buy down for all eligible homebuyers. This will eliminate PMI and, therefore, increases affordability. The product is an affordability and marketing strategy to attract households earning up to 120% AMI. The 80% can be a MSHDA Single Family first mortgage or conventional/FHA mortgage.</p>												

	At a minimum, the buyer is required to provide 50% of the down payment required by the mortgage lender.
Re-Sale Provisions:	City of Hamtramck retains the right to approve resale transactions to any new prospective owner that will assume an NSP2 mortgage. New owners shall be obligated to all the terms and conditions of the NSP2 mortgage and affordability requirements. Homes sold to low-income households, those with incomes at or below 50% of county AMI, must be sold to qualifying low-income households during the affordability period. Homes sold to households with incomes between 50 – 120% of county AMI, must be sold to qualifying households with incomes less than 120% of county AMI during the affordability period.
Marketing Plan & Homebuyer Counseling:	Proposal must include a Marketing Plan that identifies target markets and outlines a strategy for marketing, attracting and selling homes to income eligible households, and a detailed marketing budget.  Developer must also provide a letter of agreement with a MSHDA qualified Homebuyer Counseling agency that will provide the HUD required housing counseling and will conduct the “1040 Income Certification” Determination Guidebook for Homebuyer Program.
Developer Fee:	Developer may charge a Developer Fee of no more than 15% of the total of hard and soft costs (less amount of Developer and financing fees), or an amount not to exceed \$20,000 a unit, whichever is less.  Developer Fee may be paid in increments on a per unit basis as follows: 15% of total Developer Fee paid at construction closing 15% of total Developer Fee paid upon receipt of final certificate of occupancy 70% of total Developer fee paid upon homebuyer settlement
	<b>Guidelines for Rental Based Proposals</b> Please also see the general guidelines continued below
Underwriting for Long-Term Sustainability	Developers must submit a 15-year pro forma for rehabilitation projects, or a 20-year pro forma for new construction projects. Pro formas must show project feasibility with the following underwriting assumptions: <ol style="list-style-type: none"> <li>1. Operations maintaining a minimum of 1.25 Debt Service Coverage Ratio, or if there is no debt service, minimum cash flow of \$250/unit/year.</li> <li>2. The City of Hamtramck will approve long-term fixed rate financing that satisfies the following financing terms:                             <ul style="list-style-type: none"> <li>▪ No less than 20 year amortization</li> <li>▪ No less than 20 year balloon</li> <li>▪ Fixed Interest Rate no higher than 300 basis points above 10 year</li> </ul> </li> </ol>

<p>Underwriting for Long-Term Sustainability</p>	<p>Treasury Bill</p> <ol style="list-style-type: none"> <li>3. Rental income shall reflect an annual increase of 1% for years 1-5, and 2% for year 6 and subsequent years.</li> <li>4. Operating expenses shall reflect an annual increase of 3% with utilities reflecting an annual increase of 6%. If project has not received approval of a Payment in Lieu of Taxes, property taxes shall reflect an annual increase of 5%.</li> <li>5. Vacancy rates for residential portion of projects with 8-19 units shall be 12%, and for projects of 20 or more units shall be 8%.</li> <li>6. Vacancy rates for commercial portion of project shall be projected at 20%.</li> <li>7. NSP2 funds will be used to fund an operating reserve in the amount of 6 months of budgeted operating expenses, debt service, insurance and property taxes. Therefore, there will be no need to budget for operating reserve contributions.</li> <li>8. MSHDA will conduct a Capital Needs Assessment (CNA) to determine the initial amount of Replacement Reserve that will be capitalized with NSP2 funds prior to permanent loan closing. Pro forma should include annual Replacement Reserve contributions in the amount of \$500 / unit / year. A CNA will be conducted every 5 years during the affordability period to determine if any additional funding is needed to adequately capitalize the Replacement Reserve. Owner should show a 3% increase in Replacement Reserve contributions every five years in pro forma.</li> <li>9. All reserve funds are to be held in restricted escrow accounts held by a financial institution approved by The City of Hamtramck, and all requests for withdrawals from reserve accounts must be approved in writing by the City of Hamtramck prior to any reserve account withdrawals. The City of Hamtramck will conduct an annual reserve account audit to ensure that reserve accounts are fully funded, and Owner shall not receive distribution of surplus cash flow unless reserve account contributions are current. In addition, if funds are withdrawn from reserve accounts, Owner must bring reserve accounts current prior to receiving any distribution of surplus cash flow.</li> </ol>
<p>Repayment of NSP2 Funds</p>	<p>At permanent loan closing, the NSP2 Construction Loan will convert to a deferred payment mortgage bearing no interest that may subordinate to other private debt service payments during the 15-year (for rehabilitation projects) or 20-year affordability period (new construction projects). No debt service payments will be required during the affordability period. After the affordability period, 25% of net operating income shall be paid annually to repay the NSP2 permanent mortgage loan until it has been fully satisfied. NSP2 funds shall also be due and payable in full upon sale of the project.</p> <p>If the Owner chooses to sell the property prior to the end of the affordability period, and new owner chooses to rent units to tenants who earn more than</p>

	<p>120% of AMI, then The City of Hamtramck will recapture NSP2 subsidy funds. If the new owner agrees to the terms of the NSP2 subsidy loan then the loan may be assumed.</p>
<p>Distribution of Cash Flow</p>	<p>During the term of the NSP2 mortgage, Owner shall submit to the City of Hamtramck annually by February 15<sup>th</sup> a year-end detailed budget to actual financial report of previous year’s operations, and year-end bank statements for operating and all reserve accounts.</p> <p>Owner shall manage operations so as to achieve a minimum 1.25 annual debt service coverage ratio (DSCR), or if there is no debt service, minimum cash flow of \$250 / unit / year.</p> <p>Owner may request City of Hamtramck approval for distribution of surplus cash flow to the Owner under the following conditions:</p> <ol style="list-style-type: none"> <li>1. Project operations meets or exceed 1.25 DSCR</li> <li>2. The project is maintained according to the maintenance guidelines outlined in the funding agreement.</li> <li>3. There are no outstanding payables more than 30 days and all operating expenses and debt service payment current and paid in full (does not include items where budget payments are included in operating budget).</li> <li>4. All Operating and Replacement Reserve accounts are current and fully funded at the time of the request.</li> <li>5. Reserves for property taxes and insurance are current and fully funded at the time of the request.</li> <li>6. The equivalent of one month’s operating expenses, debt service, insurance and taxes are left in the operating account after distribution has been made.</li> </ol>
<p>Developer Fee:</p>	<p>Developer may charge a Developer Fee of no more than 15% of the total of hard and soft costs (less amount of Owner and financing fees), or an amount not to exceed \$20,000 a unit, whichever is less.</p> <p>Developer Fee may be paid in increments as follows:</p> <p>15% of total Developer Fee paid at construction closing</p> <p>15% of total Developer Fee paid upon receipt of final certificate of occupancy</p> <p>35% of total Developer Fee paid upon project achieving 50% lease-up</p> <p>35% remaining of total Developer Fee paid upon 90 days of sustained break-even operations and permanent loan closing.</p>
<p>Identity of Interest and</p>	<p>Developer may also serve as the Property Manager, but must submit qualification documentation as outlined above, and disclose the Identity of</p>

<p>Management Fee for Residential</p>	<p>Interest. Developer must demonstrate that it is qualified and has experience in carrying out each role. The City may, at its sole discretion, reject the proposal submittal or require that a new entity replace the disqualified entity.</p> <p>Developer / Property Manager may include direct project related administrative, on-site management, and maintenance staff costs in the operating budget, plus a property management fee covering profit and overhead in an amount not to exceed 10% of effective gross income per year on NSP2 funded units.</p>
<p>Affordability Period</p>	<p>Owner must rent a minimum 25% of NSP2 subsidized units to households earning at or below 50% of the Wayne County Adjusted Median Income (AMI) with the remaining 75% of NSP2 subsidized units rented to households with incomes less than 120% of AMI. Affordability period is for 15 years for rehabilitation and up to 20 years for new construction projects. Owner or Property Manager shall conduct annual income certifications for residents of all NSP2 assisted units according to MSHDA Income Certification Guidelines, and shall provide such original documentation to the City of Hamtramck 30 days prior to the annual anniversary lease dates for tenants.</p>
<p style="text-align: center;"><b>General Guidelines Continued</b></p>	
<p>Development Team Experience:</p>	<p>The following Development Team entities must be identified by the Developer in the proposal submittal including: Developer, Development Consultant, General Contractor, Property Manager, Architect, Engineer(s), Market Analyst, Marketing Consultant, Attorney and Accountant.</p> <p>Developer and General Contractor must furnish current financial statement and balance sheet, and two years audited, or compiled financial statements.</p> <p>All Development Team entities, must submit Statement of Qualifications, copies of licenses, references, list of projects and resumes for all staff that will work on the project, so as to demonstrate capacity and prior successful experience in carrying out proposed activities on projects similar in size and scope.</p> <p>The City shall determine that development team entities are “qualified” to carry out proposed activities, and if any development team entity is determined not to be “qualified”, the City may, at its sole discretion, reject a proposal submittal or require that a new/replacement development team member be identified.</p>
<p>Identity of Interest &amp; Contractor Profit:</p>	<p>Developer may also serve as the General Contractor, but must submit qualification documentation as outlined above, and disclose the Identity of Interest. Developer must demonstrate that it is qualified and has experience in carrying out each role. The City may, at its sole discretion, reject the proposal submittal or require that a new entity replace the disqualified entity.</p> <p>General contractor’s profit, general conditions, administrative overhead and</p>

	<p>mobilization costs shall not exceed 14% of hard costs.</p> <p>Should the developer act as general contractor, the general contractor's profit, general conditions, administrative overhead and mobilization costs must be identified in the cost proposal. These costs are not to be included or covered in subcontractor costs. If the general contractor self performs trade work, these costs are also to be itemized in the final cost proposal. All construction costs will be available on an open-book basis for the City review.</p>
<p>Approval of Retail Tenants</p>	<p>Developer agrees that all commercial / retail businesses will be permissible under the City's current zoning ordinance, and that the City reserves the right to approve the nature and type of retail businesses selected to lease commercial space so that commercial establishments complement revitalization objectives of Hamtramck NSP2 Investment Plan.</p>
<p>Insurance:                   Note, insurance requirements vary slightly between rental and condo based projects</p>	<p><b>During Construction:</b> Developer shall obtain a Builder's Risk insurance policy insuring the building and contents for the total development costs of the project, and a general liability policy with following coverage:</p> <ul style="list-style-type: none"> <li>• Minimum Limits: \$2,000,000 Aggregate Limit</li> <li>• \$1,000,000 Personal &amp; Advertising Injury</li> <li>• \$1,000,000 Each Occurrence</li> </ul> <p>Developer shall provide following types of insurance and limits of coverage:</p> <p><b>A. Property Insurance, including Loss of Rents for any occupied units, and Boiler &amp; Machinery coverage</b></p> <p>1. Policy Limits:</p> <ul style="list-style-type: none"> <li>• Building Coverage 100% insurable Replacement Value</li> <li>• Contents Coverage 100% insurable Replacement Value of Partnership owned contents</li> <li>• Loss of Rents 100% of Annual Rent Revenues</li> <li>• Perils: "Special Causes" of direct physical loss subject to the policy terms, conditions, and exclusions</li> <li>• Deductible: Not to exceed \$10,000</li> <li>• Extensions: Vacancy/Non-occupancy up to 60 days.</li> </ul> <p>2. Mechanical Breakdown / Boiler and Machinery:</p> <ul style="list-style-type: none"> <li>• Applies to central systems and/or elevators per code. Total Building Value Limit, Comprehensive Form, including Mechanical Breakdown</li> </ul> <p><b>B. General Liability insurance</b></p> <ul style="list-style-type: none"> <li>• Minimum Limits: \$2,000,000 Aggregate Limit</li> <li>• \$1,000,000 Personal &amp; Advertising Injury</li> <li>• \$1,000,000 Each Occurrence</li> <li>• \$ 50,000 Fire Damage to personal property</li> </ul> <p><b>C. Worker's Compensation (for employees on the project site)</b></p> <p>Applicable to Contracted Property Management providers AND General</p>

	<p>Partner Affiliate management operations.</p> <ul style="list-style-type: none"> <li>• Limit: Statutory as per applicable state laws</li> <li>• Employers' Liability: \$100,000 Each Accident</li> <li>• \$500,000 - Policy Limit</li> <li>• \$100,000 - Each Employee</li> </ul> <p><b>D. Fidelity Bond (Employee Dishonesty)</b></p> <ul style="list-style-type: none"> <li>• Equal to four months potential maximum gross rents or association dues.</li> </ul> <p><i>Note:</i> All insurance carriers must be rated A-VI or better, as designated by A.M. Best &amp; Company. Note: Risk Retention Group or Captive placement requires a fronting insurance company, with an A. M. Best rating of A VIII or better.</p> <p>Developer must furnish the City annually with copies of paid property insurance receipts and updated Certificates of Insurance as proof of insurance coverage.</p> <p>The City reserves right to adjust insurance requirements based on size of project.</p>
<p>Property Taxes</p>	<p>Developers may base projected property tax payments upon a projected tax assessment outlined in a letter from the City Assessor's Office based upon the projected post construction or rehabilitation assessed value of the property.</p> <p>Developer must furnish the City annually with copies of paid property tax receipts as proof of payment of property taxes for the full term of the NSP2 mortgage.</p>
<p>Standard for Maintenance</p>	<p>The City, or its assigns, will conduct an annual property inspection to ensure that the property is being adequately maintained during the NSP2 mortgage period. Developer shall maintain property in conformance with all local and state health, building and safety codes, all housing units must meet Federal Housing Quality Standards at all times, and be maintained as per projected budget pro forma projections to meet on-going lease-up projections and debt service coverage threshold requirements. Any deficiencies identified in annual property inspection report, shall be addressed immediately by the Developer, Property Manager, and/or Condo Association for emergency items and within 90 days for all other items. Failure to do shall be deemed a default in the mortgage agreement and Developer shall be responsible to immediately repay the NSP2 loan balance in full.</p>

Section 3 Compliance	<p>All projects receiving NSP2 funds must meet Section 3 requirements as outlined in the Housing and Urban Development Act of 1968, as amended and 24 CFR Part 135. Any recipient that receives NSP2 funding has the responsibility to comply with Section 3 in its own operations. This responsibility includes:</p> <ul style="list-style-type: none"><li>▪ Notifying Section 3 residents and businesses about jobs and contracts generated by Section 3 covered assistance so that residents may seek jobs and businesses may submit bids/proposals for available contracts;</li><li>▪ Notifying potential contractors of the objectives of Section 3 and ways in which each contractor can assist the sub-recipient to meet its goal;</li><li>▪ Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns; and</li><li>▪ Documenting the action that the sub-recipient takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.</li></ul> <p>NSP2 funding recipients have a responsibility to “ensure Section 3 compliance” of their contractors and subcontractors. A sub-recipient must:</p> <ul style="list-style-type: none"><li>▪ Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in contract documents.</li><li>▪ Refrain from entering into contracts with contractors that are in violation of the regulations in 24 CFR Part 135.</li><li>▪ Respond to complaints made to the recipient by Section 3 residents or business concerns that the sub-recipient, a contractor or subcontractor, is not in compliance with 24 CFR Part 135.</li><li>▪ Cooperate with HUD in obtaining compliance of contractors and subcontractors when allegations are made that the sub-recipient’s contractors and subcontractors are not in compliance with the regulation of 24 CFR Part 135.</li></ul> <p>All contractors undertaking Section 3 covered projects and activities are expected to meet the Section 3 requirements.</p> <p>To demonstrate compliance with the "greatest extent feasible" requirement of Section 3, contractors must meet the goals set forth below for providing training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns. To meet the goals, contractors must select Section 3 residents based on the following priorities pursuant to § 135.34, 24 CFR Part 135:</p> <ol style="list-style-type: none"><li>1. <b>First Priority</b> - Residents of development where work is to be performed.</li><li>2. <b>Second Priority</b> - Other residents of the neighborhood where the work is to be performed.</li><li>3. <b>Third Priority</b> - Other residents of the neighborhood who are participants in HUD-YouthBuild or others federal, state, and local job programs being carried out in the city or county area.</li><li>4. <b>Fourth Priority</b> - Other persons from the project metropolitan area who meet the definition of Section 3 resident contained in § 135.5 of 24 CFR Part 135.</li></ol>
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Section 3  
Compliance  
(continued)

All contractors will seek low- or very low-income persons residing in the City of Hamtramck for 30% of all new hires. When applicable, the contractor must show evidence of seeking residents that live within the Hamtramck Targeted NSP2 Investment Areas for 15% of the new hires. Nothing in this policy shall be construed to require the employment or contracting of a Section 3 resident or contractor who does not meet the qualifications of the position to be filled or who cannot perform the contract.

NSP2 funding recipients shall follow system outlined in Hamtramck's Section 3 Policy for giving Preference to Section 3 Business Concerns as it relates to procurement of services and awarding of contracts.

Minimum numerical goal for employment is 30 percent of the aggregate number of new hires shall be Section 3 residents annually—i.e., 1 out of 3 new employees needed to complete a Section 3 covered project/activity shall be a Section 3 resident. Minimum goals for contracting are:

- Ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or Indian housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction, shall be awarded to Section 3 businesses; and
- Three percent (3%) of the total dollar amount of all non-construction Section 3 covered contracts, shall be awarded to Section 3 businesses.

Safe harbor and compliance determinations: In absent of evidence to the contrary (i.e., evidence that efforts to the "greatest extent feasible" were not expended), if a recipient or contractor meets minimum goals shown above, recipient / contractor is considered to have complied with Section 3 rules.

The recipient will be expected to demonstrate why it was not feasible to meet the goals. Ultimately, HUD and MSHDA will evaluate Hamtramck based on its ability to describe the efforts that it took to meet the training, hiring, and contracting requirements and the impediments incurred despite actions taken. At a minimum, if recipients of Section 3 Assistance are unable to meet their Section 3 training, hiring, and contracting goals, they should **sponsor or participate** in upward mobility programs, hire eligible residents in trainee positions with regard to training and employment, or form Section 3 joint ventures with various local employment agencies.

NSP2 Recipients and Contractors will be required to submit Section 3 Reporting Forms on a monthly basis to Hamtramck which will in turn compile data and submit a Quarterly Section 3 Compliance Report to MSHDA. HUD-60002 forms Section 3 Reporting Forms are available online at:

<http://tinyurl.com/6juw4zf> and can be submitted online, or by mail, to:

Hamtramck Community and Economic Development Department  
C/o Hamtramck NSP2 Section 3 Compliance  
3401 Evaline  
Hamtramck, MI 48212  
sray@hamtramckcity.com

Mandatory Pre-bid Meeting	<p>All applicants for NSP2 funding are required to attend a pre-bid meeting, prior to submitting proposals, to review program requirements and obtain answers to questions regarding the program. As a follow-up to the pre-bid meeting, Hamtramck will email to all meeting attendees written answers to all questions received at the meeting.</p> <p>Note: This document is currently under MSHDA review and subject to change. Any revisions to the Program Outline will be posted at <a href="http://www.Bid4Michigan.com">www.Bid4Michigan.com</a>, and distributed to persons who attend the September 22<sup>nd</sup>, 2011 pre-bid meeting.</p>
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***For questions please contact:***

***Alex Howbert  
Hamtramck NSP2 Project Manager  
313-908-0484 (cell)  
ahowbert@capitalaccessinc.com***

***Thank you for your interest in working with the City of  
Hamtramck NSP2 Program!***

## Attachment E

### NSP2 Recommended Energy Efficient and Environmentally-Friendly Green Elements and Design Criteria

HUD strongly recommends that proposed project(s) incorporate the following additional energy efficient and environmentally-friendly Green elements into the design. No specific element is required and your scoring under Factor 5 will not be based on the use of any specific element. For the scoring, HUD is looking for thoughtful, achievable consideration and implementation of energy efficient and environmentally friendly elements inside your NSP2 program.

HUD is providing the guidance below because the Department has become aware during the implementation of NSP Programs that many grantees are not aware that many of their common community development practices, such as trying to help police and teachers live in the neighborhood in which they work, are also considered sustainable and environmentally friendly.

Similarly, most affordable housing units are also smaller and can easily be made more energy efficient than larger units. The increased energy efficiency then serves to increase the long-term affordability of the units.

#### Renewable Energy

1. *Passive Solar*. Orient the building to make the greatest use of passive solar heating and cooling.
2. *Photovoltaic-ready*. Site, design, engineer and wire the development to accommodate installation of photovoltaic panels in the future.

#### Sustainable Site Design

1. *Transportation Choices*. Locate projects within a one-quarter mile of at least two, or one-half mile of at least four community and retail facilities.
2. *Connections to Surrounding Neighborhoods*. Provide three separate connections from the development to sidewalks or pathways in surrounding neighborhoods.
3. *Protecting Environmental Resources*. Do not locate the project within 100 feet of wetlands; 1,000 feet of a critical habitat; or on steep slopes, prime farmland or park land.
4. *Erosion and Sediment Control*. Implement EPA's Best Management Practices for erosion and sedimentation control during construction.

5. *Sustainable Landscaping*. Select native trees and plants that are appropriate to the site's soils and microclimate.
6. *Energy Efficient Landscaping*. Locate trees and plants to provide shading in the summer and allow for heat gain in the winter.

### **Water Conservation**

1. *Efficient Irrigation*. Install low volume, non-spray irrigation system (such as drip irrigation, bubblers, or soaker hose).

### **Energy Efficient Materials**

1. *Durable Materials*. Use materials that last longer than conventional counterparts such as stone, brick or concrete.
2. *Resource Efficient Materials*. Use layouts and advanced building techniques that reduce the amount of homebuilding material required.
3. *Heat Absorbing Materials*. Use materials that retain solar heat in winter and remain cool in summer.
4. *Solar-reflective Paving*. Use light-colored/high-albedo materials and/or open-grid pavement with a minimum Solar Reflective index of 0.6 over at least 30 percent of the site's hardscaped areas.
5. *Local Source Materials*. Use materials from local sources that are close to the job site.
6. *Green Roofing*. Use Energy Star-compliant and high-emissive roofing, and/or install a Green (vegetated) roof for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area.

### **Healthy Homes**

1. *Green Label Certified Floor Covering*. Do not install carpets in basements, entryways, laundry rooms, bathrooms or kitchens; if using carpet, use the Carpet and Rug Institute's Green Label certified carpet and pad.
2. *Healthy Flooring Materials: Alternatives*. Use non-vinyl, non-carpet floor coverings in all rooms.
3. *Healthy Flooring Materials: Reducing Dust*. Install a whole-house vacuum system with high efficiency particulate air filtration.

4. *Sealing Joints.* Seal all wall, floor and joint penetrations to prevent pest entry; provide rodent and corrosion proof screens (e.g., copper or stainless steel mesh) for large openings.
5. *Termite-resistant Materials.* Use termite-resistant materials in areas known to be infested.
6. *Tub and shower Enclosures: Moisture Prevention.* Use one-piece fiberglass or similar enclosure or, if using any form of grouted material, use backing materials such as cement board, fiber cement board, fiber-glass reinforced board or cement plaster.
7. *Green Maintenance Guide.* Provide a guide for homeowners and renters that explains the intent, benefits, use and maintenance of Green building features, and encourages additional Green activities such as recycling, gardening and use of healthy cleaning materials.
8. *Resident Orientation.* Provide a walk-through and orientation to the homeowner or new tenants.

## **Design Criteria**

1. *Elevations.* Each home should be of similar quality to existing homes in the neighborhood as it relates to elevations and exterior finishes, such as brickwork porches.
2. *Interior Design and Finishes.* Each home at a minimum should include:
  - a. 10 foot high full basements for new construction
  - b. 3-4 bedrooms
  - c. 1.5-2.5 bathrooms
  - d. High end finishes including hardwood floors, tile, and granite (or similar) countertops
3. *Storm Water Management.* Incorporate techniques such as rain vegetated wet lands or bioswales

Please note there will be a contracted NSP2 Architect to provide the following services;

- a. Design guidelines for infill and rehab construction
- b. Standardized specifications for rehab and new construction
- c. Construction monitoring and review