

HENNEPIN COUNTY  
MINNESOTA

## Request for Proposals

### 2024 Affordable Homeownership Programs

Live Online Information Session: January 11, 2024 2:00-4:00 pm

Closing date for all questions: February 1, 2024 at 3:00 pm

Proposal due date: February 8, 2024, at 3:00 pm



# Table of Contents

1	Introduction .....	3
1.1	Project overview .....	3
1.2	Scope of services (Attachment 1) .....	3
1.3	Proposal format and content .....	3
2	General rules.....	3
2.1	RFP overview .....	3
2.2	Estimated timeline and extension of time .....	4
2.3	Proposal submission .....	4
2.4	Questions and communication restrictions .....	4
2.5	Addenda .....	5
2.6	County’s right to withdraw, cancel, suspend and/or modify RFP .....	5
2.7	Proposer’s right to edit or cancel proposal .....	5
2.8	Proposals will not be returned .....	5
2.9	Public disclosure of proposal documents.....	6
2.10	Proposer’s costs.....	6
2.11	Proposer’s ideas .....	6
2.12	Collusion .....	6
2.13	Conflict of interest.....	7
3	Evaluation and selection.....	7
3.1	Proposal evaluation and recommendation for selection .....	7
3.2	Evaluation of responsiveness .....	7
3.3	Evaluation of responsibility .....	7
3.4	Evaluation panel and evaluation criteria.....	8
3.5	Execution of contract.....	9
	Attachment 1: Scope of Services.....	10
	County Priorities .....	10
	Eligible applicants .....	10
	Eligible activities .....	11
	Ineligible activities .....	11
	Program requirements .....	11

HOME: Community Housing Development Organization set-aside ..... 11  
Financing Terms and Contractual Requirements ..... 12

# 1 Introduction

## 1.1 Project overview

The County of Hennepin, State of Minnesota and the Hennepin County Housing and Redevelopment Authority (HCHRA) (together, "the County," "the Authority," or "Hennepin County") are soliciting proposals for affordable homeownership development assistance from the Housing and Economic Development department.

This Request for Proposals (RFP) anticipates awarding an estimated \$1,745,000 in capital funding from two programs:

- HOME Investment Partnerships Program (HOME) (federal funds)
- Homeownership Assistance Fund (HCHRA funds)

Affordable homeownership proposals are eligible to apply to this RFP. All awards made via this RFP will support the creation of affordable housing in Hennepin County, subject to the restrictions of each funding program.

Rental housing proposals should apply via the Affordable Rental Housing Development RFPs.

## 1.2 Scope of services (Attachment 1)

The scope of services is included as Attachment 1.

## 1.3 Proposal format and content

Proposals will all be submitted through the Housing and Economic Development Portal on the Neighborly Software (<https://portal.neighborlysoftware.com/hennepincountymn/Participant>). When submitting a proposal, Proposers must follow the specific format and contents detailed in the Portal. Failure to do so will likely prolong the evaluation process.

# 2 General rules

## 2.1 RFP overview

This Request for Proposals ("RFP") is an invitation for Proposers to submit a proposal to the County. It is not to be construed as an official and customary request for bids, but as a means by which the County can facilitate the acquisition of information related to the purchase of services. Any proposal submitted is a suggestion to negotiate and **NOT A BID**.

## 2.2 Estimated timeline and extension of time

Distribution of RFP and Application Materials	January 4, 2024
Optional Information Session	January 11, 2023, 2:00-4:00 pm Link to join: <a href="https://tinyurl.com/33y3kjzf">https://tinyurl.com/33y3kjzf</a>
Optional Project Technical Assistance ('TA') Sessions	January 25 to February 1, 2024
Deadline for all RFP-Related Questions	February 1, 2024 at 3:00 p.m.
<b>Proposals Due</b>	<b>February 8, 2024 at 3:00 pm</b>
County Board or HRA Board Approval	Estimated April – June 2024

## 2.3 Proposal submission

Proposals will be received in the Housing and Economic Development Portal (<https://portal.neighborlysoftware.com/hennepincountymn/Participant>). In order to submit a proposal, you must first register with the Portal. For more information on how to register, please find the Getting Started Guide on our Coordinated Affordable Housing Development RFP page: <https://www.hennepin.us/business/work-with-henn-co/rfp>. This guide covers how to accomplish a password reset and how to start an application. For other Portal technical assistance needed, click on the blue question mark in the lower right corner of the Portal log-in page.

Proposers are strongly encouraged to make their submissions well in advance of the proposal due date as the process may take some time to complete.

In the Housing and Economic Development Portal, select the Homeownership Development Assistance program. Follow the system prompts to complete all required fields.

Failure to submit a proposal on time may be grounds for rejection of the proposal. However, the County reserves the right, in its sole and absolute discretion, to accept proposals after the time and date specified.

## 2.4 Questions and communication restrictions

Questions concerning this RFP should be submitted in writing via e-mail with the subject line Homebuyer Assistance Program to Andrea Stinley ([andrea.stinley@hennepin.us](mailto:andrea.stinley@hennepin.us)) on or before 3 pm on Thursday February 1, 2024.

With questions regarding the Housing and Economic Development Portal (including log-in or password help), please click on the question mark on the Portal page to submit any questions for the most timely response, or contact Andrea Stinley ([andrea.stinley@hennepin.us](mailto:andrea.stinley@hennepin.us)).

Technical assistance (TA) sessions will be available From January 25 through February 1, 2024. To set up a TA session, please:

- Visit the calendar of available TA session slots at this link:  
<https://calendar.google.com/calendar/u/0?cid=aGVubmVwaW5jb3VudHlyZnBAZ21haWwuY29t>

- Fill out one TA Session Request Form per project, including the selected 30-minute time slot, at this link: <https://docs.google.com/forms/d/e/1FAIpQLSc9X9UcrtKhyxCpauZ7ellVYqjORGxUnCQkeH5XwiO03DWCrQ/viewform>
- Once confirmed, you will receive a calendar invite for a virtual meeting for your selected time. If your preferred time is not available, you will be contacted using the contact information provided on the TA Session Request Form.

Project technical assistance sessions will be recorded digitally or by written notes. The recorded technical assistance is classified as public data under the Minnesota Government Data Practices Act and available to anyone filing a formal public data request to the County.

Proposers shall not communicate, verbally or otherwise, with any Hennepin County personnel or relevant consultant(s) concerning this RFP, except for the persons listed in this section. This restriction may be suspended or removed by the authority and direction of the persons listed above. If any Proposer attempts or completes any unauthorized communication, Hennepin County may, in its sole and absolute discretion, reject the Proposer's Proposal.

## **2.5 Addenda**

The County reserves the right to modify the RFP at any time prior to the proposal due date. An addendum will be posted in the Homeownership Development Assistance program in the Housing and Economic Development Portal if the RFP is modified. It is the responsibility of each prospective Proposer to assure receipt of all addenda.

The County will modify the RFP only by formal written addenda. Proposer's Proposal should be based on this RFP document and any formal written addenda. Proposers should not rely on oral statements, including those occurring at pre-proposal meetings or site visits.

## **2.6 County's right to withdraw, cancel, suspend and/or modify RFP**

The County reserves the right to withdraw, cancel, suspend, and/or modify this RFP for any reason and at any time with no liability to any prospective Proposer for any costs or expenses incurred in connection with the RFP or otherwise.

## **2.7 Proposer's right to edit or cancel proposal**

A proposal may be edited or cancelled in the Housing and Economic Development Portal prior to the proposal due date. With questions, please click on the question mark on the Portal page.

## **2.8 Proposals will not be returned**

Upon submission, proposals will not be returned.

## **2.9 Public disclosure of proposal documents**

Under Minnesota law, proposals are private or nonpublic until the proposals are opened on the proposal due date. Once the proposals are opened, the name of the Proposer becomes public. All other data in the proposal is private/nonpublic data until completion of the evaluation process. The evaluation process is completed when the County enters into a contract with a Proposer. At that time, all remaining data submitted by all Proposers is public with the exception of data classified as private/non-public trade secret data under Minn. Stat. § 13.37 of the Minnesota Government Data Practices Act.

If the Proposer believes private/non-public data is included in its Proposal, Proposer shall clearly identify the data and provide the specific rationale in support of the asserted classification. Proposer must type in bold red letters the term "CONFIDENTIAL" on that specific part or page of the Proposal which Proposer believes to be confidential. Classification of data as trade secret data will be determined pursuant to applicable law, and, accordingly, merely labeling data as "trade secret" does not necessarily make the data protected as such under any applicable law.

The Proposer agrees, as a condition of submitting its Proposal, that the County will not, as between the parties, be liable or accountable for any loss or damage which may result from a breach of confidentiality related to the Proposal. Typically, pricing, fees, and costs are public data. The Proposer agrees to indemnify and hold the County, its officials, agents, and employees harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota Government Data Practices Act, including legal fees and disbursements paid or incurred to enforce this provision.

## **2.10 Proposer's costs**

The County shall not be responsible for any costs incurred by Proposer in connection with this RFP. Proposer shall bear all costs associated with proposal preparation, submission, and attendance at interviews, or any other activity associated with this RFP or otherwise.

## **2.11 Proposer's ideas**

The County reserves the right to use any or all ideas, concepts, or other information provided in any proposals. Selection or rejection of the Proposal does not affect this right.

## **2.12 Collusion**

If the County determines that collusion has occurred among Proposers, none of the proposals of the participants involved in the collusion shall be considered. The County's determination shall be final.

### **2.13 Conflict of interest**

The Proposer affirms that to the best of its knowledge the submission of its Proposal, or any resulting contract, does not present an actual or perceived conflict of interest. The Proposer agrees that should any actual or perceived conflict of interest become known, it will immediately notify the County and will advise whether it will or will not avoid, mitigate, or neutralize the conflict of interest.

The County may make reasonable efforts to avoid, mitigate, or neutralize a conflict of interest by a Proposer. To avoid a conflict of interest by a Proposer, the County may utilize methods including disqualifying a Proposer from eligibility for a contract award or cancelling the contract if the conflict is discovered after a contract has been issued. The County may, at its sole and absolute discretion, waive any conflict of interest.

## **3 Evaluation and selection**

### **3.1 Proposal evaluation and recommendation for selection**

This RFP does not commit the County to award a contract. Submission of a proposal shall neither obligate nor entitle a Proposer to enter into a contract with the County. The County reserves the following rights, to be exercised in the County's sole and absolute discretion: 1) to determine whether any aspect of a proposal satisfactorily meets the criteria established in this RFP; 2) to seek clarification or additional information from any Proposer; 3) to negotiate, sequentially or simultaneously, pricing and/or terms with any Proposer or vendor; 4) to reject any or all proposals with or without cause; 5) to waive any irregularities or informalities in a proposal; 6) to cancel or amend by addenda this RFP, in part or entirely; 7) to award multiple contracts to Proposers; and/or 8) award a contract to a vendor that did not submit a proposal.

Evaluation of proposals by a selection committee, evaluation panel, County staff, a technical advisory committee, or by another group, individual or entity is advisory only. The County Board or its designee may consider or reject such evaluation(s) for any or all proposals. Such evaluations are for the sole benefit of the County Board or its designee, and as such, they are not binding upon the County, nor may they be relied upon in any way by a Proposer.

### **3.2 Evaluation of responsiveness**

The County will consider all the material submitted by the Proposer to determine whether the Proposer's offer is in compliance with the terms and conditions set forth in this RFP. Proposals that do not comply with the provisions in this RFP may be considered nonresponsive and may be rejected.

### **3.3 Evaluation of responsibility**

To determine whether a Proposer is responsible, the County will consider the Proposer's general qualifications to perform the requested services in a satisfactory manner; financial responsibility; integrity; skill; and ability.



Factors considered by the County may include, but are not limited to, Proposer's past performance on previous projects; the Proposer's technical capabilities; individual qualifications of Proposer's key personnel; and the Proposer's financial ability to perform on the contract. Proposals from Proposers considered non-responsible will be rejected.

### 3.4 Evaluation panel and evaluation criteria

After review of each responsive proposal, the County may immediately award a contract to a successful Proposer based on the evaluation criteria, or it may establish a short list of Proposers for further consideration. The short list of Proposers may be asked to provide additional information, including but not limited to two years of audited financial statements. The short list of Proposers may also be asked to attend an in-person or telephone interview/presentation, as determined by the County in its sole discretion.

#### Minimum Qualifications for all Proposals

- Meet all Program Requirements
- Create long-term affordable housing (30+ years)
- Entire project creates homeownership opportunities for households at or below 80% AMI

Evaluation criteria shall include the following:

#### 1. Experience and Capacity of the Project Team (0-10 Points)

- Demonstrates expertise of the project team (i.e. developer, staff, management, as applicable and other partners) to complete the proposed project. For emerging professionals (developer new to affordable housing, architect new to affordable housing, etc), demonstrates related experience and experience and capacity levels of the entire team.
- Demonstrates past performance in effectively managing affordable housing ownership for the long term.
- Demonstrates reasonable financial capacity of the applicant and partners.
- Demonstrates past performance in providing low-barrier affordable housing and/or promoting housing stability for households with barriers to stability.

#### 2. Project Feasibility (0-40 Points)

- Demonstrates financial support and other commitments necessary to complete the project.
- Documents funding sources including commitment levels, conditions, and expenditure deadlines.
- Demonstrates that the requested amount is the minimum funding request necessary to provide/create affordable housing (project costs are reasonable, funding has been leveraged to the maximum extent no other appropriate funding sources are available to fill funding gap).
- Serves a high housing need identified by the municipality.
- Demonstrates that the project is financially viable and meets subsidy layering/underwriting guidelines.
- Development soft costs are reasonable and consistent with or below industry standards.
- Demonstrates that the project timeline and budget reflect the likelihood of meeting programmatic spending requirements.
- Demonstrates understanding of required documentation and regulations.
- Documents in-kind contributions from the municipality, business sector and/or community (as applicable).

#### 3. Housing Affordability and Target Populations (0-40 Points)

- Commits to affordable housing for longer than 30 years.

- Provides appropriate affordable housing to an underserved population.
- Demonstrates a concept for successful affordable housing.
- Creates homeownership opportunities for households below 50% and 60% AMI.
- Provides written criteria, guidelines or polices that promote successful and sustainable homeownership.
- Program serves households that are not served by other programs.
- Project's past experience and implementation plan demonstrate ability to reduce disparities in homeownership rates.

#### 4. Alignment with Hennepin County Priorities (0-10 Points)

- Promotes the connection of affordable housing to local employment opportunities, schools, transit service, and supportive services.
- Promotes a full range of housing choice throughout the county.
- Includes local businesses certified as a Small Business Enterprise, Black, Indigenous, and People of Color (BIPOC) Owned Business Enterprise (aka "MBE") and Women-Owned Business Enterprise during the design and construction phase of the project.
- Incorporates workforce training programs, including Hennepin County's Workforce Entry Program.
- Provide Green Jobs that support renewable energy production, energy efficiency, natural resource conservation, waste reduction and recycling. Examples include preserving and caring for natural habitats, reducing toxic waste, maintaining EV parts, and charging stations, installing solar panels, etc.
- Creates more accessible units than the minimum required by Section 504: 10% of units in a project are accessible for physical disability, and an additional 2% are accessible for people with hearing or visual impairments.
- Minimizes the involuntary displacement of BIPOC and vulnerable populations such as low-income households, immigrants, the elderly, and people with disabilities.

Cost will be approximately equal in importance to a combination of all other factors shown. The County will consider the trade-off between proposal price and the other evaluation criteria in determining the proposal which is most advantageous to the County.

### 3.5 Execution of contract

Before a contract becomes effective between the County and any Proposer, the contract award must be ratified and signed by the County Board or its designee. If for any reason the County Board or its designee does not ratify and sign the contract, then there are no binding obligations whatsoever between the County and the Proposer relative to the proposed contract.

## Attachment 1: Scope of Services

The purpose of this Request for Proposals is to provide capital financing to create affordable homeownership opportunities. This RFP anticipates awarding an estimated \$1,745,000 in capital funding from two programs:

<b>Capital Funding Program</b>	<b>Funds available through this RFP</b>	<b>Average estimated awards</b>	<b>Eligible activities</b>
HOME	~\$500,000	\$50K/home	Development gap for creation of affordable homeownership units.
Hennepin Homeownership Assistance Program	\$1.245 million	\$50K/home	Development gap for creation of affordable homeownership units.

### County Priorities

The Hennepin County [Five-Year Consolidated Plan](#) identifies the following high priority needs:

- Preserve/create multifamily rental opportunities for low-income renter households (at or below 50% Area Median Income (AMI), with highest priority for extremely low-income renter households (at or below 30% AMI).
- Preserve/create single family homeownership opportunities with long-term affordability for those at or below 60% AMI, utilizing lower cost models where appropriate (i.e. townhomes, condominiums, cooperative ownership, land trust).
- Create housing opportunities for people experiencing homelessness.

Additional County priorities include:

- Creating new affordable units and prevent the loss of existing viable affordable units.
- Supporting a full range of housing choices throughout the county and ensuring equitable access to those units via inclusive tenant selection plans.
- Connecting affordable housing to local employment opportunities, schools, transit corridor development, and supportive services.
- Housing opportunities for Hennepin County Health and Human Services (HHS) client populations through a project-based unit commitment.
- Promoting diversity and inclusion through contracting. Promoting Affirmative Action and workforce development including Hennepin County’s Workforce Entry Program (WEP), and creating green jobs.
- Increasing the inventory of housing units accessible to people with physical disabilities.

### Eligible applicants

Eligible applicants are governmental agencies, Community Housing Development Organizations (CHDOs), community-based organizations, tribal organizations, and nonprofit and for-profit entities. Requests for individual assistance are not accepted through this Request for Proposals.

## Eligible activities

- Acquisition of property for creation of affordable homeownership opportunities
- Construction
- Moderate or substantial rehabilitation
- Site improvements
- Other reasonable and necessary expenses related to the development of affordable housing.

## Ineligible activities

This RFP makes capital available for affordable housing development. All non-capital requests are ineligible, including:

- Homebuyer downpayment assistance
- Funding for ongoing operating or service costs, except for operating costs for Community Housing Development Organizations (CHDOs)

## Program requirements

To minimally qualify for funding awards, proposals must comply with the program requirements described within this RFP, Exhibits to this RFP, and referenced standards and regulations. Descriptions or summaries of laws, rules and regulations in this RFP are not meant to be definitive or conclusive; applicants are responsible for knowing and complying with all requirements, specifically,

- Hennepin County HOME Program Manual (linked in the Homeownership Development Assistance Program page in the Housing and Economic Development Portal)
- Homeownership Assistance Fund Program Manual (linked in the Homeownership Development Assistance Program page in the Housing and Economic Development Portal)
- HOME program requirements: <https://www.hudexchange.info/programs/home/> (24 CFR Part 92)

## HOME: Community Housing Development Organization set-aside

A minimum of 15 percent of the HOME funds is reserved for Community Housing Development Organization (CHDO) projects. The HOME Regulations define a CHDO at 24 CFR Part 92.300 Subpart G: A CHDO is a private nonprofit, community-based service organization with the purpose and the capacity to provide and develop decent, affordable housing for the community it serves. A CHDO must document that they meet the CHDO criteria each time they apply for CHDO set-aside funding. The deadline for all qualified CHDO requests may be extended until all funds have been committed to CHDO eligible projects that meet the RFP priorities and requirements. Applicants wishing to be considered for a CHDO set-aside funds should complete the applicable CHDO checklist in the application. Applicants wishing to be considered for CHDO Operating Funds can submit a written request for CHDO Operating funds as part of their application.

## **Financing Terms and Contractual Requirements**

Successful projects awarded assistance typically receive a deferred, interest bearing 30-year loan. Any requests for a non-interest bearing loan will need to be justified and if approved may include a profit sharing provision. Financing terms will be determined by Hennepin County staff based on the project's development and operating budget and ability for repayment.

Loans will require full repayment of principal and interest. Loans must be repaid at the point of loan maturity, sale of the property, or if the project does not meet the terms and conditions of the contractual agreement. A standard form loan agreement for each funding program is available upon request by following the process in the "Inquiries" section above; please be advised that terms and conditions in the template loan documents are subject to change. Applicants are encouraged to review the loan documents and note any rejected terms with the submission of their proposal.

In addition to loan agreements, due diligence documents required in advance of financial closing include but are not limited to: Lender's Title Policy; commitment for an American Land Title Association (ALTA) survey; a Legal Opinion Letter; agreement to defend, indemnify and hold the county harmless from any and all claims or lawsuits that may arise from the funded activities; agreement to provide evidence of insurance general liability, builder's risk, worker's compensation in form and content satisfactory to the county.