

REQUEST FOR PROPOSALS

The City of Racine in collaboration with the Homelessness Assistance Leadership Organization (HALO) has renovated the duplex house at 2036 Grand Avenue, Racine. Each unit is a two bedroom apartment of approximately 1,123 square feet. The house was originally built in 1930 and is now completely renovated including new roof, new kitchens and baths, and new electrical and heating systems.

It is intended that the units be leased to HALO to provide housing for persons who were once homeless or at risk for homelessness but whose circumstances now allow them to live as typical tenants in rental housing. The units will **not** be group housing such as a “community living arrangement” (CLA) or “community based residential facility” (CBRF). The City of Racine does not operate rental housing; nor does HALO own rental housing.

The City and HALO therefore are seeking a buyer for 2036 Grand Avenue. The house will be sold subject to conditions:

- That the units be leased to HALO. The lease will have an initial term of month to month, and renewable for multiple years. HALO proposes to pay initially a monthly rent of \$595-\$615. We were unable to find out the utility usage for the past year and that amount is added into HUD’s Fair Market Rent total.
- The units must be kept “affordable”, as determined under requirements of the US Department of Housing and Urban Development (HUD) for a period of 15 years.
- The owner must maintain the units to HUD’s Housing Quality Standards (HQS), which will be verified through periodic inspections, and periodically provide the City with data on the demographic characteristics of the tenants if this information is not available from HALO.

These conditions will be recorded on the deed to the property.

The City has set a minimum sales price for the property of \$43,000.00.

Proposals received in response to this RFP will be reviewed by staff from the City’s Department of City Development and HALO who shall recommend a buyer to the Loan Board of Review and Common Council, which shall confirm the buyer. The review shall consider the following five criteria:

- Buyer’s history as a property owner. Tax payment records, building inspection records, and court records will be checked.
- Buyer’s experience in owning and managing rental housing.
- Buyer’s experience in complying with relevant HUD regulations affecting rental housing.
- Buyer’s financial condition, including a credit check.
- Proof of funds or financing pre-approval.

Prospective buyers shall provide a proposal consisting of a letter that addresses the five criteria listed above and the application form, fully completed, which is Attachment 1 to this request for proposals (RFP). The City and HALO reserve the right to accept or reject any or all proposals, to select that proposal that best meets its needs, and to negotiate certain points of the final agreement informally with a qualified buyer.

The City and HALO are not represented by a real estate broker in this transaction. No broker's commissions will be paid.

Prospective buyers may schedule an inspection of the property by contacting the Department of City Development at 262-636-9151 during business hours.

Proposals must be received no later than 4:55 p.m., Monday, February 4, 2013 at the Department of City Development, Room 102, City Hall, 730 Washington Avenue, Racine, WI, 53402. Late submittals will not be considered.

Questions regarding the property or this RFP may be directed to Brian F. O'Connell, Director of City Development, 262-636-9151 or brian.oconnell@cityofracine.org.

Attachments:

- Application Form
- Photographs of the Property