

# REDEVELOPMENT AUTHORITY OF THE CITY OF ALLENTOWN

City Hall, Suite 330  
435 Hamilton Street  
Allentown, PA 18101-1699  
Phone: 610-437-7733 • Fax: 610-437-7570

## PROPOSAL PACKAGE

**PROJECT: 343 North Ninth Street**



Acquisition and redevelopment of 343 North Ninth Street, Allentown into a single family residential property to be occupied by a low to moderate income homebuyer (up to 80% of area median income). The property is approximately 1,368 square feet. It is located in a residential (R-MH) zoning district.

### **MINIMUM BID PRICE:**

The property carries a **minimum purchase bid price of \$10,000 or best offer (plus \$1,000 to cover legal fees associated with the transfer of the property)**. The selected developer also will be required to provide written proof of financial ability to rehabilitate the property as described in the proposal. This proof may consist of verification of funds in a bank account, written proof of grant funds already committed to the project, and/or documentation of line of credit availability.

### **FOR ADDITIONAL INFORMATION CONTACT:**

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Acting Executive Director  
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[ARA@allentownpa.gov](mailto:ARA@allentownpa.gov)

## INSTRUCTIONS TO DEVELOPERS

1. The Redevelopment Authority of the City of Allentown (RACA) is seeking proposals for the redevelopment of this site into a single family residence to be occupied by a low to moderate income homebuyer. State funds were used by RACA to initially acquire this building, and as a result, the reuse of the parcel must meet all requirements of the Pennsylvania Department of Community and Economic Development Grant (DCED).
2. The property will be **open for inspection on Thursday, July 18, 2013 from 2:30 P.M until 4:30 P.M.**
3. Proposal packages must be delivered to the offices of the RACA office by **4:00 pm on Monday, July 29, 2013.**
4. Be certain to include the signed statement appearing on page 11.
5. All submissions, including attachments, must be on 8 ½ by 11 paper (excluding maps, plans, sketches, or pre-existing brochures).
6. Respondents must submit **10 copies** of the proposal, including attachments.
7. After a proposal is received by RACA, the results of the evaluation will be made public. RACA reserves the right to negotiate with developers for better terms, to reject any or all proposals (in all or in part), to waive any technicalities or informalities, to advertise for new proposals, or to proceed with work when its completion is in the best interest of RACA.
8. The selected redeveloper will be obligated to deposit into an escrow account, held by the Redevelopment Authority and the Redeveloper \$1,000 to cover legal counsel fees and costs related to the transfer of the property.



3. Describe specific planned improvements in as much detail as possible (preferably by unit), such as how you will address the following **(use extra pages as necessary)**:

Heating system  
Plumbing system  
Electrical system  
Roof  
Building Exterior

Flooring  
Walls and Ceilings  
Kitchen  
Windows  
Rear and Side Yards

*NOTE: The City of Allentown Bureau of Building Standards and Safety must verify to the RACA that, upon project completion, the above systems can reasonably be expected to function properly for a minimum of five years with no more than routine preventative maintenance.*

4. Although RACA will require that the entire property conform to applicable housing, building and zoning codes, list those rehabilitation items you feel will substantially exceed the requirements of those codes.

5. Submit floor plans (as an attachment) in reasonable detail so that RACA staff can determine the exact layout of interior space. Also include your plans for off-street parking.

6. Provide the estimated costs of the proposed rehabilitation work. These must be clearly itemized and totaled so that RACA staff will be able to verify all figures. Please complete the "Budget" Tab on the attached RFP-Budget for the rehabilitation of the property. Failure to fully complete this budget will result in the rejection of your proposal.

7. Provide an estimated detailed construction schedule including when you will be prepared to sign a redeveloper's contract with the RACA and when you expect to have all work completed. Please detail your affirmative marketing plan for the property. Describe your ability to manage the property (i.e., paying all necessary expenses) until the property is sold/occupied.

8. Please describe your ability/experience in determining income eligibility for possible homeowners/renters. Are you familiar with using the HUD income calculator to determine the income qualifications of the ultimate homebuyer?

## **Developer Experience and Financial Capacity**

Provide (as an attachment) verifiable evidence of your financial capability to complete the proposed rehabilitation, including exact sources of funds. (Examples include but are not limited to verification of funds in a bank account, written proof of grant funds already committed to the project, and/or documentation of line of credit availability.) **Please note: Proposals will not be considered complete without proof of financial capacity.**

9. State your experience (list and describe prior and current projects) and provide contact information for at least two references. If the applicant is an organization/agency or company, please describe your organization in detail.

## **Bid Price and Other Funding**

- 10. Provide the cash sale price you are offering for this property. Minimum bid price is \$10,000 or best offer.**

**STATEMENT OF PROPOSED DEVELOPER**

1. *Upon selection by the RACA, I/we agree to enter into negotiations with RACA to conclude in a Redeveloper's Contract ("Contract") in form and content satisfactory to RACA. Such Contract, among other terms and conditions, shall provide for revestment of title to the land and any improvements thereon to RACA in case of failure of developer to satisfy any condition in said Contract with RACA. (Please note: Redeveloper's Contracts usually are signed within 30 days of RACA approval of redeveloper.)*
2. *I/we agree not to seek any variances from the zoning, building, or housing codes of the City of Allentown without the expressed written permission of RACA.*
3. *I/we understand that after selection of the developer, RACA reserves the right to cancel its relationship with the proposed developer and not issue a Redeveloper's Contract regardless of the amount of time, money, or energy the proposed developer has expended pursuant to this project.*
4. *I/we have examined the existing conditions at the project site and are fully informed as to the conditions and limitations of the project site. I/we may not at any time after the execution of the Redeveloper's Contract make any claim against RACA based upon insufficient data or any incorrect assumptions on my/our part. I/we fully understand that the property is being sold "as-is" and "where-is."*
5. *I/we understand that RACA reserves the right to utilize a multitude of evaluation techniques, so that, although the offered price will be a consideration, the selected developer may not necessarily be the "highest bidder."*
6. *I/we agree to pay any and all real estate transfer taxes, reasonable attorney fees, costs of title insurance and recording fees that may be required pursuant to the transfer of this property from RACA to me/us.*

**Developer Information**

Organization: \_\_\_\_\_ Phone: \_\_\_\_\_

Contact Person \_\_\_\_\_

Address: \_\_\_\_\_ Fax: \_\_\_\_\_

\_\_\_\_\_ Email: \_\_\_\_\_

Developer is a(n) \_\_\_\_\_ individual, \_\_\_\_\_ partnership, \_\_\_\_\_ corporation

I/we have read this Proposal Package and understand what is required by RACA in order to select a qualified developer for this project, and submit this Proposal this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature Title

\_\_\_\_\_  
Signature Title

Pro-forma	Redevelopment Authority of the City of Allentown	Owner-Occupied Housing
Revenue and Expense Budget		
<b>Developer Name:</b>		
<b>Project Address:</b>		
<b>Category</b>	<b>Subcategory</b>	<b>Budgeted</b>
<b>Acquisition</b>	Acquisition	_____
<b>Acquisition</b>		=====
<b>Hard Cost</b>	Construction	
	Contingency (10%)	
	Excavating Contingency	
	Lead Assessment/Abatement	
	Security lights and alarm	
	Site Clean up	
	Gutters	
	Spray coating basement	
	Tree removal	
	Site Improvements	
	Appliances	
<b>Utilities</b>	Water / Sewer Taps	_____
<b>Hard Costs</b>		_____
<b>Total: Acq / Util &amp; hard Costs</b>		=====
<b>Soft Costs</b>	Permits / Zoning/Team Inspection	
	Surveys / Soil Tests Enviromental Assessments	
	Lender Inspections	
	CDC Legal & Accounting	
	Property Taxes	
	Holding Costs	
	Construction Period Interest	
	Title Fee	
	Insurance	
	Transfer Tax	
	Construction Inspection	
	Structural Engineering Consultation	
	Project Management	
	Appraisal	
	Water escrow	
	Document prep fee	
	Buyers home warranty	
	Locksmith	
	Recording fees	
	Soft Cost Contingency	_____
<b>Soft Costs</b>		_____
		_____
<b>Total: Acq / Util / Hrd / Sft</b>	Developer Fee *	_____
		=====

**Sources**

**Construction**

Financing

Local Bank

Other

**Total: Financing**

\_\_\_\_\_  
=====

**Sales Price**



**Permanent**

First Mortgage

Buyer's Downpayment

**Total: Permanent**

\_\_\_\_\_  
=====

Proceeds of sale

**Final reconciliation sources vs. uses**

City of Allentown & The Redevelopment Authority of the City of Allentown

Determining Income Eligibility for Housing Programs

1. The City of Allentown and the Redevelopment Authority of the City of Allentown acquire properties using various grant funds from the Federal government and Commonwealth of Pennsylvania.
2. Various funding sources require the City to designate a uniform income determination definition. The City of Allentown and the Redevelopment Authority of the City of Allentown have designated that the Federal Section 8 Part 5 definition will be used to determine the income eligibility of households benefitting from the City and RACA's housing programs.
3. Any developer who acquires property from the Redevelopment Authority of the City of Allentown and proposes to sell to an income qualified household must provide proper documentation used to determine that the household is income eligible. Staff of the Redevelopment Authority of the City of Allentown and the City of Allentown will review all documentation prior to settlement and/or rental occupancy to ensure all paperwork is sufficient and appropriate.
4. All developers qualifying households must use the HUD Income calculator found at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/using/training/web/calculator/calculator](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/using/training/web/calculator/calculator) and provide copies of all supporting documentation required.
5. HUD provides a guidebook entitled Technical Guide for Determining Income and Allowances for the HOME Program which provides explanations and guidance on how to properly document income eligibility. This guidebook can be found on HUD's website.

2013 Income Guidelines

Family Size	Maximum Gross Family Income
1	\$40,000
2	\$45,700
3	\$51,400
4	\$57,100
5	\$61,700
6	\$66,250
7	\$70,850
8	\$75,400

