



NOTICE

RFP# 7.20

Date Issued: June 18, 2020 (Revised October 20, 2020)

Request for Proposals (RFP) for Design and Predevelopment Fees for Micro-Unit Conversion or Construction

Purpose of the Proposal

The City of Newburgh is seeking proposals from for-profit and non-profit developers for conversion or construction of micro-units. With funding from the New York State Attorney General's Office through the Cities RISE grant program the City of Newburgh will reimburse participants between \$5,000 to \$10,000 per unit for pre-development costs, such as design fees, City approvals, and permits. The City of Newburgh is seeking proposals for Code Compliant "micro units" that range in size from 370 to 500 square feet. The City of Newburgh has identified that there is a demand for low cost small units for individuals.

The City is particularly interested in proposals that meet the following objectives:

1. Reduce reliance on illegal dwelling units such as illegal single room occupancies, illegal basement and attic apartments.
2. Improve the quality and diversity of affordable housing units for low-income households.
3. Reduce the number of individuals who are homeless due to a lack of affordable permanent housing options, particularly single room occupancy (SRO) units for single individuals.

Background on Cities RISE

Cities for Responsible Investment and Strategic Enforcement ("Cities RISE") is equipping municipalities with tools and techniques to better diagnose problems and create more effective and efficient interventions and programs, foster innovation, leverage resources and make a positive, equitable impact on their communities. With the help of Cities RISE the City of Newburgh is working to increase housing affordability, by testing innovative housing models and accelerating the pace of innovation in the housing sector. This effort is part of the Cities RISE grant program, administered by Enterprise Community Partners, and awarded to the City of Newburgh as a participating recipient.

Project Timeline

Applications will be accepted on a rolling basis starting June 18, 2020.

Project Budget

The amount that will be available is from \$5,000 and up to \$10,000 per unit. The City of Newburgh reserves the right to limit the total dollar amount to any individual applicant. The total funding that has been allocated to this program is \$100,000 for up to 20 micro-units.

Cost Reimbursement

All grants are awarded on a cost reimbursement basis; grant disbursements occur after expenses have been incurred. All Grantees are required to submit an activity report documenting their work to date with the disbursement request.

Additionally, Grantees will be required to submit documentation supporting the expenses being invoiced. Any and all design services shall be reimbursed at cost, without markup of any kind, up to the amount of the Design Fee bid by the selected Design-Builder

Requirements/Scope of Services

Applicants must comply with the following terms:

- Micro-units must be made available exclusively to tenants whose incomes are less than 50% of the Area Median Income (“AMI”), as established by HUD, in the tenant’s first year of eligibility. Eligible tenants who continue to reside in a micro-unit beyond the first year of tenancy may exceed the 50% AMI income cap but may not exceed 80% AMI in any year of tenancy. Proposals for units for tenants whose incomes are between 50% and 65% of the AMI may be submitted, but shall include a good cause explanation for the need to market units in the 50% to 65% AMI range.
- Rent charged for the micro-unit shall never exceed 30% of the tenant’s actual income.
- Written leases must be provided to all tenants.
- The Applicant must report rental income on the micro-unit to the City of Newburgh annually and, upon request, provide the City of Newburgh with a copy of the written lease agreement with the tenant(s) of the micro-unit.
- Micro-units must be kept income restricted in accordance with the above for at least 5 years.
- Micro-units (after rehabilitation) shall comply will all applicable City housing and building codes, including the City of Newburgh Rental Registry ordinance.
- Applicant must submit stamped design plans

Proposal Requirements

Prospective participants are requested to submit the following information via email to planning@cityofnewburgh-ny.gov with Subject Line filled as “RFP: Design and Predevelopment fees for Micro-Unit [Your Name]”.

- Cover letter
- Stamped approved plans

The City of Newburgh may terminate the RFP process at any time for any reason. The City of Newburgh also reserves the right to reject any and/or all proposals.

The issuance of the RFP does not obligate the City of Newburgh to select a proposal and/or enter into any agreement. Any submission does not constitute business terms under any eventual agreement.

This RFP does not in any way commit the City of Newburgh to reimburse respondents for any costs associated with the preparation and submission of this proposal.

For any questions about the RFP, contact Ali Church at achurch@cityofnewburgh-ny.gov

Evaluation of Proposals

All proposals will be evaluated based on the following:

- Applicant/Developer capability and history of similar project development: The applicant's track record, including whether the applicant and or development team has successfully completed and/or operated a similar type project. Capacity to undertake new or additional projects; ability to secure construction financing.
- Feasibility: Readiness of project to proceed and anticipated time frame to complete the project.
- Project Design: Project consistency with the City's priorities and objectives outlined in RFP.
- Applicants must be in good standing with the City of Newburgh with no outstanding code violations or tax liens.