



CITY OF TUCSON

Request for Proposals Down Payment Assistance Housing Counseling and Fiscal Services Agent

Housing Counseling (Scope of Work 1), Fiscal Agent (Scope of Work 2)

Responses Due: January 17, 2022, 11:59pm

BACKGROUND

The City of Tucson is seeking qualifications and proposals from potential housing counseling *Participating Agencies* (PA) interested in representing the City by conducting homeownership counseling, collecting documentation, verifying income, preparing applicable documents for loan closings, and conducting program marketing under the down payment assistance DPA program.

The City of Tucson is also seeking qualifications and proposals from potential *Fiscal Services Agents* interested in managing the financial mechanism that will provide HOME funds to 'Down-Payment Assistance' Program 'Participating Agencies' (PA) for homebuyer counseling and education, down payment and closing cost assistance, and program delivery services that will be provided to qualified homebuyers who purchase a home in an eligible area within the City of Tucson and in outlying Pima County. The assistance provided to homebuyers will be administered in the form of a forgivable loan secured by a Deed of Trust executed at the close of escrow. The assistance will be in conjunction with approved partner agencies and other vendors of services including the designated fiscal agent, home inspectors, escrow officers, and title insurance companies.

Project funding will include HOME Investment Partnerships Program (CFDA 14.239), and/or other possible federal, state, and local sources. Selected applicants will be required to comply fully with applicable Federal requirements.

QUALIFIED APPLICANTS

The participating agency/agencies and Fiscal Agent must meet the following eligibility criteria to apply. Verification of eligibility will be required prior to award:

- Organization must be legally registered as a not-for-profit organization with the U.S. Internal Revenue Service
- Organization must be certified as a homebuyer counseling agency by the U.S. Department of Housing and Urban Development
- Organization must have a minimum of three years' experience providing services or assistance related to mortgage financing

APPLICATION INSTRUCTIONS

All applications must be submitted using the online ZoomGrants platform. The application is available at <https://www.zoomgrants.com/zgf/TucsonDPA2022>.

Organizations and applicants which are unfamiliar with ZoomGrants are encouraged to review the ZoomGrants Guide posted at <http://zoomgrants.com/welcome/applicantslideshow.pdf>. This guide provides easy-to-follow instructions for creating ZoomGrants accounts and submitting applications within the system.

Required Attachments

The following documents are required and must be attached to the ZoomGrants application:

- IRS designation letter indicating eligible not-for-profit status
- Currently valid HUD Housing Counseling Agency certificate (Housing Counseling Agencies only)
- Proof of current registration in the U.S. System for Award Management (SAM)

APPLICATION DUE DATE AND TIME

Applications are due in ZoomGrants no later than 11:59pm Arizona time on January 17, 2022. Late or incomplete applications will be deemed non-responsive and will not be reviewed.

PERFORMANCE PERIOD

The performance period for all awards made under this solicitation shall be July 1, 2022 – June 30, 2025. The City of Tucson may, at its discretion, extend agreements for up to two additional 3-year terms.

The performance period for awards made to Housing Counseling Agencies not currently funded through the City of Tucson's Down Payment Assistance Program may begin earlier than July 1, 2022 subject to mutual agreement.

SCOPES OF WORK

Pursuant to Federal funding guidelines, this Request for Proposals includes two distinct scopes of work. Separate awards will be issued for each scope of work.

The City of Tucson anticipates making one or more awards for Scope of Work #1 – Housing Counseling Agency and anticipates making only one award for Scope of Work #2 – Fiscal Services Agent.

Scope of Work #1 – Housing Counseling Agency:

Pima County and the City of Tucson have obtained funds for a Down Payment Assistance Program (DPA) and agree to provide an opportunity for low income families who would otherwise qualify and are eligible to receive assistance from the federal HOME Program to purchase homes in the local metropolitan Tucson area as mutually defined by City of Tucson and Pima County and the proposed use of HOME funds is consistent with the Annual Action Plans that are submitted to and approved by HUD.

Participating Agency Shall:

1. Provide at least eight (8) hours of HUD Certified Homeownership Counseling (pre-purchase) to program participants.
2. Collect all required documentation for the file and according to recordkeeping requirements established by regulation and/or the terms and conditions of the subaward.
3. Provide homebuyers with a detailed explanation of the following Down Payment Assistance (DPA) program requirements:
 - a. Home purchased must be vacant or owner-occupied residences and must meet/pass HUD Environmental Review prior to execution of sales contract OR must require completion off HUD ER as stipulated condition of sale
 - b. Homes constructed prior to 1978 must be visually assessed for the presence of deteriorated paint and any such deteriorated paint above HUD thresholds must be corrected utilizing HUD and EPA protocols

- c. All homes purchased must be in compliance with HUD HQS prior to close of escrow
 - d. Homebuyer requirements include meeting income guidelines and completing an 8-hour pre-purchase counseling
 - e. Home must meet inspection or re-inspection by City-approved home inspector
 - f. Provide \$1,000 out of pocket for DPA of 5% or less, or \$2,000 for DPA between 5-10%
 - g. Homebuyer must agree to occupy purchased property as their primary residence for the duration of the HUD affordability period from the date of purchase (date of close of escrow)
4. Verify and document that all household income falls under the HUD income eligibility thresholds for Pima County for the HOME Program (under 80% of Area Median Income)
 5. Once the homebuyer has completed the required homeownership counseling and selected a home, notify the pre-selected and pre-approved property inspection form designated by the PJ to provide an inspection of the subject property and to coordinate said inspection with the homebuyer
 6. Review home inspection report with the homebuyer and ensure that any identified repair items within the report are completed and that the final inspection is scheduled after all repair items are satisfactorily addressed
 7. Serve as liaison for the DPA and facilitate communication between homebuyer, real estate agent, home inspector, lender, title company, fiscal agent, and HOME Participating Jurisdiction (PJ)
 8. Certify that the homebuyer's DPA file is fully and properly documented, insuring that said homebuyer does qualify under the DPA Program guidelines
 9. Perform other related duties as mutually agreed upon or as required by the U.S. Department of Housing and Urban Development and/or the City of Tucson

Housing Counseling Agencies – Eligible Costs and Payment

The City has obtained HUD consent to subaward funds under this Scope of Work using a fixed payment subaward approach. Selected Housing Counseling Agencies will receive \$1,500 for each approved and fully funded program participant who completes the project. Participants who complete the project will be eligible for a sum equal to, or not to exceed, 10% of the fully executed home purchase price to be paid through the selected Fiscal Services Agent upon approval by the City of Tucson.

Scope of Work #2 – Fiscal Services Agent

The purpose of this Agreement is to manage the financial mechanism that will provide HOME funds to 'Down-Payment Assistance' Program 'Participating Agencies' (PA) for homebuyer counseling and education, down payment and closing cost assistance, and program delivery services that will be provided to qualified homebuyers who purchase a home in an eligible area within the City of Tucson and in outlying Pima County. The assistance provided to homebuyers will be administered in the form of a forgivable loan secured by a Deed of Trust executed at the close of escrow. The assistance will be in conjunction with approved partner agencies and other vendors of services including the designated fiscal agent, home inspectors, escrow officers, and title insurance companies.

Fiscal Agent Shall:

1. Provide staff and office facilities necessary to accomplish provisions of this Agreement.
2. Underwrite/review files presented by the individual DPA Participating Agency for completeness, proper

sequence, and format compliance, as directed by the City.

3. Prepare the appropriate lien and deed of trust documents provided by the City.
4. Review local escrow and title services and ensure competitive rates.
5. Fund the authorized escrow closing and eligible related costs, including the 'Participating Agency' fee to the Participating Agency/Agencies.
6. Submit timely reports and invoices to City for review, processing, and payment directly to the Fiscal Services Agent.
7. Develop and disseminate, in conjunction with City, universal forms, policies, and guidance to Participating Agency/Agencies to support the implementation and operation of the DPA Program.
8. Submit documentation indicating that homes receiving assistance meet environmental standards set forth in 24 CFR 58.35.
9. Work with County/City staff to develop and provide training for each DPA agency's HUD-certified Housing Counselors that will include but will not be limited to income eligibility and related documentation; and establish and maintain DPA agency file system/sequence to assure top quality monitoring practices.
10. Provide post-purchase Homebuyer counseling, defined as, but not limited to, a minimum of two follow-up calls/contacts after close of escrow: one of which shall occur at four to six months after close of escrow and the second at 10 to 12 months after close of escrow.
11. Provide reports quarterly, or upon request, showing beneficiaries demographic and funding information.

Fiscal Services Agent Performance Requirements

Fiscal Services Agent certifies that it will perform the work in accordance with the terms of this Agreement. Fiscal Services Agent shall employ suitably trained, skilled, and, where required by HUD/HOME, HUD-certified, professional personnel to perform all services under this Agreement.

The work under this Agreement will be performed to the satisfaction of the City. City will interpret all reports pursuant to the budget and scope of work, and will decide the acceptability and progress of work, and amounts to be paid under this Agreement.

Fiscal Services Agent shall provide any and all documentation and reports needed to meet HUD requirements in a timely manner.

Fiscal Services Agent – Eligible Costs and Payment

The City has obtained HUD consent to subaward funds under this Scope of Work using a fixed payment subaward approach. The selected Fiscal Services Agent will receive \$300 for each approved and fully funded program participant who received down payment assistance through the project. The fixed payment of \$300 provides compensation for the following eligible activities:

- 1) Program delivery
- 2) Facilitating the financial processes
- 3) Providing City with timely reports on Program finances

Fiscal Services Agent shall provide City with all requisite documentation in support of any and all requested payments, both for the Participating Agency/Agencies and the Fiscal Services Agent itself. Funds are allocated to this project from the federal HOME program. Funds for this contract are available to the extent that federal HOME funds are available.

For the period of record retention required under the General Conditions, City reserves the right to question any payment made under this Article and to require reimbursement therefore by setoff or otherwise for payments determined to be improper or contrary to the contract or law.

On a monthly basis, Fiscal Services Agent shall submit requisite invoice, support documentation, and payment request directly to the City for processing and timely payment.

Fiscal Services Agent – Regulatory Compliance

By submitting a proposal under the Fiscal Services Agent scope of work, the applicant certifies that it will comply with all terms and conditions of the subaward provided by the City of Tucson, including but not limited to, compliance with:

- 1) 24 CFR Parts 91 & 92 – HUD HOME Investment Partnerships Program (Final Rule); updated through December 22, 2004
- 2) 24CFR Part 92 - HUD HOME Investment Partnerships Program – Final Rule
 - a) Including the provisions of Subpart F – Project Requirements
 - i) 92.250 – Maximum per-unit subsidy amount and subsidy layering
 - ii) 92.251 – Property Standards
 - iii) 92.254 – Qualification as affordable housing: homeownership
 - iv) 92.257 – Religious Organizations

QUESTIONS REGARDING THIS SOLICITATION

All questions regarding this solicitation should be emailed to Leticia.Carpio@tucsonaz.gov. Please allow up to two business days for a response.

EVALUATION OF RESPONSES

Responses to this solicitation shall be competitively evaluated by a review panel established by the City of Tucson. Projects will be evaluated using the following criteria.

SCORING CRITERIA	MAX SCORE
<p>Agency Experience</p> <ul style="list-style-type: none"> • Extent to which applicant demonstrates prior success delivering the proposed service or similar services. • Extent to which organization has prior experience administering HUD or other Federal program funds. • Extent to which applicant has successfully delivered on current and prior City of Tucson awards and agreements. 	20 points
<p>Project Approach</p> <ul style="list-style-type: none"> • Extent to which applicant includes detailed and quality plan to provide all required services. • Extent to which proposed services will meet the needs of population served. 	35 points
<p>Project Staffing</p> <ul style="list-style-type: none"> • Extent to which applicant provides a detailed staffing plan comprised of persons with relevant expertise and experience to deliver proposed services. 	15 points
<p>Quality Assurance</p> <ul style="list-style-type: none"> • Extent to which applicant provides a thorough and appropriate strategy to engage in continuous quality improvement process. • Extent to which project utilizes participant input and/or feedback to meaningfully inform service improvements and delivery. 	20 points