



Housing Affordability & Community Revitalization

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Equitable Housing & Community Development
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1. Introduction

The Wake County Department of Housing Affordability & Community Revitalization (HACR) is seeking an administrator for its Affordable Homeownership Program. The Program will provide forgivable second mortgages of up to \$20,000 per household to households earning less than 80 percent of the Area Median Income (AMI) seeking to buy homes in Wake County outside of Raleigh and Cary municipal limits. In addition, the Program will provide foreclosure prevention in the form of principal reduction grants for homeowners whose homes are worth less than their mortgage principal amounts, or whose homes are at risk due to sustained and documented financial hardships. In FY 2020, there will be \$500,000 available to finance mortgage loans and foreclosure prevention. In future years, funding availability may change based on community need and other County budget needs.

Wake County seeks proposals from for-profit or not-for-profit entities who will act as the Administrator of the Affordable Homeownership Program. Wake County will enter into a contract with the Administrator and will provide the Administrator with funds for program activities at intervals agreed upon during the contract negotiation period. The Administrator will originate affordable mortgages, either independently or in partnership with qualified mortgage lenders, process loan closing and due diligence, monitor borrowers and lenders to ensure compliance, perform property inspections and provide periodic reporting to Wake County HACR. In addition, the Administrator will evaluate foreclosure prevention funding applications, award and administer the grants, and provide foreclosure prevention counseling either directly or in partnership with a local housing counseling organization.

Responses to this Request for Proposals (RFP) will be reviewed by County staff and must include all elements on the application checklist (Section 7). See Appendix A for Wake County's 2019 Goals, Objectives, and Initiatives and 2017 Affordable Housing Plan, for reference. The County and selected Administrator will negotiate the terms of the contract.

2. Project Scope

BACKGROUND

HACR Background

Wake County Department of Housing Affordability and Community Revitalization's (HACR) goal is to ensure that quality affordable housing is available and accessible for all Wake County residents. HACR supports the execution of programs focused on affordable housing, and services targeting low-to-moderate income households including Community Revitalization, Development Financing, Homeless and Prevention Services, Emergency Shelter, Support Services and Permanent Supportive Housing.

The Equitable Housing & Community Development division (EHCD) is responsible for the preservation and creation of affordable housing through administering U.S. Department of Housing and Urban Development (HUD) and County funding. EHCD also created the Affordable Homeownership Program to support homeownership and wealth-building for low and moderate-income residents of Wake County.

Affordable Homeownership Program

The goal of the Affordable Homeownership Program is to provide homeownership opportunities to low and moderate-income residents by providing zero-interest forgivable second loans to decrease mortgage principal amounts. These loans will be compatible with other homeownership products from the North Carolina Housing Finance Agency (NCHFA), in order to better serve low-income households that qualify. The Wake County Board of Commissioners has offered \$250,000 of County funding to support this initiative, which will be matched by \$250,000 in Community Development Block Grant (CDBG) funding. **Additional funding may be become available in future years.**

The Program will provide zero-interest, forgivable second mortgages of up to \$20,000 per household to prospective home buyers earning less than 80 percent of the AMI. Loans will be forgiven over twenty (20) years, with twenty-five (25) percent of the loan amount forgiven every five (5) years. Loan forgiveness will only be awarded to borrowers who are current on their mortgages. Full loan forgiveness will be indicated by cancellation of the deed of trust at the end of the loan term. These loans are to be used exclusively for principal reduction. **The Affordable Homeownership Program may not be used to provide down payment assistance or to repair homes.**

Additionally, the Program will provide deferred second mortgages of up to \$20,000 to reduce principal amounts for homeowners whose homes are worth less than their outstanding mortgage principal, whose homes are at risk due to documented and sustained financial hardship, or to clear any outstanding primary mortgage balances. Recipients of mortgage payment assistance must complete foreclosure counseling and remediation objectives including, but not limited to, creating a personal budgeting work plan and meeting with their lender and/or servicer to pursue loan modifications. **Funding allocated for mortgage payment assistance may not be used for the payment of outstanding ad valorem taxes and must be directly applied to principal mortgage payments in default or at risk of default.**

Administrator Agreement

A. Overview

This request for proposals will result in the execution of an agreement between Wake County HACR and the selected administrator, which will outline the terms of operation and administration for the Affordable Homeownership Program. Funds for second mortgages, foreclosure prevention loans, and administrative costs will be provided to the administrator at intervals agreed-upon and formalized during the contract negotiation period. Note that the Affordable Homeownership Program and Wake County agreements are governed by the regulations and policies cited on pages 11 – 14 of this document.

Activity work plans and budgets for the agreement are anticipated to be approved for twelve (12) months, with the option to extend up to four additional twelve-month terms.

B. Administrator Eligibility

Only organizations meeting the following criteria are eligible to be selected as the Affordable Homeownership Program Administrator:

1. Be incorporated in the State of North Carolina;
2. Have a mission of serving low and moderate-income populations.

Preference will be given to organizations that have had a physical presence in Wake County for at least one year, and that are certified housing counseling providers.

C. Administrator Compensation

The Administrator will receive a fee, not to exceed five (5) percent of the total fund amount for the contract year, to cover program administration expenses inclusive of sub-contracted services and to provide a return to the Administrator. The Administrator fee will be taken from the total fund amount. Applicants must submit a fee proposal with a budget for program administration. Wake County prioritizes awarding a contract to the applicant who can most cost-effectively administer the program. Note that, upon contract renewal, an

increase in the overall fund amount can result in a higher administrator fee not to exceed five percent of the fund amount.

If the selected Administrator directly originates loans to borrowers, they may charge an origination fee not to exceed one (1) percent of the loan amount. Additionally, an Administrator who directly provides homeownership counseling and education may charge a fee for that service. **Service fees will be considered when determining the final amount of fee paid by the County to the Administrator as part of the Administrator Agreement.**

3. Affordable Homeownership Program Guidelines

LOAN AMOUNTS, REPAYMENT SCHEDULES, AND FORGIVENESS

Loans of up to \$20,000 per household can be issued through the Affordable Homeownership Program. Loans are issued as zero-interest, deferred, forgivable second mortgages with 20-year terms. Borrowers are not required to make payments during the loan term. Assuming a borrower is in good standing and the loan is not in default, the loan will be forgiven at twenty-five (25) percent every five (5) years until the end of the term. Borrowers will only repay the loan if they sell their home within the 20-year term or are no longer using the home as their primary residence. **The Affordable Homeownership Program may only be used for principal reduction (home purchase assistance or foreclosure prevention) or to clear outstanding debt and fee balances. Down payment assistance and home rehabilitation are not eligible uses of funds.**

HOME ELIGIBILITY

The Wake County Affordable Homeownership Program may be used to purchase homes with a purchase price of \$275,000 or less, in any part of Wake County outside of the Raleigh and Cary municipal limits. Homes may be new construction or existing homes. Single-family homes, townhouses, and condominiums are all eligible for the program. Homes must be the borrower's primary residence and cannot be rented.

BORROWER ELIGIBILITY

First-time homebuyers earning less than eighty percent (80%) of the AMI are eligible to use the Affordable Homeownership Program. Administrator proposals that include a plan to target potential homeowners at sixty percent (60%) of the AMI or lower will be given preference. The following table illustrates 80 percent AMI income limits by household size as of FY 2020:

WAKE COUNTY 80% AMI BY HOUSEHOLD SIZE

Household Size	1	2	3	4	5	6	7	8
80% AMI	\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400	\$99,400

Source: HUD

The administrator will be expected to update underwriting guidelines annually as HUD releases new income limits.

Borrowers must have a credit score of at least 640 to be eligible for the program.

UNDERWRITING CRITERIA

The following criteria must be met in order for a borrower to qualify for a principal reduction loan for home purchase assistance:

- A. Borrowers must be able to support a front-end debt ratio of thirty-three percent (33%) or less and a back-end ratio of forty-five percent (45%) or less, **including property taxes, insurance, and HOA fees as applicable.**
- B. Borrowers must provide documentation of liquid assets (savings accounts other than retirement savings accounts). Borrowers may not have more than \$60,000 in liquid assets.
- C. The combined first and second mortgages may not exceed 100% LTV.
- D. Borrowers must have three months of mortgage payment reserves.
- E. Applicants must be approved for a fully-amortizing first mortgage. The term of the first mortgage may range from fifteen (15) to thirty (30) years, but must have a fixed interest rate. Adjustable rate mortgages are not eligible for use in conjunction with the Affordable Homeownership Program.
- F. The home must appraise for at least the purchase price.
- G. Home buyer education must be completed before loan closing.

The following criteria must be met in order for a borrower to qualify for a principal reduction loan for foreclosure prevention:

- A. Borrowers must either be current on their mortgage payments and ad valorem taxes or have a good payment history on all mortgages prior to recent income loss or financial hardship.
- B. Borrowers must have the ability to make monthly payments after loan modification and reduction.
- C. Borrowers must have experienced financial hardship that can be demonstrated through bank statements and other financial documents. Examples of financial hardship include:
 - a. Loss of employment
 - b. Reduction in hours
 - c. Pay reduction
 - d. Temporary financial hardships such as divorce, serious illness, or the death of a co-signor

The following criteria must be met in order for a borrower to qualify for an accrued debt and fee clearance loan for foreclosure prevention:

- A. Borrowers must demonstrate that they are experiencing financial hardship that prevents them from paying off any accrued payments, fees, or taxes, such as:
 - a. No-fault job loss (ex. Layoff due to downsizing, not performance-related firing)
 - b. Reduction in hours
 - c. Healthcare expenses

RESALE AND ASSUMPTION

Borrowers who remain in their home for the duration of the loan term may sell their home without restrictions.

Borrowers who elect to maintain ownership but no longer use the home as their primary residence at any time during the loan term will be obligated to repay the entirety of the loan.

Affordable Homeownership Program loans will be assumable upon sale or transfer via estate. If a home is sold or transferred within the 20-year affordability period to a household that earns 80% of the AMI or less, the outstanding balance of the original loan may remain with the home to reduce the purchase price to the new buyer. The term of the original loan will not extend. If the new homeowner is given a new Affordable Homeownership Program loan to further reduce the purchase price, the term of the new loan will be for 20 years. The total of assumed second mortgage debt and new second mortgage debt may not exceed \$20,000.

If the home is sold or transferred to a buyer earning more than 80% of the AMI, the outstanding loan balance will be due.

These provisions apply to both home purchase assistance and foreclosure prevention borrowers.

4. Administrator Responsibilities

OVERVIEW

The approved program administrator's responsibilities will include, but not be limited to:

1. Marketing the availability of Program funding;
2. Determining the eligibility of applicants;
3. Underwriting loan applications;
4. Processing loans through closing;
5. Providing or certifying completion of housing or foreclosure counseling by a certified provider;
6. Issuing or financing the loans using County funding;
7. Monitoring borrower compliance;
8. Providing periodic reporting to Wake County HACR.

MARKETING AND OUTREACH

Wake County HACR will advertise the availability of mortgage financing via its website. However, the administrator will be primarily responsible for marketing the program. If the Administrator does not directly originate the mortgage loans, then they will also be primarily responsible for recruiting lending partners. Applications must include a marketing plan and budget. Marketing should include a blend of in-person outreach, webinars, print, and web-based media. **The marketing plan must demonstrate that it will reach low-income and minority households county-wide, including households where English is not the primary language.**

LOAN ORIGINATION, UNDERWRITING, AND PROCESSING

All processes must be documented and replicable. Wake County HACR will periodically monitor the Administrator's origination, underwriting, and processing.

a. Determining borrower and home eligibility

The Administrator must document their process for determining borrower and home eligibility, based on the previously-presented criteria from HACR. Transaction records must be maintained and accessible to Wake County HACR.

b. Underwriting

The Administrator will be responsible for underwriting all applications for the Affordable Homeownership Program according to the criteria supplied in this RFP. The Administrator must document all underwriting procedures and maintain records accessible to HACR.

c. Loan Processing

The Administrator will be responsible for managing all aspects of loan processing and closing, including:

- a. Coordinating property inspection
- b. Reviewing the property appraisal supplied to the first mortgage lender
- c. Issuing the closing disclosure, promissory note, and deed of trust in coordination with buyer and seller counsel
 - i. Administrators may conduct legal work internally with appropriately-credentialed staff or may sub-contract for legal services. Wake County also reserves the right to have closing documents managed by its contracted legal services firm.
 - ii. The Administrator must ensure that borrowers are properly informed of the resale and recapture provisions of the Affordable Homeownership Program, as described in this RFP.

HOMEBUYER EDUCATION

All borrowers in the Wake County Affordable Homeownership Program must complete eight (8) hours of homebuyer education. Administrators who provide homebuyer education directly may include fees for this service in their proposal budget. The Administrator may not charge fees directly to program participants. Fees for homebuyer education will be capped at an amount agreed upon during the contract negotiation period. Administrators who do not directly provide homebuyer education must advertise multiple sources of homebuyer education to borrowers, and must certify that borrowers have completed counseling.

FORECLOSURE PREVENTION COUNSELING

All borrowers of foreclosure prevention loans must complete a foreclosure prevention counseling session, which must include guidance for approaching first mortgage lenders to discuss loan modifications and household budgeting. Administrators who provide foreclosure prevention counseling directly must be certified and may not charge participants a fee for this service. Wake County will cover foreclosure prevention counseling fees, if any, at an amount agreed upon during the contract negotiation period. Administrators who do not directly provide foreclosure prevention counseling must advertise multiple sources of foreclosure prevention counseling to borrowers and must certify that borrowers have completed counseling.

MONITORING AND REPORTING

a. Monitoring - Compliance

1. The Administrator will be required to monitor borrowers to ensure compliance with CDBG and program regulations. Monitoring may be conducted in-person or via mail annually. Monitoring must confirm that the borrower is residing in the home as their primary residence. Applicants must include monitoring procedures, including escalation procedures for borrowers found to be not in compliance.
 - a. As the holder of the note, Wake County will enforce restrictions when a borrower is found not to be in compliance.
2. Upon sale or transfer to an income-qualified household, the Administrator will confirm the new owner's income qualification.

b. Reporting

The Administrator will be required to provide monthly and quarterly reports, as well as an annual report at the end of the program year, to Wake County HACR. Timing of the reports will be determined in the contract between Wake County and the Administrator. These reports must contain the following information:

1. Marketing activity
 - a. Marketing events
 - i. Number held, locations, number of attendees
 - b. Advertising activity
 - i. Print ads placed with name of publication and estimated circulation
 - ii. Radio or television ads with radio/television station and airing frequency

2. Individual loans
 - a. Transaction information
 - i. Initial loan amount
 - ii. Loan type (home purchase or foreclosure prevention – principal reduction/debt clearance)
 - iii. Loan status (current, in foreclosure, in repayment, repaid)
 - iv. Remaining loan amount for loans that have been partially forgiven
 - v. Home address
 - b. Borrower information
 - i. Household size
 - ii. Household income level
 - iii. Borrower credit score
 - iv. Borrower occupation
 - v. Race and ethnicity

3. Lending volume for the quarter
 - a. Number of loans, with change from previous quarter
 - b. Dollar amount per loan with average
 - c. Total dollar amount, with change from previous quarter
 - d. Percentage of total applications approved

4. Portfolio status
 - a. Number of loans in compliance
 - b. Indicate loans that are in non-compliance, with the reason for non-compliance and status of remediation
 - c. Indicate loans that are in repayment
 - d. Average age of loan

- c. Auditing Requirements

In addition to the reporting outlined above, the Administrator will be required to provide annual financial audits of the organization to Wake County. The County will review audits for the organization, and will also check Affordable Homeownership Program performance against established policies and procedures. These audits will occur annually. The cost of obtaining financial audits may not be included in program fees.

An Administrator who expends more than \$500,000 in federal funding in a year, regardless of grant type and source, will need to submit to an external IPA audit and

comply with general audit requirements outlined in 24 CFR 84.26 and 85.26. In these cases, Wake County will monitor to ensure that a formal audit has been completed and will track the resolution status of any findings. The cost of obtaining an audit may not be included in program fees.

The Administrator may be asked to supply additional supporting documentation to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards, and the State Single Audit Implementation Act.

5. General Requirements

When responding to this RFP, please follow all instructions carefully. Please submit proposal contents according to the outline specified and submit documents according to the instructions. Failure to follow these instructions will be considered a non-responsive proposal and may result in immediate elimination from further consideration.

By submitting a proposal, Proposers acknowledge that:

The County reserves the right to reject any or all proposals if it determines that select proposals are not responsive to the RFP. The County reserves the right to reconsider any proposal submitted at any phase of the procurement. It also reserves the right to meet with select Proposers at any time to gather additional information.

Proposals will be received by Wake County Government at the time noted on the cover page of this document. At that point, Wake County will close the receipt of proposals and begin the evaluation process. The only information that will be released will be the names of the respondent(s). No other information will be disclosed, except as required by the evaluation process, until a contract is awarded.

Wake County, solely at its option, may disclose the name(s) of any firms or companies being considered or elevated during the process. Proposers are not to contact any County staff or elected official in reference to the process due to the nature of a competitive environment and to protect the integrity of the RFP process. As information becomes available and is relevant for release, that information will be shared with respondents.

GENERAL SUBMITTAL REQUIREMENTS

Proposal Contact

This RFP and any subsequent action taken as a result thereof is issued by the Wake County Procurement Services in accordance with North Carolina General Statutes on behalf of the

County. With regard to this RFP and subsequent procurement process, Proposers shall make NO CONTACTS, either written or verbal, with any Wake County employee, staff member, or Board of Commissioner members during the period beginning with the issuance of this document through approval of award unless authorized by the proposal contact. Any attempt by a Proposer to contact or influence a member or members of the aforementioned will result in the immediate disqualification of the Proposer from award for items or services on this RFP.

Proposal Contact:
Mark Perlman
Wake County Housing Affordability and Community Revitalization
Waverly F. Akins County Office Building, 4th Floor – Ste 421
337 S. Salisbury Street
Raleigh, NC 27601
Mark.Pperlman@wakegov.com
919-856-5254

Proposal Submittal Requirements

Proposers are required to prepare their proposals in accordance with the instructions outlined in this part and elsewhere in this RFP. Each Proposer is required to submit its proposal in a sealed package.

One hard copy shall be submitted to the address shown below as well as an electronic version on a memory stick or via a file sharing website such as Dropbox. The County prefers simple, stapled paper copies, only use a binder or folder if essential due to the size of your proposal.

Mailing Address:
Mark Perlman
Wake County Housing Affordability and Community Revitalization
Waverly F. Akins County Office Building, 4th Floor – Ste 421
337 S. Salisbury Street
Raleigh, NC 27601

The County must receive proposals no later than 4:00 PM on September 4th, 2020. The Proposer's name, RFP number, and proposal closing time and date must be marked clearly on the proposal submission. The time of receipt shall be determined by the time clock in the Wake County Procurement Services office. The County will not be held responsible for the failure of any mail or delivery service to deliver a proposal response prior to the stated proposal due date and time. It is solely the Proposer's responsibility to: (1) Ascertain that they have all required and necessary information, documents and addenda, prior to submitting a response; (2) Ensure that the response is received at the correct location and time. Late responses, regardless of delivery means, will not be accepted. Fax or email responses will not be

accepted.

Proposer Expenses

The County will not be responsible for any expenses incurred by any Proposer in the development of a response to this Request for Proposal or any other activities associated with this procurement including but not limited to any onsite (or otherwise) interviews and/or presentations, and/or supplemental information provided, submitted, or given to Wake County and/or its representatives. Further, the County shall reserve the right to cancel the work described herein prior to issuance and acceptance of any contractual agreement/purchase order by the recommended Proposer even if the Board of Commissioners has formally accepted a recommendation.

Interpretations, Discrepancies, and Omissions

Should any Proposer find discrepancies, omissions or ambiguities in this RFP, the Proposer must at once request in writing an interpretation from the proposal contact listed above. The deadline for submitting questions is August 7th, 2020 before 5:00 PM EST. All questions will be answered to the extent possible in the form of addenda to the specifications. The addenda will be available within seven (7) calendar days following the question deadline. All written requests for clarification should be emailed to Mark.Pperlman@wakegov.com.

Failure to request an interpretation will be considered evidence that the Proposer understands the provision of the RFP.

The issuance of a written addendum is the only official method by which interpretation, clarification or additional information will be given by the County. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarification will be without legal effect. It is the County's intent not to issue any addenda after August 14th, 2020.

Pre-Proposal Questions

The County will also make a good faith effort to provide other data or attachments, if the request will further clarify the project's scope. All requests for further information shall be received by the County by August 7th, 2020 before 5:00 PM EST. A copy of all answers and further clarifications provided by the County to those making inquiries will be posted as an addendum to the RFP on the County's website on August 14th, 2020 by 5:00 PM EST.

Finalists and Interviews

County staff may, at its discretion, identify a short-list of finalists who would be expected to make a presentation to and respond to questions. Additional information regarding the content of the presentation will be provided to the selected finalists.

Award

Wake County reserves the right to award a contract, based on initial offers received from Proposers, without discussion and without conducting further negotiations. Under such circumstance, the acceptance of a proposal by the County shall be deemed to be an acceptance of an offer and that such acceptance will be binding upon both parties. The County may also, at its sole discretion, have discussions with those Proposers that it deems to fall within a competitive range. The County may enter into negotiations separately with such Proposers. Negotiations with a Proposer may continue with a Proposer that the County has tentatively selected to award a contract to. The County shall not be deemed to have finally selected a Proposer until a contract has been successfully negotiated and signed by both parties.

Non-disclosure of County Information

The Proposer and its agents shall treat all data and information gathered by the Proposer and its agents, including this RFP and all reports, recommendations, specifications, and data as confidential. The Proposer and its agents shall not disclose or communicate the aforesaid matters to a third party or use them in advertising, propaganda, and/or in another job or jobs, unless written consent is obtained from the County.

Retention of Proposer Material

Any and all information submitted in conjunction with this RFP and the evaluation process will not be returned to the respondent.

SCHEDULE

2020	
July 24, 2020	RFP Release Date
August 7, 2020	Questions due from Proposers to the Proposal Contact
August 14, 2020	Answers provided to Questions posted to the County's website
September 4, 2020	RFP Submission Deadline
September 2020	Proposals in Review, interviews
September/October 2020	Administrator Selected

6. General Terms and Conditions

CERTIFICATION

The Proposer hereby certifies that it has carefully examined this Request for Proposal and the Proposer certifies that it understands the scope of the work to be done and that the Proposer has knowledge and expertise to provide the scope of the work. By signature on the response to the RFP, the Proposer certifies that its proposal is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud, so that all proposals for the purchase will result from free, open and competitive proposing among all Proposers. Further, the Proposer certifies that it understands that collusive bidding/proposing is a violation of Federal law and can result in fines, prison sentences, and civil damage awards.

CONFLICT OF INTEREST

By submission of a response, the Proposer agrees that at the time of submittal, it: (1) has no interest (including financial benefit, commission, finder's fee, or any other remuneration) and shall not acquire any interest, either direct or indirect, that would conflict in any manner or degree with the performance of Proposer's services, or (2) will not benefit from an award resulting in a "Conflict of Interest." A "Conflict of Interest" shall include holding or retaining membership, or employment, on a board, elected office, department, division or bureau, or committee sanctioned by and/or governed by Wake County. Proposers shall identify any interests, and the individuals involved, on separate paper with the response and shall understand that the County, in consultation with legal counsel, may reject their proposal.

ASSIGNMENT

No assignment of the Proposer's obligations or the Proposer's right to receive payment hereunder shall be permitted without prior consent of the County. The Proposer may not sell, assign, transfer or convey the contract resulting from this RFP, in whole or in part, without the prior written approval from the County.

INDEMNIFICATION

The Proposer will indemnify and hold the County harmless from any and all liability, expense, judgment, suit, or cause of action for personal injury, death, or direct damage to tangible property which may accrue against the County to the extent it is caused by the negligence of Consultant, its sub-consultants, or their employees or agents, while performing duties under this Agreement, provided that the County gives the Proposer prompt, written notice of any such claim or suit. The County shall cooperate with Proposer in its defense or settlement of such claim or suit. This section sets forth the full extent of the Consultant's general indemnification of the County from liabilities that are in any way related to Consultant's performance under this Agreement.

INDEPENDENT CONTRACTOR

It is understood that in the performance of any services herein provided, the Proposer shall be, and is, an independent contractor, and is not an agent or employee of the County and shall furnish such services in its own manner and method, except as required by this contract. Further, the Proposer has, and shall retain the right to exercise full control over the employment, direction, compensation, and discharge of all persons employed by the Proposer in the performance of the services hereunder. The Proposer shall be solely responsible for, and shall indemnify, defend, and save the County harmless, from all matters relating to the payment of its employees, including compliance with Social Security, withholding, and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

PAYMENT

Payment shall be made to the Administrator at intervals agreed upon during the contract negotiation period. Should the Administrator fail to reach performance goals agreed upon by both the Administrator and Wake County, payment, or a portion of payment, may be rescinded. Payment may be renegotiated at the beginning of each contract year.

INSURANCE

The Administrator shall obtain, at its sole expense, all insurance required in the following paragraphs and shall not commence work until such insurance is in effect and certification thereof has been received by Wake County's Finance Office. If any required insurance policy expires during the term of this agreement, Provider must provide a certificate of insurance to the Wake County Finance Office as evidence of policy renewal prior to such policy expiration.

Provider signature on this agreement indicates that Provider agrees to the terms of this insurance section and understands that failure to comply may result in cancellation of this agreement at Wake County's option.

Professional Liability Insurance, applicable to any professional services provided under this Contract with limits of no less than \$1,000,000 per claim and \$2,000,000 aggregate.

If any coverage is on a claims-made basis, Provider agrees to maintain a retroactive date prior to or equal to the effective date of this Agreement and to purchase and maintain Supplemental Extended Reporting Period or 'tail coverage' with a minimum reporting period of not less than three (3) years if the policy expires or is cancelled or non-renewed. If coverage is replaced, the new policy must include full prior acts coverage or a retroactive date to cover the effective dates of this Agreement. Provider shall provide a Certificate of Insurance annually to Wake County indicating any claims made coverage and respective retroactive date. The duty to provide extended coverage as set forth herein survives the effective dates of this Agreement.

All insurance companies must be authorized to do business in North Carolina and have an AM Best rating of "A-/VII" or better; or have reasonable equivalent financial strength to the satisfaction of the County's Finance Office. Proof of rating shall be provided to the county upon request.

Insurance with limits no less than those specified above shall be evidenced by a Certificate of Insurance issued by a duly authorized representative of the insurer. In the case of self-insurance, a letter of explanation must be provided to and approved by Wake County Risk Management.

The Provider shall be responsible for providing immediate notice of policy cancellation or nonrenewal during the term of this Agreement to the Wake County Finance Office and for three years subsequent for any claims made coverage.

If Provider does not meet the insurance requirements specified above, alternate insurance coverage satisfactory to Wake County may be considered. Any requests for consideration of alternate coverage must be presented by Provider PRIOR TO provision of any services associated with this Agreement.

In the event that Provider uses subcontractors to perform any of the services under this Agreement, then and in that event, Provider shall contractually require such subcontractor(s) to meet all of the requirements of this section.

GOVERNING LAW

This RFP and any contract resulting therefrom shall be governed by and construed according to the laws of the State of North Carolina. Should any portion of any contract be in conflict with the laws of the State of North Carolina, the State laws shall invalidate only that portion. The remaining portion of the contract(s) shall remain in effect.

CONFIDENTIAL INFORMATION/PUBLIC RECORDS LAW

The County assumes no responsibility for confidentiality of information offered in a proposal. The RFP does not intend to elicit proprietary information. However, if proprietary information is submitted as part of the proposal, the information is to be labeled as such. Proposals are not subject to public inspection until after the contract award. Wake County reserves the right to share any information submitted in response to this RFP or process with any person(s) or firm(s) involved in the review and evaluation process. Proprietary or confidential information must be clearly labeled as such at the time of initial submission and to the extent provided by N.C.G.S. Chapter 132, will not be made available for public inspection. In the event that a request for inspection is made under public records law, the Proposer will be notified of the request and may participate in any subsequent civil action to compel disclosure of confidential information.

COMPLIANCE WITH LAWS AND REGULATIONS

Proposer must comply with all applicable State and Federal Laws. In the event any Governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship or performance of the items offered on this proposal prior to their delivery, it shall be the responsibility of the successful Proposer to notify Wake County at once, indicating in their letter the specific regulation which required such alterations. The County reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the contract.

To ensure compliance with the E-Verify requirements of the General Statutes of North Carolina, all contractors, including any subcontractors employed by the contractor(s), by submitting a bid, proposal or any other response, or by providing any material, equipment, supplies, services, etc., attest and affirm that they are aware and in full compliance with Article 2 of Chapter 64, (NCGS64-26(a)) relating to the E-Verify requirements.

ACCEPTANCE

Submission of any proposal indicates a Proposer's acceptance of the conditions contained in this RFP unless clearly and specifically noted otherwise in the proposal.

Furthermore, the County is not bound to accept a proposal on the basis of lowest price, and further, the County has the sole discretion and reserves the right to cancel this RFP, and to reject any and all proposals, to waive any and all informalities and/or irregularities, or to readvertise with either the identical or revised specifications, if it is deemed to be in the County's best interests to do so. The County reserves the right to accept or reject any or all of the items in the proposal, and to award the contract in whole or in part and/or negotiate any or all items with individual Proposers if it is deemed in the County's best interest. Moreover, the County reserves the right to make no selection if proposals are deemed to be outside the fiscal constraint or not in the best interest of the County.

ADDITIONAL SERVICES

The County reserves the right to negotiate additional services with the Proposer at any time after initial contract award.

7. Submission Requirements

APPLICATION SUBMISSION CHECKLIST

This sheet should be used as a coversheet for your proposal with all attachments in the order as listed below. To be considered complete, the proposal must include the following supporting documents:

- 1 Applicant articles of incorporation and bylaws
- 2 Applicant organizational chart identifying staff who will manage the program
- 3 Mission statement of organization/organizational objectives
- 4 Applicant Board and lead staff resumes
- 5 Previous two (2) years of audited or certified financial statements of the applicant, including tax identification number
- 6 Statement of previous program administration experience related to low-income populations and affordable housing
- 7 Summary proposal budget, with requested fee
- 8 Affirmative marketing plan, with budget
- 9 Program administrative procedures,
- 10 Proposed monitoring procedures
- 11 Signed, notarized affidavit of no conflict of interest or a statement of disclosure of conflict of interest (see Attachment 3)
- 12 Letters of support from other agencies and funding sources with whom you intend to collaborate

8. Evaluation Criteria

SELECTION OF PARTICIPANTS

The County has established a team of staff members to evaluate Proposer responses. This team of employees will be responsible for the evaluation and rating of the proposals and conducting interviews.

EVALUATION OF PROPOSALS

Responses will be evaluated based on criteria including but not limited to:

Criteria	Points
Proposal	
1 Marketing plan	10
2 Administration plan	25
3 Budget and Fees	15
Applicant	
4 Experience	25
5 Administrative capacity	25
TOTAL	100

PROPOSAL

1 Marketing Plan

- a. Proposers must submit a marketing plan, with a budget, that demonstrates how the Affordable Homeownership Program will be advertised to prospective borrowers and lenders, and how the Administrator will conduct outreach to prospective lending partners. The marketing plan should include detail of how it will reach low-income and minority households.

Preference will be given to the most detailed marketing plan that is deemed most likely to reach a significant number of minority and low-income households. Preference will also be given to proposers with previous experience marketing homeownership programs or other programs intended to serve low-income households.

2 Administrative Plan

- a. Proposals will be evaluated based upon the quality of their plan to administer the Affordable Homeownership Program. Applicants should indicate existing or proposed organizational systems, processes, and procedures to:
 - i. Determine and document borrower and home eligibility for loans;
 - ii. Underwrite or evaluate lender underwriting of Affordable Second Mortgage Loans;
 - iii. Coordinate with approved lenders, if applicable, including:
 1. Approving new lenders for the program;
 2. Coordinating inspections, appraisals, and closing documents;
 - iv. Finance requested loans, either directly or via an approved lender;
 - v. Provide or certify homebuyer and foreclosure prevention education and counseling;
 - vi. Conduct home inspections;
 - vii. Maintain records of all program administration activity in compliance with recordkeeping requirements under guidance from HACR and HUD, with records accessible to HACR, including all relevant information for closed loans;
 - viii. Process repayment of loans;
 - ix. Monitor borrower and lender compliance with program regulations, as well as loan and repayment status;
 - x. Submit quarterly reports to HACR, with an annual report, providing data outlined in this RFP as well as insights and recommendations related to program trends.

3 Budget and Fees

- a. Applicants must supply a budget for their proposal, indicating costs for administration, monitoring, and reporting, as well as estimates of how many full-time employees will be needed to administer the program.
- b. Applicants must include a requested fee in their proposal. Preference will be given to the applicant who can most cost-effectively administer the program.

APPLICANT

4 Experience

- a. Applicants should indicate their experience managing programs in support of low and moderate-income households. Preference will be given to applicants who have prior

experience facilitating or supporting homeownership for low and moderate-income households, including:

- i. Originating loans for affordable homeownership;
 - ii. Constructing affordable homes;
 - iii. Providing homeownership counseling and education;
 - iv. Providing foreclosure prevention counseling and/or financial assistance;
 - v. Providing grants or other financial support for home maintenance.
- b. Preference will be given to applicants who are able to demonstrate program management capacity, including facilitation of Federally funded programs, suitable to the current and future scope of the Affordable Homeownership Program.
- c. Preference will be given to applicants with a demonstrated history of engaging with community stakeholders, as well as public and private entities to forge or maintain partnerships.

5 Administrative Capacity

- a. Preference will be given to organizations who have sufficient capacity to administer the Affordable Homeownership Program, and who have a plan in place to accommodate the program's growth. Administrative capacity will be evaluated based on:
- i. Total number of staff;
 - ii. Number of staff with demonstrated homeownership experience;
 - iii. Applicant's financial health and stability, as well as liquid assets
 - 1. The selected administrator must be able to access at least \$250,000 in liquid funding to originate loans
 - 2. The selected administrator must be able to maintain Federal financial and programmatic compliance
 - iv. Possession of software and other productivity tools relevant to loan origination, processing, and monitoring;
 - v. Systems and facilities to maintain data

Applications will be reviewed for completeness and eligibility. All responsive and responsible proposals will be ranked according to the criteria stated in this Request for Proposals.

Appendix A

County Goals

<http://www.wakegov.com/commissioners/goals/Pages/default.aspx>

Wake County Affordable Housing Plan

<http://www.wakegov.com/humanservices/housing/Pages/Housing-Plan.aspx>

Wake County Comprehensive Plan

<http://www.wakegov.com/planning/growth/Pages/lup.aspx>