

# REQUEST FOR QUALIFICATIONS FROM THE PRIVATEBANK FOR HOUSING DEVELOPERS

The PrivateBank/Cook County Land Bank Authority Housing Initiative

November 7, 2014

## **Summary of this Request for Qualifications**

The PrivateBank seeks qualified for-profit and not-for-profit developers with demonstrated experience in rehabbing residential homes in Cook County, including preferably distressed homes requiring substantial rehab. Upon approval under this RFQ, the developer may apply to the PrivateBank for construction loan financing. All developer financing applications will be subject to underwriting and credit risk evaluation by The Private Bank, who will have sole authority to approve and establish financing terms with the developer. Acceptance as a pre-qualified developer under this RFQ does not constitute a guarantee of financing from The PrivateBank or a commitment by CCLBA to deliver a home for rehab. Approved loans will be funded via a draw process with IFF, or a third party designated by The PrivateBank, to provide construction oversight. The PrivateBank reserves the right to reject any and all submissions for approval as a qualified developer, or for construction financing.

## **Submission Instructions:**

- Please register your interest in responding to this RFQ by emailing [pb-cb-dev-rfq@iff.org](mailto:pb-cb-dev-rfq@iff.org).
- Registering will allow you to receive updates to this RFQ and to ask and receive responses to questions.
- All questions concerning this RFQ must be submitted in writing to receive a response. Responses will be posted to the CCLBA website with this RFQ on an ongoing basis.
- A pre-bidders conference will be scheduled December 3 at 2 pm in the large conference room at the Metropolitan Planning Council, located at 140 S. Dearborn, 14<sup>th</sup> Floor, Chicago IL. Attendees should register by email at: [pb-cb-dev-rfq@iff.org](mailto:pb-cb-dev-rfq@iff.org).
- Deadline and Delivery Instructions:

**Complete applications must be submitted by 5 pm CST on December 19, 2014. Incomplete proposals or proposals received after the deadline will not be accepted. Please deliver an electronic copy, with required attachments and backup documents, to: [pb-cb-dev-rfq@iff.org](mailto:pb-cb-dev-rfq@iff.org)**



# Housing Renovation Finance Initiative

The PrivateBank:

 Equal Housing Lender

Member FDIC

# The Program

- The PrivateBank has committed to make \$10 million of financing available for the renovation of homes purchased through the Cook County Land Bank Authority (CCLBA).
- The primary goal of the program is to assist the CCLBA in reducing Chicago's inventory of foreclosed and abandoned homes, while increasing home ownership and providing affordable housing opportunities.
- The PrivateBank will provide construction financing directly to qualified for-profit and non-profit developers to purchase, renovate, and sell home inventory that has been acquired through the CCLBA.
- Consumers purchasing houses from developers through this initiative will be required to complete an approved homebuying counseling program. This will strengthen the pool of qualified homebuyers, with the long term goal of helping them maintain home ownership. The PrivateBank will also be offering end-loan mortgages to approved homebuyers.
- The PrivateBank will be utilizing the services of IFF as a program consultant to coordinate the evaluation of participating developers, monitor construction, and facilitate the homebuyer counseling process. IFF is a Chicago based non-profit with experience in the affordable housing sector – [www.iff.org](http://www.iff.org).

# Participating Developer Process

- For-profit and non-profit developers interested in participating in the The PrivateBank program must first be prequalified through the Developer RFQ process.
- Once prequalified, the developers will work directly with the CCLBA to identify target homes and develop a business plan for their renovation and sale to homebuyers.
- Once a business plan has been established on a CCLBA home, a prequalified developer may apply to The PrivateBank for construction loan financing\*.
- The PrivateBank will close and fund approved construction loans direct to the developers via a streamlined process, with IFF, or other designated agent, providing construction review and oversight.

\* Pre-qualification does not guarantee the availability of construction financing from The PrivateBank.

# Developer RFQ Process

- Experienced for-profit and non-profit housing developers interested in participating in The PrivateBank program must be prequalified through an RFQ process.
- Candidates must submit information covering their experience and financial condition through the formal RFQ process and timeline.
- The PrivateBank reserves the right to perform additional due diligence beyond the initial RFQ materials, including credit and background checks.
- In consultation with IFF, The PrivateBank will identify qualified candidates to participate in the program.
- All applicants will be informed of their qualification status.
- The PrivateBank program is not the only avenue to purchase and renovate CCLBA homes, and applicants not prequalified for The PrivateBank financing program may still work directly with the CCLBA.

# Developer RFQ Timeline

- November 7th, 2014:
  - ▣ Public release of the Developer RFQ via the CCLBA website.
  
- December 19th, 2014:
  - ▣ Deadline for Developer RFQ application.
  
- January 30<sup>th</sup>, 2015:
  - ▣ Applicants will be notified of decisions.

# Construction Financing

- Once a prequalified developer has produced a business plan for the purchase and rehab of a specific CCLBA home, they can apply for construction financing from The PrivateBank.
- Each business plan for each home will be evaluated individually, including, but not limited to, adequacy of the construction budget and validation of the projected sales price. Prequalified developer participants are not automatically guaranteed financing from The PrivateBank.
- Additional financial due diligence by The PrivateBank may be required at the bank's sole discretion.
- Loan structures will vary, but generally require developer cash equity, repayment guarantees, a note and mortgage, and will have loan-to-value ratio limitations.

# About The PrivateBank

- PrivateBancorp, Inc., through its subsidiaries, delivers customized business and personal financial services to middle-market companies, as well as business owners, executives, entrepreneurs and families in all of the markets and communities we serve. As of September 30, 2014, the Company had 34 offices in 10 states and \$15.2 billion in assets. The Company's website is [www.theprivatebank.com](http://www.theprivatebank.com).



## **Background of The PrivateBank and Cook County Land Bank Authority Housing Initiative**

Recognizing the difficulty home buyers face in acquiring vacant homes to be rehabbed and occupied, The Private Bank is making available up to \$10 million in financing for the renovation of homes acquired by the Cook County Land Bank Authority. The goal is to support neighborhood developers and contractors with financing to rehab homes identified by individual home buyers from the inventory of CCLBA homes. There are several key players in this initiative:

- CCLBA, which will pursue its mission to select and acquire vacant and foreclosed houses in order to stabilize neighborhoods. See [www.cookcountylanbank.org](http://www.cookcountylanbank.org) for a list of homes currently owned by the CCLBA. An attachment describing the background and purpose of the CCLBA is included with this RFQ (see Attachment 1).
- The PrivateBank, which will provide financing to pre-qualified developers who will acquire homes from CCLBA, renovate them, and deliver them for sale to the end home buyers.
- The developers, which will include experienced for-profit and non-profit developers willing and able to acquire homes from CCLBA and rehab them for end buyers in a timely, efficient, and affordable manner.
- IFF, an experienced community development financial institution and technical assistance provider, retained by The PrivateBank to serve as a Program Consultant.
- The initiative will also include housing counseling agencies, who will help prepare end buyers for ownership and assist with project marketing and outreach activities.

### **Developer Responsibilities**

- Developers must adhere to all applicable state and local laws, codes, zoning and other requirements relating to construction, rehabilitation and housing safety, quality, and habitability.
- Developer is responsible for completing plans and specifications.
- Developer is responsible for monitoring the quality, completeness and conformity to specifications of all work performed by third party contractors, and all work performed by Developer's personnel or subcontractors.
- Developers will need to be eligible to receive properties from the CCLBA. A pre-qualification application for acquiring property is included with this RFQ (See Attachment 3).

(See also <http://www.cookcountylanbank.org/wp-content/uploads/2014/09/CCLBA-Policies-and-Procedures-5-29-141.pdf>)

## **Developer Application Evaluation Criteria**

Eligible Developer applications will be evaluated according to the following selection criteria:

### **Applicant Capacity – Applicants demonstrating “capacity” will:**

- Have a recent history of development and/or redevelopment in the Cook County region that includes high quality affordable residential products delivered on-schedule and on-budget;
- Have an existing office located in the Chicago metro area;
- Have adequate staffing levels with appropriate skills & qualifications to complete proposed project within stated timeframe;
- Provide realistic estimated cost projections and schedules and show a track-record of meeting projected timelines for any previous projects;
- Be able to provide the necessary property and liability insurance coverage for projects; and,
- Have the financial capacity to undertake and complete the proposed renovations.

### **Readiness to Proceed – Applicants demonstrating “readiness” will:**

- Have ability to implement program activities within 30-45 days of commitment of funds;
- Present timely schedule for obtaining site control and completing purchase and renovation;
- Present clear preliminary financial analysis that includes cost estimates for acquisition and/or rehabilitation and revenue estimates for sale;
- Be able to submit ALL required contract-related documents (insurance certifications, etc.) within two weeks of preliminary notification.

## **SUBMISSION CONTENTS**

A complete submission must include the following and should be organized in the following format. (Additional information may be requested at The PrivateBank’s discretion).

### **Section 1: Organizational Information and Capacity**

- Provide an overview of the organization’s history and experience in developing affordable housing and homeownership opportunities, including the total number of homes rehabbed in the last 24 months;
- Please list the names and describe the role, experience, and capacity of each member of the development team, including third-party vendors required to execute the development plan, if known (contractors, architects, real estate brokers, etc.). Please

note, final review of the development team will occur prior to approval of any financing commitment from The PrivateBank;

- Briefly describe the staff positions and qualifications of those individuals who will carry out the program;
- Identify how many homes your organization can reasonably acquire, renovate and sell in the next 24 months, if approved as a pre-qualified developer;
- Describe any existing commitments or projects that would impact your ability to implement the project immediately;
- Have you or any of your key employees been restricted from entering into or participating in contracts with HUD or any federal, state, or local agency? If yes, please briefly describe the reasons;
- Please disclose any past or currently pending lawsuits involving your organization. If none, include “legal actions - none” on your submission;
- Provide current audited financial statements, if available, or otherwise company-prepared financial statements, that establishes the financial capacity of the developer to undertake and complete the proposed project;
- Provide at least three financial references, including a primary banking relationship and/or private investors or other capital funding sources, as appropriate; and,
- Provide evidence of insurability as required by Attachment 2.

Please Note: *The PrivateBank will also require standard credit and background checks for all developers prior to receiving any requested construction financing.*

## **Section 2: Project/Property Information**

- Provide a narrative description, including a description of the work to be performed and method of approach for rehabbing a distressed residential home;
- Provide a standard timeline showing anticipated acquisition, renovation and marketing and sales for a typical home;
- Describe the methods you will utilize to ensure cost effectiveness of each rehab project;
- Describe the marketing and outreach strategy, including compliance with all fair housing and non-discrimination requirements;
- Provide a sample property development budget:
  - Provide an estimated budget for the acquisition, rehabilitation, and disposition of foreclosed homes (including soft costs such as developer fees, contractor fees, realtor fees, appraisals, inspections, marketing, carrying costs, etc.); and
  - Developer fee: Indicate the proposed developer fee, and all other fees proposed to be earned by affiliates of the developer, for each unit developed.

### **Section 3: Licenses and Certifications**

- Include copy of business license, demonstrating ability to perform residential rehab and development work in Cook County;
- Include copies of any professional certifications received from relevant trade or industry groups;
- Provide a current Certificate of Good Standing from the State of Illinois

### **Section 4: Additional Information**

- Is your company a certified Women- or Minority Business Enterprise? If yes, please include most recent certifications from City of Chicago or Cook County.
- Is your company's principal office located in Cook County?
- Identify any experience working with federal or state funded programs, if applicable. If no experience, state "none". Lack of experience will not disqualify participation in this program.
- Identify any experience with incentives or financial assistance deployed for potential homebuyers in your previous redevelopment projects.

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- Deadline and Delivery Instructions: **Complete applications must be submitted by close of business on December 19, 2014. Incomplete proposals or proposals received after the deadline will not be accepted.**
- **Please deliver an electronic copy to: [pb-cb-dev-rfq@iff.org](mailto:pb-cb-dev-rfq@iff.org)**

The PrivateBank reserves the right to request additional information or documentation at any stage during the process, to request that changes be made to a proposal, and to fund portions of any given proposal. Applicants will be expected to respond and comply with any additional requests in a timely manner. Failure to provide requested information on a timely basis may result in a proposal being deemed non-responsive and ineligible for further consideration.

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**About PrivateBancorp, Inc.**

PrivateBancorp, Inc., through its subsidiaries, delivers customized business and personal financial services to middle-market companies, as well as business owners, executives, entrepreneurs and families in all of the markets and communities we serve. As of September 30, 2014, the Company had 34 offices in 10 states and \$15.2 billion in assets. The Company's website is [www.theprivatebank.com](http://www.theprivatebank.com).

### **About IFF**

IFF is a mission-driven lender, real estate consultant, and developer that helps communities thrive by creating opportunities for low-income and special needs populations. From child care to senior housing, we work closely with clients from every sector, offering affordable, flexible financing, full-scale real estate consulting, and community development services. In housing, we have participated in financing more than 1,700 rental housing and homeownership units and developed more than a million square feet in space. Currently, we are also working with community partners to finance, renovate and make available for sale quality, affordable homes in 9 communities in the Chicagoland area. Since our founding in 1988, we have made over \$450 million in loans, leveraged \$1.4 billion in community investments, and grown our total managed assets to \$300 million. For more information on IFF please visit [www.iff.org](http://www.iff.org).



<http://www.cookcountylandbank.org/>



## BACKGROUND

CCLBA was formed by ordinance of Cook County in 2013 to address the large inventory of vacant residential, industrial and commercial property in Cook County. CCLBA is a unit of Cook County government, funded primarily with grants, contributions and revenues from transactions. CCLBA is the largest land bank by geography in the country and is governed by a Board of Directors appointed by Cook County President Toni Preckwinkle and the Cook County Board of Commissioners.

## MISSION

The Land Bank will acquire, hold, and transfer interest in real property throughout Cook County to: promote redevelopment and reuse of vacant, abandoned, foreclosed or tax-delinquent properties; support targeted efforts to stabilize neighborhoods; stimulate residential, commercial and industrial development- all in ways that are consistent with goals and priorities established by local government partners and other community stakeholders.

## HOW

Working independently and with/by request of municipal and other partners, CCLBA will acquire properties, liens, notes or deeds through purchase, donation, forfeiture and other transfers. CCLBA will hold title and maintain properties tax free. CCLBA will extinguish delinquent taxes and liens as permitted by law, and, in some cases, demolish/deconstruct buildings, with the intent of preparing property for conveyance back to “the market” or to other uses. CCLBA will also lease/adopt interim uses for properties as necessary and appropriate.

## CCLBA PRINCIPLES

- ✓ Operate in a manner consistent with plans and priorities developed by local and municipal officials, other municipal bodies and community stakeholders;
- ✓ Establish an efficient property disposition process for transferring properties to responsible parties, who will return them to productive use in a timely manner and consistent with the mission;
- ✓ To the extent possible, strive to increase affordable housing, generate jobs, promote economic development, and promote sustainable communities.

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### To Learn More:

Cook County Land Bank Authority  
140 S Dearborn Ave, 14<sup>th</sup> Floor  
Chicago IL 60603  
(312) 870-9799  
[www.cookcountylandbank.org](http://www.cookcountylandbank.org)

## ATTACHMENT 2

### BASIC INSURANCE REQUIREMENTS

The following entities will need to submit Insurance Certificates or Binders that evidence the following minimum requirements. Please have the insurance agent reference the project name on all certificates so that they may be referenced accordingly. All Certificates should appropriately identify the complete name of the insurance company who issued the insurance policy and is rated by AM Best. The certificate should include all appropriate information for coverage, policy effective date, policy expiration date, policy numbers, policy limits and deductible. Please provide the information described below to your insurance agents.

#### Developer:

- For any rehabilitation project, *Improvements and Betterments Insurance* is required for the full amount of such improvements and betterments and in addition loss of income.
- *Liability Insurance* in the minimum amounts of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate; and
- *Flood Insurance* must be provided to cover the full cost of any building(s) located in any flood zone.

#### Contractor(s):

- Liability Insurance in the minimum amounts of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate (lower amounts - \$500,000 for each occurrence and \$1,000,000 in the aggregate - may be applicable for rehabilitation and new construction of single-family scattered site properties);
- Evidence of sufficient Auto Insurance, Workmen's Compensation and Excess Umbrella Insurance;
  - **Workmen's Compensations and Employee's Liability** - Workmen's compensation of not less than the statutory amount and employer's liability of not less than \$100,000 per person
  - **Auto Insurance** - A minimum combined single limit of not less than \$500,000 for injuries, including accidental death, or damages caused by the contractor's vehicles on the site.



**Pre-Qualification Application for Persons and Organizations Seeking Property  
from the Cook County Land Bank Authority**

The Cook County Land Bank Authority (CCLBA) is accepting pre-qualification applications from individuals and organizations who are interested in acquiring property from the CCLBA. All final dispositions of property are governed by the CCLBA Land Transactions Policy and are intended to achieve general and specific priorities. Consideration will generally be given to organizations whose intended property use, experience, and capacity to execute align most closely to CCLBA goals and provide CCLBA the greatest level of confidence that property conveyed will be put to productive use. (Please review the policies by visiting <http://tiny.cc/m8usdx>).

Please complete this form in its entirety. Incomplete applications may be returned without action taken by CCLBA. For entries intentionally left blank, enter N/A or draw a line through the question.

**Acknowledgement:**

By signing below, I acknowledge the following:

- This application does not assign any obligation upon the CCLBA to convey property to the applicant or to any applicant.
- CCLBA may verify any information provided, at its own discretion, including contacting third parties.
- CCLBA reserves the exclusive right to decide whether to engage in transactions with any applicant.

Please acknowledge that you have read and will abide by the terms described by signing this document.

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Signed

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Date

---

Printed Name

---

Organization Name (if applicable)

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Position with organization (if applicable)



**Please answer the questions using the space provided. If you wish to provide additional information or would like to submit documents, please attach additional pages securely using a staple or other similar fastener. Please include the Applicant name on all pages submitted.**

1. Applicant contact information:

- a. Name: \_\_\_\_\_
- b. Organization contact: \_\_\_\_\_
- c. Address: \_\_\_\_\_
- d. City: \_\_\_\_\_ e. Zipcode \_\_\_\_\_
- e. Daytime Telephone: \_\_\_\_\_
- f. Email: \_\_\_\_\_

2. Please select from the following priorities the one that aligns most closely to your or your organization's purpose in applying for property from the Cook County Land Bank Authority. You may select more than one priority.

- a. Will positively impact neighborhood and community development plans. \_\_\_\_\_
- b. Preserves existing stable and viable neighborhoods. \_\_\_\_\_
- c. Halts slowly occurring decline or deterioration. \_\_\_\_\_
- d. Confronts rapid or recent decline or deterioration. \_\_\_\_\_
- e. Targets areas that are non-viable for residential/commercial development. \_\_\_\_\_

3. Which of the following most closely describes the intended use for the property requested from the Cook County Land Bank Authority?

- a. Assist with neighborhood revitalization, including but not limited to: Return of vacant, abandoned or foreclosure land to productive status; Land assemblage for economic development; Long-term "land banking" for future strategic use; provide financial return to CCLBA.
- b. Affordable housing , including but not limited to: Meeting housing need of LMI population; Preservation of long-term land affordability through community land trust;
- c. Economic development, including, but not limited to: Job creation; Revenue generation for CCLBA; Other
- d. Conservation, including, but not limited to: Environmental use/re-use, community greening, urban agriculture, other

4. Have you consulted with local government and neighborhood associations/nonprofits in the immediate proximity to property about your proposed use aligns with community plans, such as transit oriented development plans, comprehensive plans, inter-jurisdictional plans, and/or other locally designated and approved plans?

[ ] Yes            [ ] No



9. Please attach a list with the names and contact information for all organizational directors or owners.
10. Please provide a brief description of the organization's ownership structure and organizational chart.

**Please answer the following questions on separate pages and attach. Please number your responses accordingly.**

**Operational capacity**

11. Please briefly describe how you will secure the property upon receiving title from the CCLBA. If you have a vendor identified who will be responsible for securing the property, please provide the name and contact information of the vendor.
12. Please describe how your organization will complete any repairs required on the property and the date by which you reasonably anticipate completing repairs. If you have a vendor identified who will be providing service to improve the property, please provide the name and contact of the vendor.
13. Please describe the staff and other organizational resources that you have available to effectively manage and maintain this property. Please include names and titles, if appropriate.

**Prior experience developing and managing real property**

14. Please describe your past experience developing and managing real property. Specifically:
  - a. How many properties, including total housing units, are you currently responsible for managing?
  - b. How many properties have you developed/redeveloped and sold in the last 24 months?
15. Please provide the address(es) of up to 3 properties that you have developed/redeveloped within the past 24 months.

**Required Disclosures**

|   |     |    |
|---|-----|----|
| 16. Does the applicant and/or any of applicant's owners/directors currently own any properties in Cook County with delinquent taxes?  | Yes | No |
| 17. Has the applicant and/or any of the applicant's owners/directors been barred from doing business with any other local government entity?  | Yes | No |
| 18. Does applicant and/or any of the applicant's owners/directors currently own property in Cook County with un-remediated federal, state, or local codes, ordinances, or regulations?  | Yes | No |
| 19. Is the applicant seeking to acquire property, which has been used as a primary residence by a relative or family member of the applicant and/or any of the applicant's owners/directors during any portion of the 12 months preceding the application?          | Yes | No |
| 20. Is the applicant legally able to hold title to real property?   | Yes | No |
| 21. Is the applicant willing and able to initiate any necessary rehab on the property and have it ready occupancy within 12 months from the date it is transferred to applicant?  | Yes | No |
| 22. Is the applicant will to accept responsibility for maintaining the property in accordance with applicable property maintenance codes?   | Yes | No |
| 23. Is the applicant willing to accept responsibility for paying all property taxes due on the property from the date it is conveyed to the applicant?  | Yes | No |
| 24. Is the applicant willing to provide to the CCLBA information on the status of the property in the future, which would allow the CCLBA to track ongoing compliance with the stated intentions of the applicant, including, but not limited to, occupancy status? | Yes | No |

Organizational applicants will be required to provide the following before receiving any properties. You are not required to provide these now, but will be upon acceptance.

1. Certificate of Good Standing from the State of Illinois
2. Certified Articles of Incorporation
3. List of owners/directors with contact information
4. IRS organizational tax return for the most recent year
5. Most recent annual financial statement and current statement of financial position

**Please return this form with attachments to:**

**Cook County Land Bank Authority  
140 S Dearborn Avenue, 14<sup>th</sup> Floor  
c/o Metropolitan Planning Council  
Chicago IL 60603**

***Electronic submissions should be submitted in PDF format.***

[applicant@cookcountylanbank.org](mailto:applicant@cookcountylanbank.org)