

Question from March 1, 2018 Pre-Bid meeting

1. The RFP references 23 Arch Street Plat 30 Lot 535. I believe the current owner also owns the adjacent parking area Plat 30 Lot 534. Is Lot 534 included in this transaction or is it just the house lot 535?

ANSWER: Lot 534 (the vacant lot) is not included in the RFP; only Lot 535 is included in the the RFP.

2. If the City names one of the bidders as developer of a property, what is the anticipated date that the developer will take ownership of the property? Will title be clear & insurable at that time?

ANSWER: Closing and transfer of title is currently anticipated to be May 25, 2016 subject to a successful foreclosure in Superior Court. After the foreclosure proceeding, and pursuant to a court's order, the title is expected to be clear and insurable at the time of closing.

3. I wanted to confirm that we can select the properties from the list that we are interested in? Also, I see there is a longer list of properties in the RFP, some of which I have been trying to acquire, will there be another RFP for those properties?

ANSWER: Bidders may bid on all properties contained in the RFP or may bid on some smaller subset thereof. The PRA will use the longer list contained in the special redevelopment plan as the basis for future RFPs, should the same conditions exist.

4. What is the 1st step in starting the bidding process?

ANSWER: Please read through RFP and follow step by step instructions on completing and sending to the PRA a proposal which conforms with the requirements set forth in the RFP.

5. Is there an inspection period for property before bidding?

ANSWER: There is no inspection period for the property before the bidding; however, the PRA recommends to all bidders to visit the properties before submitting a proposal.

6. How many properties can I bid on?

ANSWER: Bidders may bid on as many properties as they believe that they have the capacity to bid on.

7. What will happen if someone is awarded the property but cannot close on the property?

ANSWER The property will stay in the PRA's ownership/possession and the PRA will put the property into the very next RFP sent out under the special redevelopment plan.

8. Is there a residency requirement for the bidder?

ANSWER: No, there is not a residency requirement for the bidder.

9. What is the current ownership status and who has title?

ANSWER: Currently, the ownership interest is still vested in the owners of record when the PRA came into possession of the tax title interest. The PRA is in the process of foreclosing on the tax title interest.

10. What are the scheduling implications ?

ANSWER: All awards made under the RFP, as well as the execution of purchase and sales agreements and closings are all subject to successful foreclosures in the Superior Court Proceedings. Delays in the foreclosure proceedings will result in delays in the other steps in the process.

11. If you bid on more than one property but can only afford one property what is the end result?

ANSWER: Bid only on what you can afford; properties awarded but not closed upon will remain with the PRA and will go into the next RFP issued.

12. Does the bidder assume liens and DIS fines and code violations?

ANSWER: Bidder is subject to the actual violation not the monetary fine or value associated with the lien. The monetary value lien will be cleared in foreclosure.

13. If the highest point winner cannot close how will the PRA treat or give deference to the next highest bidder?

ANSWER: For the purposes of this RFP, properties awarded but not closed upon will remain with the PRA and will go into the next RFP issued.

14. Is there a starting dollar amount for bidding?

ANSWER: The RFP purposefully does not have a minimum or maximum purchase price bidding amount. The bidders should determine the value of the properties as it relates to their proposal.

15. Is there a special deed or warranty deed to be given?

ANSWER: Deeds will be given by the PRA to the bidder. This will be in the form of a Bargain and Sale Deed. There will be a reverter provision in the deed to ensure rehabilitation.

16. How will a proposal be scored if there is a gap in the financing?

ANSWER: Bidder should identify any gaps in financing and explain; such gaps will not negatively impact the bidder's proposal.

17. In the technical criteria area it is stated that there is a preference for W/MBE businesses, will the PRA allow a preference for Veteran owned businesses?

ANSWER: No preference or points have been allocated for Veteran-owned businesses. However, mention of a partnership with a Veteran-owned business could be used to bolster the bidder's accomplishment of the section on community partnership.

18. Governor Ramundo just passed legislation of a 3% incentive for Veteran owned business. Isn't the PRA also required to offer the same 3% incentive?

ANSWER: Not for this RFP, the PRA will review and look into it as a possibility for future RFP processes.

19. What are the safeguards for someone who has deep pockets from flipping houses for profit?

ANSWER: This RFP process requires the the person/entity who bids on the property also directly rehabilitates or oversees the rehabilitation of the property. Additionally, a number of the categories under the technical criteria are fashioned to stop well-funded enterprises from buying the properties under this RFP and "flipping" them for profit.

20. After a Certificate of Occupancy is obtained will a Certificate of Completion from the PRA be required?

ANSWER: No, the PRA will not be requiring a Certificate of Completion.

21. Who will be responsible for the water and sewer fees/costs? Foreclosure will wipe out the city municipal fees.

ANSWER: The buyer will be responsible for the water and sewer fees/costs.

22. What happens if the city inspectors cannot get out to the property in a timely manner?

ANSWER: If the cause of the delay is determined to be beyond the bidder's control, the hard deadlines for completion will not be held against the bidder. However it is the responsibility of the bidder to be in contact with all third parties and to exercise discretion with regards to their due diligence and project management. Physical evidence of the bidder's efforts will be required for relief from the deadlines.

23. What is meant by proactive and comprehensive community engagement and partnerships?

ANSWER: Recognizing areas of a neighborhood and providing opportunities within and engaging with the community how properties will be marketed and sold. Partnering with existing entities that have a community presence and ensuring that the relationship in the context of the rehabilitation work provides the best possible result for the surrounding community.

24. Can properties be demolished?

ANSWER: The agency is relying on the bidders to provide their opinion on this; if there is a general consensus regarding a certain property then we will investigate the outcome further and no option has been taken off the table. The bidder is expected to submit their plans and explain the outcome.

25. How do we submit a package?

ANSWER: In accordance with the RFP, purchase price information shall be placed in a sealed envelope and the technical plans/proposal shall be placed into a separate sealed envelope.

26. What is the criteria for affordability?

ANSWER: In accordance with the RFP, the higher the number of rehabilitated units where the income of the end-user is less than 60% area median income will increase the number of points awarded under the affordability criteria category.

27. Is there a deed restriction in the deed on affordability?

ANSWER: There are no restrictions in the deed on affordability.

28. How soon will the PRA be addressing the issue of vacant lots verse the vacant houses?

ANSWER: Currently working on this, the PRA will be looking at tax delinquent vacant lots and looking into various uses for the identified lots in the coming months.

29. Is a decrease in the number of dwelling units allowed?

ANSWER: So long as compliant with zoning and building laws, a decrease in the number of dwelling units is allowed.

30. What thoughts are there on providing tax incentives for these properties?

ANSWER: At this time there are no tax incentives or subsidies being offered.

31. Can one bid on the whole portfolio be offered? Is there extra points for doing so?

ANSWER: Bidders can choose what properties they would like to bid on. No extra points will be awarded if one chooses to bid on all of the properties.

32. Will the bidder need to have proof of funds and what is considered proof of funds?

ANSWER: Yes, proof of funding is required. Examples of such would be an open line a credit, commitment letter from a financial institution or lender, or copies of bank statements.

33. What if a bidder is the successful bidder of property/s but cannot financially close on all the properties?

ANSWER: For the purposes of this RFP, properties awarded but not closed upon will remain with the PRA and will go into the next RFP issued.

34. Will the PRA be publishing a list of amounts due (with per diem amounts) for Narragansett Bay Commission and Providence Water Supply Board for each property, or should all the bidders individually contact those agencies for the amounts due?

ANSWER: Bidders should individually contact those agencies for the amounts due.

35. As to the so called "reverter" clause to be contained in the bargain and sale deed from the PRA to the successful bidder/purchaser regarding the requirement of the completion of the redevelopment of the property in accordance with the redevelopment plan to the satisfaction of the PRA, what recordable evidence of compliance with the requirements of said reverter clause will be provided by the PRA to the buyer once redevelopment is complete in order to extinguish the reverter clause for subsequent transfers of title in order to satisfy title insurance underwriting requirements for issuance of a title policy on the resale of the properties to third parties? Is a sample or specimen bargain and sale deed with the reverter language available for review?

ANSWER: The PRA will record a release of the reverter provision. There is no sample or specimen deed or provision for review.

36. Is a form P&S agreement that will be used by the PRA with the successful bidder available for review?

ANSWER: There is not a purchase and sales agreement that will be used by the PRA for review.

37. Is an electronic copy of the "Informational Package" distributed at the pre-bid conference available?

ANSWER: Yes, an electronic copy of the "Informational Package" distributed at the pre-bid meeting will be available at the PRA's website.

38. Will there be any reduction in taxes on these properties during the rehab process, as most are in dire straits and are only worth what anyone bids on them. I understand that any taxes would be at non-owner occupied rate?

ANSWER: Property will be assessed and taxed in accordance with existing municipal and state law on taxation. The property will be taxed as non-owner occupied so long as the property is not occupied by its owner.

39. Would the city keep the rehabbed tax rate at a lower rate for low income buyers?

ANSWER: Property will be assessed and taxed in accordance with existing municipal and state law on taxation.

40. Does the performance bid bond payment need to be 10% of the total development cost or 10% of the proposed acquisition price?

ANSWER: The performance bid bond needs to be 10% of the total development.