

MONTEREY COUNTY

RESOURCE MANAGEMENT AGENCY

REDEVELOPMENT AND HOUSING OFFICE, Jim Cook, Director

168 W. Alisal St., 3rd Floor
Salinas, CA 93901

(831) 755-5390

FAX (831) 755-5398



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REQUEST FOR PROPOSALS

Agreements for On-call RESIDENTIAL REAL ESTATE SERVICES FOR NEIGHBORHOOD STABILIZATION PROGRAM

The Monterey County Redevelopment and Housing Office (RHO) is seeking one qualified and experienced residential real estate service provider ("Agent") on an as-needed basis for the County's Neighborhood Stabilization Program (NSP). Monterey County's NSP program includes acquisition and rehabilitation of foreclosed homes in neighborhoods that have been impacted by the high rate of foreclosure. RHO is requesting proposals, including qualifications, fee, and references (Proposal), for these services.

SCOPE OF WORK

The residential properties to be acquired, rehabilitated, and resold to eligible homebuyers will be located in the unincorporated Monterey County and in the cities of Gonzales, Greenfield, King City, Marina, Seaside, and Soledad. Properties will be single family detached homes. All units have been constructed after 1978, are located outside of the floodplain, and are vacant. The NSP program eligible units with the least amount of deferred maintenance and in the best condition will be the ones targeted for acquisition.

Approximately ten units will be purchased, rehabilitated, and sold in 2009. Approximately twenty units plus will be purchased, rehabilitated, and sold in 2010. The program may be expanded in the future and require additional units to be purchased and sold. It should be noted that the County has applied for a \$16 million NSP 2 grant to be used for acquisition of approximately 154 units. If the grant is awarded, the County may use the consultants selected through this process for grant program implementation.

The Agent will advise and assist the County or master consultant (depending on who will be taking title) in the acquisition and re-sale of properties. The Agent will view the property, may coordinate the home inspection, provide an initial comparable sales analysis to help determine the market value, and may negotiate or facilitate the purchase transaction on behalf of the County or master consultant. The comparable sales analysis is to be a limited review and a property appraisal will be completed by an Appraiser for a more thorough analysis of comparables and market value. NSP regulations require that properties be purchased at 1% or more below the fair market value. The Agent will coordinate escrow, home inspection, appraisal, and pest and

termite inspection. After the close of escrow, the agent will provide property access to contractors. Once rehabilitation is complete and the property is ready for re-sale, the agent will show the property to pre-qualified NSP homebuyers. The Agent will ensure the property is safe and secure while the properties are being marketed.

The Agent is not responsible for marketing or advertising the properties or for determining homebuyers' eligibility for the NSP program. Marketing efforts will be developed and implemented by the County and other consultants. The Agent will contact interested homebuyers after they are already pre-approved for the program. The Agent will need to maintain an active property-specific list of interested homebuyers.

The Agent will negotiate, facilitate, and advise the County or Master Consultant during the sales transactions and may also represent the homebuyers during the transactions. More information is provided in **Attachment A** regarding the NSP acquisition, rehabilitation, and re-sale process, and the specific responsibilities of the agents. Please note that the agent will need to be readily available on an on-call basis and that NSP requirements dictate a swift schedule for purchase, rehabilitation, and re-sale with specific timeframes and deadlines as outlined in **Attachment A**.

CONTENT OF PROPOSAL

Appraisal firms wishing to be considered for this contract shall submit **four copies** of a Fee Proposal ("Proposal") containing the following information:

- Statement of firm's history, background, and relevant project experience
- List of applicable licenses, certifications, and association memberships
- Statement of staff assignment and resumes of staff to be assigned
- List of subcontracting firms and/or individuals to be used, if applicable
- Hourly rates schedule*
- At least three references specific to the needed services
- Any other pertinent information to assist the RHO in the selection of the best-qualified consultant
- Signature by the firm's authorized representative (the person who will sign the contract)

* Real estate services will be compensated on a time and materials basis with caps that will be established per task, not on a commission basis. Services will be compensated as they are provided, not at the end of a sales transaction.

FORM OF CONTRACT

The selected consultant will be expected to execute the County and Redevelopment Agency's standard form of Agreement for Professional Services (**Attachment B**). Please pay special attention to the sections on indemnification and insurance requirements. Approval of modifications to the standard language is difficult and time consuming to obtain. The Proposal shall clearly indicate any issues that may affect the consultant's ability to execute this standard form of Agreement and to provide the required insurance certificates and policy endorsements in a timely manner upon request. Real estate services must be completed in accordance with NSP guidelines and priorities as well as U.S. Department of Housing and Urban Development (HUD) requirements for federally-assisted programs and state and local rules and regulations. These include, but are not limited to, compliance with anti-discrimination laws, such as Title VI of the

Civil Rights Act of 1964, the Fair Housing Act, and implementing regulations. Please refer to **Attachments C, D, and E**.

Attachments B, C, D, and E can be found on the County website under the following address: <http://www.co.monterey.ca.us/admin/solicitcenter.htm>. Look for NSP RFP #1050-0000000007.

The Redevelopment and Housing Office intends to enter into Professional Services Agreements with one qualified firm, and to assign projects in a manner which best promotes the interest of the RHO. Such interests may include similarity of services, and/or proximity to each other, and/or other criteria.

SELECTION CRITERIA

Selection of the consultant for this contract will be based on information contained in the Proposal with emphasis on the following points:

- Demonstrated understanding of the services and work product required
- Quality and thoroughness of the Proposal
- Professional qualifications of the firm's personnel
- Demonstrated experience and success of the assigned personnel on the services needed
- Commitment of continued availability of indicated personnel to provide services on an "on-call" or as-needed basis
- References from clients who have hired the firm to develop projects of similar nature and scope
- Competitive cost

Each Proposal will be evaluated. The RHO may select a "short list" of firms for further interview. RHO staff will make a final determination of the firm to be selected.

The RHO reserves the right to reject any and all proposals, or part of any proposal, to postpone the scheduled proposal deadline date(s), to make an award in its own best interest, and to waive any informalities or technicalities that do not significantly affect or alter the substance of an otherwise responsible proposal and that would not affect a consultant's ability to perform the work adequately as specified.

SUBMITTAL OF PROPOSAL

Four copies of the completed Proposal shall be submitted to the Monterey County Office of Redevelopment and Housing no later than 4:30 p.m. local time, **Friday, November 6, 2009**. Proposals will not be accepted after this deadline. Hand-deliver or mail Proposals to:

Jane Royer Barr, Program Manager
Redevelopment and Housing Office
Monterey County
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

All questions regarding this RFP shall be submitted by email to the attention of Carolyn Baar at baarc@co.monterey.ca.us. If the person listed above cannot provide an immediate answer to a question, they will research the question, determine the appropriate response, and will communicate the answer to all interested CONTRACTORS, if appropriate. The deadline to submit *written questions* regarding this RFP is Friday, October 30, 2003 at 4:00 pm, PST.

Attachment A

Overview of Neighborhood Stabilization Program (NSP) Process and Consultant Services

Two Types of NSP RFPs Are Being Issued and a Total of 6 NSP RFPs

The County is soliciting proposals from two classifications of service providers to procure vendors for its NSP program:

- 1) Master Consultants (one RFP); and
- 2) Specific/specialized service providers (Service Providers) that will serve as subconsultants to the Master Consultant selected by the County (5 RFPs and RFQs listed below).

The County is issuing one RFP for master consultants and five RFPs for Service Providers for the following services for the NSP program:

- 1) Property Inspector: Property inspections (submit fee proposal on a per unit basis for two inspections per property- initial purchase inspection including work specifications and post-rehab work inspection);
- 2) Agent: Real estate services (submit proposal with hourly rates for time and materials contract);
- 3) Appraiser: Property appraisals (submit fee proposal on a per unit basis);
- 4) Rehabilitation Contractor: Rehabilitation construction (submit qualifications to be on pre-approved NSP list, no fee proposal at this time); and
- 5) Pest and Termite Inspector: Pest and termite inspections (submit fee proposal on a per unit basis).

Role of Master Consultant

The role of the Master Consultant is to acquire eligible NSP properties, manage the NSP property rehabilitation and resale process, contract with and manage the Service Providers, and work closely with and assist the County to manage the NSP program. (Please note that the County desires that the Master Consultant take fee title to the NSP property until it is rehabilitated and sold to a qualified homebuyer, but that the County is willing to take title if the master consultant is not willing to do so. Please state in your proposal whether or not you will take title to properties or if you require the County to take title).

Master Consultants are encouraged to include subconsultants for specialized services 1 – 5 in the list above as part of their proposal. However, Master Consultants may include just some of the specialized service areas in their proposal and not others. The County retains the right to negotiate and select Service Providers secured through the County's specific Service Provider RFP as well.

Service Providers may submit proposals for more than one of the five specialized services if they have qualifications in more than one service area on the list. A Service Provider may also submit both as a subconsultant on a master consultant proposal and separately as a Service Provider on a separate stand-alone proposal.

NSP Process and Role and Duties of Each Vendor

The NSP process is summarized below, along with the role and duties of each vendor:

1. The National Community Stabilization Trust ("Trust") provides the County or Master Consultant with a list of foreclosed properties eligible for purchase for the NSP program on a continuous basis.
2. The Master Consultant and/or Agent, County and participating cities preview properties and, within 24 hours, inform Trust in regard to which properties meet their acquisition criteria in accordance with NSP priorities.
3. The Agent will advise and assist the County or master consultant (depending on who will be taking title) in the acquisition of properties. The Agent will view the property, may coordinate the property inspection, provide comparable sales data to help determine the market price, advise regarding specific terms of the offer, and may negotiate or facilitate the purchase transaction on behalf of the County or Master Consultant. It will be the responsibility of the Master Consultant and/or Agent to write a one-page summary of each property within two days for the County to use in its internal approval process for the property being acquired. The summary will be on a form to be provided and agreed upon and will include the estimated market value of the property, a description of the condition of the property based on the property inspector's inspection, and other pertinent property information.
4. During the two day review period, the Inspector will inspect the property. The Master Consultant is responsible for managing the inspection of the property by the Inspector. The inspection should assist the County and Master Consultant to identify deficiencies with the property and should include inspection of items such as appliances, flooring, visible water damage, signs of pest and termite damage, and a basic/non-specialized inspection of the foundation, roof, and systems of the house such as plumbing, heating, electrical, as well as other items. The inspection should include photos of the property's interior and exterior to illustrate the condition of the property. While the Inspector needs to inspect the property during the two day review period, the written inspection report will not need to be completed until 5 days after the inspection is performed. During the two day review period, however, the inspector will need to provide a verbal summary of the inspection results to the Master Consultant in order for the Master Consultant to complete the one-page property summary for the County.
5. As part of the NSP process, the Seller provides pricing and the County responds to the Seller's offer within 24 hours with the assistance of the agent. County Counsel will review and approve purchase contracts. The Trust or Seller sends the executed purchase contract to the County and Title Company.
6. The Agent is responsible for coordinating the escrow deposit with the title company and ordering, reviewing and distributing the preliminary title report.
7. The Agent is also responsible for ordering and managing the property appraisal and providing property access to the Appraiser. The appraisal must be completed within 5 days of an executed purchase contract. The appraisal should be at a level of detail sufficient to be acceptable by lenders and should include interior inspection by the Appraiser.
8. During escrow, the Agent is also responsible for managing the pest and termite inspection and reviewing and distributing inspection reports. The pest and termite inspection should specify Section 1 versus Section 2 pest and termite work and include cost estimates for Section 1 and Section 2 items, as well as a visual representation of where the damage is located. It is due within 5 days of an executed property purchase contract.

9. The Agent is responsible for reviewing all closing documents, ensuring purchase funds are deposited to escrow, and ensuring recordation.
10. By the closing date, the Inspector is responsible for writing a concise work write-up of the rehabilitation work that needs to be completed per the NSP program guidelines based upon the property inspection. The work write-up will include any pest and termite repair and abatement that is deemed necessary based on the pest and termite inspection and NSP guidelines. The Agent is responsible for providing property access to the Inspector. The Master Consultant will review and approve the work write-up along with the County and distribute the work write-up. The work write-up will serve as a scope of work for the pre-approved Rehabilitation Contractors to provide bids for each property rehabilitation. After close, the Master Consultant will manage the construction bid and contracting process in accordance with NSP program guidelines.
11. The selected Rehabilitation Contractor will be responsible for managing the property rehabilitation, including any necessary pest and termite work, in accordance with the work write-up and schedule, the contract, and the NSP guidelines. The Rehabilitation Contractor will also be responsible for ensuring the property is adequately maintained while the property is owned by the County or Master Consultant. Specifically, landscape/yard maintenance, hauling away of any personal property that was abandoned at the property, and housecleaning after rehabilitation may be needed. The Agent will be responsible for providing property access to the Rehabilitation Contractor.
12. For each property, the Master Consultant is responsible for providing a synopsis to the County of the estimated activity delivery fees compared to the NSP budget estimated for activity delivery fees.
13. Once the rehabilitation is completed, the Inspector will conduct a follow-up inspection and will write a second inspection report, which is to reference the Inspector's initial inspection.
14. The Master Consultant will calculate and provide a brief synopsis of the property's resale price based on the County's purchase price and the rehabilitation costs.
15. The Agent will be responsible for showing the property to Buyers who have already been pre-qualified by the County for the NSP program. The Agent will work with interested buyers until one is located and keep a list of back up buyers.
16. Once a Buyer has indicated their interest in purchasing a property, the Agent may be responsible for assisting with the purchase contract but Buyers may also use their own agent if they wish to avoid dual agency or if they already are working with a Buyer's agent. During the re-sale of the property, the Agent will again advise and assist the County and, if applicable, the Buyer, and will facilitate and negotiate the property transaction. The Agent will open an escrow account and review loan documents, review and distribute closing documents, including the affordability deed restriction, and help answer Buyers' questions about the NSP program and restrictions. (Buyers will have already completed a HUD homebuyer counseling program, been income qualified, and pre-approved by a private lender for eligibility for NSP).