



REQUEST FOR PROPOSAL APPRAISAL SERVICES FOR THE NEIGHBORHOOD STABILIZATION PROGRAM

1. **INVITATION**

The City of Santa Ana (City) is seeking professional appraisers for non-condemnation purposes to provide appraisals with inspection on an as needed basis. The City will enter into a contract with the individuals or firms selected to provide these services specifically for the Neighborhood Stabilization Programs (NSP).

In the City's Substantial Amendment to the Department of Housing and Urban Development, the City set its goals as follows:

Type	# of Units
Single Family Program	60
Condominium & Historic Program	10
Rental Program	24

However, these numbers are an approximate and there will be no guarantee of the amount of work to be performed if selected.

2. **SPECIAL REQUIREMENTS**

In addition to industry standard appraisal requirements, selected appraisers must meet specific requirements of the U.S. Department of Housing and Urban Development (HUD) regarding an appraisal scope of work. The description of these requirements is explained in Exhibit A. A checklist guide will be used by City staff to insure that all appraisals meet HUD and federal regulations (Exhibit B).

The appraisals must be completed within five (5) calendar days from the request.

3. **PROPOSAL REQUIREMENTS**

All proposals shall be organized in the following manner:

- Name, address and telephone number of the individual or firm. If a firm, the name and title of the individual authorized to negotiate contract terms and make binding commitments shall be included;
- Professional qualifications (copies of California state appraiser licenses and certificates);
- Statement of capacity and experience to represent the City in court proceedings relating to appraisals for the City (copies of certifications, if applicable);
- Narrative description of experience with the Southern California real estate market in general, and the Santa real estate market in particular;
- Narrative description of experience with public agencies, if any;
- Description of the firm or individual's resources to deliver services in a timely manner. If a firm, please provide the names of all personnel who will be assigned to work with the City, including

education and previous experience. This section should include a description of the firm or individual's access to and use of computerized databases as a means of reducing costs and insuring timely delivery of services;

- Narrative description of the proposed services, including federally approved forms that will serve as the basis for each appraisal and the time required to deliver these services;
- Description of length of time from request to completion of appraisal;
- Fee schedule for the proposed services on a separate page to be used as an attachment to the contract (please see Exhibit C of fee breakdown requested, which is not limited to these services);
- A minimum of three (3) relevant samples (with confidential information redacted) of such services to be reviewed for form, clarity and thoroughness;
- A minimum of three (3) complete references (name, title, address and phone number) whom the City may contact to verify services rendered or currently being provided. Public agency referrals are preferable.

4. CRITERIA FOR SELECTION

The proposals received will be reviewed by an evaluation team composed of City staff. All proposals will be fully considered and rated by the evaluation team. The selection will be based upon completeness, experience with agencies, technical merit, cost competitiveness and time to perform.

The City will not conduct a pre-submittal conference. Written inquiries and questions regarding this RFP may be submitted no later than Friday, March 20, 2009 to Mary Aguilar, Housing Division, P.O. Box 1988/M-37, Santa Ana, CA 92702. Faxed inquiries will also be accepted at (714) 667-2225. Answers to the inquiries will be available online by Tuesday, March 24, 2009 at the following address:
<http://www.santa-ana.org/cda/NeighborhoodStabilizationProgram.asp>.

5. METHOD OF PAYMENT

The consultant will submit an invoice for each completed appraisal. The City does not pay in advance for services to be delivered.

6. AFFIRMATIVE ACTION

The City has an affirmative action program. Qualified firms including small business and business owned by women, minorities and disabled persons are encouraged to submit proposals. Contractors shall agree to comply with the City's ordinances and regulations regarding Affirmative Action and Equal Employment Opportunity.

7. PROPOSAL REJECTION

The City serves the right to reject any or all proposals submitted and is not liable for pre-contractual expenses.

Pre-contractual expenses are defined as expenses incurred by the offeror in: (a) preparing the proposal in response to this RFP; (b) submitting that proposal to the City; (c) negotiating with the City in any manner related to this proposal; or (d) any other expenses incurred by offeror prior to date of award, if

any, of the contract. Offeror shall not include any such expenses as part of the bid in response to this RFP.

8. ACCEPTANCE OF CONTRACT

Subsequent to the selection of the awarded consulting firm, the contents of the proposal shall become a contractual obligation if a contract ensues. Failure of a consultant to accept this obligation will result in the cancellation of the contract award.

9. CERTIFICATE OF INSURANCE & SANTA ANA BUSINESS LICENSE

The individual or firm selected to provide the requested services will be required to submit the following within two weeks of the mailing of the letter announcing the award:

- Evidence of a current City of Santa Ana business license;
- For a firm, evidence of worker's compensation insurance with limits pursuant to State law;
- Evidence of professional liability insurance (Errors and Omissions)
- Business automobile liability insurance with limits of \$1,000,000.

Any questions or concerns regarding the insurance requirements may be directed to Mary Aguilar at (714) 667-2267.

10. SUBMISSION & DEADLINE

Five (5) bound copies of the proposal must be submitted in sealed envelope to the following contact and address:

City of Santa Ana
Housing Division, M-37
20 Civic Center Plaza
Santa Ana, CA 92701
Attention: Mary Aguilar
DEADLINE: **Monday, March 30, 2009 at 4PM**

Facsimiles will not be accepted as a substitute for a sealed bid bearing the original signature of individual or qualified representative of the firm submitting the proposal.

Incomplete proposals and proposals received after this deadline will not be considered.

EXHIBIT A

U.S. Department of Housing and Urban Development (HUD) Guide for Preparing An Appraisal Scope of Work HUD Handbook 1378, Appendix 19

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations (49 CFR Part 24) set forth minimum requirements for real property acquisition appraisals for Federal and federally-assisted programs. Appraisals subject to the URA must be prepared according to these requirements. The acquiring agency may also have additional supplemental appraisal requirements which may be attached.

The acquiring agency has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. The scope of work is a written set of expectations that form an agreement or understanding between the appraiser and the agency as to the specific requirements of the appraisal, resulting in a report to be delivered to the agency by the appraiser. It includes identification of the intended use and intended user; definition of fair market value; statement of assumptions and limiting conditions; and certifications. It should specify performance requirements, or it should reference them from another source, such as the agency's appraisal procedural manual. The scope of work must address the unique, unusual and variable appraisal performance requirements of the appraisal. Either the appraiser or the agency may recommend modifications to the initial scope of work, but both parties must approve changes.

SCOPE OF WORK: The appraiser must, at a minimum:

1. Provide an appraisal meeting the definition of an appraisal found at 49 CFR 24.2(a)(3).
2. Afford the property owner or the owner's designated representative the opportunity to accompany the appraiser on the inspection of the property.
3. Perform an inspection of the subject property. The inspection should be appropriate for the appraisal problem, and the scope of work should address:
 - The extent of the inspection and description of the neighborhood and proposed project area,
 - The extent of the subject property inspection, including interior and exterior areas,
 - The level of detail of the description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, the remaining property),
4. In the appraisal report, include an adequate description of the physical characteristics of the property being appraised (i.e., sketch of the property and provide the location and dimensions of any improvements) and a description of comparable sales. The appraisal report should also include adequate photographs of the subject property and comparable sales, and provide location maps of the property and comparable sales
5. In the appraisal report, include items required by the acquiring agency, including but not limited to the following:

- Property right(s) to be acquired, e.g., fee simple, easement, etc.,
- Value being appraised (usually fair market value), and its definition
- Appraised as if free and clear of contamination (or as specified),
- Date of the appraisal report and the date of valuation,
- A realty/personality report as required by 49 CFR 24.103(a)(2)(i),
- Known and observed encumbrances, if any,
- Title information,
- Location,
- Zoning,
- Present use, and
- At least a 5-year sales history of the property.

6. In the appraisal report, identify the highest and best use. If highest and best use is in question or different from the existing use, provide an appropriate analysis identifying the market-based highest and best use.

7. Present and analyze relevant market information. *(Specific requirements for market information should be included in the agency's appraisal procedural manual and should include research, analysis, and verification of comparable sales. Inspection of the comparable sales should also be specified.)*

8. In developing and reporting the appraisal, disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project. *(If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this and other Uniform Act requirements.)*

9. Report his or her analysis, opinions, and conclusions in the appraisal report.

ADDITIONAL REQUIREMENTS FOR A SCOPE OF WORK:

INTENDED USE: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a Federally assisted project.

INTENDED USER: The intended user of this appraisal report is primarily the acquiring agency, but its funding partners may review the appraisal as part of their program oversight activities.

App. 19-2 [03/07] 1378 CHG-8 Appendix 19

DEFINITION OF FAIR MARKET VALUE: This is determined by State law. Fair market value, however, is generally defined as the price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, and usually includes the following:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, each acting in what he or she considers his or her own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

CERTIFICATION: The appraisal shall include a certification of the appraiser (see attached sample or insert agency's certification).

ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:

- The data search requirements and parameters that may be required for the project.
- Identification of the technology requirements, including approaches to value, to be used to analyze the data.
- Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
- Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action.
- As applicable include any information on property contamination to be provided and considered by the appraiser in making the appraisal.

CERTIFICATE OF APPRAISER - SAMPLE

I hereby certify:

That on _____ date(s), I personally made a field inspection of the property herein appraised and have afforded the owner or a designated representative the opportunity to accompany me on this inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The property being appraised and the comparable sales relied upon in making this appraisal were as represented in the appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.

That I understand that such appraisal may be used in connection with the acquisition of property for a project utilizing U.S. Department of Housing and Urban Development funds.

That such appraisal has been made in conformity with appropriate laws, regulations, and policies and procedures applicable to appraisal of property for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the project for which such property is acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for the property.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency or officials of the U.S. Department of Housing and Urban Development and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.

That my opinion of the fair market value of the property to be acquired as of the _____ day of _____ 20 _____ is \$ _____ based upon my independent appraisal and the exercise of my professional judgment.

Name _____ Signature _____

Date _____

(Note: Other statements, required by the regulations of an appraisal organization of which the appraiser is a member or by circumstances connected with the appraisal assignment or the preparation of the appraisal, may be inserted where appropriate.)

EXIBIT B
GUIDE FOR NSP Funded Appraisals (49 CFR 24.103)

1. Name of Grantee: _____
2. Address of Property: _____
3. Name of Appraisal Company/Appraiser _____
4. Physical Inspection- Outside and inside---no windshield survey only. An adequate description of the physical characteristics of the property being appraised.

- ☐ Items identified as personal property
- ☐ Property rights being obtained
- ☐ A statement of the known and observed encumbrances
- ☐ Title information
- ☐ Location
- ☐ Zoning
- ☐ Present Use
- ☐ Analysis of highest and best use
- ☐ Five year sales history
- ☐ Verification of sales by a party involved in the transaction

- ☐ Adequate photographs

5. A description of comparable sales (Field inspection)

- ☐ Physical characteristics
- ☐ Legal characteristics
- ☐ Economic factors
- ☐ Parties to the transaction
- ☐ Source and method of financing
- ☐ Verification by a party involved in the transaction
- ☐ Comparable sales are within six months

6. All relevant and reliable approaches to value consistent with Federal appraisal practices.

- ☐ All applicable approaches to value considered and explanation of why certain approaches not used seems reasonable (See appendix a 24.103(a)(2) – in some cases an agency may choose to only require the sales approach; additionally the income approach likely wouldn't be applicable to most of these NSP acquisitions with some exceptions of course)
- ☐ Analysis and reconciliation of approaches supports appraisers opinion of _____ value

7. Statement of value of real property:

- ☐ Appraised Value
- ☐ Basis of Value
- ☐ Date of value
- ☐ Date of appraisal
- ☐ Signature and certification of the appraiser
- ☐ No NSP program discount applied to appraised value

8. ☐ No consideration of any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than due to physical deterioration

9. ☐ Owner retention of improvements discussed, if any

10. Includes a definition of fair market value as determined by State law and or "the price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction" with the following similar language:

- ☐ Buyer and seller are typically motivated;
- ☐ Both parties are well informed or well advised, each one acting in own best interest;
- ☐ A reasonable time is allowed for exposure in the open market;
- ☐ Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- ☐ The price represents the normal consideration for the property sold Unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

11. Statement of all relevant assumptions and limiting conditions including any ones that may be required for the particular appraisal assignment, such as:

- ☐ The data search requirements and parameters that may be required for the project.
- ☐ Identification of the technology requirements, including approaches to value, to be used to analyze the data
- ☐ Need for machinery/equipment appraisals, soil studies, potential zoning changes, etc.
- ☐ Instructions to the appraiser to appraise the property "As Is" or "subject to repairs or corrective action"
- ☐ Information on property contamination to be provided and considered by the appraiser in making the appraisal (if applicable)

Other

- ☐ Evidence of tenants: ☐ Yes, if so, list names. ☐ No
- ☐ HUD Appraiser Certification in File
- ☐ Appraiser met grantee's list of qualifications

Appraised Value _____ Date of Value _____

Amount Offered _____ Date of Offer _____

%Discount _____

Final Purchase Price _____ Date of Purchase _____ % Final Discount _____

Record of Negotiations, Special Circumstances or Rationale for Purchase Price or Other Comments:

Name of Reviewer: _____

Date _____

EXHIBIT C – Fee Schedule (SAMPLE)

TYPE OF APPRAISAL	FEE
Single Family Residential	
Interior and Exterior	
Multifamily Residential	
2-4 Units	
5-10 Units	
11-20 Units	
21-30 Units	
31+ Units	
Multiple buildings	
** If your firm offers additional services that are appropriate, please include them in your fee schedule.	