



# City of Emeryville

CALIFORNIA

## Request for Proposals

**FOR**

**AFFORDABLE HOUSING PROGRAM ASSISTANCE**

**DEADLINE FOR SUBMISSION: FEBURARY 10, 2023 BY 5:00 PM.**

**STAFF CONTACT INFORMATION:**

Charles Harris, Community and Economic Development Coordinator II

City of Emeryville

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## 1. INTRODUCTION

The City of Emeryville (“City”) has policies and programs to support affordable rental and homeownership through the creation, maintenance, and preservation of affordable rental and homeownership opportunities for income-eligible households. The City currently implements this mission primarily through the following activities:

- Providing low interest rate loans to produce new affordable rental housing
- Creation of deed restricted Below Market Rate (“BMR”) units through the City’s Affordable Housing Set-Aside Ordinance.
- First Time Homebuyer assistance directly to income eligible buyers in the form of fully deferred “silent second” mortgages

Prior to the dissolution of the Emeryville Redevelopment Agency in 2012, a variety of affordable housing programs were implemented which have long term compliance requirements the City must manage. These homeownership and rental assets include over 230 BMR ownership units, 180 homebuyer loans and over 600 existing BMR rental units.

In 2018, Emeryville voters approved the issuance of up to \$50,000,000 in general obligation bonds to support the production and preservation of affordable housing in Emeryville. On March 2, 2021 the City Council approved the Affordable Housing Bond Administration and Expenditure Plan (“Expenditure Plan”). The Expenditure Plan guides the expenditure of the Measure C Affordable Housing Bond funds, as well as approximately \$14,000,000 in additional affordable housing resources available to the City, for a total investment of over \$64,000,000. The Expenditure Plan programs funding for a variety of programs including first time homebuyer loans, foreclosure prevention, and development of additional affordable rental housing.

In light of the demands of the existing affordable housing portfolio as well as the increase in affordable housing activities called for in the Expenditure Plan, the City has determined that additional support is needed to ensure timely implementation and administration of the affordable home ownership programs and to ensure the City is implementing current best practices for the preservation of its existing affordable housing stock.

## 2. AFFORDABLE HOUSING PROGRAM ASSISTANCE PROGRAMS

The City is seeking the services of a professional service provider (“Firm”) to provide Affordable Housing Program Assistance, which includes:

- Managing the resale of BMR homeowner units
- Processing BMR Homeownership and Down Payment Assistance applications
- Processing requests for homeowner loan payoffs and subordinations
- Monitoring owner occupancy requirements
- Reviewing initial income verification for new BMR rental units
- Reviewing BMR Rental Annual Compliance Reports
- Provide training and technical assistance on BMR requirements and guidelines to

#### BMR Property Managers

- Monitor the BMR Ownership portfolio and provide foreclosure prevention referrals to homeowners and recommendations on asset retention to the City
- Responding to inquiries, maintaining records and resolving questions and issues that arise during program operation.

The Firm should have a background in administering similar affordable homebuyer and rental programs for municipalities and should be able to commence work for the City in March 2023.

### **SCOPE OF SERVICES**

The following scope of services is intended to provide information to proposing firms regarding the expectations of the City. As such, it is only a template and firms are encouraged to develop their own proposed scope of work to accurately communicate the proposed tasks and deliverables. Firms are also encouraged to consider creative approaches with the aim of effective service delivery to the City and those that utilize the Affordable Housing Programs.

### ***TASK 1 PUBLIC INFORMATION AND PROGRAM ADMINISTRATION***

#### 1.1 Public Information

Firm will respond regularly to inquiries regarding the City's homebuyer loan and BMR ownership units, received by telephone, mail, website, referral, and email. In addition, firm will distribute program information to all interested parties. This information includes but is not limited to brochures, applications, program guidelines, and information regarding homebuyer education classes.

#### 1.2 Records Management

Firm will maintain detailed records on the following information:

- Number of loans requested, approved, funded, and denied
- Loan recipients and units purchased
- Marketing activities
- Participant information and correspondence

Firm will prepare reports or memorandums summarizing the above information upon request of City staff. Firm will maintain complete and accurate files, including paper and digital files. This will include scanning, printing and organizing. Firm will track relevant information on each file and update databases regularly.

#### 1.3 Affordable Homebuyer and Rental Program Guidelines

Firm will assist the City is making necessary changes to the BMR Ownership guidelines, First Time Homebuyer Loan Program guidelines, BMR Rental Program guidelines, BMR Monitoring guidelines, and supporting program materials, as needed. Firm will prepare reports or memorandums summarizing any changes made throughout the term of the contract at the discretion of City Staff.

### ***TASK 2 ASSET MANAGEMENT – AFFORDABLE HOMEBUYER PROGRAMS AND***

## **REHABILITATION PROGRAM**

### 2.1 Loan Portfolio Management

Firm will process requests related to existing program assets, including BMR units and outstanding loans. Requests may include, but are not limited to:

- Capital improvement credits
- Loan retirements and repayments
- Reconveyances/quit claims
- Subordination
- Trusts

*Note: The City processes on average 12 transactions annually, however this does not include requests that are initiated but not completed by the homeowner.*

### 2.2 Owner Occupancy Monitoring

Firm will monitor owner-occupancy requirements for the housing programs, as applicable. Firm will prepare demands for loan repayments and demands for the sale of non-owner occupied BMR units and will initiate foreclosure proceedings, if necessary, upon the direction of the City Staff.

*Note: The city conducted screening and/or reviewed monitoring submission documents for approximately 230 homeowners in 2022.*

## **TASK 3 LOAN CLOSINGS – FTHB HOMEBUYER LOAN PROGRAM**

### 3.1 FTHB Homebuyer Application Processing

Firm will review all loan program applications and provide the City with a recommendation for approval or rejection. For approved applicants, Firm will prepare the necessary information and documentation, provide it to the City for execution, and to the escrow officer in a timely manner to ensure a successful closing.

### 3.2 FTHB Loan Closing

Firm will work directly with potentially eligible loan program applicants, as well as with other parties to the potential transaction including real estate agents, lenders, mortgage brokers, and/or contractors, to facilitate the closing of City loans. Firm will work proactively throughout the process to identify and resolve any potential problems.

*Note: The City received 1 applications and closed 1 loan under the FTHB program between 2020 and 2022. This program is under review to determine necessary modifications to be able to deploy programmed funds from the Measure C Affordable Housing Bond. Projections from Measure C estimate 30 FTHB loans.*

## **TASK 4 AFFORDABLE OWNERSHIP HOUSING PROGRAM**

### 4.1 Resale Management

Firm will coordinate with BMR homeowners interested in selling their BMR unit to ensure that the listing, marketing and sale comply with the program guidelines. Firm will calculate maximum resale price, which may include an allowance for capital improvements, review the listing agreement, authorize the MLS listing of the home, conduct an inspection of the BMR unit to ensure that the home is in good repair and clean, ensure the marketing guidelines are followed, and coordinate with the homeowner, real estate agent and title company on the sale of the house.

### 4.2 Purchaser Eligibility Review

Firm will review applications for the purchase of BMR units to determine the household's eligibility. Firm will work directly with applicants, as well as with their real estate agent, lender, and/or mortgage broker, during the application period and throughout the transaction to facilitate the close of escrow. Firm will work proactively with all parties to identify and resolve any issues and will maintain the necessary information and documentation and provide it to the escrow officer in a timely manner to ensure a timely closing.

*Note: The City closes, on average, 6 BMR resales annually, however this does not include requests that are initiated but not completed by the homeowner.*

### 4.3 Purchaser Selection Process and Implementation

City is considering amending its Resale Restriction Agreements on future BMR resales to require a 3<sup>rd</sup> party assist in marketing, screening and selecting the new eligible buyer via a lottery process. Firm will provide assistance in designing the revised resale process and begin implementing the new selection process as BMR units are resold.

## **TASK 5 CALHOME PROGRAM**

Firm will process applications for homebuyer loans funded through the CalHome program. Firm will track requests to HCD to reimburse the City for funded CalHome loans and activity delivery costs. In addition, Firm will prepare quarterly and annual/closeout reports on the City's behalf for submittal to HCD for CalHome funds. Firm will assist in performing program monitoring. Firm will assist the City in determining if any programmatic changes can be made to implement the program more effectively within the City of Emeryville, upon the authorization of HCD.

*Note: The City received 0 applications and closed 0 loans under the CalHOME program from 2020-2022 This program is under review to determine necessary modifications to be able to deploy these funds.*

## **TASK 6 SPECIAL ASSESSMENT LOAN PROGRAMS**

Firm will review loan repayment statements and process checks from loan servicing companies for the remaining outstanding loans under the Special Assessment Loan Program. In addition, the Firm will process requests for loan subordinations and reconveyances for these loans.

*Note: The City processes approximately 1 special assessment loan on an annual basis.*

## **TASK 7 FORECLOSURE PREVENTION PROGRAM**

Foreclosures can be devastating to a homeowner and highly detrimental to a housing program, often resulting in the loss of program funds and the loss of affordability restrictions on the home. The Firm will work closely with Homebuyer Loan Program participants who are in default on their mortgages or their Home Owner Association (HOA) dues to offer resources, including referrals to HUD-approved housing counseling agencies, and assist in determining potential solutions. The Firm will take phone calls, respond to emails, and schedule appointments with at-risk homeowners as needed.

*Note: The City is in the process of developing a Foreclosure Prevention Assistance Program, funded with Measure C Affordable Housing Bond. Firm may provide assistance in designing program requirements, guidelines, and manage program implementation. Projections from the Measure C estimate 15 Foreclosure Assistance Loans.*

## **TASK 8 AFFORDABLE RENTAL PROGRAM**

### 8.1 Rental Administration Assistance

At the City's request, Firm staff will assist with routine tasks associated with the administration of the BMR rental program. Tasks may include recordkeeping, tracking information and updating databases, maintaining paper and digital files, updating program materials, provide on-board training to new BMR property managers, working with staff to provide an annual training to property managers on BMR rental guidelines, and providing on-going support to Property Managers regarding implementation of guidelines.

### 8.2 Rental Compliance Monitoring

Firm will assist with the review of annual and semi-annual compliance reports for the affordable rental housing program. Firm will assist in performing on-site monitoring visits of BMR Rental projects with compliance issues or concerns. Firm will prepare monitoring reports detailing the outcome of the compliance monitoring and work with the property manager to ensure issues are resolved.

*Note: The City currently has 20 properties within the BMR Rental program that are operational.*

### **TASK 9 BMR RENTAL INCOME VERIFICATION ASSISTANCE**

Upon request from the City, if a BMR rental unit will be ready for initial lease-up during the term of the contractual agreement, the Firm will provide technical assistance to the property management staff on how to review tenant applications and complete compliance checks on any approvals submitted by the property management.

Note: Within the next three years, it is estimated that approximately 120 units will be ready for initial lease-up. This number is an estimate and is subject to change.

### **TERM OF SERVICE**

Staff will recommend to the City Council that the selected firm will be retained by the City for a three (3) year term. The City reserves the right, at its sole discretion, to end the term of service or change the status and role for any firm selected pursuant to this Request for Proposals (“RFP” or “Request”), at any time prior to the expiration of the stated term of service with or without cause.

### **3. SUBMITTAL REQUIREMENTS**

The following information must be submitted in the following order to be considered.

**Tab 1 - Cover Letter**

- Include a cover letter (limit to 1 page) stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the Firm.

**Tab 2- Organization Background and Experience**

- Firm Information. State full name and address of your firm and identify the parent company if you are a subsidiary. Specify the office that will perform, or assist in performing, the work. Indicate whether you operate as a partnership, corporation, or sole proprietorship. Indicate where your company is headquartered and where incorporated as applicable. Provide the location(s), extent and capabilities of the firm’s offices and employees located in the San Francisco Bay Area. A brief description of your organization, its history and main areas of business.
- Firm Qualifications and Experience. Provide evidence of qualifications and experience of firm in administering affordable homebuyer and/or affordable rental housing programs that would be comparable.
- References. Provide names, addresses, telephone numbers and email addresses of up to three clients the City can contact concerning your firm’s performance as administrator for similar affordable housing programs. List references for which you have acted as administrator, currently or in the past, including name, address, telephone number and contact person including email address.

**Tab 3- Staff Background and Experience**

- Staff Qualifications and Experience. Provide names and brief resumes of all key personnel who will be assigned to this project.

**Tab 4 – Capacity and Approach**

- Office Location and Staffing Capacity. Provide the location of the office that will administer the program. Identify the staff that will be assigned to this project, the other projects they are working on, and the time commitment they have to the other projects, if any. Provide the name, address, email and telephone number for the contact person in your firm authorized to negotiate agreement terms and render binding decisions on contract matters.
- Work Plan. Identify your plan of action for performing the tasks outlined in Section 2, to include the time needed to be acclimated with the various affordable housing programs, and the role and primary responsibilities assigned to each staff members. If the Firm intends to engage any subconsultants to complete, please identify the subconsultant and the responsibility they will have related to your work plan.
- Sample Work. Provide two (2) examples of samples of work product similar to a task(s) described in Tab 2.



### Tab 5 – Budget

- Provide a total proposed not to exceed budget for all of the services described in this RFP and a cost breakdown per task for the initial term of the contract. Identify the hourly rate for each staff member assigned to the project. Provide a copy of a sample invoice that will be utilized for monthly billing.

### Tab 6 –Special Strengths

- Include any additional information that will be helpful to the City in selecting a firm for this assignment, including any special strengths or capabilities of your firm that you believe may be relevant to or helpful to the City in administering its Affordable Homebuyer and Rental Programs.
- Provide confirmation that the required City standard contract terms and insurance levels as attached to this RFP are acceptable. If there are concerns with any contract terms or the insurance level, please explain.

## 4. SCHEDULE

### 4.1 Schedule

RFP Release	January 23, 2023
RFP Questions Due	January 29, 2023
RFP Question Responses	January 31, 2023
Proposals Due	February 10, 2023
Award by City Council	March 21, 2023
Execution of Contract	March 24, 2023
Commence Work	March 27, 2023

The City reserves the right to adjust the above schedule as necessary. All questions must be submitted via email to [charles.harris@emeryville.org](mailto:charles.harris@emeryville.org) with Affordable Housing Program Assistance RFP in the subject line. All questions received by 5 PM on **January 29, 2023** will be posted with responses to <http://www.emeryville.org/1299/RFQP> by 5 PM on **January 31, 2023**.

### 4.2 Submittal Contents and Format

Completed proposals must be submitted via email to [charles.harris@emeryville.org](mailto:charles.harris@emeryville.org) by **Friday, February 10, 2023 at 5:00pm**. All proposals must be submitted in a single, .pdf file, formatted for 8 ½" X 11" page size.

## 5. EVALUATION OF SUBMITTALS

### 5.1 Selection Process Generally

Submittals will be reviewed by staff; with recommendation to the City Manager and City Council for final approval based on the criteria outlined below. Any contract resulting from this RFP will not necessarily be awarded to the firm with the lowest price. Instead, contract will be awarded to firm whose proposal received the most points in accordance with criteria set forth in this RFP.

### 5.2 Evaluation Criteria and Scoring

Experience in providing professional housing assistance services	25%
Qualifications of personnel	20%
Organizational Capacity and Approach	30%
Pricing	15%
Special Strength	10%

## 6. GENERAL TERMS AND CONDITIONS

### 6.1 Errors and Omissions

Consultants are responsible for reviewing all portions of this Request. Consultants are to promptly notify the City, in writing, if the firm discovers any ambiguity, discrepancy, omission or other error in this request. Any such notification should be directed to the City staff contact person listed on the cover page promptly after discovery, but in no event, later than five (5) working days prior to the date for receipt of submittals.

### 6.2 Additional Questions

Any questions regarding this request must be submitted in writing to the City staff contact person listed on the cover page by 5pm on January 29<sup>th</sup>, 2023 . The City may share the question(s) and its response(s) with all known consultants who are considering a response to this request.

### 6.3 Addendum

The City may revise this request prior to the submittal deadline. The City will communicate modifications to this request by issuing an addendum. The City may extend the submittal deadline in its sole discretion.

### 6.4 Additional Information

In the City's sole discretion, it may contact any, all or no consultant to seek additional information about a submittal. Such additional information may include requesting that the consultant meet with the selection committee, financial information, clarification on the submittal, etc.

### **6.5 No Contract**

This request and the selection process shall in no way be deemed to create a binding contract, agreement or offer of any kind between the City and submitting consultant. If the City selects a consultant(s) pursuant to this request, any legal rights and obligations between the successful firms, if any, and the City will come into existence only when a written contract is fully executed by the parties, and the legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the contract and any other documents specifically referred to in that contract.

### **6.6 No Costs to City**

Each consultant submitting a response to this request agrees that it shall bear all costs and expenses associated with the preparation of the submittal, and the City shall not be responsible for any costs or expenses incurred by the consultant, under any circumstances.

### **6.7 Public Records**

All submittals become the property of the City, regardless of whether the City enters into a contract with the consultant, and no submittals will be returned to a consultant. In accordance with California law relating to access to public records, the City may be required to publicly disclose all submitted information and materials to third parties requesting such information. At the City's sole discretion, it may delay disclosure of submittals until negotiations with the selected consultant(s) has concluded, if such disclosure would compromise the City's negotiating position. If the submitting consultant claims that any submitted information constitutes a trade secret or is proprietary, the bidder shall identify the trade secret or proprietary information in the submittal. Pricing is not considered a trade secret or proprietary information.

### **6.8 Award**

This request does not commit the City to award a contract. The City reserves the right to accept or reject any or all submittals, to negotiate a different proposal, to split the award, to waive irregularities, and technicalities, to alter the selection process in any way, to postpone the selection process for its own convenience at any time for any reason, to waive any defects or irregularities in any submittal, to issue a new Request at any time, or to hire any consultant it deems appropriate in its sole and absolute discretion within or outside of the evaluation process.

### **6.9 Federal, State and Local Laws**

Any consultant executing a contract with the City will be required to comply with all applicable federal, state and local laws, including without limitation state Prevailing Wage Law (Cal. Labor Code, § 1720, et seq.) and the City of Emeryville's Minimum Wage, Paid Sick Leave, and Other Employment Standards (Emeryville Municipal Code Chapter 37) and Living Wage Ordinance (Emeryville Municipal Code Chapter 31), as applicable.

### **6.10 City Contract**

A sample of the standard City professional services contract is attached to this request for reference. By submitting a response to this request, the consultant represents that it is willing and able to execute the City's standard professional services contract, including but not limited to, the applicable insurance requirements.

### **7. ATTACHMENTS:**

- Professional Services Contract
- Insurance requirements