



REQUEST FOR PROPOSALS

Affordable Homeownership Programs
City of Pleasanton
c/o Housing Division
200 Old Bernal Avenue PO Box 520
Pleasanton, CA 94566

Issued: March 12, 2021

Deadline for Submittals:

April 2, 2021

INTRODUCTION

The City of Pleasanton ("City") is seeking a qualified consultant or team of consultants (Consultant) to assist the City in the administration of its affordable homeownership programs that include: the Pleasanton Homeownership Assistance Program (PHAP) and the Down Payment Assistance (DPA) Loan Program (Programs).

In 1992, the City introduced the Pleasanton Home Ownership Assistance Program (PHAP) to assist first-time home buyers in overcoming the obstacle of high local housing costs to be able to purchase homes in Pleasanton. In November 2000 the City adopted an Inclusionary Zoning Ordinance (IZO), which require 20% of the units in a single family developments be affordable to Very Low, Low and Moderate Income households (50% to 120% of AMI), to further increase the number of housing units affordable to income-eligible first time homebuyers. To ensure continued affordability over time, PHAP (a.k.a. Below Market Rate or BMR) homes include restrictions controlling the maximum sale price and maximum income of subsequent buyers when the homes are resold. The City currently has an existing portfolio of approximately 100 BMR homes that represent a variety of housing types that have been sold at several different affordability levels.

Since 2003 Pleasanton has maintained a Down Payment Assistance (DPA) Loan Program to assist first time homebuyers, whose household incomes do not exceed 120% AMI, with obtaining homeownership by providing down payment and closing cost assistance. The DPA loan was recently restructured to provide a maximum \$100,000 deferred loan amount at 0% interest with a 30-year term. There is currently a total of fifty (50) homeowners who have a down payment assistance loan from the City. Of these loan borrowers, forty-six (46) reside in and own Below Market Rate (BMR) homeownership units, while the remaining four (4) own un-restricted, market-rate units.

In accordance with all applicable Federal, State, and local laws, the contract for Affordable Homeownership Program services will include, but is not limited to the following:

General Administration Services

- Consultant will be the primary contact for questions from the public relating to the PHAP and DPA programs. Consultant will handle inquiries and correspondence from applicants, real estate agents, lenders, escrow and loan servicing agents, and as well as current BMR homeowners and/or DPA loan borrowers.
- Consultant will utilize the City's procedures, ordinance(s), resolution(s), and guidelines in the implementation and administration of the PHAP and DPA programs.
- Consultant will maintain a website to market and promote the City's BMR and DPA programs.
- Consultant will maintain a list of local lenders interested in providing loans to qualified BMR and/or DPA program applicants.
- As necessary, and/or when requested by the City, Consultant will provide activity reports, advise and assist City staff on matters related to the PHAP and DPA programs, and provide access to translation services and/or materials.

PHAP Program Services

- **Existing BMR units**

- *Refinances:*

- Consultant will answer questions from existing BMR and/or DPA homeowners and provide information on refinance requirements in accordance with Programs guidelines.
- Consultant will review and process requests, including calculating the maximum refinance amounts allowable under the Programs guidelines, by coordinating with Title Company and first lender to access preliminary title report and loan terms in order to review and confirm that the refinance meets the Programs guidelines.
- Consultant will prepare Escrow Instructions, Subordination Agreement, and other City-required documents.
- Consultant will ensure City has receipt of all recorded documents.

- *Resale of Existing BMR Homes:*

- Consultant will discuss resale procedure with owners including reviewing restrictive covenant and/or loan documents, and calculating affordable resale price.
- Consultant will coordinate with listing agent and buyer to ensure necessary inspections are completed and to explain program guidelines that a qualified buyer will have to meet.
- Consultant will follow City's resale procedures including marketing the units through the City's interest list; holding at least one "open house" for prospective buyers, and preparing resale application package.
- Consultant will create and manage the lottery by answering inquiries regarding the lottery and completing and submitting the BMR application for the lottery ranking, by preparing the pre-application and full application (online and paper), and calculating preference points prior to conducting a virtual lottery to determine the ranking order of prospective applicants.
- Consultant will process and underwrite selected applicants from the lottery ranking to determine eligibility by collecting all required documents and verifying income and program eligibility prior to obtaining the City's conditional approval or disqualification from the City and preapproval from a qualified lender.
- Consultant will coordinate buyer and seller to enter into a purchase and sale agreement.
- Consultant will coordinate collection of all required information from escrow and lender needed to prepare and route for signatures the City's documentation, which include the City's restrictive covenants, notes, Deed of Trusts, and escrow instructions.
- Consultant will coordinate delivery of executed documents to title company and ensure escrow successfully closes in a timely manner.

- **New BMR units**

The City currently does not have any new BMR units anticipated to be completed and available for sale in the near future. However, City will revisit this scope of work when necessary to determine how best the sales of BMR units can be most efficiently administered.

DPA Loan Program Services

- Consultant will process applications for DPA loans by collecting all required documentation and screening all documents provided for income and program eligibility.
- Consultant will coordinate collection of all required information from escrow and lender needed to prepare and route for signatures the City's documentation, which include the City's restrictive covenants, notes, Deed of Trusts, and escrow instructions.
- Consultant will coordinate delivery of executed documents to title company and ensure escrow successfully closes in a timely manner.
- Consultant will process DPA Payoffs requests by providing City's payoff demand to homeowner and lender, preparing escrow instructions and reconveyance documents for recordation upon payoff, and ensuring City has receipt of recorded reconveyance documents.

Other related services

- Consultant will annually monitor entire portfolio of BMR homeowners and DPA loan borrowers for compliance with the City's restrictive covenants and/or DPA loan requirements.
- Consultant will be integral in the preservation of the BMR homeownership units by actively addressing potential issues such as the issuance of a Notice of Default.
- Consultant will proactively engage with BMR homeowners and DPA loan borrowers by holding homeowner-related workshops and/or newsletters and encouraging participants to complete program-related surveys.

SUBMISSION DETAILS

The City will only accept proposals submitted electronically in a single .pdf file via email.

The proposal should be submitted as a single .pdf file, with the subject line:
(Organization) Response to RFP: City of Pleasanton Affordable Homeownership Programs.

Please submit your proposal to shernandez@cityofpleasantonca.gov no later than **5:00 p.m. PST on Friday, April 2, 2021.**

INQUIRIES

Questions or clarifications regarding this proposal should be directed to:

Steve Hernandez
Housing Manager
City of Pleasanton
Housing Division
925-931-5007
shernandez@cityofpleasantonca.gov

SUBMITTAL REQUIREMENTS

Submitted proposals should contain the following information in the ensuing order:

1. Table of Contents
A table of contents shall be provided that identifies the page numbers where to find the various sections included in the proposal.
2. Letter of Interest
A letter expressing the Consultant's interest in being considered, introduces the Consultant and/or Consultant team members, and outlines the proposed services.
3. Entity/Organization
Identify the Consultant and its organizational structure as well as the role, responsibilities, and anticipated tasks of staff members who will be involved in the implementation of the contract. Provide resumes for all staff members.
4. Experience
Describe previous related housing programs administered, including the number of years of experience and how these similar programs and projects relate to the City's scope of services in the RFP. Provide detailed description of the staff members who performed the work, the work performed, the project name, location, type, and when the work was completed. Provide at least 2 client or agency references for Consultant's experience with relevant programs.
5. Implementation Plan
Provide a brief summary of the Consultant's Implementation Plan for provision of the services requested.
6. Scope of Work and Schedule of Fees
Provide a detailed scope work and summarize the compensation requested and provide a schedule of fees of all fixed and transactional costs. Provide additional services and deliverables, if necessary.

EVALUATION CRITERIA

Proposals will be evaluated to determine the best value offered to the City based on the following criteria below.

- Consultant past and current experience and demonstrated success working with cities, homeowners/borrowers, lenders, and other third parties in similar programs.
- The quality and experience of key members who will be assigned to work with the City of Pleasanton's Affordable Homeownership Programs.
- Program service delivery including type of services being proposed; program logistics including proposed location and staff; ability to implement technology in program administration; provision of multi-lingual staff and language access; and capacity to provide professional services in a timely and quality manner, on schedule, and within budget.
- Proposed fee structure including detail of proposal and clarity of costs/fees and how the fee level and cost efficiency compare with industry standard, and the financial sustainability of program costs.
- Consultant's ability to meet or exceed the City's insurance requirements for its professional services consultants, as outlined in Attachment 1.

SCHEDULE

RFP Issues	Friday, March 12
Proposals Due	Friday, April 2 at 5:00 p.m.
Selection of Firm	Friday, April 9
Recommendation to City County	Tuesday, April 20 (tentative)

ATTACHMENT

1. Insurance Requirements

INSURANCE REQUIREMENTS

Consultant shall maintain in full force and effect, at its own cost and expense, insurance coverages with insurers with an A.M. Best's rating of no less than A:VII. Contractor shall have the obligation to furnish City, as additional insured, the minimum coverages identified below, or such greater or broader coverage for City, if available in the Contractor's policies:

a. General Liability and Bodily Injury Insurance. Commercial general liability insurance with limits of at least \$2,000,000 combined limit for bodily injury and property damage that provides that the City, its officers, employees and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the City Attorney. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by City or other named insured will be called on to cover a loss.

b. Automobile Liability Insurance. Automobile liability insurance with limits not less than \$2,000,000 per person/per occurrence.

c. Workers' Compensation Insurance. Workers' Compensation Insurance for all of Consultant's employees, in strict compliance with State laws, including a waiver of subrogation and Employer's Liability Insurance with limits of at least \$1,000,000.

a. Professional Liability Insurance. Professional liability insurance in the amount of \$2,000,000.

b. Certificate of Insurance. Consultant shall file a certificate of insurance with the City prior to the City's execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the City in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the City of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The City reserves the right to require complete certified copies of policies.

e. Waiver of Subrogation. The insurer agrees to waive all rights of subrogation against the City, its officers, employees and agents.

f. Defense Costs. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusions.

g. Subcontractors. Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Agreement, including but not limited naming additional insureds.