

City of Cupertino
Request for Qualifications
Below Market Rate Housing Program
Administration

The City of Cupertino (the “City”) is seeking a qualified consultant (the “Consultant”) to provide services to administer the City’s Below Market Rate (BMR) Housing Program.

The City of Cupertino has a population of approximately 60,572 residents and approximately 20,752 housing units. Quality schools and closeness to high-tech jobs make Cupertino a desirable Silicon Valley address for a highly educated and culturally diverse population. The City generates affordable housing units through its Housing Mitigation Program (Below Market Rate program or BMR). BMR for-sale units are made available to median and moderate-income households. BMR rental units are made available to low and very low-income households.

The City’s Housing Mitigation Program was adopted in 1992. The ordinance requires developers to provide a specified number of affordable owner occupied units. Rental units were required prior to the *Palmer* decision, and some new affordable rentals have been required through development agreements. The units are managed in accordance with City Council adopted guidelines, which are available for view on the City’s website (<http://www.cupertino.org/index.aspx?page=301>). These units are subject to deed restrictions which ensure that the units remain affordable for the longest possible period of time, either in perpetuity or for 99 years. Since the adoption of this ordinance, the City has secured 259 total BMR units, of which 121 units are for-sale units and 138 are rental units.

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

Administration Services

- Consultant will be the primary contact for the BMR Program and will handle all inquiries and correspondence from applicants, current BMR homeowners and renters, and property managers in buildings with units restricted under the BMR Program.
- Consultant will advertise the BMR Program, as needed, to solicit buyers and renters for available units and to establish a waiting list.
- Consultant will maintain a waiting list of qualified buyers and renters in accordance with the BMR Program guidelines. Maintenance of the waiting list includes reviewing required annual applications to remain on the waiting list, conducting an annual lottery for new applicants, and sorting all applicants into the appropriate priority point level within the waiting list.
- Consultant will utilize the City’s procedures, ordinance(s), resolution(s), and guidelines in the implementation of the BMR Program.

- Consultant will develop a report form in conjunction with the City representative and submit quarterly activity reports.
- Consultant will provide suggestions to the City for potential modifications to the City's application process, procedures, and/or guidelines to ensure effective operation of the BMR Program.
- Consultant will maintain marketing content for the BMR Program, including flyers, website, and other material as needed.
- When requested by the City, Consultant will advise and assist City staff on matters related to the BMR Program.
- As necessary, Consultant will provide access to translation in other languages.

BMR Purchase Program Services

- Consultant will manage the entire sale process from advertising of available units to completing the closing on the BMR unit.
- Consultant will prepare the sales schedule for City approval. Consultant will then send notice of unit availability, sales price, location, and unit size to applicants at the top of the appropriate section of the waiting list with a deadline for submittal of their applications.
- Upon receipt of one or more applications for the purchase of a unit, Consultant will ensure that each application is complete, verify eligibility, and confirm priority points. Consultant will rank the applications according to criteria in the City's written guidelines and coordinate approval with the City.
- Consultant will be available to answer any questions regarding the BMR Program and will help facilitate escrow closing. Consultant will also facilitate recordation of the resale restrictions, requests for notice of default, subordination agreements, and any other applicable documents with the title company prior to close of escrow.
- Consultant will maintain a list of local lenders interested in providing loans to qualified BMR Program applicants.
- Consultant will inspect prospective sales units, hold at least one "open house" for prospective buyers, assist buyers with locating financing, coordinate appraisal, property and termite inspections, prepare disclosure statements, open and close escrows all in accordance with accepted real estate practices, and coordinate close of escrow to meet program deadlines (90 days in most cases).
- Consultant will provide or arrange Home Buyer education consistent with U.S. Department of Housing and Urban Development (HUD) standards.
- Consultant will monitor BMR units annually to confirm program compliance and investigate and manage potential defaults.
- Consultant will review and process requests for refinancing of BMR homes and junior loans in accordance with BMR Program guidelines.

BMR Rental Program Services

- Consultant will manage entire rental process including advertising of available units.
- Consultant will provide the property owner / manager of projects containing City BMR units with the most current income and rent guidelines upon issuance by HUD each year.
- Consultant will monitor BMR unit rents annually to ensure compliance with the required affordable rent levels under the BMR Program.
- Consultant will advise the property owner / manager regarding their compliance with the BMR Program.
- Consultant will verify the eligibility of prospective tenants qualified by the property manager.
- Consultant will manage the entire recertification process annually to ensure renters maintain BMR Program eligibility. In the event that a renter no longer qualifies for the City's BMR Program, consultant will work with the property manager to terminate the tenant's BMR Program participation after the applicable appeal period has lapsed and to qualify a new applicant for that BMR unit.

Conflict of Interest

Consultant warrants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of the described in this Request for Qualifications, and that it will not employ any person having such an interest. Consultant agrees to advise the City immediately if any conflict arises. Consultant further understands that it and its staff members must abide by all applicable statutes, rules, and regulations regarding conflicts of interest, including the Political Reform Act, Government Code Section 1090, and implementing regulations, including Title 2, Division 6, Section 18700 of the California Code of Regulations, and following.

Submittal Content

Copies of your qualifications should be submitted in triplicate to the Community Development Department, and must be received by Monday, February 27, 2017 by 5:00 PM. The following should be included in the proposal:

A. Entity

1. Identification of the Consultant, with names, positions, addresses, telephone numbers and e-mail addresses of key team members.
2. Intended role of each partner / staff member in the organization who will be involved in the implementation of the BMR Program and the key person in the organizational structure responsible for BMR Program management and operations. Please note area of responsibility and anticipated tasks.

B. Experience

1. General description of previous housing programs administered
2. Role of agency / firm and staff in such programs
3. Discussion of program successes, including unique challenges of programs
4. Example of past programs costs
5. At least 2 client or agency references for Consultant's experience with relevant programs

C. Other Materials

1. Application – Complete Proposal Application (Attached as Exhibit A)
2. Narrative – Provide a narrative of 200 words or less explaining the Consultant's qualifications and experience, and how it meets the RFQ goals and objectives.
3. Implementation Plan – Provide a brief summary of the Consultant's Implementation Plan for provision of the services required.
4. Schedule of Fees – Summarize the compensation requested and provide a schedule of fees (fixed and transactional).

Evaluation Criteria

1. Emphasis will be placed on the directly relevant qualifications and capacity of the Consultant to administer the City's BMR Program. Submittals will be evaluated based upon the following criteria:

Ability to meet RFQ goals and objectives.

What objectives are met?

Does the agency / firm have the necessary experience? How much experience and with what agencies or organizations?

What is the experience level of the staff?

Is there a conflict of interest?

2. Program Service Delivery:

What services are being offered?

Where are the services being offered?

Who is providing the services? Which staff members?

Is the staff multi-lingual? If so, which languages?

What is the Consultant's homebuyer training experience?

What is the Consultant's loan servicing experience?

What is the Consultant's monitoring experience? What is the number of units managed?

What is the Consultant's refinance experience?

What is the Consultant's default resolution experience?

What is the Consultant's foreclosure experience?

Is the Consultant a lender?

3. Costs:

Is the proposal detailed and are costs / fees clearly outlined?

Is there a fixed fee for basic services?

Is there a fee per transaction / sale?

What are the typical annual program costs anticipated?

What percentages of costs / fees are tied to salary?

What percentages of costs / fees are tied to services?

Are the costs / fees financially sustainable?

Submittal Deadline for Proposals

Proposals must be delivered to the City of Cupertino no later than 5:00 PM on Monday, February 27, 2017.

Contact Information

Proposal responses or questions regarding this RFQ may be addressed to:

Kerri Heusler, Senior Housing Planner
City of Cupertino
Community Development Department
10300 Torre Avenue
Cupertino, CA 95014
Phone: 408-777-3251
Email: kerrih@cupertino.org

EXHIBIT A
Proposal Application

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|----------------------------------|--|
| Organization Name | |
| Address | |
| Organization Contact / Title | |
| Telephone # | |
| Email | |
| Title of Program | |
| Total Annual Cost of Program | |
| BMR Units Currently Administered | |
| Jurisdiction(s) served? | |

Signature of Authorized Official: _____

Date: _____