



# Genesee County Land Bank Authority

452 S. Saginaw St. 2nd Floor, Flint, MI 48502

## Neighborhood Stabilization Program 2

### Request for Proposal: Residential Real Estate Broker Services

BID NUMBER: LB 11-003

Due Date: Friday, February 4, 2011 at 3:00 pm EST

As part of the Michigan NSP2 Consortium, a partnership between:

Michigan State Housing Development Authority (MSHDA)  
The City of Flint  
Genesee County Land Bank Authority (GCLBA)

Para una versión en Español, por favor llamar a Genesee County Land Bank Authority 810-257-3088.



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# REQUEST FOR PROPOSALS – RESIDENTIAL REAL ESTATE BROKER SERVICES

## INTRODUCTION

### A. Overview

This Request for Proposals (“RFP”) is being issued by Genesee County Land Bank Authority (GCLBA) in its capacity as manager of the Neighborhood Stabilization Program 2 (NSP2) for the City of Flint and the GCLBA. GCLBA invites the submission of proposals from Residential Real Estate Brokers to facilitate the execution of purchases, specifically vacant, abandoned and foreclosed properties, as well as sale or lease of newly built or rehabilitated residential properties in targeted NSP 2 Areas.

Broker services for the NSP program may involve acquiring mortgage foreclosed properties for rehabilitation from REOs and other sources, developing marketing plans for rehabilitated properties and selling and/or leasing the rehabilitated properties to qualified buyers meeting NSP income guidelines.

Brokers must participate in the Multiple Listing Service (MLS). Brokers will acquire, list and market Land Bank properties as the listing Broker for The Land Bank through MLS and other entities as appropriate.

- Brokers will receive a commission for each sale based on a percentage of the sale price or lease.
- Brokers will receive a commission on each property acquired for the NSP program.

GCLBA is seeking to encourage participation by respondents who are MBE/WBE or Section 3 business enterprises.

Nothing in this RFP shall be construed to create any legal obligation on the part of GCLBA or any respondents. GCLBA reserves the right, in its sole discretion, to amend, suspend, terminate, or reissue this RFP in whole or in part, at any stage. In no event shall GCLBA be liable to respondents for any cost or damages incurred in connection with the RFP process, including but not limited to, any and all costs of preparing a response to this RFP or any other costs incurred in reliance on this RFP. No respondent shall be entitled to repayment from GCLBA for any costs, expenses or fees related to this RFP. All supporting documentation submitted in response to this RFP will become the property of the GCLBA. Respondents may also withdraw their interest in the RFP, in writing, at any point in time as more information becomes known.

Each proposer must submit one copy of their 2011 CERTIFICATE TO DO BUSINESS WITH GENESEE COUNTY. The Land Bank follows Genesee County Office of Equity and Diversity policies and procedures for procurement process. For further information



on this requirement, contact the Genesee County Office of Equity and Diversity, 1101 Beach Street, Room 343, Flint, Michigan 48502, phone (810) 257-3028; fax (810) 768-7943.

Each proposer is responsible for labeling the exterior of the sealed envelope containing the proposal response with the proposal number, proposal name, proposal due date and time, and your firm's name. The proposal request number and due date for this Bid is:

**PROPOSAL REQUEST NUMBER: #LB 11-003**

***DUE DATE: Friday, February 4, 2011 @ 3:00 PM EST***

The GCLBA follows Michigan State Housing Development Authority (MSHDA) Neighborhood Stabilization Program 2 Procurement Policies and Procedures which can be found at [http://www.michigan.gov/documents/mshda/mshda\\_cd\\_nsp2\\_procurement\\_331622\\_7.pdf](http://www.michigan.gov/documents/mshda/mshda_cd_nsp2_procurement_331622_7.pdf) and are updated periodically as changes to the policy occur. For further information on these policies, contact the Heidi Phaneuf, Community Resource Planner, Genesee County Land Bank, 452 S Saginaw St, 2<sup>nd</sup> Floor, Flint, MI 48502; phone (810) 257-3088 ext 524; fax (810) 257-3090.

Residential Real Estate Brokers must comply with the Genesee County Land Bank Authority Fair Housing Policy as stated below

Equal housing opportunity for all persons, regardless of race, color, national origin, religion, age, sex, familial status, marital status, sexual orientation or disability, is a fundamental policy of the Genesee County Land Bank Authority (GCLBA). GCLBA is committed to diligence in assuring equal housing opportunity and non-discrimination to all aspects of its housing activities. As a county governmental authority undertaking housing activities, GCLBA has an ethical as well as legal imperative to work aggressively to ensure that GCLBA housing programs comply fully with all local, state and federal fair housing laws.

For questions on Fair Housing, please contact our Fair Housing Compliance Specialist, Phil Stair at (810) 257-3088 ext 525 or [pstair@co.genesee.mi.us](mailto:pstair@co.genesee.mi.us)

## **B. Time of Completion**

Any agreement awarded pursuant to this RFP solicitation shall be in accordance with the scope of work and compensation as outlined below, and, within a mutually agreed upon expedited timeframe.

## **C. Term of Contract**

Any contract awarded pursuant to this RFP solicitation shall be for a contract period ending February 10, 2013, with the possibility of an extension.

## D. Background

Under the Recovery Act, Congress established the Neighborhood Stabilization Program 2 (NSP2) to stabilize neighborhoods whose viability is negatively affected by properties that have been foreclosed upon and abandoned. NSP2 provides grants to states, local governments, nonprofits and a consortium of public and or private nonprofit entities on a competitive basis.

The Michigan NSP2 Consortium received \$223,875,339. The Michigan State Housing Development Authority (MSHDA), as lead applicant, 12 city governments, and eight county land banks will work together to remove blight, address vacancy and foreclosures, and reposition neighborhoods in targeted NSP2-eligible census tracts. MSHDA allocated \$201,487,805 to place properties back in productive use and \$22,387,534 in administrative fund for MSHDA, Cities and Lands Banks to share.

The City of Flint received \$15,772,344 and the GCLBA received \$10,710,994 for a total award amount of \$26,483,338 to assist the targeted census tracts in City of Flint.

## E. Federal Regulations

Award recipients implementing the Michigan NSP2 Consortium must follow the Community Development Block Grant (CDBG) Program rules and regulations, unless stated otherwise in the May 4, 2009 of the Federal Register Notice [Docket No. FR-5321-N-01] regarding [Title XII of Division A of the American Recovery and Reinvestment Act of 2009](#), which is posted on

[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp2\\_nofa.pdf](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp2_nofa.pdf)

Respondents are strongly encouraged to read these regulations prior to submitting their response to this RFP. All NSP2 funds must be spent on specific eligible activities no later than February 10, 2013 and 50% of NSP2 funds must be spent no later than February 10, 2012.

## PROFESSIONAL SERVICE REQUIREMENTS

### A. Scope of Work – Acquisitions, Sales and Marketing

GCLBA is interested in facilitating the acquisition of vacant, foreclosed and abandoned properties from private owners, various mortgage loan servicers and through the State of Michigan tax foreclosure process, as applicable, for the purpose of rehabilitation, new construction, land banking and demolition to foster neighborhood stabilization as well as the sale of rehabilitated and newly constructed homes in NSP 2 eligible areas.

During the program period, which ends February 10, 2013, GCLBA anticipate up to 300 purchases and 60 sales across the respective NSP 2 areas.

### 1. Acquisitions

GCLBA seeks sealed proposals from Licensed Real Estate Brokers to facilitate the execution of purchases, specifically abandoned and foreclosed properties (see NSP Notice Definition below), located in City of Flint eligible census tracts as identified in the NSP 2 Map attached at the end of this RFP) as well as sales and marketing of rehabilitated homed completed under the NSP 2 program. Licensed Real Estate Brokers will be needed for each targeted area and must agree to collaborate and work cooperatively to achieve the scope of work.

**NSP Notice Definition: Abandoned.**—A home or residential property is abandoned if either a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state, local or tribal law or otherwise meets a state definition of an abandoned home or residential property.

**NSP Notice Definition: Foreclosed.**— A home or residential property has been foreclosed upon if any of the following conditions apply: a) the property's current delinquency status is at least 60 days delinquent under the Mortgage Bankers of America delinquency calculation and the owner has been notified of this delinquency, or b) the property owner is 90 days or more delinquent on tax payments, or c) under state, local, or tribal law foreclosure proceedings have been initiated or completed, or d) foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, contractor, subrecipient, developer, or end user.

NSP Notice Vacant Definition.- Vacant properties include both vacant land and properties with vacant structures on the land. However, HUD understands redevelopment to imply that the properties were once developed; therefore previously undeveloped or "Greenfield" sites may not be acquired under Eligible Use E. For additional guidance on property types under each Eligible Use please refer to:

[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp\\_terminology.pdf](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/pdf/nsp_terminology.pdf)

It is important to note that all purchase (acquisition) transactions must comply with the Federal Register Notice: Section 2301(d)(1), which limits the purchase price of a foreclosed home, as follows: Any purchase of a foreclosed upon home or residential property under this section shall be at a discount from the current market appraised value of the home or property, taking into account its current condition, and such discount shall ensure that purchasers are paying below-market value for the home or property. Specifically, an individual purchase discount of one percent (1%).

The following acquisition services are requested of the Licensed Real Estate Broker under this RFP:

- A. Identify the best course of action for acquisition of NSP eligible properties (and anticipated NSP eligible properties) within the targeted areas and offer the most comprehensive services in identifying properties within these communities

- B. Provide accurate information for the decision making process to determine which properties are best-suited for rehabilitation vs. demolition and homeownership vs. rental
- C. Cooperate fully with listing agents and educate them about the Neighborhood Stabilization Program and what the process will entail as you represent GCLBA in the transaction
- D. Assist in monitoring all the components of a real estate transaction
- E. Write, negotiate, and submit all offers for GCLBA as the client and in keeping with the expectation of NSP regulations (i.e. achieve property discount based on appraised value)
- F. Have all disclosures prepared once the offer is accepted with any seller /buyer addendums
- G. Ensure all required signatures are obtained from the buyer within 24 hours and delivered/uploaded to the listing agent; and
- H. Comply with the Genesee County Land Bank Fair Housing Policy

## **2. Sales and Marketing**

GCLBA seeks sealed proposals from Licensed Real Estate Brokers to facilitate sales of rehabilitated and newly constructed homes in NSP 2 eligible areas must be to eligible households at or below 120% of area median income documented according the guidelines in the NSP 2 Program.

The following sale and marketing services are requested of the Licensed Real Estate Broker under this RFP:

- A. Provide market analysis and pricing guidance for selected Land Bank properties.
- B. Develop a marketing plan resulting in finding qualified buyers in advance of the completion of NSP rehabilitation of houses.
- C. Establish a marketing strategy that employs multiply types of advertising including, but not limited to, internet exposure, yard signs, alternate trade publication strategies, etc.
- D. Accurately list Land Bank property in MLS.
- E. Provide technical assistance on the presentation of Land Bank property for sale.

- F. Show Land Bank Properties.
- G. Forward offers to Land Bank staff for consideration of sale or lease.
- H. Assist Land Bank with the close of accepted offers.
- I. Coordinating NSP Financing with Lenders
- J. Assist in monitoring all the components of a real estate transaction
- K. Have all disclosures prepared once the offer is accepted with any seller /buyer addendums
- L. Comply with the Genesee County Land Bank Fair Housing Policy

## B. Compensation

All proposals shall include a broker commission for each sale or lease based on a percentage of the sale or lease price.

## EVALUATION CRITERIA AND SCORING

In evaluating responses to this Request for Proposal, GCLBA will take into consideration the experience, capacity, and costs that are being proposed by the Respondent. The following Evaluation Criteria will be considered in reviewing submittals:

### A. Experience and Capacity

The point system is to evaluate the experience and capacity of the Respondent.

1. Experience in facilitating the execution of real estate purchases. (15 points total)

One (1) to five (5) years of experience.	5 Points
Five (5) to ten (10) years of experience.	10 Points
Greater than ten (10) years of experience.	15 Points

2. Number of listings and sales by Responded of foreclosed properties in all areas of the City of Flint (15 points total)

Bottom 1/3 of proposals	5 Points
Middle 1/3 of proposals	10 Points
Top 1/3 of proposals	15 Points

3. Respondents will be awarded up to 30 points for their detailed marketing plan and strategy to address the scope of work.

4. Specialized experience in listing tax foreclosed and Neighborhood Stabilization Program homes (20 points)

Neighborhood Stabilization Program (NSP) Experience	5 Points
Tax Foreclosed /Land Bank Sales Experience	10 Points
Both NSP and Tax Foreclosed/ Land Bank Sales Experience	20 Points

5. Cost (15 points)

Highest 1/3 of proposals	5 Points
Middle Cost 1/3 of proposals	10 Points
Lowest Cost 1/3 of proposals	15 Points

6. Past record of performance from clients served including type of work, timeliness, quality requirements, and cost control. (10 points)
7. Capacity of the firm to perform the work within the limitations, taking into consideration the current and planned workload of the firm. (10 points)

## SUBMITTAL REQUIREMENTS

RFP responses must be submitted via hard copy. Each respondent shall submit one (1) original and two (2) copies of the following documents in a clear, legible, 12 point font, and 8.5 by 11 inch format. **Responses not submitted via hard copy will not be considered.** Respondents are advised to adhere to the Submittal Requirements. Failure to comply with the instructions of this RFP will be cause for rejection of submittals.

GCLBA reserves the right to seek additional information to clarify responses to this RFP. Each response must include the following:

### A. Letter of Interest

Please submit a Cover Letter of Interest signed by a duly authorized officer or representative of the Respondent, not to exceed two pages in length. The Letter of Interest must also include the following information:

1. The principal place of business and the contact person, title, telephone/fax numbers and email address.
2. A brief summary of the qualifications of the Respondent and team.
3. Description of organization (i.e. Corporation, Limited Liability Company, or Joint Venture).
4. The names and business addresses of all Principals of the Respondent. For purposes of this RFP “Principals” shall mean persons possessing an ownership interest in the Respondent.

- If the Respondent is a partially owned or fully-owned subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization's approval rights, if any, over the activities of the Respondent.
- If the Respondent is a partially owned or fully-owned subsidiary of another organization, identify the parent organization and describe the nature and extent of the parent organization's approval rights, if any, over the activities of the Respondent.

## B. Threshold Requirements

These documents must be submitted and acceptable before GCLBA will review the Experience and Capacity proposal:

1. Copy of Respondent's Real Estate License
2. Copy of Respondent's Real Estate Broker's License (If sponsored by a broker, provide copy of sponsoring broker's license)
3. Copy of Real Estate Broker's Business License
4. Letter of support from Licensed Real Estate Broker (If sponsored by a broker)
5. Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State (If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
6. Evidence of Insurance: Commercial General Liability with limits not less than \$2,000,000; Workers Compensation and Employers Liability with limits not less than \$500,000; Automobile Liability with limits not less than \$1,000,000 per occurrence; and, Professional Liability with limits not less than \$1,000,000.
7. State licensed and certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 et seq.)
8. Evidence of Financial Stability: All Respondents shall include their most recent financial statements with the proposal response. This information will assist and GCLBA in determining the Respondent's financial condition. GCLBA is seeking this information to ensure that the proposer's have the financial stability and wherewithal to assure good faith performance.
9. Three (3) references of related projects, including date of project, contact person and phone number, and a brief description of the project.
10. Conflict of Interest Statement & Supporting Documentation: Respondent shall disclose any professional or personal financial interests that may be a conflict of interest in representing the GCLBA. In addition, all Respondents shall further disclose arrangement to derive additional compensation from various investment and reinvestment products, including financial contracts.
11. 2011 Certificate to do Business with Genesee County (If you do not have a Certificate at the time of submission, include a letter indicating the date your company's equity & diversity plan was submitted to the Genesee County Office of Equity & Diversity for review.)

12. The Certification Form Note attached hereto at the end of this RFP and incorporated herein by reference must be signed by Respondent and attached to the Letter of Interest. Additionally, at least one of the proposals submitted is to include an **original signature** of an official authorized to bind the proposer to the proposal response.

### C. Main Proposal

Please provide the following information:

1. Experience in facilitating the execution of real estate purchases.
2. Number of listings and sales by Respondent in the City of Flint
3. Number of listings and sales by Respondent of foreclosed properties (provide supporting documentation).
4. Marketing Plan and Strategy resulting in finding qualified buyers in advance of the completion of NSP rehabilitation of houses A marketing strategy that employs multiple types of advertising including, but not limited to, internet exposure, yard signs, alternate trade publication strategies, etc.
5. Outline of plan to address the scope of work (i.e. Include technology tools, databases, collaborating with community partners and other real estate professionals, etc.)
6. Respondents should state whether they are a MBE/WBE or Section 3 business enterprise. If so, please provide a copy of a current MBE/WBE certification letter.
7. Commission – All proposals shall include a broker commission for each sale or lease based on a percentage of the sale or lease price.
8. Staff Experience and Resumes – All proposers shall provide a brief history of the firm including staff's experience, résumé's and accomplishments that are relevant to the scope of work stated in this proposal.

## SELECTION PROCESS

The Selection Committee comprised of GCLBA staff will review qualifications in accordance with the evaluation criteria set forth herein and Michigan NSP2 Consortium objectives and policies. Proposals that are submitted timely and comply with the mandatory requirements of the RFP will be evaluated in accordance with the terms of the RFP. Any contract resulting from this RFP will not necessarily be awarded to the vendor with the lowest price. Instead, contract shall be awarded to vendor whose proposal received the most points in accordance with criteria set forth in RFP.

## QUESTIONS

Questions regarding this RFP should be submitted in writing via email to [dweiland@co.genesee.mi.us](mailto:dweiland@co.genesee.mi.us)

## SUBMITTAL DUE DATE

Responses to this RFP are due by 3:00 pm on Friday, February 4, 2011. Each Respondent is responsible for labeling the exterior of the sealed envelope containing the proposal response with the proposal number, proposal name, proposal due date and time, and your firm's name. Hard copies must be delivered to:

Doug Weiland  
Genesee County Land Bank Authority  
452 S. Saginaw St. 2<sup>nd</sup> Floor  
Flint, MI 48502

## CERTIFICATION FORM NOTE

THIS PAGE MUST BE COMPLETED AND INCLUDED WITH THE SUBMITTAL CERTIFICATION

The undersigned hereby certifies, on behalf of the Respondent named in this Certification (the “Respondent”), that the information provided in this RFP submittal to GCLBA is accurate and complete, and I am duly authorized to submit same. I hereby certify that the Respondent has reviewed this RFP in its entirety and accepts its terms and conditions.

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(Name of Respondent)

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(Signature of Authorized Representative)

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(Typed Name of Authorized Representative)

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(Title)

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(Date)

## RFP SUBMITTAL REQUIREMENTS CHECKLIST

Please provide Checklist with response to RFP

- Letter of Interest
- Certification Form Note
- Certificate of Good Standing (Corporation) or Certificate of Existence (Limited Liability Company) issued by the Michigan Secretary of State (If Respondent is a joint venture, a Certificate of Good Standing or Certificate of Existence, as applicable, must be submitted for each entity comprising the joint venture.)
- Evidence of Insurance
- Certificate to do business with Genesee County
- State License and or Certification
  - Copy of Real Estate Broker's License
  - Copy of Real Estate Broker's Business License
  - Letter of support from Licensed Real Estate Broker
- Evidence of Financial Stability
- References
- Conflict of Interest Statement & Supporting Documentation:
- Description of Company
- Capacity of Company
- Pricing Proposal
- Historic Preservation, Weak Markets Sales, Energy Retrofits, and Green Technologies
- MBE/WBE, Local Hiring, HUD Section 3, if applicable
- RFP Submittal Requirements Checklist

### APPENDIX A: MAP AND BOUNDARIES OF NSP2 TARGET AREA



