

REQUEST FOR QUALIFICATIONS
CITY OF AURORA, IL
COMMUNITY DEVELOPMENT DIVISION - NEIGHBORHOOD STABILIZATION PROGRAM
SUBMISSIONS BEGIN August 19, 2009

PURPOSE

To solicit proposals from qualified individuals or firms to assist the City of Aurora in obtaining appraisals of foreclosed properties. Individuals or firms that are found to be qualified will be put into a pool of appraisers which will then be assigned appraisals as the need arises.

BACKGROUND

The City of Aurora has been allocated federal funds under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) which established the Neighborhood Stabilization Program (NSP). The purpose of NSP is to stabilize communities and neighborhoods.

One of the eligible uses of NSP funding is to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The vacant property to be acquired and sold directly by the City of Aurora consists of a combination of approximately twenty (20) single-family residential homes and multiple unit residential buildings. The acquisition of properties will take place over the next 18 months and the sale of the property is expected to be completed within a maximum of 4 years. Other properties purchased directly by program participants must be vacant foreclosure properties. (Should additional funding be made available to the City, this RFQ will be extended to the time frame of the additional funds accordingly.)

REQUEST

Qualified individuals or firms are invited to submit a statement of qualifications describing their ability to carry out the activities outlined below. It is anticipated that successful applicants will provide the following services which meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):

1. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
2. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
3. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
4. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.

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5. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

ADDITIONAL REQUIREMENTS:

The appraiser shall 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, other than that due to physical deterioration within the reasonable control of the owner.

The appraisal must have been completed within 60 days of the offer made for the property. HUD advised that an initial offer be made, subject to the completion of the appraisal within 60 days of a final offer. If the 60 day time period is exceeded, a re-appraisal will be required.

Acquisitions financed with NSP grant funds are subject to the URA, and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008. HUD anticipates that most of these transactions will qualify as voluntary acquisitions under the applicable regulations of 49 CFR 24.101(b). The URA regulations do not specifically require appraisals in connection with voluntary acquisitions under 49 CFR 24.101(b). However, the NSP Notice requires appraisals to be performed with respect to the NSP funded acquisition of foreclosed upon homes and residential properties, even though they may be considered voluntary under the URA. In those cases, the URA appraisal requirements of 49 CFR 24.103 must be met. The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA requirements and the NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

As stated in PART B (local supplemental guidance compiled from the URA - 49 CFR Part 24 and HUD Handbook 1378 - relevant to NSP for appraisals and voluntary sales:

- Appraisals shall be the most appropriate combination, or single method, to determine the highest, best use of the site. The three approaches are: Cost, income and/or sales approach. Most of what your appraisers will rely on is the market "sales" approach. In-house staff must be qualified, out of house must also be licensed.
- Persons performing appraisals of NSP funded acquisitions of "foreclosed upon" properties must meet the appraisal qualifications of the Uniform Act (49 CFR 24.103(d)). All persons performing such valuations must be qualified to perform an appraisal, even if they are on staff. The regulations at 49 CFR 24.103(d)(2) only require contract "fee" appraisers to be state licensed or certified. Staff appraisers are not required to possess such qualifications; however, they must be qualified. In most circumstances, staff appraisers possess a state appraisal license or certification, even though they are not required to do so by regulation.

SELECTION CRITERIA

Individuals or firms will be selected based on materials submitted in response to this RFQ, as well as possible follow up interviews. The following criteria will be utilized to rate each applicant:

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- **Experience (30 points):** The previous experience, education, training, certification/licensing, designation(s) and other qualifications of individuals or key staff in producing appraisals acceptable to HUD. Each appraiser shall be State licensed or 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.). As a minimum the following items will be required:
 - Holding a certified General or Residential Real Estate Appraisal License for the State of Illinois.
 - Have a minimum of five (5) years of experience.Additional consideration will be given to:
 - Appraisers that are competent in using common appraisal software, like ACI
 - Appraisers that have had experience in appraising properties within the City of Aurora.
- **Capacity (30 points):** The ability to provide appraisals, acceptable to HUD, in a timely manner.
- **Cost (30 points):** The appraisal cost of each initial appraisal and the cost of a subsequent re-appraisal of the same property, if needed.
- **Minority and/or Women's Businesses (10 points):** Qualifications submitted by minority businesses or women's businesses will be given special consideration.

TIME IS OF THE ESSENCE

The funds allocated for NSP must be used within 18 months of initiation of funding by HUD, therefore, initial acceptance of responses from this RFQ will **begin August 19, 2009 and continue on a rolling basis**. Successful individuals or firms will be notified shortly thereafter.

SUBMISSIONS

All submissions should be hand delivered, faxed, or e-mailed to:
City of Aurora
Division of Neighborhood Redevelopment
51 E. Galena Blvd.
Aurora, IL 60505

ATTN: Karen Christensen
Fax: 630-256-3320
E-mail: kchristensen@aurora-il.org

For Further Information or Clarification call Karen Christensen (630) 256-3320.