



TOWN OF CICERO

Larry Dominick – Town President

RFQ REALTOR SERVICES:

(Town Neighborhood Stabilization Program)

BACKGROUND ON PROGRAM

The Town of Cicero has established the NSP Redevelopment Sales Program to assist low to middle income home buyers with the purchase of a Town-owned NSP-redeveloped home, while attempting to stabilize town neighborhoods during the foreclosure crisis throughout the Country. The Program also attempts to spark interest in homeownership, and to sustain property values. The Program is administered by the Town of Cicero Department of Housing.

To maximize the effectiveness of the NSP Program as a vehicle for enhancing affordability, borrowers pay no current principal or interest on the second mortgage (subsidy provided by the town) for as long as they own their home. A mortgage in which payment is deferred is also known as a “silent second” mortgage. There is no interest calculated on the amount borrowed.

Loan principal is due and payable upon a variety of conditions or circumstances, the most common one being the sale or transfer of the home.

The Town of Cicero will leave a subsidy in the property purchased to ensure the new home is affordable to the home buyer. The specific amount of the subsidy will be calculated by Town of Cicero staff at the time of offer acceptance.

- *Example: A Pre-Approved Applicant makes an offer of \$175,000.00 on a Town-Owned NSP Redevelopment “New Construction” Property. The Town calculates that a 20% subsidy will ensure affordability in the property. At closing, the applicant will sign a “silent second” mortgage with the town for \$35,000.00 which will be secured by a lien. The new homeowner will only be required to make monthly mortgage payments for the remaining balance of \$140,000.00*

For new-construction homes, the affordability period of the lien will be twenty (20) years. The loan will be forgiven over time under the following guidelines:

- **Year 5: 25%**
- **Year 10: 25%**
- **Year 15: 25%**
- **Year 20: 25%**

For homes that have been rehabilitated (not new construction) with NSP Assistance up to \$40,000.00, the affordability period of the lien will be ten (10) years. The loan will be forgiven over time under the following guidelines:

- **Year 6: 20%**
- **Year 7: 20%**
- **Year 8: 20%**
- **Year 9: 20%**
- **Year 10: 20%**

If the borrower lives in the home for longer than twenty-years and one month (or ten years and one month, respectively), the subsidy provided is forgiven in its entirety.

Any purchaser of NSP Properties must meet specific criterion to be pre-qualified for the program, this criteria includes, but is not limited to: Completing Mortgage Counseling, maintaining a Credit Score of 650 as determined by TransUnion, be a low to middle-income applicant, earning no more than 120% of Area Median Income.

TOWN OF CICERO REALTOR /MARKETING AGENT/BROKER PROPOSAL

SUMMARY

The Town of Cicero is seeking a licensed real estate agent/broker ("Agent") to market and effectuate the sale of Town-owned single-family properties which may include:

1. 2724 S. 58th Ct.
2. 5111 W. 29th Place (½ of townhome)
3. 5113 W. 29th Place (½ of townhome)
4. 1620 S. 55th Ave. (Planned)
5. 6019 W. 28th Street (Planned)

It is the desire of the Town to sell the properties at their market value and not unfairly compete with private developers/individuals with vacant residential property for sale in the Town. NSP Limitations prevent the Town from selling each property at a price greater than the aggregate cost of acquisition, construction, and carrying costs.

These properties are part of the Town's Neighborhood Stabilization Program, and proposed buyers must be at or below 120% of Area Median Income. The Town will verify income prior to accepting an offer for a property. For half the Town Home Development (located at 5111-5113 W. 29th Place), one of the units must be sold to a buyer at or below 50% AMI to meet statutory regulations.

All offers recommended by the Agent, and accepted by the Town of Cicero Department of Housing will be forwarded to the Town of Cicero Board of Trustees for final review and approval.

The Agent's commission to be paid by the Town at closing on each property will be 5.0%; however, if the Town locates a purchaser (that results in a closing) without assistance from or introduction by the Agent, then the Agent's commission will be 2.5%

Proposals are invited from interested Agents to market these properties and to obtain offers to the properties on behalf of the Town. This solicitation is competitive, designed to enable the Town to select the best offer of the Agent best suited to market and sell these properties. Selection will be made by the Town based upon a recommendation from the Town Department of Housing. The Town reserves the right reject any or all proposals not deemed acceptable. Selection will be primarily based on qualifications as further described below.

ROLE OF AGENT

The Agents should have considerable experience in marketing vacant residential properties. Responsibilities are as follows. The following list should not be considered as all inclusive:

1. Recommend the listing price of the sites based on their marketability and similar sales in the area, providing written documentation as to the basis of the listing price);
2. Recommend a minimum sales price for each site for the Town to consider and provide a timeline for sales at various listing prices;
3. Develop a marketing plan for the sale of the properties;
4. Advertise the properties for sale on MLS and other media sources;

5. Identify and present potential applicants to the Town for pre-approval into the NSP program;
6. Conduct open houses as needed;
7. Present offers to Town staff with recommendation for acceptance or refusal;
8. Attend closings of properties as needed;
9. Compliance with federal HUD/NSP requirements;
10. Provide the Town with a quarterly status report listing:
 - Date and listing of when the property(s) were advertised;
 - Listing of contacts made, either in response to specific inquires or Agent initiated;
 - Impression as to progress of marketing effort;
 - Suggestions, if any, as to how to change or improve the marketing plan.

Items 1-3 must be submitted to the Town within one (1) week of notification of the award of the proposal.

The Town of Cicero's Housing Department will notify the Agent of the agreed listing price within one (1) week of the submission of the marketing plan. All properties must be on the market within two (2) weeks of award of the proposal.

SUBMISSION REQUIREMENTS

Four (4) copies of your entire proposal are required.

The Town of Cicero will consider only complete written proposals delivered or received **BY April 7th AT 3:00 PM**, in a sealed envelope, at the office of:

The Town of Cicero
Department of Housing
1634 S. Laramie Avenue
Cicero, IL 60804
ATTN: Town of Cicero Realtor/Marketing Agent Proposal

Envelopes containing proposals must be clearly marked on the front, "**TOWN OF CICERO REALTOR/ MARKETING AGENT PROPOSAL**". Proposals shall be submitted in sealed envelopes. Failure to do so may result in premature opening of or failure to open such proposal. Proposals arriving after that stated opening time will remain unopened and will be disqualified. Any proposal may be withdrawn by giving written notice to the Town of Cicero Department of Housing before the stated proposal opening time. After the proposals are opened, no proposal may be withdrawn.

A complete proposal shall be submitted to contain the following items:

1. Cover Letter – A cover letter summarizing the offer being proposed to the Town of Cicero and the realtor's commitment.
2. Copy of Real Estate License(s).
3. Specific Details of Proposed Services:
 - A list of the multiple listing publications in which the property will be listed.
 - A detailed description of experience marketing vacant residential property.
 - A detailed description of experience with HUD Programs.
 - A list of at least four references for the sale of comparable properties sold.
 - Description of marketing program including an indication of money to be spent by Realtor on the approved marketing plan.
 - A statement spelling out the relations between the Realtor and any parent company or subsidiary that might also be involved in marketing the property.
 - Names and background of any other persons, firms, or organizations proposed by the Realtor to be involved in the marketing of the property.

FURTHER INFORMATION

The Town of Cicero reserves the right to reject any and all proposals. The Town of Cicero will not be responsible for any costs associated with the preparation of responses to this RFP. If you should have any questions about this RFP, please contact Jorge Rueda, Executive Director, Town of Cicero Department Housing at 708-656-8223.