



Housing Department

**Contract Award for Broker Listing Services
w/ Compass (Formerly Deasy Penner Podley),
Mutual Realty Consultants, & Sotheby's International
Realty**

City Council
December 11, 2023





BACKGROUND

Housing Department

- > CalTrans acquired approximately 460 properties in the 1950s, 1960s, and 1970s in Pasadena, South Pasadena, & El Sereno for the construction of the SR-710 North project
- > Roberti Act (SB 86) established priorities and procedures for the sale of surplus CalTrans-owned properties along the 710 corridor
- > Senate Bill 959 (Portantino, 2022) amends the Roberti Act and gives the City purchase priority for vacant CalTrans homes located along the 710 corridor in its borders



BACKGROUND

Housing Department

- > Under SB 959, the City has the right to purchase vacant properties at the original CalTrans acquisition price
- > Properties need to 1) be used for affordable housing or 2) net sales proceeds from market sale must be used to create/preserve affordable housing
- > If properties are sold at market, proceeds are used to finance affordable housing at a 3-to-1 ratio for every market home sold
 - Units funded with CalTrans net proceeds are required to meet State prevailing wage reqs.



BACKGROUND

Housing Department

- > CalTrans offered the City seventeen (17) vacant properties via formal Notice on July 6, 2023
- > City responded on July 25, 2023, indicating interest in all seventeen (17) properties
- > Four (4) of the properties have been identified for potential affordable homeownership
- > The remaining thirteen (13) are proposed to be sold at market
 - Market buyers will be required to execute a performance deed to ensure that properties are maintained, brought up to code, & occupied in a timely fashion



BACKGROUND: RFP – Broker Services

Housing Department

- > City released an RFP for broker listing services on July 7, 2023; RFP closed on July 25, 2023
- > Outreach included notification via OpenGov procurement system (reached 2,743 vendors), along with outreach to the Pasadena Foothills Association of Realtors and Pasadena Heritage
- > Pasadena Now featured the RFP in an article published July 17th
- > Missing items accepted during a limited window (October 30th to November 6th)



BACKGROUND: RFP – Broker Services

Housing Department

- > Thirty-five (35) total proposals were received
 - Two (2) were disqualified for failure to provide threshold documentation
 - The other thirty-three (33) were reviewed and scored by an evaluation panel
 - Top three (3) scoring proposers are recommended for award



BACKGROUND: RFP – Evaluation & Evaluation Criteria

Housing Department

- > Evaluation criteria included cross-departmental input
- > Evaluation panel was comprised of cross-departmental staff, including Planning staff (Design & Historic Preservation Section), City Manager's office (Economic Development & licensed real estate broker), & Housing Department
- > State law prohibits gendered or racial preferencing in public contracting
- > Local Pasadena Businesses and Small/Micro Businesses (certified w/State) each eligible for five (5) points



BACKGROUND: RFP – Evaluation & Evaluation Criteria

Housing Department

- > Criteria included documented experience with the sale of historic properties; CalTrans identified that twelve (12) of the properties are historic
- > All of these historic properties are proposed to be sold at market
- > All are contributing properties to either the Markham Place Historic District or the Pasadena Avenue Historic District
 - Both of these districts are listed on the National Register
- > Architects include Greene & Greene, Frederick Roehrig, & G. Lawrence Stimson



BACKGROUND: RFP – Evaluation & Evaluation Criteria

Housing Department

- > Four (4) of the properties may be individually eligible for the National Register of Historic Places
- > Pasadena Heritage has identified three (3) of the properties as potentially eligible for a historic preservation easement
- > Proposers asked to provide addresses and dates of sale for any designated or contributing properties previously sold



BACKGROUND: RFP – Evaluation & Evaluation Criteria

Housing Department

> Evaluation Criteria was follows:

- | | |
|------------------------------------|--------|
| ■ Responsiveness of Proposal | 10 pts |
| ■ Background & Relevant Experience | 20 pts |
| ■ Proposed Solution | 30 pts |
| ❖ Marketing & Sales Strategy | |
| ■ Cost Proposal | 20 pts |
| ■ Local Pasadena Business | 5 pts |
| ■ Small or Micro Business | 5 pts |
| ■ Historic Property Experience | 10 pts |



Recommended Vendors

Housing Department

Recommended Vendor	Aggregate Total Score
Compass (Formerly Deasy Penner Podley)	79.61
Mutual Realty Consultants	78
Sotheby's International Realty	77.33



Proposed Commission Structure

Housing Department

- > Proposed total commission is five percent (5%) of the sales price
- > Listing broker shall be responsible for paying buyer's broker two and a half percent (2.5%) of commission earned at closing
- > Total commission earned shall be reduced to four percent (4%) if the buyer is represented by the listing broker



FISCAL IMPACT

Housing Department

- Recommended Actions will have no direct fiscal impact
- Funds recommended to be used are included in the Department's FY 2024 Operating Budget



RECOMMENDATION

Housing Department

1. Find that the proposed action has no significant effect on the environment and is categorically exempt under CEQA Section 15061(b)(3)
2. Authorize the City Manager to enter into a professional service contract and to execute all related documents and amendments, with William Podley, broker, and Compass (Formerly Deasy Penner Podley) to provide broker listing services for the marketing, listing, and sale of five (5) residential properties for a one-year term. The total contract amount is not to exceed \$462,420



RECOMMENDATION

Housing Department

3. Authorize the City Manager to enter into a professional service contract and to execute all related documents and amendments, with Michael Slaughter, broker, and Mutual Realty Consultants, to provide broker listing services for the marketing, listing, and sale of up to five (5) residential properties for a one-year term. The total contract amount is not to exceed \$462,420.



RECOMMENDATION

Housing Department

4. Authorize the City Manager to enter into a professional service contract and to execute all related documents and amendments, with Sotheby's International Realty to provide broker listing services for the marketing, listing, and sale of up to five (5) residential properties for a one-year term. The total contract amount is not to exceed \$462,420.



RECOMMENDATION

Housing Department

5. Authorize the City Manager or his designee to enter into any amendments to the contracts as may be necessary to effectuate the transactions, including increases in the contract amount that may result from increases in the market sale prices of the properties.