



## Irvine Community Land Trust

### REQUEST FOR IRVINE COMMUNITY LAND TRUST BOARD ACTION

LAND TRUST BOARD MEETING DATE:

JANUARY 20, 2010

TITLE: CONTRACT WITH WEST COAST ESCROW FOR TITLE AND ESCROW SERVICES

Executive Director

#### RECOMMENDED ACTION:

Approve a contract substantially in the form attached with West Coast Escrow for Title and Escrow services and authorize the Land Trust Attorney and Executive Director to make minor technical modifications and execute the contract.

#### BACKGROUND:

The Land Trust has commenced acquiring properties for resale to income-eligible households. As of January 2010 there are three homes in the Land Trust portfolio that have been rehabilitated and marketed for sale. Prior to opening escrow the Land Trust, as seller, should select an escrow and title company to assist in the sales transaction for the current three units as well as any other units the Land Trust acquires.

In an effort to obtain economies of scale the Land Trust along with the City of Irvine and the Irvine Redevelopment Agency issued a Request for Proposals to escrow and title companies to provide services for one year with up to three one year extensions. Land Trust staff, along with City of Irvine staff, reviewed ten proposals submitted by various companies comparing costs, scope and description of services, qualifications of staff, capacity and capability in meeting time frames, and references. The ten companies who submitted proposals included:

- Chicago Title
- North American Title
- Orange Coast Title
- First American Title
- Cresta Verde Escrow
- INational
- Investors Title
- West Coast Escrow

Final selection criteria weighed pricing, rates and qualifications with 70 out of 100 possible points. Capacity, description of services and references were allocated 30 of 100 points. This

scoring system allowed the City, Irvine Redevelopment Agency and the Land Trust to score the proposals considering the different areas of concern that each entity found most significant. The Land Trust sought to ensure that pricing and qualifications were weighted highest since it must ensure that project expenses are held to a minimum while still having a highly qualified firm. The City of Irvine and Irvine Redevelopment Agency were concerned with pricing and qualifications as well as references and the experience of proposers working with a governmental agency. Based on these criteria West Coast Escrow scored highest among all three entities seeking these services. West Coast Escrow provided the most competitive proposal based on cost, level of services, and qualifications. Staff is recommending the Land Trust Board approve the attached contract subject to minor modifications that do not modify the scope, cost or type of service provided by West Coast Escrow.

FISCAL IMPACT:

The proposed contract with West Coast Escrow is for an amount not to exceed \$20,000 for title and escrow services. These costs will be deducted from escrow proceeds upon sale of Land Trust units. West Coast Escrow has set escrow fees at a base fee of \$200 plus \$1.50 per thousand dollars of sales price. Title fees would be charged at 40 percent of their applicable posted rate of the purchase price with a minimum charge of \$440 for up to a \$300,000 sales price. As an example, a \$264,600 sales price (the sales price of 80 Clearbrook) would have the following fees deducted from sales proceeds as follows:

Sales Price:	\$264,600.00
Less Escrow Fee:	\$597.50
<u>Less Title Fee:</u>	<u>\$440.00</u>
Total:	\$263,562.50

Pricing will remain firm for the entire first year contract term. Thereafter, any proposed pricing adjustment for follow-on renewal periods will be submitted to the Executive Director in writing at least thirty (30) days prior to a new contract term. The contract will be renewable for up to three one-year periods. Both parties will reserve the right to negotiate any pricing adjustment not to exceed the Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, California

ALTERNATIVE:

The Land Trust could select another qualified proposer from the firms that submitted proposals or could reject all proposals and use a different escrow and title company for each sales transaction.

Attachment: Agreement for Contract Services - West Coast Escrow