

Request for Qualifications

# Real Estate Development Partner For Portfolio Repositioning

Ref# 2021OFD07

Publication of Request: Thursday, April 22, 2021

Submission of Response Deadline: Wednesday, May 26, 2021 by 4:00 p.m. EST

River Rouge Housing Commission  
180 Visger Road  
River Rouge, MI 48218  
Ebony Nugin, Executive Director

CORRECTION

## OVERVIEW

The River Rouge Housing Commission (RRHC) is responsible for the administration and management of 300 Low Income Public Housing units and 249 Housing Choice Voucher Units, totaling **549 assisted units**.

The RRHC has received a Commitment to enter into HAP (RRHCP) for all 300 low-income public housing units through the Rental Assistance Demonstration (RAD) program.

RRHC's goal is to provide the highest quality housing under this conversion while ensuring the Agency can continue to administer its various programs. While RRHC has a HUD CHAP, it seeks to exhaust its repositioning possibilities, which may include RAD, Section 18 Demo/Dispo, Voluntary Conversion or any other repositioning vehicle offered by HUD.

## SCOPE OF WORK

RRHC is considering a combination of demolition/disposition, acquisition, rehabilitation and new construction using bonds, tax-credits and other financings, and may decide to invest RRHC funds. The selected developer will assist RRHC in evaluation and analyzing existing LIPH stock for consideration for restructuring and RAD conversion.

The selected Real Estate Development Partner/Consultant will be required to propose development/redevelopment strategies for RRHC controlled properties. In the case of a 9% tax credit application, the selected Developer will be responsible for creating comprehensive development strategies to address the integration of LIHTC and other programs into the broader community. The strategies shall provide supporting documentation and information in sufficient detail to justify redevelopment or new development and the integration of the same into the broader public housing community.

We are seeking a Developer who can provide the financial resources to assist with all development costs leading up to, and after financial closing. The Development Partner will assist RRHC through this process and advise RRHC staff on financing strategies, demo/dispo rules and regulations, and the application process through the Special Applications Center (SAC) office. It is important to RRHC that the LIHTC deals with

result in communities of mixed income to include market, affordable and low-income properties. To create the desired results will require comprehensive planning and leveraging resources and coordination of planning efforts for the selected sites.

The successful firm(s) must possess or have available consulting and or technical expertise in HUD Programs, HUD Regulations and related areas. The firm(s) must have extensive knowledge of the Low-Income Housing Tax Credit (LIHTC) program.

The firm(s) should excel in preparing LIHTC applications and providing technical guidance to housing authorities regarding PBV/PBRA and other development/repositioning initiatives.

RRHC, or its non-profit instrumentality or affiliate, as the Co-Developer, along with the selected co-developer, shall select the other key members of the team which may include architectural, legal, construction, management and financial services. Specific items are detailed in the specifications herein:

**RRHC's Role** (this list is not necessarily all-inclusive):

- Engage the selected Co-Developer in the overall development process including decisions affecting the development of the project(s) given goals to de-concentrate poverty.
- Interface with HUD staff assign, either SAC, local HUD or national HUD office handling real estate transactions.
- Interface with RRHC and obtain approval to transfer ownership of property along with other approvals as needed (building, zoning, etc.)
- Public relations between the development project and the residents and broader community.
- Provide some guarantees to be negotiated with the selection Co-developer and various lender and syndicators.
- Assist in applying for local/state/federal funding to help support the development financing.
- Provide properties for redevelopment.
- Maintain ownership control of all properties (through either RRHC or its non-profit affiliate) in accordance with Federal regulations and as approved by HUD.
- Establish a financial structure that allows it to participate in a stream of income from the development, including the developer's fee cash flow and incentive management fees.

- Provide historical operating costs to develop detailed operating budgets showing at least 15-year projects.
- Assist with Section 3 and Davis-Bacon compliance.
- Coordinate community and supportive services.
- Participate in the overall development process including making decisions influencing the development and management of the project(s).
- Assist design, construction and quality control of the development.
- Comply with Section 504 of the Rehabilitation Act, as amended, and the rules and regulations there under, with regard to provision of accessible housing.
- Work with co-development to apply for Tax Credits and bond financing, if appropriate.
- Ongoing property management and operations of the redevelopment project(s).

**Development Partner's Role** (this list is not necessarily all-inclusive):

- Obtain all permits, approvals, and environmental clearances.
- Hire professional services such as environmental, architectural, engineering, marketing, accounting, and legal services as needed.
- Hire general contractor and all trades.
- Assist in securing financing in anticipation of one or more development phases providing all required guarantees that exceed those which can be provided by the RRHC because of its nonprofit and governmental status.
- Create financing package(s) which include realistic public and private financing sources.
- Fund up to 100% of the pre-development costs required to get to a financial closing.
- Assist with 9% and or 4% Low Income Housing Tax Credit application allocations from Georgia Department of Community Affairs (DCA), Federal Home Loan Bank, bond and other finance applications as needed.
- Responsible for soliciting at least three tax credit syndicators to bid on tax credits.
- Assist in developing, training and employment opportunities to Section 3 individuals.
- Help encourage participation by MBE, WBE and Section 3 firms.
- Ensure Davis-Bacon compliance
- Development cost-effective construction strategy and implementation schedule.
- Work with RRHC to develop detailed project budget or operating pro-formas showing at least 15-year projects.

- Assist RRHC in compiling data for regular monthly reports on the progress of development efforts, including work completed, associated costs, and schedule.
- Assist RRHC staff in developing capacity in the development and mixed-finance arenas and management tax credit compliance, as needed.
- Assist with resident relocation timeframe and related notifications as required for FHEO, HUD and URA.
- Assist with financing pre-development activities.
- Develop and approved conversion or development strategy including, but not limited to preparation of sketches and renderings.
- Prepare and submit complete LIHTC application(s) to MSHDA and other appropriate agencies in a timely manner.
- Review and provide guidance on all documents pertaining to temporary and permanent financing, loans, collateralization and other financial strategies necessary for LIHTC or otherwise relating to the conversion/repositioning of RRHC's inventory.
- Working closing with RRHC's legal counsel regarding matters of financing structuring as it relates to IRS, IRS Technical Advice Memoranda (TAMs), other relevant Code Section and other applicable federal, state and local regulations.

**Required Experience:** Each Respondent must have the following:

- Experience in development construction and affordable housing.
- Experience in maximizing the use of various financing vehicles.
- Expertise in housing developments that incorporates Low Income Housing Tax Credits, HOME, CDBG, AHP and other affordable housing financing tools.
- Expertise in regulatory compliance issues.
- Expertise in Section 3, Davis-Bacon, and W/MBE compliance.
- Expertise with local government authorities which regulate and permit utilities.
- Special consideration will be given to firms with executive-level experience with PHA's while participating in RAD, Choice Neighborhoods, HOPE VI and other HUD development initiatives.

The Co-Developer partnership shall be negotiated based on the scale, scope and risk level in connection with the agency's development master plan.

The Scope of Work is used to gain an understanding of Respondent services and costs and may not be the full scope of a future contract with chose Respondent.

The RRHC intends to retain the successful proposer pursuant to a “Best Value” basis, not a “Low Proposal” basis (Best Value, in that the RRHC will, as detailed within the following section, consider factors other than just cost making the award decision). Responses should be provided in the following format and securely bound in a three-ring binder. Responses should be received as one (1) original, two (2) copies, and one (1) electronic version (via disk or flash drive). Page separators/tabs should clearly identify each section to facilitate quick reference and comparison to the material submitted by other respondents. Brevity will be appreciated. Responses should address all items requested in this RFQ including, but not limited to, the following:

**A. Letter of Transmittal:**

- a. Include a letter of transmittal bearing the signature of an authorized representative of the respondent and the name and email address of the individual authorized to negotiate services and costs with the RRHC.

**B. Tab 1 – Vendor Information:**

- a. Provide general information that best represents the respondent’s company.
- b. Describe those factors that differentiate the respondents’ services from other vendors.
- c. Provide proof that the respondent has at least \$5000,000 of General Liability and \$1,000,000 of Professional Liability Insurance, including errors and omissions.
- d. Certify that the company nor its individual members are disbarred from HUD or state government agencies

**C. Tab 2- Capacity to Provide Professional Services:**

- a. Describe the methodology that the respondent proposes to provide the services described in the scope of work. Include proposed staffing matrix delineating task/discipline areas.
- b. Describe anticipated timelines and specific deliverables to be considered under this engagement.
- c. State whether organization is national, regional or local. State the local address of your firm.

**D. Tab 3 – Staff Experience and Organization:**

- a. Show the experience of key personnel anticipated to be assigned to this project relative to projects of similar size and nature. (Experience with

public housing authorities is essential). Specifically, show the experience that these key personnel have working with each other on previous projects.

- b. Provide staffing plan of who will be responsible for the specific tasks identified in the scope of work.
- c. Provide staffing bios inclusive of professional and educational background.
- d. LIHTC and RAD experience is required. If the members of your firm have not participated in multiple LIHTC (9 and 4%) and Rental Assistance Demonstration (RAD) conversions or PHA Voluntary Conversion, you do not qualify under this RFQ.

**E. Tab 4 - Cost and Fees:**

- a. Cost and Fees should NOT be included into the binder and shall be sealed in a separate envelop and placed in the front pocket of one (1) original binder.
  - i. understands that the costs of development are to be negotiated between the partners and the RRHC will negotiate a developer's fee split. However, provide a sample Developer's Agreement that contains the terms and fees for a development project where RRHC may invest up to \$100,000 and the Development Partner to invest the balance of pre-dev costs, up to \$1million. This document will be used as the basis for negotiations.

**F. Tab 5 – Section 3:**

- a. Preference points will be given to any respondent that can attest to being a Section 3, MBE or WBE Business Entity. Please provide an employee listing if Section 3 applies.

**Submission Dates and Times:**

All submissions, attachments, financials, etc. must be completed in its entirety and submitted no later than **Wednesday, May 26, 2021 at 4:00 p.m. Eastern Standard Time**. There will be no exceptions. Later submissions will be considered non-responsive and will not be reviewed. Submissions are to be addressed as follows:

Ms. Eboni Nugin  
Executive Director  
River Rouge Housing Commission  
180 Visger Rd

River Rouge, MI 48218  
 ATTN: RFQ for Development Partner  
 Email: [enugin@riverrougehusing.com](mailto:enugin@riverrougehusing.com)

No facsimile transmissions will be accepted.

**RESPONSE EVALUATION:**

Evaluation Factors: The following factors will be utilized by RRHC to evaluate each Response submittal received; award of points for each listed factor will be based upon the documentation that the respondent submits within its Response submittal:

NO.	Max Point Value	Factor Type	Description
1	35 Points	Subjective	<b>Experience and Qualifications:</b> Experience in development finance, public housing, Low Income Housing Tax Credits, resident relations, HUD Regs, RAD, market rate, mixed-income, relocation. Offeror should list of projects and transactions with PHA's. Capability and experience of the members of the Development Partner's team, and determination of availability of all required skills necessary for the development process. Experience with community-based development and collaboration with community organizations. Evidence of quality performance on-time and on-budget.
2	35 Points	Objective	<b>Financial Capacity:</b> Overall financial strength of the Development Partner. Demonstrated record of financing affordable housing projects through a variety of funding sources and knowledge and experience working with the funding sources identified in this RFQ. Successful development utilizing low income housing tax credits. Contribution of Development Partner and demonstrated ability to bring financial resources to leverage dollars and to create a desired mix of housing. Proposed fee split per transactions will be key for this factor also.
3	25 Points	Subjective	<b>Development:</b> Completeness and responsiveness to all requirements and priorities of RRHC as described in this RFQ, including, but not limited to participation of RRHC in the development structure (RRHC reserves the right to declare incomplete proposals as

			non-responsive). Demonstrated conceptual understanding of HUD mixed-finance, Project Based Voucher (PBV), Project Based Rental Assistance (PBRA) transactions, FHA financings, etc. Clarity and coherence of presentation. Concept and proposed structuring. Enhancement of neighborhood appearance. Plan for long-term property management and asset management. Involvement of residents in planning, operations and benefits.
4	5 Points	Subjective	The OVERALL QUALITY AND PROFESSIONAL APPEARANCE OF THE RESPONSE SUBMITTED, based upon the opinion of the evaluators.
	<b>100 POINTS</b>		TOTAL POINTS (other than preference points)

Preference Evaluation Factor: The following factors will be utilized to evaluate each Response submittal received:

NO.	Max Point Value	Factor Type	Description
5	5 Points	Objective	SECTION 3 BUSINESS PREFERENCE PARTICIPATION: A firm must qualify for Section 3 status.
5a	5 Points	Objective	MBE PREFERENCE PARTICIPATION: A firm must qualify for MBE status.
5b	5 Points	Objective	WBE PREFERENCE PARTICIPATION: A firm must qualify for WBE status.
	<b>100 POINTS</b>		TOTAL POINTS (other than preference points)

<b>110 POINTS</b>	<b>TOTAL POSSIBLE POINTS</b>	
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## RRHC'S RESERVATION OF RIGHTS:

Definitions:

*Respondent – Company or individual responding to RFQ*

*Contractor – Company or individual who is awarded the contract*

RRHC reserves to right to:

1. RRHC reserves the right to reject any or all Responses, to waive any informality in the RFQ process, or to terminate the RFQ process at any time, if deemed by the RRHC to be in its best interest.
2. RRHC reserves the right not to award a contract pursuant to this RFQ.
3. RRHC reserves the right to terminate a contract awarded pursuant to the RFQ, at any time for its convenience upon fourteen (14) days written notice to the successful Respondent(s).
4. RRHC reserves the right to determine the days, hours and locations that the successful Respondent(s) shall provide the services called for in this RFQ.
5. RRHC reserves the right to retain all Responses submitted and not permit withdrawal for a period of sixty (60) days subsequent to the deadline for receiving Responses without the written consent of the RRHC Contract Administrator (CA) or its Executive Director (ED).
6. RRHC reserves the right to negotiate the fees proposed by the Respondent entity. If such negotiations are not, in the opinion of RRHC's CA, successfully concluded within a reasonable timeframe as determined by RRHC, RRHC shall retain right to end such negotiations.
7. RRHC shall have no obligation to compensate any Respondent for any costs incurred in responding to this RFQ.
8. RRHC shall reserve the right to, at any time during the RFQ or contract process, to prohibit any further participation by a Respondent, or reject and Response submitted that does not confirm to any of the requirements detailed herein. Each prospective Respondent further agrees that he/she will inform RRHC's CA in writing within five (5) days of the discovery of any item that is issued thereafter by CA that he/she feels needs to be addressed. Failure to abide by this timeframe shall relieve RRHC, but not the prospective Respondent, of any responsibility pertaining to such issue.

9. RRHC reserves the right, prior to award, to revise, change, alter or amend any of the instructions, terms, conditions, and/or specifications identified in the RFQ documents issued, within any attachment or drawing, or within any addenda issued. All addenda will be on RRHC's website under "Doing Business". Such changes that are issued before the response submission deadline shall be binding upon all prospective Respondents.
10. In the case of rejection of all Responses, RRHC reserves the right to advertise for new Responses or to proceed to do the work otherwise, if in the judgment of RRHC, the best interest of RRHC will be promoted.
11. FWHA reserves the right to, without any liability; cancel the award of any Response(s) at any time before the execution of the contract documents by all parties.
12. RRHC reserves the right to reduce or increase estimated or actual quantities in whatever amount necessary without prejudice or liability to RRHC, if:
  - a. Funding is not available,
  - b. Legal restrictions are placed upon the expenditure of monies for this category of service or supplies; or,
  - c. RRHC's requirements in good faith change after award of the contract.
13. RRHC reserves the right to make an award to more than one respondent based on ratings and to award with or without negotiations or a "Best and Final Offer" (BAFO).
14. RRHC reserves the right to require additional information from all respondents to determine level of responsibility. Such information shall be submitted in the form required by RRHC within two (2) days of written request.
15. RRHC reserves the right to amend the contract any time prior to contract execution.
16. RRHC reserves the right to require the Contractor to keep accurate timesheets for all employees assigned to perform any project, task, or assignment resulting from this RFQ and any resulting contract.
17. RRHC reserves the right to contact any individuals, entities, or organizations that have had a business relationship with the respondent regardless of their inclusion in the reference section of the Response submittal.
18. In the event any resulting contract is breached, prematurely terminated or cancelled due to non-performance and/or withdrawal by the Contractor, RRHC reserves the right to seek monetary restitution (to include but not limited to withholding of monies owed) from the Contractor to cover costs for interim services and/or cover the difference of a higher cost (difference between existing Contracted rate and new Contract rate) beginning the date of

Contractor's termination, breach and/or cancellation through the contract expiration date.

19. RRHC reserves the right to require the Contractor to replace any employee, subcontractor, or other individuals and/or entities, found to be unacceptable, performing work under any contract resulting from this RFQ. Replacement shall occur within two (2) days of notification by RRHC.

The contact person will be Eboni Nugin – Executive Director for the River Rouge Housing Commission. She can be reached at [enugin@riverrougehousing.com](mailto:enugin@riverrougehousing.com) .