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REQUEST FOR QUALIFICATIONS

**DEVELOPER SERVICES
AFFORDABLE HOUSING DEVELOPMENT
HACA-16-Q-XXXX**

If you have questions, or if you wish to be notified of changes or amendments to this RFQ, please contact Ron Kowal, Vice President, Asset Management/Housing Development at 512/477-4488 ext. 2113 or ronk@hacanet.org.

AUSTIN AFFORDABLE HOUSING CORPORATION
A Subsidiary Of The Housing Authority Of The City Of Austin
1124 South IH 35
Austin, Texas 78704

AN EQUAL OPPORTUNITY EMPLOYER

Please deliver completed bid packets to
1124 South IH 35, Austin, Texas 78704

AUSTIN AFFORDABLE HOUSING CORPORATION (AAHC)

REQUEST FOR QUALIFICATIONS AFFORDABLE HOUSING DEVELOPER SERVICES HACA-16-Q-XXXX

1. General Information

The Austin Affordable Housing Corporation (AAHC) is a non-profit subsidiary of the Housing Authority of the City of Austin (HACA). Austin Affordable Housing Corporation was created to own, engage in and/or assist in the development or operation of affordable housing in Austin, Texas. AAHC, as one of its goals has committed to a portfolio of 2020 units by the year 2020. This RFQ which is seeking qualified developers as partners with AAHC will help reach this goal by creating housing developments that serve low and moderate income families and individuals in all parts of the city. This RFQ is intended to create an open ended process by which interested developers can propose development opportunities to AAHC and establish a qualification process for the selection of these proposed future development opportunities.

AAHC is headed by a President and Chief Executive Officer (CEO), governed by a five- person Board of Commissioners, and subject to the requirements of Title 24 of the Code of Federal Regulations and HACA's Procurement Policy.

AAHC is seeking responses to a Request for Qualifications (RFQ) from interested development teams for the creation and implementation of affordable housing development plans. AAHC will receive, consider, and evaluate responses to this RFQ on an ongoing basis and will remain open until further notice. Throughout this time period, HACA may select one (1) or more qualified developers to enter into a development agreement with HACA to develop the proposed affordable housing development. AAHC is not limited in the number of respondents that it will select.

Any developer selected under this RFQ will be an integral partner in the effort to assist AAHC in developing high quality, energy efficient, and sustainable housing for Austin families. The developer will be required to work closely with AAHC and other community stakeholders throughout the development effort.

The developer must have significant, successful Low Income Housing Tax Credit (LIHTC) application and development experience in the Austin area and/or assemble a development team in which member firms or individuals also have extensive successful LIHTC application and development experience in the Austin area. The ability to coordinate such an undertaking must be clear from the qualifications submitted. Once selected, the successful Respondent will make a good faith effort to enter quickly into a Memorandum of Understanding with AAHC to develop the project.

2. AAHC's Role

A five member Board of Commissioners governs AAHC and all decisions related to this RFQ and resulting project are subject to their approval. Michael Gerber is the President and CEO of AAHC. AAHC will assume the following roles in the project:

- A. Development Agreement. The selected Developer shall prepare a Development Agreement for consideration and approval by AAHC.
- B. Development Partner. The specific ownership structure will be negotiated and shall be approved by AAHC. AAHC or an entity created to act on its behalf intends to be the Managing General Partner.
- C. Submission of Potential Sites for Multifamily Affordable Housing Development Application. The Developer will provide AAHC potential sites for the development of affordable multifamily housing utilizing financing including LIHTCs, Tax Exempt Bonds, mortgage funding and/or other creative financing options. The Developer will prepare and submit the required application to the Texas Department of Housing and Community Affairs (TDHCA), U.S. Department of Housing and Urban Development (HUD), and/or other appropriate entity, depending on the source of funding.
- D. Financing. The Developer shall work closely with AAHC in the preparation and submission of a finance proposal and all required legal and program documentation.
- E. Loans. AAHC shall be informed and must approve any and all loans, indebtedness, and liens attached to the property.
- F. Financials. AAHC shall be provided all required financial projections and reports on a timely basis.
- G. LIHTC Syndication and Investors. AAHC will require three or more proposals from equity providers and shall approve the selected investor partner.
- H. Property Management. Third party management may be necessary during the lease up and initial stabilization period but AAHC intends to assume control of the management function as soon as possible.
- I. Design. AAHC shall review and approve the design of the apartment community.
- J. Development Team. The Developer is responsible for the selection of the Development Team. The Developer agrees to submit their Development Team and disclose any identities of interest to AAHC for review. AAHC reserves the right to recommend changes to the Development Team.
- K. Bond Counsel. AAHC reserves the right to appoint Bond Counsel, if applicable.

3. Developer's Role

The responsibilities of the selected developer will include, but are not limited to, the following:

- A. The developer shall be responsible for the development of a comprehensive Finance Plan for an affordable, multifamily site that will achieve a high quality, energy efficient, sustainable housing product for Austin families. The Plan must be consistent with Austin's S.M.A.R.T. Housing Policy standards.
- B. Undertake predevelopment activities.
- C. Assemble a development team.
- D. Develop architectural plans consistent with the guidelines and direction of HACA, and perform all land entitlements including all required approvals and permits.
- E. Develop and manage a project implementation schedule.
- F. Obtain additional leveraged funds from private and other sources.
- G. Preparation and submission of applications to obtain LIHTC allocations and/or other affordable funding sources from TDHCA and other regulators.

- H. The developer will provide the experience certificate needed to meet the threshold requirement under the Qualified Allocation Plan (QAP) and Uniform Multifamily Rules.
- I. Develop a project budget.
- J. Coordinate all development activities, including reporting and budget requirements with AAHC.
- K. Propose the general partnership structure, prepare a management plan for the property, and recommend a Bond Counsel, as applicable.
- L. Provide all necessary financial guarantees and assurances to bond holders and investment partners and assure compliance with all LIHTC guidelines and criteria.
- M. Solicit construction bids and enter into a contract for construction subject to approval of AAHC.
- N. Oversee construction and ensure completion in a timely manner.
- O. Obtain commitments from bond purchasers and tax credit investors for financing the project, as applicable. Such commitments to be on terms and with parties acceptable to AAHC.
- P. Assure compliance with all building codes and other requirements of local, state, and federal government entities.
- Q. Deliver units consistent with HUD requirements and guidelines.

4. Income Structure and Use Restriction

HACA is currently planning to develop all proposed housing communities with 100% of units certified as LIHTC units. However, HACA seeks to provide housing to a mix of eligible households, including the low and very low income and incomes capable of paying market rent. Respondents may target occupancy subject to any income restrictions associated with the LIHTC Program and other funding sources and propose that structure to HACA.

5. Project Design Review

HACA and the Developer will enter into a Development Agreement which will set forth the parameters of the development process. HACA will review all design and construction documents.

6. Legal and Ownership Structure

HACA and the Developer will determine the specific ownership structure. HACA or an entity created to act on its behalf intends to be the Managing General Partner.

7. Submission Requirements

Respondents are required to submit the following information, although HACA reserves the right to request additional information upon review of initial submissions.

- A. Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, is not barred from participation in HUD programs, TDHCA programs, or those of any agency of the United States government, state of Texas, city, county, school district, or any other governmental agency, or full disclosure of any debarment.
- B. Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, is in good standing with the TDHCA and does not have any

- outstanding compliance issues or, alternatively, provide a full disclosure of any problems and issues.
- C. Certification by the individual or firm's principal that the individual and/or firm and its principals during the past five (5) years have not been involved in and are not currently involved in litigation regarding the development and financing of properties under the LIHTC program, or full disclosure of any litigation of this type.
 - D. Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, do not have outstanding issues with the Internal Revenue Service regarding LIHTC properties, or full disclosure of any outstanding issues.
 - E. Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, are not currently in default and have not been in default within the past five (5) years on any indebtedness. Provide full details if a default has occurred during the referenced time period.
 - F. Certification by the individual and/or firm's principal that the individual and/or firm have a record of successfully constructing or developing residential units (single family or multifamily) in the capacity of owner, general partner, or developer. Describe the developer's experience in the development of affordable housing using TDHCA affordable housing programs, including LIHTC, Tax Exempt Bonds, HOME, and Housing Trust Funds. Include the name and address of the property, property description, designate new construction or acquisition/ rehabilitation, the source of funding (if LIHTC, indicate whether 4% or 9% credits were utilized), and indicate allocation/award year with TDHCA Project Number. Provide a description of the participation of the Respondent, identification of any participation by a housing related nonprofit organization, and the name and telephone number of a reference person for each property. Describe the Respondent's past use of non-TDHCA funding tools for multifamily developments, such as FHA insured mortgages, HOME funds, Choice Neighborhoods, HOPE VI, and private mortgages. The Respondent shall include identification of all successful financing secured from competitive application processes for residential development projects over the past five (5) years within the State of Texas, and particularly within Austin.
 - G. If applicable, describe and provide supporting evidence (e.g., certification by a governmental agency) of the Developer's status as a minority business enterprise (MBE) and/or women owned business enterprise (WBE), or of the Developer's history of utilizing MBEs and WBEs.
 - H. Describe the Developer's experience in working with housing authorities. Provide the names of the housing authorities with a description of the work (indicating if the experience included the replacement of public housing units) and name and telephone number of a contact representative at each Housing Authority with which the Developer has worked.
 - I. HACA and the selected Respondent will negotiate the specifics of the ownership structure after selection. HACA or a related entity will serve as the Managing General Partner of the development partnership in order to maintain the ad valorem property tax- exemption that will apply due to HACA's ownership. The Respondent shall provide the proposed ownership structure and identify the various legal entities to be involved in the ownership of the improvements and the nature of their involvement.

- J. Respondents should submit a proposed fee structure expressed as a percentage of development costs or construction costs, as appropriate, including a proposed split of the developer fee with HACA, based upon HACA's role as set out above. The proposed fees should include the amount and timing of payment of developer fee and overhead, contractor profit, overhead and general requirements, and property management fees.
- K. Respondent shall not have been removed as a general partner within the last 5 years.

8. Expense of Qualifications Statement and Proposal Submission

All expenses involved with the preparation and submission of qualification statements and proposals to HACA as well as all expenses associated with presentations and interviews or other pre-award activities shall be borne by the individual and/or firm submitting the statements of qualifications and proposals.

9. Inquiry Contact Persons

Questions pertaining to procurement/HACA's procurement requirements should be directed to Nora Morales, Purchasing Director at noram@hacanet.org or 512-477-1496 Extension 2119. All requests for interpretation or technical questions concerning the content of this RFQ must be submitted in writing to the attention of Ron Kowal, Vice-President, Asset Management/Housing Development. Questions may be emailed to ronk@hacanet.org and must reference the RFQ Number and Title. Inquiries will be answered throughout the period in which the RFQ is open.

10. Evaluation Process

HACA staff will conduct an initial review to establish responsiveness. Responsiveness will be confirmed through determining if the respondent has met all mandatory requirements outlined in this RFQ, and submitted all Submission Requirements. Any submission not in compliance with the mandatory requirements or response to this RFQ will be deemed "non-responsive". HACA will not consider non-responsive submissions. HACA reserves the right to reject any and all submissions.

HACA shall not consider any individuals and firms barred from doing business with HUD and/or TDHCA, and reserves the right to disqualify any individuals or firms barred by other governmental entities, or that may not be in good standing with the TDHCA.

General Information

A. Conflict of Interest

The respondent warrants that to the best of its knowledge and belief, and except as otherwise disclosed, it does not have any organizational conflict of interest. Conflict of interest is defined as a situation in which the nature of the work under this solicitation and the firm's organizational, financial, and contractual or other interests are such that:

1. The respondent may have an unfair competitive advantage; or
2. The respondent's objectivity in performing the work solicited may be impaired. In the event the respondent has an organizational conflict of

interest as defined herein, the respondent shall disclose such conflict of interest fully in the proposal submission.

The respondent agrees that if, after award, he/she discovers an organizational conflict of interest with respect to this solicitation, he/she shall make an immediate and full disclosure in writing to HACA that shall include a description of the action which the respondent has taken, or intends to take, to eliminate or neutralize the conflict. HACA may, however, disqualify the respondent or, if a contract has been entered into with the respondent, terminate said contract at its sole discretion.

In the event the respondent was aware of an organizational conflict of interest before the award of a contract and intentionally did not disclose the conflict to HACA, HACA may disqualify the respondent.

The provisions of this section shall be included in all subcontracts or other agreements wherein the work to be performed is similar to the service provided by the respondent. The respondent shall include in such subcontracts and other such agreements any necessary provisions to eliminate or neutralize conflicts of interest.

No member of the Board of Commissioners shall be allowed to share any part of the contract awarded under this solicitation or to any benefit that may arise from the contract. This provision shall be construed to extend to any contract made with the successful respondent.

No member, officer or employee of the respondent selected to perform the services described above shall, during the term of their contract or for one year thereafter, have any interest, direct or indirect, in any contract that they are responsible for procuring, managing or overseeing or in the proceeds of any such contract.

HACA reserves total discretion to determine the proper treatment of any conflict of interest disclosed under this section.

B. Cost of Proposal

All costs incurred, directly or indirectly, in response to this RFQ shall be the sole responsibility of and shall be borne by the respondent.

C. Form of Purchase

The acceptance of the respondent's offer for the services specified herein will be made by issuance of a duly authorized contract prepared by HACA. Such contract shall consist of the Development Agreement and/or other form of agreement between HACA and the developer. Respondents are cautioned to make no assumptions or accept any representations by any employee, member, officer or representative of HACA concerning the award until an agreement is executed.

D. Government Restrictions

In the event any governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship or performance of the goods or services offered, it shall be the responsibility of the successful respondent to immediately notify HACA in writing specifying the regulation which requires alteration. HACA reserves the right to accept any such alteration, including any reasonable price adjustments occasioned thereby, or to cancel the contract at no expense to HACA.

E. Nonconformance to Conditions/Specifications/Scope of Services

Services will be inspected for compliance with specifications. Services not conforming to specifications will not be accepted. Services not provided in accordance with the Scope of Services may result in the firm being found in default. In the event of default all procurement costs may be charged against the developer.

F. Assignment or Transfer

The successful respondent shall not assign or transfer any interest in the contract, in whole or in part, without written approval of HACA. Claims for sums of money due, or to become due, from HACA pursuant to the contract may be assigned to a bank, trust company or other financial institution. HACA is hereby expressly relieved and absolved of any and all liability in the event a purported assignment or subcontracting of the contract is attempted in the absence of the developer obtaining HACA's prior written consent.

G. Availability of Records

The Comptroller General of the United States, HUD, HACA and any duly authorized representative of each shall have full and free access to, and the right to audit and to make excerpts and transcripts from, any and all pertinent books, records, documents, invoices, papers and the like, of the developer, or in the possession of the developer, which shall relate to, or concern the performance of the contract.

H. Patents – Licenses and Royalties

The successful respondent shall indemnify and hold harmless HACA and its employees from liability of any kind including costs and expenses for or on account of any copyrighted, patented or not patented invention, process or article manufactured or used in the performance of the contract including its use by HACA. If the developer uses any design, device or material covered by letters, patent or copyright, it is mutually agreed and understood that the royalties or other costs arising from the use of such design, device or materials involved in the work will be incorporated into the overall total development costs. Further, all residual right to Patents, Licenses and Royalties shall revert to HACA at the end of the Agreement.

I. Permits and Licenses

The successful respondent shall obtain all permits and licenses that are required for performing their work. The developer shall pay all related fees and costs in connection with required permits and licenses. Proof of ownership shall be made on all software used in the execution of the contract. The developer will hold HACA harmless for any violation of software licensing resulting from breaches by employees, owners and agents of the developer.

J. Taxes

The successful respondent is responsible for all state and federal payroll and/or social security taxes. The developer shall hold HACA harmless in every respect

against tax liability.

K. Advertising

In submitting a response to this RFQ, the respondent and its consultants agree not to use the results as a part of any commercial advertising.

L. Insurance

The successful respondent shall maintain a policy of professional liability insurance in the amount of at least \$2,000,000.

1. Workers' Compensation in accordance with the State of Texas rules and regulations.
2. General Liability insurance with a single limit for bodily injury of \$1,000,000 per occurrence and property damage limit of no less than \$1,000,000 per occurrence. The insurance may have a combined aggregate of coverage amounting to no less than \$1,000,000. Such insurance shall protect respondent against claims of bodily injury or death and property damage of others. If respondent has a "claim made policy," then the following additional requirements apply: The policy must provide a "retroactive date" which must be on or before the execution date of the Agreement and the extended reporting period may not be less than five years following the completion date of the Agreement.
3. Automotive liability on owned and non-owned motor vehicles used on the site(s) or in connection herewith for a combined single limit of bodily injury and property damage of not less than \$1,000,000 per occurrence.

All insurance shall be carried with companies that are financially responsible and admitted to do business in the State of Texas. Respondent shall not permit the insurance policies required to lapse during the period for which the Agreement is in effect. All certificates of insurance shall provide that no coverage may be cancelled or non-renewed by the insurance company until at least thirty (30) day's prior written notice has been given to HACA.

M. Proof of Liability Insurance

The successful respondent shall furnish to HACA a certified copy of the policies covering the work as required in the specifications as evidence that the insurance required will be maintained in force for the duration of the contract and for at least one year thereafter.

N. Standards of Conduct

The successful respondent shall be responsible for maintaining satisfactory standards of its employees' competence, conduct, courtesy, appearance, honesty and integrity. It shall be responsible for taking disciplinary action against any of its employees as may be necessary.

O. Supervision

The successful respondent shall provide adequate competent supervision at all times during the performance of the agreement. The developer or their designated representative(s) shall be readily available to meet with HACA personnel. The successful respondent shall provide the telephone numbers where its representative(s) can be reached.

- P. Performance Evaluation Meeting
The selected respondent shall be readily available to meet with representatives of HACA weekly during the first month of the contract and as often as necessary thereafter. At these meetings a mutual effort will be made to resolve any and all performance problems.
- Q. Federal, State, and Local Reporting Compliance
The developer shall provide such financial and programmatic information as required by HACA to comply with all Federal, State and local law reporting requirements.
- R. Nondiscrimination
The developer agrees that they will abide by Federal, State and local laws including City ordinances incorporated by reference herein.
- S. Project Personnel
Except as formally approved by HACA, the key personnel identified in the accepted response to this RFQ shall be the individuals who will actually complete the work at the stated levels of effort. The developer must submit in writing to HACA any changes in staffing and receive approval prior to making those changes.
- T. Payment
To the extent required and pursuant to the schedule of deliverables in accordance with the final Development Agreement negotiated by the parties, HACA shall make periodic payments for services provided as required under its agreement with the developer.
- U. Notices
All written notices required to be given by either party under the terms of the contract(s) resulting from the contract award shall be addressed to the developer at their legal business address as given in the contract. Written notices to HACA shall be addressed as provided in the contract.
- V. Cancellation
HACA reserves the right to cancel this RFQ, or to reject, in whole or in part, any and all proposals received in response to this RFQ, upon its documentation that such cancellation or rejection is in the best interest of HACA. HACA further reserves the right to waive any minor informalities or the failure of any Responder to comply therewith if it is in the public interest to do so. No contractual right shall arise out of the process of negotiation until such time as HACA and the selected firm have signed an agreement.
- W. Laws
The laws of the State of Texas and applicable federal law shall govern the contract.
- X. Contract Award
The developer's contract as described in this document shall be subject to the approval of HACA Board of Commissioners and HUD if required.