**MUSKEGON HOUSING COMMISSION**

1080 Terrace Street

Muskegon, MI 49442

**NOTICE**

## REQUEST FOR QUALIFICATIONS (RFQ)

## FOR REAL ESTATE DEVELOPMENT CONSULTING SERVICES

## **ISSUE DATE**

## January 24, 2020

**SUBMISSIONS DATE**

February 14, 2020 AT 5:00 P.M.

**INTRODUCTION**

The Muskegon Housing Commission (MHC) is seeking assistance from a professional real estate development consulting firm as it navigates its repositioning of assets within the U.S. Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) program over the next 18-36 months. Specifically, MHC is planning to transition Hartford Terrace, a 166 unit Public Housing development it owns at 1080 Terrace Street. This effort includes preliminary plans to seek tax credits for the significant rehabilitation of its assets and for new construction. There will also be a demolition/disposition application submitted by MHC for 3 Duplex units located at 1317/1319 Terrace Street, and 424,425,426,427 Monroe Street Muskegon, MI. A contract will be awarded to the firm that has significant and successful experience with low-income housing financing programs, including but not limited to: LIHTC, HUD Financing, HOME Funding, Housing Trust Fund, Federal Home Loan Bank Affordable Housing Program, Community Development Financial Institutions, and other Conventional Lending Programs. MHC anticipates a significant level of work for this contract during 2020.

MHC will evaluate submissions based on the demonstrated experience in performing financial underwriting, project feasibility, and deal structuring, which include detailed analysis of multiple affordable housing financing programs (e.g., low income housing tax credits / LIHTC, tax-exempt bond financing, tax-increment financing, HUD and conventional debt, Fannie Mae, Freddie Mac, private market loan products). MHC will also evaluate submissions based on the respondent’s capacity and experience in affordable housing development and advisory services, which include experience completing HUD Rental Assistance Demonstration (RAD) conversions or HUD-financed projects, as well as, experience working with public housing authorities.

The entity selected will be responsible for the majority of the redevelopment work, with involvement and assistance from MHC. MHC will have the final decision on the redevelopment plan including design, site plan, and unit mix and income levels served. MHC will have absolute veto power in the case of a disagreement over the development concept.

**SCOPE OF SERVICE**

Outlined below is the proposed scope of work that includes the activities that will be implemented in coordination with MHC. Please note that the actual scope of work may not be limited to the exact items listed below and may be subject to change, revision, or clarification at any point.

HUD RAD Process

1. Assist MHC with preparation of correspondence and applications to HUD for RAD conversion process;
2. Ensure that MHC meets all RAD requirements during predevelopment and development process;
3. Assist with HUD required Financing Plan for RAD conversion; and
4. Serve as liaison between MHC Development Team and HUD RAD staff.

Predevelopment

1. Development Team recommendations;
2. Development Team management including team meetings;
3. Preparation of pre-development budget;
4. Initial project/development financial projections;
5. Initial project/development timeline;
6. Ensure site due diligence is conducted, including but not limited to environmental assessment and title work;
7. Facilitate meetings/discussions to ensure projects can be designed, engineered and constructed within the parameters of each project’s budget and timeline; and
8. Coordinate meetings with MSHDA, other financing partners, municipalities and other stakeholders to ensure support for project.

Financing

1. Prepare MSHDA Market Study Requests;
2. Prepare Notice of Intent to Apply for MSHDA 4% Gap Financing Program;
3. Prepare 9% and/or 4% LIHTC applications;
4. Prepare HOME fund applications;
5. Prepare Federal Home Loan Bank Affordable Housing Program applications;
6. Prepare conventional construction and permanent loan applications; and
7. Prepare other applications for which the consultant may have experience or ability.

Closing

1. Monitor the completion of project design and value engineering;
2. Manage municipal reviews and ensure approvals required for closing; and
3. Manage closing process with funders including management of due diligence required for closing.

Construction/Project Close-Out

1. Oversee and coordinate the activities of the Development Team so as to facilitate milestone progress including, but not limited to:
	1. Construction timeline;
	2. Reports to MSHDA and other project funders; and
	3. Review of construction draws to financing partners.
2. Prepare MSHDA 10% Certification application in coordination with project accountant,
3. Marketing and lease-up planning with property management company, and
4. Close-out reporting, cost certification and issuance of 8609 for tax credit investor.

**SUBMISSION REQUIREMENTS**

Cover Letter

Provide a cover letter that identifies the primary contact person for the Respondent, and briefly summarizes experience with affordable housing development, HUD programs and RAD. The letter must be signed by an authorized principal of the Respondent and include a statement that the submittal will remain valid for not less than 90 days.

Experience/Expertise

Provide a firm overview of the Respondent and describe its experience with similar projects. Identify the individual that would serve as project manager and describe his or her specific qualifications and experience with projects of similar scope and size and with RAD. The project manager is integral to the proposal and may not be replaced without prior written approval of MHC. In the event of a joint venture between multiple consultants, provide information on each firm, indicate past experience working together, if any, and describe the respective role each firm would play in this project.

In your response, please provide the following information:

* A brief history of the firm, including a list of each low income housing project the firm has provided consulting assistance to or developed;
* Description of experience with Public Housing Authorities and HUD RAD program;
* Description of the firm’s experience applying for and integrating different subsidies

such as 4% and 9% low-income housing tax credits, tax-exempt bonds, HOME, CDBG, and AHP;

* Describe firm’s approach to providing consulting services for development and financing and cost proposal associated with these services;
* Resumes for the project manager and any other key staff; and
* At least three applicable references from clients or financing entities.

# **EVALUATION CRITERIA**

1. Low-Income Housing Tax Credit Development EXPERTISE – 25 POINTS

The proposal must indicate the Respondent’s experience with applying for and securing Low-Income Housing Tax Credit for projects.

2. FINANCING EXPERTISE – 25 POINTS

The proposal must indicate the Respondent’s ability to secure debt and equity financing for LIHTC projects.

3. RAD EXPERIENCE and EXPERTISE – 25 POINTS

The proposal must indicate the Respondent’s ability to assist with the RAD conversion and, specifically, its experience working with HUD’s RAD program and MSHDA’s LIHTC program.

4. FEE PROPOSAL – 25 POINTS

The proposal must clearly describe the Respondent’s fees structure and financial benefits of RAD Conversion to MHC.

MHC reserves the right to reject any and all submissions, to waive informalities and minor irregularities in submissions received, and to accept any submission deemed to be in its best interest.

**ANTICIPATED TIMELINE**

January 24, 2020 RFQ issued

**February 14, 2020 Proposals due no later than 5pm**

February 18, 2020 Selection of Successful Applicant

**SUBMISSION REQUIREMENTS**

MHC must receive (1) electronic copy (pdf attachment) of the complete submission package via e-mail to Angela Mayeux, Executive Director at angela.mayeaux@muskegonhousing.org no later than 5:00 PM (EST), February 14, 2020.

Please note in the e-mail subject line: Real Estate Development Services Consultant RFQ Response. In the email itself, please include the primary respondent’s contact information (name, address, telephone number, additional e-mail addresses). The submission shall include an attachment that includes the required Questionnaire and appropriate attachments that correspond to the items in the Questionnaire Form.

Email responses received later than the date and time specified may be rejected or deemed “non-conforming”. MHC assumes no responsibility or liability for receipt of responses.