



TRAVERSE CITY HOUSING COMMISSION

150 Pine Street, Traverse City, Michigan, 49684

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TCHousing.org

NOTICE

REQUEST FOR QUALIFICATIONS (RFQ) FOR REAL ESTATE DEVELOPMENT CONSULTING SERVICES

TRAVERSE CITY HOUSING COMMISSION (TCHC)

150 Pine Street, Traverse City, Michigan, 49684

POSTED

DECEMBER 13, 2020

The Traverse City Housing Commission is seeking assistance from a professional real estate development consulting firm (or individual) as it navigates an affordable housing project in Garfield Township, Michigan. This project is considered to be a “transit-oriented” housing project and is in collaboration with the Bay Area Transit Authority (BATA) and its new headquarters/operational facility – located on LaFranier Road. A contract will be awarded to the firm (or individual) that has significant and successful experiences with low-income housing financing programs, including but not limited to: Opportunity Zones, LIHTC, HUD Financing, USDA Rural Development, HOME Funding, Housing Trust Fund, Federal Home Loan Bank Affordable Housing Program, Community Development Financial Institutions, and/or Conventional Lending Programs. TCHC anticipates a significant level of work for this contract during the first nine months of 2021 and on-going work during future phases. Our goal is to begin construction on phase one at some point in 2022.

QUESTION & ANSWERS CONFERENCE CALL

DECEMBER 21, 2020 AT 3:00 P.M.

SUBMISSIONS DUE

JANUARY 19, 2021 AT 4:00 P.M.

For clarifying information, please plan to participate in a conference call on December 21, 2020 at 4:00 P.M.

Please contact Tony Lentych, the TCHC Executive Director, for dial-in information for the call.

231-922-4915, ext. 203 or TLentych@TCHousing.org

INTRODUCTION

The Traverse City Housing Commission (TCHC) is seeking a qualified **Real Estate Development Consultant(s)** to work with executive staff to assist in financial modeling, deal structuring, and pre-development activities for its LaFranier Road Housing Project. Through a single method RFQ process, TCHC is seeking to identify a qualified Consultant or Firm that has extensive experience structuring financial strategies and performing development services, which may include multiple rounds of 4% and 9% low income housing tax credit (LIHTC) awards, debt offerings, LIHTC syndications, and other significant funding opportunities as necessary.

TCHC 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). TCHC will also evaluate submissions based on the respondent's capacity and experience in overall housing development and advisory services, which will include experience completing creative financing packages for all types of housing developments, as well as, experience working with public housing authorities.

BACKGROUND & OVERVIEW

TCHC is a Public Housing Authority in the State of Michigan with three properties in its portfolio but only two of which are under the Public Housing program with the United States Department of Housing and Urban Development (HUD). We also manage 208 Housing Choice Vouchers and a small Family Self-Sufficiency Program.

In 2020, TCHC signed a Memorandum of Understanding to co-develop a property with the Bay Area Transportation Authority (BATA) for the purposes of creating a "transit-oriented" project. This project includes the BATA headquarters, affordable/workforce housing, bus transfer station, and other commercial buildings. BATA has retained its own development consultant and has secured the majority of its funding from the federal and state Departments of Transportation. After examination of several properties, it was decided to pursue this project on a large parcel located in Garfield Township. Pre-development work, including the drafting of a planned unit development submission to the Garfield Township Planning Commission has already been completed.

A brief description of the property is listed below:

- Parcel Identification Numbers: 05-023-042-01 & 05-023-042-30
- Currently Owned by the Louis G. & Marvel R. LaFranier Trusts Property
- Located on the Northeast Corner of North LaFranier Road and West Hammond Road

- Garfield Township, Grand Traverse County, Michigan

TCHC holds an option to purchase this property.

DEVELOPMENT PLAN

TCHC has partnered with the Bay Area Transportation Authority (BATA) to co-develop a transit-oriented housing project in conjunction with their new Headquarter and Operations facilities. Some pre-development work has been completed or is being completed which directly affects BATA's portion of the project. Based upon the financing that may or may not be available to TCHC, the precise size and scope of each of each phase remains unclear. It is expected that the consultant(s) selected will offer considerable guidance in this area.

The identified steps for the proposed development plan are as follows:

1. Work with TCHC to evaluate all financing opportunities available for this project.
2. Secure property and create a financing plan for all pre-development work.
3. Develop a detailed finance plan (targets) for all phases of the project.
4. Seek creative ways to finance child care and commercial components of plan.

It is the intent of TCHC to utilize the same consultant(s) for the entire length of this project development.

SCOPE OF SERVICE

Outlined below is the proposed scope of work with the corresponding tasks and deliverables. 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.

Financing Services –

TCHC needs advisory and consulting services in the selection of the most optimal financial products and negotiated in the most favorable terms for this Commission. This scope will include, but is not limited to the following:

1. Provide Financing Plans (for owner, investors, and lender approval).
2. Assist in the preparation of the applications for subsidy and other debt financing applications related to the overall Development Plan.
3. Assist in the preparation of project financials (sources and uses statements, 20-year operating pro forma, and debt and equity sizing models, other project financials).

4. Assist in financial modeling, project underwriting for deal structuring, and due diligence coordination.
5. Assist in the procurement of financing/development team members and other service providers.
6. Coordinate the selection of project lenders and equity investors.
7. Assist with any questions or coordination with funders, lender(s), equity investors, and other due diligence activities.
8. Assist with any questions or comments from the pre-development review process.
9. Assist with any and all items to secure financing for a particular deal.
10. Assist in the acquisition of the LIHTC awards, lender commitments, and obtain an IRS Form 8609 for any development from the State Housing Authority "MSHDA" when necessary for some buildings in the Project.

Development Services –

TCHC will need assistance in the pre-development activities including but not limited to the following:

1. Assist in preparation of other required documents, such as appraisal and cost review.
2. Assist with any questions or comments from a funding source's review process.
3. Coordinate the closing process and manage pre-closing activities.
4. Provide recommendations and feedback on closing documents.
5. Coordinate the transition from financial closing to construction and asset management, through developing a deal abstract, schedule compliance items, and financial obligation tracker document.
6. Assist in other pre-development activities, as requested.

SUBMISSION REQUIREMENTS

Submission Requirements –

Each responding package should include the following:

1. Cover letter for introductory purposes only.
2. A Signed Questionnaire Form – included as ATTACHMENT A to this request for services.
3. Attachments & Exhibit Package that corresponds to the items in the Questionnaire Form, which include but are not limited to company profile, brochure and resumes of all key members that will be assigned to the project, description and location of projects along with statements on the scope of services rendered on the project, which includes any contingent liabilities, three (3) references from previous projects listed, evidence of insurance certificates based on TCHC's insurance requirements.

4. Cost Proposal / Price Quote of Services (which include additional services not listed in the “Scope of Services” as an hourly rate).
5. Acknowledgement that HUD Form 5369-B was reviewed (in cover letter).
6. Completion and submission of HUD Form 5369-C.

Please note that the Questionnaire Form is the scoring basis of your response package. We have established the maximum number of points awarded for each area of evaluation. It must be completed in its entirety with all of the requested and required attachments. If the response package is incomplete, your submission may be deemed “non-responsive”.

Email Submission Requirements –

TCHC must receive (1) electronic copy (pdf attachment) of the complete submission package via e-mail (INFO@TCHousing.org) no later than **4:00 PM (EST), Tuesday, January 19, 2021**.

Please note in the e-mail subject line: **Real Estate Development Services Consultant RFQ Response**. In the e-mail 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.

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

Anticipated Schedule –

The schedule below represents the anticipated schedule:

- RFQ distributed to potential respondents: December 13, 2020
- Conference Call for Applicants/Bidders: December 21, 2020 at 3:00 P.M.
- Deadline for receipt of proposals: January 19, 2021 at 4:00 P.M.
- Evaluation of Submissions: January 20, 2021
- Selection of Successful Applicant / Bidder Estimated: by January 31, 2021

RESERVATION OF RIGHTS

TCHC reserves the right to:

1. Reject any or all responses, to waive any informalities in the solicitation process, or to terminate the solicitation process at any time, if deemed by TCHC to be in its best interest.
2. Not to select or make award to anyone with a history of poor performance on projects performed for TCHC and or any other client of the submitting firm at the sole opinion and discretion of TCHC.
3. Terminate a contract awarded pursuant to this solicitation at any time for its convenience upon delivery of a 30-day written notice.
4. Determine the days, hours and locations that the successful bidder shall provide the items or services called for in this solicitation.
5. Reject and not consider any bid that does not, in the opinion of TCHC, meet the requirements of this solicitation, including but not necessarily limited to incomplete response and/or alternate (not including "or equal" items) or non-requested items or services.
6. To make an award to the same applicant/bidder (aggregate) for all items; or, to make multiple awards to multiple firms for various scopes of work.
7. TCHC reserves the right to reject all proposals and to re-solicit new proposals should this solicitation fail to produce an acceptable agreement. TCHC may also reject any proposals that are incomplete or non-responsive and any proposals that are submitted after the deadline.
8. Further, TCHC reserves the right to request additional information from any respondent after the submission deadline. TCHC also reserves the right to reject any and all, or parts of any and all, proposals received in response to this RFQ or to cancel or postpone this solicitation process if TCHC determines that such rejection, cancellation or postponement is in the best interests of TCHC, to request additional information; and to waive any irregularities in this solicitation or in the proposals received as a result of the solicitation.
9. If applicable, the determination of the criteria and process pursuant to which proposals are evaluated, the decision regarding who shall be selected to act as bond counsel in connection with the transaction and the decision whether or not to designate bond counsel as a result of this RFQ shall be at the sole and absolute discretion of TCHC.

APPLICANT/BIDDER'S RESPONSIBILITY

It is the applicant/bidder's responsibility to:

1. Carefully review and comply with all instructions provided herein, or provided within any named attachments or addenda.
2. Bear all expenses involved with the preparation and submission of RFQ proposals.

RFQ QUESTIONNAIRE

Please use the following questions to respond to our RFQ. You do not need to write a full narrative in answer to each question but please indicate if you think your firm should receive the maximum point award for that particular question. The total number of points awarded for this questionnaire may not necessarily equal 100 points. All supporting documentation should be attached to this signed questionnaire.

EXPERIENCE & CURRENT ACTIVITY

LIHTC (or other subsidy) Financing Experience: Please attach documentation that demonstrates evidence of past experience performing consulting services and development partnership for projects that received some form of significant subsidy (e.g., LIHTCs) and were completed within the past eight (8) years. If projects received LIHTC awards within the State of Michigan, please provide evidence of participation on the awarded projects. **[Ten (10) Points]**

How Many Projects: Overall, what is the total number of projects that your firm has assisted in financing and development within the past 5 years? (List the type of housing and how it was specifically financed – e.g., senior market rate or multi-family with USDA). **[Ten (10) Points]**

TARGET PROGRAM – 4% LIHTC / Tax Exempt Bond Financing: What is the total number of 4% or 9% LIHTC / Tax Exempt Bond projects that your, or qualified member of your firm, assisted in financing and closing, or were in the projects as part of direct ownership or development management within the past ten (10) years? **[Ten (10) Points]**

How Many Projects: What is the total dollar value of the properties financed in the projects listed in the question above? **[Ten (10) Points]**

In regards to the question above, did any project contain infrastructure financing or local government funding? **[Five (5) Points]**

In regards to ALL of the questions above, how many projects utilized additional or alternative funding (e.g., FHLB AHP Grants)? Please list the sources and specific uses of these funds. **[Ten (10) Points]**

Current Activity / Experience: Does your firm have previous application preparation/ financing/ development/ consulting/ closing experience utilizing the funding mechanisms from Opportunity Zones? **[Five (5) Points]**

Current Activity / Experience: How many projects has your firm scheduled or has submitted for 9% tax credits the next two credit rounds? Please list the general location (e.g., urban or rural) and size of the projects. **[Five (5) Points]**

Current Activity / Experience: How many projects is your firm scheduled or has submitted for 4% tax credit / bond financing in the upcoming months? Please list the location and size of the projects. **[Five (5) Points]**

Current Activity / Experience: How many projects has your firm helped to develop that would be considered “workforce housing”. Please list the location and the size of the projects. **[Five (5) Points]**

Current Activity / Experience: Are you working with or otherwise engaged with any projects within 50 miles of Traverse City? Please list the location and size of the projects. **[Negative Five (-5) Points]**

FINANCIAL CAPACITY & BUSINESS LIABILITIES

Financial Capacity of Developer: Do you have the financial strength and capacity to perform financing underwriting and development services? If necessary, does your firm have the capacity to partner with the Sponsor to perform developer services and financial guarantees? **[Twenty Five (25) Points]**

Business Liability & Other Activity: Has your firm or principals of your firm been involved in any of the following activities **[Negative Ten (-10) Points]:**

- Current financial default of more than sixty (60) days duration
- Mortgage assignment or workout arrangement
- Foreclosure or Bankruptcy
- Litigation relating to financing or construction of the project, which is pending or which was adjusted with a finding of liability against the developer, including mechanic’s lien litigation
- Real Estate Tax Delinquencies

Capacity & Readiness: Does your team have the capacity to complete a 4% or 9% Tax Credit Application within the time table of the 2021/2022 LIHTC Funding Rounds of MSHDA? Please provide resume of key members assigned to the project. **[Ten (10) Points]**

Capacity & Readiness: What is your firm's approach to providing consulting services for development, financing, construction management, and Federally-funded Program management? Please provide cost proposal / quote of services. **[Ten (10) Points]**

BONUS - Capacity & Readiness: Is your firm a Section 3 or Minority/ Women Owned Business concern? Does your firm have the capacity or plan to procure Section 3 Subcontractors or employment for this procurement? Please provide explanation and detailed plan. **[Five (5) Points]**

Name of Primary Respondent (Printed)

Signature

Date

NOTE: UNITED STATES CODE, UNDER TITLE 18, SECTION 1001, STATES THAT A PERSON IS GUILTY OF A FELONY FOR KNOWINGLY AND WILLINGLY MAKING FALSE STATEMENTS TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES.

QUESTIONS & ANSWERS

Conference Call

The notes from the Conference Call on December 21st, 2020 at 4:00 P.M. will be published here. It is the intent of this call to answer questions on, or offer clarifications to, the Request for Qualifications (RFQ) that was posted on December 13, 2020.