



# Request for Proposals

**For Developer Partners to Prepare & Submit  
Applications for 9% LIHTCS in the 2016 Round**

**THE HOUSING AUTHORITY OF THE CITY OF BROWNSVILLE, TEXAS (HACB)**

2606 Boca Chica Blvd  
Brownsville, TX 78526

p. (956) 541-8315  
f. (956) 541-7860

cmancha@hacb.us  
[www.hacb.us](http://www.hacb.us)

**REQUEST FOR PROPOSALS FOR  
DEVELOPER PARTNERS TO PREPARE & SUBMIT  
APPLICATIONS FOR 9% LIHTCS IN THE 2016 ROUND  
AND DEVELOP PROJECTS RECEIVING ALLOCATIONS  
(USING THE HUD RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM)**  
**HACB RFP 2015-016**

**1. PURPOSE OF RFP**

The Housing Authority of the City of Brownsville (HACB) is seeking one or more Developer Partners to prepare and submit application(s) to the Texas Department of Housing and Community Affairs ("TDHCA") for commitment(s) of 9% low-income housing tax credits ("LIHTCs") for the re-development of the affordable housing projects described herein through the U.S. Department of Housing and Urban Development's RAD Program.

HACB may select one or more Developer Partners to re-develop all or some of the housing projects described herein; and respondents may apply to be the Developer Partner for any or all of the subject projects.

**2. INTRODUCTION**

**A. General**

HACB was created in February 1938 by statute. HACB's mission is to provide safe, decent and affordable housing for assisted families at or below 80 percent of median income. HACB has a portfolio composed of 510 Public Housing units, 2,208 HCV which include 45 Mod Rehab units, and 718 tax credit units. Therefore, HACB manages 3,436 affordable housing units.

The Authority is governed by a five member Board of Commissioners appointed by the Mayor of the City of Brownsville. One member represents the residents of the Housing Authority. The Housing Authority Chief Executive Officer reports to the Board of Commissioners. The operations of the Housing Authority are headed by the Chief Executive Officer who manages all daily operations of the Housing Authority.

HACB is seeking responses to a Request for Proposals (RFP) from interested development teams for the creation and implementation of a Development Plan (Plan) to redevelop three of HACB's existing public housing developments under the Rental Assistance Demonstration (RAD) Program. RAD is assisting PHAs to convert public housing properties to properties assisted with long term project-based Section 8 housing assistance in the form of either project-based vouchers or project-based rental assistance.

The HACB projects to be redeveloped are:

<u>Name</u>	<u>Address</u>	<u>Unit Count</u>	<u>Site Information Attached at:</u>
Citrus Gardens Annex <i>18 buildings, constructed in 1987</i>	96 Tangelo St.	36 (31 3-BR units and five 4-BR units)	Exhibit A
Linda Vista <i>29 buildings, constructed in 1982</i>	602 Old Port Isabel Rd.	54 (10 1-BR units, 26 2-BB units, 14 3-BR units, & 4 4-BR units)	Exhibit B
Las Brisas <i>27 buildings, constructed in 1980</i>	2426 Barnard Rd.	54 (2 1-BR units, 28 2-BB units, 20 3-BR units, & 4 4-BR units)	Exhibit C

Each of the Citrus Gardens Annex, Linda Vista, and Las Brisas developments was constructed on a concrete foundation slab with exterior walls of brick veneer and interior walls of textured sheetrock and 2x4 studs. The roofs at Citrus Gardens Annex and Linda Vista are clay tile and the roof at Linda Vista consists of traditional asphalt shingles.

The RAD rents (based on Fiscal Year 2014 Federal Appropriations and assumptions to regarding applicable rent caps) are expected to be as follows:

#### Citrus Gardens Annex

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
31	3	\$803	\$146	\$949
5	4	\$892	\$161	\$1,053

Please note that this rent schedule includes the 2015 OCAF adjustments that the PHA is eligible for, and will be confirmed during the Financing Plan review.

## Linda Vista and Las Brisas

Existing PDC Development Number: TY007010105				
Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
12	1	\$360	\$86	\$446
54	2	\$450	\$97	\$547
101	3	\$588	\$125	\$713
31	4	\$654	\$137	\$791

Please note that this rent schedule includes the 2015 OCAF adjustments that the PHA is eligible for, and will be confirmed during the Financing Plan review.

HACB intends for the Citrus Annex and Linda Vista developments to be demolished and reconstructed in their current locations. However, Las Brisas will be re-developed on a new site. Las Brisas may be re-developed on the HACB-owned property more particularly described on attached Exhibit D, or a site selected by the Developer Partner.

HACB is soliciting one or more Developer Partners with strong experience in affordable housing and mixed-income redevelopment projects in urban settings. The selected Developer Partner(s) will be responsible for assisting HACB with predevelopment and development activities including, but not limited to, planning and design, securing financing, obtaining all necessary permits and approvals, directing construction and providing property management for the respective development program. HACB intends to negotiate a Development Agreement that will govern each development program. HACB intends to be an active co-developer of these properties and is seeking a developer party comfortable with the Housing Authority playing a major role in the development process.

### **B. Background**

HACB owns and manages a variety of affordable housing units, and administers Section 8 Housing Assistance Vouchers, along with a myriad of supportive service programs for its residents. HACB dedicates itself to creating and sustaining healthy communities that promote individual responsibility, economic growth, human dignity and hope for the future. HACB is a public agency whose business is to: ensure that safe, quality affordable housing opportunities exist for families of low income; break the poverty cycle by serving as a catalyst for residents to become economically self-sufficient; create meaningful partnerships to maximize available community resources; and efficiently and effectively meet federal, state and local mandates. HACB pursues entrepreneurial opportunities to address emerging trends and respond to the challenges of the future. HACB is committed to enhancing the stock and availability of quality affordable low-income housing in the Brownsville area.

### **C. Redevelopment Strategy**

HACB has submitted a Rental Assistance Demonstration (RAD) conversion application to the U.S. Department of Housing and Urban Development (HUD) for the 144 public housing units at the Citrus Garden Annex, Linda Vista, and Las Brisas developments. HUD developed the RAD program to help preserve public and assisted housing stocks. Through a competitive process this program allows public housing properties to convert assistance to a long-term Section 8 rental assistance contract. This process allows the public housing authority to access private debt and equity to address immediate and long-term capital needs for the converted project. For additional information on HUD's RAD program reference HUD Notice PIH-2012-32 (HA), REV-1.

The Developer Partner will assist HACB in implementing its RAD conversion plan and in securing private sector financing including Low Income Housing Tax Credits (LIHTCs), mortgage funding and/or other financing options for the redevelopment of its public housing portfolio. [HACB has Public Housing Capital Funds and Operating Reserves that will be available to support financing gaps for the various phases of the project as determined by HACB. ]

HACB was awarded a Commitment to Enter into a Housing Assistance Payment (CHAP) through HUD's RAD program, the Developer Partner(s) selected under this RFP will assist HACB in meeting all required CHAP milestones (as applicable to the project for which a particular Developer Partner is selected), including closing the respective RAD conversion within the time frame required.

## **3. PROJECT SCOPE (WORK TO BE PERFORMED)**

### **A. General Overview**

It is the intention of the Housing Authority of the City of Brownsville (HACB) to demolish the Linda Vista and Citrus Annex public housing developments and to redevelop new complexes at the same sites.

For the Las Brisas public housing development, the HACB intends to demolish the site and not redevelop there. The HACB would prefer to redevelop at the HACB owned vacant land described in Exhibit D, however the HACB would be open to redeveloping at another location if proposed by the developer.

Therefore, the project scope is the submission of a development proposal(s) that will include the submission of a pre-application of a 9% LIHTC application. A developer can submit a proposal for one and/or all three developments. The best proposal received for each development will be selected by the evaluating team designated by HACB, in doing so, it is possible for the HACB to enter into contract with three different developers.

To meet the TDHCA Pre-Application Final Delivery Date of January 8, 2016, interested parties must submit development proposals to redevelop a) one property, b) a combination of properties or c) all three properties listed above by the submittal deadline of December 1, 2015.

The HACB will approve the selection of Developer(s) on December 7, 2015, authorizing the CEO to enter into a Memorandum of Understanding with the firm(s) to proceed with the project(s).

It is strongly encouraged for developers to demonstrate how their proposed LIHTC application(s) would score with TDHCA and to provide supportive documentation for such assertions.

The Developer Partner(s) selected under this RFP will be an integral partner in the effort to assist HACB in developing high quality, energy efficient, and sustainable housing for Brownsville families. The Developer Partner(s) will be required to work closely with HACB and its legal and financial consultants and other community stakeholders throughout the development effort. Developer Partner will be expected to work with all partners in a team approach to this redevelopment.

The Developer Partner(s) must have significant, successful LIHTC application and development experience in Texas, with favorable consideration given to a development team in which member firms or individuals have extensive successful LIHTC application and development experience in the Brownsville 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 development agreement with HACB to develop the project. A Memorandum of Understanding (MOU) will be negotiated to enable the selected Developer Partner to complete all necessary pre-development activities.

It is envisioned that some of the Properties will be redeveloped as mixed-income developments, and any mixed-income development will include deeply subsidized units covered under a long-term Section 8 HAP contract through the RAD conversion, as well as additional affordable units renting to households at 60% AMI and below, and potentially Market Rate units. HACB recognizes that its development plans depend on a number of outside funding sources and financing, such as investor equity, LIHTCs, and mortgage financing. Additionally, HACB's development plans depend on HUD's initial and continued approval of our RAD conversion application. As such, working with HACB, the successful respondent(s) will be required to prepare financing plans that are financially feasible in order to implement the RAD conversion plan, meet the goals of HACB, and result in approval by HUD, as applicable.

## **B. Development Plan**

The Developer Partner(s) shall be responsible for assisting in the development of an implementation financing plan (Plan) to redevelop the property(ies) in accordance with the RAD conversion plan, and that will achieve a high quality, energy efficient, sustainable housing product for Brownsville families. The Plan shall include site plans, the overall project budget including all proposed sources and uses of funds, conceptual design plans and a detailed development schedule. The Developer Partner will assist HACB with all predevelopment activities associated with the development project, including obtaining any required third party reports.

### **C. Developer Role**

For each project being converted to RAD, HACB anticipates the Developer Partner's role to be as follows:

**Ownership Structure and Land Control.** It is expected that the Developer Partner together with HACB will form a limited partnership for the purpose of owning each project being converted. A for profit subsidiary of a non-profit affiliate of HACB will serve as the sole general partner and shall have primary responsibility for the management of the partnership. Title to the land for the project shall remain with HACB, and HACB will enter into a long-term ground lease with the partnership as tenant. This ownership structure is expected to generate a 100% ad valorem tax exemption for the project.

**Market Analysis and Appraisal.** A detailed market study shall be required to determine the overall feasibility of the conceptual plan of the development project. The selected Developer Partner will also be responsible for any additional market analysis and appraisals to develop and obtain financing for the development project.

**Financing.** The Developer Partner will assist HACB in arranging for private equity and debt financing to leverage funds available for the development and to secure all financial commitments necessary for successful completion of the project (hard and soft costs). The Developer Partner shall assist in obtaining private financing and public financing in a timely and cost effective manner including preparation of all necessary financing applications. HACB shall have the right to review and approve the financing arrangements and the terms and conditions of any loan documents. The Developer Partner must also work with HACB in the preparation of documents necessary to provide all evidentiary material, financial guarantees, and assurances as required, including documents necessary for HUD's RAD program. HACB may provide Public Housing Capital Funds and Operating Reserves based upon the approved development plan and development proposal.

The Developer Partner will be responsible for the preparation of applications to obtain LIHTC allocations in the at-risk set aside from TDHCA in accordance with the 2016 Qualified Allocation Plan (QAP) and Uniform Multifamily Rules as adopted by the Governing Board of TDHCA on November 12, 2015. The Developer Partner will provide the experience certificate needed to meet the threshold requirement under the QAP and Uniform Multifamily Rules. The Developer Partner will also be responsible for soliciting a minimum of three (3) LIHTC syndicators to bid on LIHTCs received for this development project. HACB shall have the right to approve the identity of the LIHTC investor(s) selected and the terms of the letter of intent.

HACB intends that each project will be financed with 9% tax credits and accordingly respondents to this RFP must provide the following in their responses:

- An assessment by the respondent of how it expects the subject project's application for 9% tax credits will score; and
- Proposed financing and an operating pro forma for the subject project (including the RAD rents provided herein).

It is critical that the Developer Partner be able to access all funding sources described herein and be able to demonstrate prior success and current ability to obtain such financing.

**Design/Approvals/Construction.** The selected respondent will be responsible for the development of design and construction documents. The selected Developer Partner will be expected to utilize design principles that are compatible with the neighborhood and community surrounding its properties. [As part of HACB's RAD application, we committed to follow the National Green Building Standard (NGBS), and LEED Silver standards.] Determinations about the scope of the construction, and components and materials to utilize in the construction must be made with these standards in mind. The design of the project shall be subject to HACB's review, comment and approval. The Developer Partner will also be responsible for obtaining permits and any required approvals.

The Developer Partner must have as members of the team an architect and a general contractor, both licensed in the State of Texas, which may be affiliates, employees or subcontractors of the Developer Partner. The identified architect will be responsible for certification of all documents related to design and construction. In order to secure an exemption from state sales tax for the acquisition of building materials, HACB (or a HACB affiliate) shall serve as the general contractor and will enter into a master subcontract. An affiliate of the Developer Partner may serve as the master subcontractor. The master subcontractor will construct, or procure construction, of all units of housing identified in the development plan or subsequent revisions agreed upon by HACB. HACB shall have the right to review and approve any construction contract relating to the project. The Developer Partner will oversee construction, ensure completion in a timely and cost effective manner and ensure that all required occupancy permits and other necessary approvals are obtained after construction completion for occupancy and operation of the project.

The contractors will be required to pay Davis Bacon Wage Rates (DBWR) and to submit any/all required documentation in compliance with DBWR. This requires that wages be paid at a rate not less than wage rates for corresponding classes of employees on construction of similar character in the locality in which the work is performed as determined by the Secretary of Labor.

The construction contract shall set forth either a fixed price or a guaranteed maximum price, must be pre-approved by HACB and shall provide for assignment to HACB in the event of termination of the relationship with the Developer Partner.

**Resident/Local Employment and Contracting.** The Developer Partner will be required to develop and implement a Section 3 Program which requires contracting with Section 3 business entities, and that contractor(s) working on the site provide economic opportunities for low income residents in Brownsville. A comprehensive Section 3 employment program shall be developed and implemented as well as other policy objectives aimed at improving the economic circumstances of individuals, households and companies in Brownsville. The Developer Partner shall be responsible for the preparation and submittal of Section 3 HUD reporting requirements to HACB.

**Guarantees.** The Developer Partner will be expected to provide guarantees of construction completion and stabilization required by investors and lenders. An affiliate of HACB will provide

any long term compliance guarantees. It is anticipated that the Developer will exit the transactions after stabilization.

**Marketing Plan.** The Developer Partner if required by HACB must develop an effective lease-up strategy to obtain initial occupancy and to maintain ongoing high occupancy of additional units (i.e. market rate units, LIHTC units).

**Development Agreement.** Once selected, the successful respondent will make a good faith effort to quickly enter into a development agreement with HACB for the development of its properties. An MOU will be negotiated as needed to enable the selected Developer Partner to complete all necessary pre-development activities. This agreement will cover all pre-development activities undertaken by the Developer Partner.

The Developer Partner will be required to submit a detailed development plan as part of their proposal. This detailed plan shall serve as the basis for negotiating the final Development Agreement with the Developer Partner.

The Development Agreement will provide the detailed requirements, responsibilities and obligations of both parties including, but not limited to, financing, design, plans, specifications, construction and schedule. In addition it will also provide details regarding funding commitments from HACB, the proposed ownership interest and land control.

All fees and costs to be negotiated under the Development Agreement must comply with the Cost Control and Safe Harbor Standards issued by the U. S. Department of Housing and Urban Development (HUD). The negotiated development fee shall be a firm, fixed fee inclusive of all direct and indirect costs of the Developer Partner.

#### **D. HACB Role**

For each project being converted to RAD, HACB anticipates its role to be as follows:

**Land Owner.** Title to the land for its properties will remain with HACB. It is HACB's intent to enter into a long-term ground lease with the partnership of the new development. This ownership structure is expected to generate a 100% ad valorem tax exemption for the project.

**Financing.** HACB will participate in financial structuring decisions related to the Plan from an owner's perspective, including reviewing and approving the financing arrangements and the terms and conditions of any loan documents. HACB may provide Public Housing Capital Funds and Operating Reserves based upon the approved development plan and development proposal.

**Design/Approvals/Construction.** HACB will participate in the design and development decisions from an owner's perspective. In order to secure an exemption from state sales tax for the acquisition of building materials, HACB (or a HACB affiliate) shall serve as the general contractor and enter into a master subcontract. HACB shall have the right to review and approve any construction contract relating to the project.

**Monitor Resident/Local Employment and Contracting.** HACB will monitor the Developer Partner's compliance with their Section 3 Program that includes providing employment opportunities for low income residents in Brownsville and contracting with Section 3 business entities.

**HUD Contact.** HACB will manage and take responsibility for all communication with HUD, and the preparation and submission of program documents and evidentiaries and obtain all HUD approvals. However, to the extent such documents or evidentiaries are within the particular knowledge or responsibility of the Developer Partner, HACB will expect the Developer Partner to prepare or assist in preparing such documents and evidentiaries as HACB may direct.

**Performance Oversight.** The provision of funds requires that HACB establish performance measures that will be concretized through the various project documents. HACB will review performance on these measures.

**Property Management.** HACB or its designee shall have the right to manage the project on a day-to-day basis, subject to entering into a management agreement with the Partnership on terms and conditions customary in the industry and acceptable to the lenders and the limited partners. This shall include development of operational policies and procedures, marketing and lease-up of rental units, and the provision of all day-to-day management and maintenance services as required.

## **4. Submission Requirements**

### **A. Method of Solicitation**

HACB is requesting proposals to redevelop its Public Housing Portfolio. It is the intent of HACB to select a Development Plan for each of the three identified properties and enter into negotiations with the selected Developer Partner. HACB plans to follow the schedule provided below in the processing of this RFP. It should be noted that the dates listed are estimated and may be changed based on the needs of HACB. Changes in dates will be issued via an addendum to this solicitation.

<b>DEVELOPER(S) SELECTION SCHEDULE</b>	<b>ESTIMATED DATE</b>
Availability of RFP Package	Sunday, November 15, 2015
Deadline for Submission of Questions to HACB	Thursday, November 19, 2015
Issuance of Response to Questions (Addendum)	Monday, November 23, 2015
<b>Proposal Due Date and Time</b>	<b>Tuesday, December 1, 2015 2:00 PM Local Time</b>
Recommendations to HACB Board of Commissioners	Monday, December 7, 2015

### **B. Content of Submission**

The Respondents proposal(s) shall include the following information. Response must not exceed 30 pages.

#### **1. A description of the proposed development plan(s) and nature of development experience**

##### **A. Proposal**

Your proposed development plan(s) must include a description/explanation of the expected application points per scoring criteria as outlined in the TDHCA 2016 Qualified Allocation Plan (QAP) and Uniform Multifamily Rules as adopted by the Governing Board of TDHCA, Exhibit E. Please indicate how your proposed development plan(s) will maximize the potential points for said scoring criteria.

##### **B. Experience**

A listing of all development projects over the past five years with the following information: name and location of development; number of residential units; total project development costs, total project construction costs, type of housing, financing methods and funding sources; date project commenced and date completed, name; and address, email and telephone number of the client/owner. This section must document an acceptable experience and success rate with regard to affordable housing development in Texas, and the Brownsville area in particular.

#### **2. A description of the respondent's knowledge of real estate financing methods.**

The respondent will describe his/her past use of funding tools such as the RAD program, LIHTCs, FHA insured mortgages, HOME funds, Housing Trust Funds, development funds, Replacement Housing Factor (RHF) funds, and private mortgages. He/she 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 Brownsville. In addition, the respondent must include evidence of his/her knowledge of the RAD program.

**3. Proposed Fee Structure.**

Due to the substantial role HACB will play in the transaction and the limitation of risk provided by RAD project-based vouchers or rental assistance, HACB does not envision a typical fee sharing agreement of the Developer Fee. HACB is interested in a Developer Partner who will provide a Developer Fee more fitting with the limited risk profile of the transaction.

Respondents shall submit a proposed fee structure expressed as a flat fee or as a percentage of development costs or construction costs, as appropriate, including a proposed split of the developer fee with HACB, based upon HACB's role as set out in Section 3(D) above. The proposed fee should include the amount and timing of payment of developer fee and overhead.

**4. Names, roles and resumes of key personnel who will constitute the Development Team**

The respondent will include the proposed architect, engineer, master subcontractor, and construction manager. This section shall include, but not be limited to, an organizational chart identifying identity of interest corporations that will participate in these projects and the address of the principal office of each entity of the team.

**5. Five (5) corporate references**

These references shall include at least one banking reference, and two current or recent client references for development projects the respondent has successfully completed within the past five (5) years.

**6. Certifications**

The respondent must certify that he/she is able to meet all of the following: TDHCA's requirements for an LIHTC Developer pursuant to the final 2016 QAP and Uniform Multifamily Rules; §42 of the Internal Revenue Code; Texas Government Code, Chapter 2306; and applicable governing regulations of Housing and Urban Development (HUD) and the City of Brownsville. The respondent must also certify that he/she does not have an associated Material Noncompliance score that would cause ineligibility under TDHCA's QAP and Uniform Multifamily Rules. For the purposes of this RFP, respondent must submit these certifications via the form attached as Exhibit A. This is not included in the page limitation.

## **7. Direction for Submission**

The respondent's submission shall be submitted with tabbed numbers for each of the five (5) sections identified above. All materials shall be submitted in an 8.5" x 11" format with no smaller than an 11 point standard font. Respondent shall submit one (1) original (marked "Original") and five (5) copies (marked "Copy") of the proposal. **The submission shall be sent to HACB by 2:00 p.m., local time, Tuesday, December 1, 2015**, without exception, at the following address, to be deemed responsive and eligible for consideration:

Housing Authority of the City of Brownsville (HACB)  
Attention: Ms. Carla Y. Mancha  
Chief Executive Officer  
P.O. Box 4420  
Brownsville, TX 78523-4420

Questions pertaining to procurement/HACB's procurement requirements should be directed to Carla Mancha, Chief Executive Officer at **CMancha@hacb.us**. All requests for interpretation or technical questions concerning the content of this RFP must be submitted in writing to the attention of Ms. Mancha, no later than **Thursday, November 19, 2015**. Questions may be emailed to **CMancha@hacb.us** and must reference the RFP Number and Title. Questions and responses will be posted on HACB's web site at **[www.HACB.us](http://www.HACB.us)** on or about Monday, November 23, 2015.

To assure that the respondent's response arrives at the proper place on time and to prevent opening by unauthorized individuals, the original and all copies of the proposals must be submitted in a sealed envelope. The outside of the envelope must state:

Request for Proposals HACB RFP 2015-016  
Developer Services  
Company name and address  
Due date

Faxed or electronic submissions of the Request for Proposals will not be accepted. Once received by HACB, submissions will not be returned.

## **5. SELECTION PROCESS**

### **A. Determination of Responsiveness**

HACB 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 RFP, and submitted all required Statements of Qualifications (SOQs). Any submission not in compliance with the mandatory requirements or SOQs will be deemed "non-responsive".

### **B. Evaluation Criteria**

The SOQs will be evaluated through consideration of several factors. The Evaluation Committee will review all documents in the submissions and award points in accordance with the following criteria:

<b><u>Technical Competence and Approach</u></b>	<b>45 Points</b>
<ul style="list-style-type: none"><li>• It is expected for the developer to state how he/she expects their LIHTC application(s) to score in accordance with TDHCA's 2016 Qualified Allocation Plan (QAP) and Uniform Multifamily Rules as adopted by the Governing Board of TDHCA on November 12, 2015 application guidelines. The proposal must include a description/explanation of the expected application points per scoring criteria. Please see attached TDHCA 2016 Qualified Allocation Plan (QAP) and Uniform Multifamily Rules as adopted by the Governing Board of TDHCA on November 12, 2015 application guidelines, Exhibit E.</li><li>• Demonstrated understanding of the real estate development process and quality performance in the development of rental and/or ownership of affordable housing</li><li>• Level of previous successful development experience in the Brownsville affordable housing market, including mixed-use developments, and working with community stakeholders during the redevelopment process</li><li>• Experience in building in accordance with the National Green Building Standard (NGBS), and LEED Silver Standards</li><li>• Degree of previous successful experience with the Texas Department of Housing and Community Affairs</li><li>• Degree of previous successful experience with HUD regulations concerning public housing and project based Section 8, and mixed finance developments</li><li>• Capability and experience of the members of the Development Team; determination of availability of all required skills necessary for the development process</li></ul>	

<b><u>Financial Capacity and Access to Funding</u></b>	<b>15 Points</b>
<ul style="list-style-type: none"><li>• Financial stability of the Development Team as demonstrated through prior success in obtaining funding for development projects.</li><li>• Demonstrated record of financing projects through a variety of funding sources and knowledge and experience working with the funding providers identified in this Request. Successful syndication of LIHTCs and Tax Exempt Bond financing.</li></ul>	

<b><u>Developer Fee Structure</u></b>	<b>40 Points</b>
<ul style="list-style-type: none"> <li>The reasonableness of the proposed fee and timing of payment for the developer will be evaluated. The proposal provided for a split of the developer fee with HACB will be considered.</li> </ul>	
<b>TOTAL</b>	<b>100 POINTS</b>

### C. Selection

An evaluation committee appointed by HACB's CEO will score each proposal in accordance with the stated criteria. Based upon scoring and in HACB's sole discretion, HACB may elect to interview one or more of the highest scoring Development Teams. If conducted, the interviews will be held either in-person or via telephone.

**Site Visits** – HACB reserves the right to conduct site visits of the respondents. The purpose of the site visits will be to confirm information provided in the proposal package. The site visit will not be scored independently from the stated evaluation factors, but such factors may be adjusted if the evaluation committee determines that information previously provided is not consistent with information or observations gathered during the site visit.

**Final Recommendation** - The recommended Developer Partner(s) will be selected based on the highest total score for all evaluation factors combining the individual scores of each member of the evaluation committee. The evaluation committee will provide the final recommendations and scores to the Board of Commissioners who will be responsible for final approval of the Developer Partner.

## 6. 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 HACB that shall include a description of the action which the respondent has taken, or intends to take, to eliminate or neutralize the conflict. HACB 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 HACB, HACB 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 HACB or its subsidiaries, no member of the governing body, and no other public official of such locality who exercise any functions or responsibilities with respect to the project, shall during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in any contract or the proceeds thereof resulting from this solicitation.

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.

HACB 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 RFP shall be the sole responsibility of and shall be borne by the respondent.

#### **C. Awards**

Contracts shall be awarded in accordance with the terms and conditions of this RFP. HACB reserves the right to negotiate and award any element of this RFP, to reject any or all SOQs or to waive any minor irregularities or technicalities in SOQs received.

#### **D. Proposal Tabulations/Notification**

After the award is made, a list of respondents will be furnished upon written request only and will not be provided by telephone. A self addressed stamped envelope must be included with the written request. Each unsuccessful respondent will be notified in writing promptly upon award. The notice shall identify the successful respondent.

#### **E. 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 HACB. Such contract shall consist of the Development Agreement and/or other form of agreement between HACB and the Developer Partner. Respondents are cautioned to make no assumptions or accept any representations by any employee, member, officer or representative of HACB concerning the award until an agreement is executed.

#### **F. 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 HACB in writing specifying the regulation which requires alteration. HACB reserves the right to accept any such alteration, including any reasonable price adjustments occasioned thereby, or to cancel the contract at no expense to HACB.

#### **G. 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 Partner.

#### **H. 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 HACB. Claims for sums of money due, or to become due, from HACB pursuant to the contract may be assigned to a bank, trust company or other financial institution. HACB 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 Partner obtaining HACB's prior written consent.

#### **I. Availability of Records**

The Comptroller General of the United States, HUD, HACB 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 Partner, or in the possession of the Developer Partner, which shall relate to, or concern the performance of the contract.

#### **J. Patents – Licenses and Royalties**

The successful respondent shall indemnify and hold harmless HACB 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 HACB. If the Developer Partner 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 HACB at the end of the Agreement.

#### **K. Permits and Licenses**

The successful respondent shall obtain all permits and licenses that are required for performing their work. The Developer Partner 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 Partner will hold HACB harmless for any violation of software licensing resulting from breaches by employees, owners and agents of the Developer Partner.

#### **L. Taxes**

The successful respondent is responsible for all state and federal payroll and/or social security taxes. The Developer Partner shall hold HACB harmless in every respect against tax liability.

#### **M. Advertising**

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

#### **N. 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 HACB.

**O. Proof of Liability Insurance**

The successful respondent shall furnish to HACB 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.

**P. 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.

**Q. Supervision**

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

**R. Performance Evaluation Meeting**

The selected respondent shall be readily available to meet with representatives of HACB 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.

**S. Federal, State, and Local Reporting Compliance**

The Developer Partner shall provide such financial and programmatic information as required by HACB to comply with all Federal, State and local law reporting requirements.

**T. Nondiscrimination**

The Developer Partner agrees that they will abide by Federal, State and local laws including City ordinances incorporated by reference herein.

**U. Section 3 Clause**

Every applicant, recipient, contracting party, contractor and subcontractor shall incorporate or cause to be incorporated a "Section 3 Clause" in all contracts for work in connection with a Section 3 covered development.

## **V. Project Personnel**

Except as formally approved by HACB, the key personnel identified in the accepted SOQ(s) shall be the individuals who will actually complete the work at the stated levels of effort. The Developer Partner must submit in writing to HACB any changes in staffing and receive approval prior to making those changes.

## **W. Payment**

To the extent required and pursuant to the schedule of deliverables in accordance with the final Development Agreement negotiated by the parties, HACB shall make periodic payments for services provided as required under its agreement with the Developer Partner.

## **X. 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 Partner at their legal business address as given in the contract. Written notices to HACB shall be addressed as provided in the contract.

## **Y. Cancellation**

HACB reserves the right to cancel this RFP, or to reject, in whole or in part, any and all proposals received in response to this RFP, upon its documentation that such cancellation or rejection is in the best interest of HACB. HACB 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 HACB and the selected firm have signed an agreement.

## **Z. Laws**

The laws of the State of Texas and applicable federal law shall govern the contract.

### **AA. Contract Documents**

Written contract documents will be prepared by HACB. Modifications may be adopted based on final negotiations and specific requirements of the contract under this particular RFP.

### **BB. Travel**

All travel and miscellaneous expenses will be borne by the respondent.

### **CC. Contract Award**

The Developer Partner's contract as described in this document shall be subject to the approval of HACB Board of Commissioners and HUD if required.

## **7. Exhibits**

Exhibit A- Required Certifications- is included as part of this solicitation.

### **Exhibit A -- Certifications**

Respondent hereby represents, warrants, agrees, acknowledges and certifies to HACB that (respondent must initial and sign below, accordingly):

- No person or firm on the proposed Development Team outlined in this Statement of Qualifications (SOQ) is ineligible to participate in the Texas Department of Housing and Community Affairs (TDHCA) Multifamily Programs, pursuant to their final 2016 Qualified Allocation Plan (QAP) and Uniform Multifamily Rules as adopted by the Governing Board of TDHCA on November 12, 2015; §42 of the Internal Revenue Code; Texas Government Code, Chapter 2306; and applicable governing regulations of the U.S. Department of Housing and Urban Development (HUD) and the City of Brownsville.
- No person or firm on the proposed Development Team outlined in this SOQ has been identified by TDHCA as being in Material Noncompliance, in accordance with TDHCA's Uniform Multifamily Rules, or has repeatedly violated a Land Use Restriction Agreement (LURA).

The individual whose initials are subscribed above, and whose name is subscribed hereto, in his or her individual capacity, expressly represents, warrants, and certifies that the information contained in this certification and in this response, including any and all supplements, additions, clarifications, or other materials or information submitted to HACB in connection therewith are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the regulations referenced in this form, including the final 2016 QAP, Uniform Multifamily Rules, §42 of the Internal Revenue Code, Texas Government Code, Chapter 2306 and applicable governing regulations of HUD and the City of Brownsville. By signing this document, the undersigned, in their individual capacity, is affirming under penalty of local, state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the all materials relating thereto are true, correct, and complete in all material respects.

By: \_\_\_\_\_

Signature

Printed Name

Date

On behalf of: \_\_\_\_\_

(list organization responding to RFP that the individual is signing on behalf of)