

# PENINSULA HOUSING AUTHORITY

# **REQUEST FOR QUALIFICATIONS**

# FINANCIAL AND DEVELOPMENT ADVISORY SERVICES

RFQ No. 01-2025

**Issue Date: May 23, 2025** 

Due Date: June 18, 2025, by 5:00pm PST

LATE PROPOSALS WILL NOT BE ACCEPTED

# REQUEST FOR QUALIFICATIONS FINANCIAL and DEVELOPMENT ADVISORY SERVICES RFQ No. 01-2025

The Peninsula Housing Authority (PHA) requests qualification statements from professional consultants to provide Financial and Development Advisory Services to support a variety of services including portfolio repositioning, acquisitions, renovation and new construction projects.

**Issue Date**: May 23, 2025 **Due Date**: June 18, 2025

<u>Proposals are to be delivered by email ONLY to the RFQ Contact. Late submittals</u> will not be considered.

**Submit Proposals to:** Peninsula Housing Authority

**Attention:** Sarah T. Martinez, Executive Director

smartinez@peninsulapha.org

**RFQ Contact:** For all questions, please contact:

Sarah Martinez

Peninsula Housing Authority phone: (360) 452-7631 ext. 101

email: smartinez@peninsulapha.org

#### I. INTRODUCTION

#### A. Purpose

The Peninsula Housing Authority (PHA) requests qualification statements from qualified professional consultants to provide Financial and Development Advisory Services in connection with proposed portfolio restructuring, redevelopments, new development and acquisition of affordable housing. PHA has an on-going need for these types of professional services to support a wide variety of acquisition, renovation and new construction projects.

The successful respondent shall perform and carry out services related to financing and development of affordable housing in multiple phases of development including, but not limited to:

- 1) Evaluate options to assist PHA with potential Low Income Housing Tax Credit Syndications.
- 2) Provide strategic recommendations for asset repositioning, refinancing, renovation, acquisition, disposition or new construction for consideration by PHA.
- 3) Assist PHA in developing renovation scopes of work for individual projects within the context of PHA's larger financing strategies and long term PHA plans.
- 4) Assist with potential re-syndication of existing LIHTC projects.
- 5) Assist with exiting LIHTC partnerships/corporations at year 15.
- 6) Financial packaging using Low Income Housing Tax Credits (LIHTC), HUD 202, Tax Exempt Bonds, HOME, CDBG, USDA-RD, Private Debt or other sources of public or private funding as available.
- 7) Assess and make recommendations regarding the physical and financial condition of PHA's existing affordable housing portfolio, including operating histories, projections, existing financing limitations and requirements, and income set-aside requirements.
- 8) Assist with LIHTC projects, including preparing or reviewing LIHTC applications, financial modeling, due diligence, and procurement of lenders and investors.
- 9) Assist the PHA in conceptualizing and structuring new affordable housing developments.

As a result of this solicitation, PHA reserves the right to award either a single contract or multiple contracts for the provision of these services.

#### B. Peninsula Housing Authority

Peninsula Housing Authority (PHA) is a special purpose government agency providing

long-term rental housing, tenant-based rental subsidies and homeownership opportunities in Clallam and Jefferson Counties. The PHA provides affordable housing to the following types of households; low-income disabled, low-income elderly and general low-income. PHA is governed by a Board of Commissioners appointed by the Clallam and Jefferson County Commissioners.

The mission of the agency is that the Peninsula Housing Authority shall create, maintain and support housing opportunities in partnership with the community. Our core values inspire us to serve our clients with the highest degree of integrity and compassion. Our principles include a commitment to ethical practice, accountability and fair treatment of all people. The vision of the Peninsula Housing Authority is that every person of Clallam and Jefferson County is living in suitable housing.

#### C. Overview

As part of the PHA's ongoing strategic plan the agency is reviewing potential opportunities to develop new housing along with reassessment of its affordable housing portfolio to identify options, opportunities and strategies to reposition PHA's assets, address current and projected capital needs and repairs, preserve and increase affordable housing units within PHA's portfolio, and strengthen the Authority's overall long term financial position. As part of this effort, PHA is seeking proposals of qualification from consultants to analyze the assets in the current affordable housing portfolio, assist PHA in meeting agency goals, and develop financing strategies to achieve those goals. Services will be ordered by PHA as needed by means of written Task Order. Potential projects may include Tax Credit syndication, acquisition of existing housing and/or redevelopment of a portion of the Housing Authority portfolio, exit from existing LIHTC Corporations at year 15, or new construction.

#### D. Task Orders

As projects proceed and Financial Advisory and Development Services are required, PHA staff will contact the selected Consultant and provide a project-specific scope of work and request a cost proposal. All costs for services under this contract shall be based on established hourly rates, unit prices or any other negotiated billing method as established in response to this RFQ.

#### II. SCOPE OF SERVICES

#### A. Overview

PHA may move forward with multiple development efforts over the next several years. These projects may include new construction, acquisition of existing housing and/or redevelopment of a portion of the Housing Authority's housing portfolio.

The broad categories of services are:

- Evaluate options and assist PHA with repositioning of existing affordable housing developments.
- 2) Provide strategic recommendations for asset repositioning, refinancing, renovation, acquisition, disposition or new construction for consideration by PHA.
- 3) Assist PHA in developing renovation scopes of work for individual projects within the context of PHA's larger financing strategies and long term PHA plans.
- 4) Assist with potential re-syndication of existing LIHTC projects.
- 5) Provide strategic guidance and transaction support for Year-15 LIHTC project transitions and dispositions.
- 6) Assist the PHA with financial packaging using Low Income Housing Tax Credits (LIHTC), HUD 202, Tax Exempt Bonds, HOME, CDBG, USDA-RD, Private Debt or other sources of public or private funding as available.
- 7) Assess the physical and financial condition of PHA's existing affordable housing portfolio, including operating histories, projections, existing financing limitations and requirements, and income set-aside requirements.
- 8) Assist with LIHTC projects, including preparing or reviewing LIHTC applications, financial modeling, due diligence, and procurement of lenders and investors.
- 9) Assist with HUD funded projects, including HUD 202, PBRA, PRAC including preparing or reviewing applications, financial modeling, due diligence, and procurement of lenders and investors.
- 10) Assist PHA in the pricing and issuance of tax-exempt bonds for financing affordable housing projects.
- 11) Assist PHA in the concept and structure of new affordable housing developments, including homeownership models.

# B. Specific Services Requested

Within the categories indicated above, the selected consultant will be a direct advisor to PHA. The consultant will be expected to work in partnership with PHA staff, development partner(s) if applicable, HUD representatives, PHA's General Counsel, Bond Counsel, lenders, investors and other relevant project partners. PHA anticipates the specific scope of services will include the following general tasks:

#### **Concept and Strategy Phase**

- Conduct financial feasibility analysis for existing affordable housing projects.
- Assist PHA with the development of long-term strategies for organizational financial sustainability.
- Prepare detailed operating pro forma using purchase price assumptions, analysis
  of potential rents, vacancy factors and operating revenue, analysis of operating
  expenses. Prepare narrative clarification of proposed operating budget and
  justification as compared to historic figures.
- Provide guidance on physical needs assessments, including inspecting existing units.
- Review population sectors, site and location analysis, market assessment supply and demand and product mix overview.
- Review potential debt financing variations using HUD, Freddie, Fannie or Private Placement.
- Generate initial project development budget, itemizing all anticipated development costs related to acquisition and construction cost. For this conceptual level based estimate, the budget schedule will be cursory and broad in its coverage based broadly on other similar in scope project developments.
- Create development scenarios which outline the various financing sources sufficient to pay all acquisition, rehabilitation, financing and transaction costs.
- Provide general time-lines and key milestones to closing.
- Identify key risk affecting project feasibility and the related plans to mitigate such risk.
- Prepare Strategic Recommendation Plan identifying objectives and roadmap for a financially viable acquisition.

#### **Feasibility Phase**

- Provide an in-depth review of potential debt financing variations using HUD, USDA-RD, Freddie, Fannie or Private Placement. Contact potential lenders to establish current market conditions and terms. Provide client with a detailed comparison of the financing alternatives and make recommendation on the method by which the financing should be structured.
- Prepare development budget, "Base Estimate" by general cost categories, which will include underlying assumptions, notes and exclusions.
- Assist PHA to determine contract procurement, prevailing wage and other requirements by any public agency committing funding to a project, if applicable.

- Provide a detailed milestone/calendar to identify not only those specific critical project elements but typical tasks that are required to be completed. Each component also will identify the responsible party to complete such task.
- Attend all necessary client meetings during the feasibility period to discuss deal points, client goals, risks and structure assumptions.
- If requested, inspect interior units and common areas of existing projects. Based on those inspections, prepare individual unit inspection sheets showing useful life remaining of existing components, emergency repairs, and special deferred maintenance notes, etc. Prepare a summary of findings and items to be replace by project for both interior and exterior work.
- Work with PHA, partnership counsel, bond counsel and accountants to set up
  ownership structure of the proposed deal as well as other matters of financial
  structuring. Identify and evaluate possible solutions to potential deal issues.
   Work with team members to determine optimal strategy to mitigate deal risk and
  participate in discussions to achieve successful resolution of issues, or if
  unsuccessful, to terminate deal.
- Assist PHA in the procurement and selection of appraiser, Phase I environmental consultant, surveyor and any other third-party consultants as needed.
- Prior to selection of architect and contractor, work with PHA to determine renovation budget and scope. The report(s) should include information in a summary for all project format but should be able to "roll-up" the information by project, component or general scope. Methodology by which the estimates are created should utilize historical bid-based methods that apply historical unit costs to counts or measures of work items to determine a total cost for the item or project.
- Work with third-party PCA provider to provide accurate analysis of the condition report and 20-year life-cycle report.
- Provide ongoing, updated financial modeling.
- Provide client with a detailed analysis of the financing alternatives related to the
  construction and bridge financing and make a recommendation on the method by
  which the construction financing should be structured.

#### **Predevelopment Phase**

- If required, assist PHA in securing predevelopment funding.
- Assist PHA in preparing and submitting funding applications and required addenda.
- Prepare RFQ and solicit proposals from qualified tax credit investors or other investor groups as determined necessary. Provide analysis of proposals when received and provide selection recommendations to PHA.
- Prepare RFP and solicit proposals from qualified lenders. Provide analysis of proposals when received and provide selection recommendations to PHA.
- Manage investor and lender due diligence requirements.
- If required, assist PHA in developing a resident relocation plan for existing buildings.
- Provide the lead in the transaction closing.
- Work with partnership or corporation counsel and investor counsel in reviewing

- and editing all related documents.
- Work with bond counsel, partnership or corporation counsel and lender counsel in reviewing and editing all related loan documents.

#### **Preconstruction Phase**

- If required, provide RFP and work with PHA to solicit for the general contractor or other third-party consultants.
- If required, provide RFQ and work with PHA to solicit for the project architect, engineer or other third-party consultants.
- Work with PHA to coordinate pre-construction meetings and work with GC to ascertain milestones, setting scope and budget goals.
- Provide value engineering input which shall consist of consultation with the
  project team with regard to the value of alternative materials, building systems
  and equipment, together with other considerations based on program, budget
  and aesthetics of the Project.
- Monitor the drawings and specifications as they are developed by the architect and/or construction manager. In addition, review construction manager's bid packages for accuracy and the required inclusions related to scope, alternates, procurement requirements and bidding requirements.

# III. PROPOSAL REQUIREMENTS

Proposals should be limited to a total of 15 pages in no smaller than 11 point font (cover letter and other required attachments are not included in the page limitation).

Include a cover letter stating why you believe your firm or your firm plus sub-consultants is uniquely qualified to perform the breadth of potential services. A principal or officer of the firm authorized to execute contracts or other similar documents on the firm's behalf must sign the letter.

Response/Proposal Content: To facilitate evaluation, proposals should address and be organized in the order of the outline given below and include the following information:

1) **FIRM OVERVIEW:** A general description of your firm including the nature of the business or organization, a brief summary of its history, its size and organizational structure.

#### 2) EXPERIENCE:

- a. 4% LIHTC Syndication of Currently Owned Properties: Describe your firm's experience with similar projects including your experience with the 4% Low Income Housing Tax Credit (LIHTC) program. Describe various financial packages that your firm has developed which use LIHTC's in conjunction with other financing to acquire or preserve affordable housing. Please list specific projects that your firm served as the consultant on, highlighting both the financial and development results of those projects.
- **b.** Working with Public Housing Authorities in Washington: Describe your firm's experience working with public housing authorities in Washington State. Indicate the housing authority, the type of projects completed, type of financing and specific information on the project.
- **c. Portfolio Restructuring:** Describe your firm's experience in working with other public housing authorities to analyze their real estate portfolio and provide recommendations as to repositioning and restructuring.
- **d.** Other HUD or Federal Mixed-Finance Projects: Describe your firm's experience with HUD 202, Rural Development RH 515, and other HUD mixed-finance projects. Describe the various tasks associated with each project and the approach your firm would use in assisting PHA in successful similar projects.
- e. 9% LIHTC New Development Projects: Describe your firm's experience with similar projects including your experience with the 9% Low Income Housing Tax Credit (LIHTC) program. Describe various financial packages that your firm has developed which use LIHTC's in conjunction with other financing to acquire or preserve affordable housing. Please list specific projects that your firm served as the consultant on, highlighting both the financial and development results of those projects.

- f. Housing Authority Organizational, Operating and Asset Management: Describe your firm's experience with assisting PHAs assess organizational best practices, Operating analysis and consulting, and Asset Management experience. Provide examples of work that the firm has completed with other PHAs in this field
- g. Professional Financial and Development Consulting: Describe your firm's experience with financial and development consulting including the analysis of Low Income Housing Tax Credit (LIHTC) partnerships that are approaching their 15th year and projecting their ending financial position at the 15th year to recommend actions to mitigate or minimize financial liability to general and managing partnerships. Describe your experience providing ongoing support to agencies that have used your services and your experience reporting information to Boards, and/or agency executive staff.
- h. <u>Homeownership model consulting</u>: Describe your firm's experience with affordable homeownership models, including type implemented, project scope and scale, and target demographics.
- 3) **PROJECT APPROACH:** Describe the general approach your firm would use to efficiently assist PHA in achieving its objectives.
- 4) **PERSONNEL:** Identify by name, title and provide resumes of key personnel who will be assigned to work on Task Orders. Resumes should include specific information regarding experience in providing the types of services required and each individual's anticipated role in providing services.
- 5) REFERENCES: Include a list of at least three references for whom the firm or team members have performed similar work in the last five years (including agency or business name of client, contact person, address, telephone number and e-mail address if available.)
- 6) FEE PROPOSAL: Include a fee proposal and schedule that identifies the reasonable hourly fee for real estate financial advisory services for all staff that might be required for work under the contract resulting from the RFQ. Indicate any other potential fee structure that your firm might be willing to propose.

#### IV. EVALUATION CRITERIA

Consultants' submittals will be evaluated based on the criteria listed in this section and further described in Section III above. In preparing the submittal to PHA, it is important for proposers to clearly demonstrate their expertise in the areas described in this document. Because multiple areas of expertise are required for successfully performing the services indicated, the consultant must demonstrate expertise and have available adequate numbers of experienced personnel in all of the areas described.

Evaluation of responses to this RFQ will be based only on the information provided in the submittal package, and if applicable, interviews, and reference responses. PHA reserves the right to request additional information or documentation from the firm regarding its submittal documents, personnel, financial viability, or other items in order to complete the selection process. If a responding firm chooses to provide additional materials in their proposal beyond those requested, those materials should be identified as such and included in a separate section of the proposal. In submitting a proposal, the Consultant agrees that hourly rates identified for each person on the team shall be applicable for the entirety of the years 2025-2026.

The following criteria will be utilized to evaluate the qualifications of each proposer. There are a total of 200 points available.

Evaluation Criteria	Points
Firm Overview	15
Working with Public Housing Authorities in Washington	30
Portfolio Restructuring	30
Homeownership model	20
HUD 202, USDA-RD RH515, and Other HUD Mixed-Finance Projects	25
Acquisition of Properties and the 4% LIHTC Re-syndication of Currently Owned Properties	15
9% LIHTC New Development Projects	15
Organizational, Operating, and Asset Management	15
Professional Financial and Development Consulting	20
Project Approach	5
Personnel	5
References and attachments	5
Total	200

### V. SUBMISSION REQUIREMENTS

- 1) <u>Due Date for Questions</u>: Technical questions regarding substantive matters related to this RFQ or requests for further information must be submitted in writing no later than 12:00 p.m. (PDT) on June 4, 2025 to Sarah Martinez.
- **2) Due Date and Place for Submission of Proposals**: Proposals must be delivered by email to the PHA no later than 5:00 p.m. (PDT) on June 18, 2025 at the email address indicated below:

#### smartinez@peninsulapha.org

- 3) <u>Submittal Length Limits</u>: Proposals should be limited to a total of 15 pages in no smaller than 11 point font (cover letter, resumes and other required attachments are not included in the page limitation).
- 4) Rights Reserved by PHA: PHA reserves the right to waive as an informality any irregularities in submittals and/or to reject any or all Proposals. PHA will generally not disclose the status of negotiations until PHA's Executive Director has approved the award of a contract for services.

#### **VI. SELECTION PROCESS**

An evaluation panel will rate all responses to this RFQ that are received on or before the stated deadline, according to the criteria listed above. Based on its initial evaluation, the panel may:

- 1. Make a recommendation to PHA's Executive Director and request authority to negotiate a Contract with one or more proposers; or
- 2. Request additional information from the proposer whose responses appear to have the greatest likelihood of success; and/or
- 3. Invite one or more proposer whose responses appear to have the greatest likelihood of success to attend an interview/presentation to discuss their proposal; and then make a recommendation to PHA's Executive Director and request authority to negotiate a contract with one or more proposers.

By submitting its Proposal in response to this RFQ, the Consultant accepts the procurement method used and acknowledges and accepts that the evaluation process will require subjective judgments by PHA and the evaluation panel.

#### VII. CONTRACT NEGOTIATIONS

PHA shall negotiate with the most qualified proposer, as determined by evaluation of the responses and, if applicable, interviews. If PHA is unable to reach agreement with the highest ranked firm, it may negotiate with the second highest ranked firm, proceeding in turn to each firm, in order of rank, until a contract is executed.

**Basic Eligibility:** The successful proposer must be licensed to do business in the State of Washington and must have a state Unified Business Identifier (UBI) number. In addition, the successful proposer must not be debarred, suspended, or otherwise ineligible to contract with PHA, and must not be included on the General Services Administration's "List of Parties Excluded From Federal Procurement and Non-procurement Programs" or the Department of Housing and Urban Development's "Limited Denial of Participation" list.

#### VIII. CLARIFICATIONS

#### **GENERAL TERMS AND CONDITIONS**

- 1. All proposals will be open for public inspection only after the contract has been awarded.
- 2. All proposals shall be considered valid for a period of ninety (90) days from the RFQ's closing date and shall contain a statement to that effect.
- 3. All proposals shall be subject to applicable public disclosure laws. Any information received within the proposal will be considered part of the public record of this procurement.
- 4. The selected firm will be required to declare that it will represent PHA to the exclusion of all other clients having potential conflicts with PHA.
- 5. The Housing Authority expressly reserves the following rights:
  - a. To reject any/all proposals or portions thereof.
  - b. To allow proposers to correct minor proposal irregularities, if in the best interest of the Housing Authority.
  - c. To base awards with due regard to quality of services, experience, compliance with specifications, and other such factors as may be necessary and appropriate in the circumstances.
  - d. To make the award to any proposer or combination of proposers whose proposals(s), in the opinion of the Housing Authority, is in the best interest of the Authority.
  - e. Any proposal or proposal-modification received after the hour and date specified as the deadline, will be returned unopened.

f. To terminate a contract awarded pursuant to this RFP at any time for its convenience upon 30 days' written notice to the successful proposer.

#### AFFIRMATIVE ACTION

The PHA is an Equal Opportunity Business Enterprise which promotes competitive solicitations and does not discriminate on the basis of race, color, religion, creed, national origin, sex, disability, age, or sexual orientation.

The PHA encourages minority and women-owned business enterprises to respond to this solicitation. If your firm is minority or women-owned or owned by a disabled person, please state and provide a statistical representation of your work force with your quote.

#### **CONFLICT OF INTEREST**

The proposer represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly-traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the PHA, or other contractual or employment during the term of the contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the PHA's interest and the interest of the third parties.

#### **INSURANCE REQUIREMENTS**

In order to comply with HUD's requirement that Housing Authorities not assume the liability of contractors or their subcontractors, and in the exercise of responsible risk management, Insurance Endorsements shall be required in order to protect the Housing Authority. Prior to the beginning of any work under this contract, an authorized representative of each successful bidder's insurers shall submit Insurance Endorsements naming the Housing Authority as Additional Insured on all but Errors and Omissions coverage.

If the duties under this contract require Professional Liability Insurance, the Additional Insured requirement of these Special Conditions shall be waived. However, all other provisions herein shall remain in effect.

Insurance offered to indemnify the Housing Authority shall be provided by insurers rated by the A M. Best Company with a rating of not less than B+ Vl.

If the coverages offered are on a claims made form, the insurer shall provide an extended five year reporting period to the Additional Insured.

All such insurance shall be primary, and not contributing with any other insurance or self-insurance maintained by the Housing Authority notwithstanding any inconsistent provisions in any such policies maintained by the Housing Authority and shall not require

contribution by any insurance or self-insurance maintained by the Housing Authority on any basis, pro rata, or otherwise.

The Housing Authority has provided its Instructions to Bidders and standard insurance endorsements which contain other insurance clauses required under this contract. ISO Endorsements or others, will also be acceptable provided they contain the same clauses and protection contained in the endorsements provided with these Special Conditions.

- 1. A policy of commercial general liability, including Washington Stop-Gap, naming PHA as additional insured, protecting and holding PHA harmless from any and all damages which may arise in connection with the services to be provided hereunder, in at least the principal amount of a single combined limit of One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) aggregate personal injury and/or property damage liability. Such insurance is subject to approval by PHA.
- 2. A policy of automobile liability insurance in the amount of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- 3. If automobiles are used in connection with any activity performed under contract(s) resulting from this RFQ, a policy of commercial automobile liability, including coverage for owned, non-owned, leased or hired vehicles with a minimum coverage of Three Hundred Thousand Dollars (\$300,000) per accident.
- 4. A policy of errors and omissions liability of not less than One Million Dollars (\$1,000,000) per occurrence.

#### CANCELLATION

PHA reserves the right to cancel or reject any or all Proposals, and to cancel award of this contract at any time before execution of the contract by both parties if cancellation is deemed to be in PHA's best interest. In no event shall PHA have any liability for cancellation of award.

#### A. ATTACHMENTS

- 1) Non-Collusion Affidavit
- 2) Debarment Certificate

# ATTACHMENT A Non-Collusion Affidavit

State of)
) ss
County of)
being first duly sworn, deposes and says:
That he/she is:  The party making the foregoing proposal to the Peninsula Housing Authority in Port Angeles, Washington; is genuine and not collusive or sham; that said proposer (offeror) has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder, offeror or person, to put in a sham bid or to refrain from bidding, and he has not in any manner directly or indirectly, sought by agreement or collusion or communication or conference, with any person, to fix the bid price of affiant or any other proposer (offeror), or to fix any overhead, profit or cost element of said bid price, or that of any other proposer (offeror), or to secure any advantage against the Peninsula Housing Authority; U.S. Department of Housing and Urban Development (HUD) or any person(s) interested in the proposed contract; and that all statements in said proposal are true.  NAME (Corporate Seal)
Witness
Subscribed and sworn to me
This day of, 20
My commission expires

# ATTACHMENT B Suspension and Debarment Certification

	certifies that neither it, nor any per	rson or firm
which has an interest in the above-nan involvement by any federal, state or lo	ned firm are debarred, suspended or inel	
	Signature	
	Name	
	Title	-
	Date	-