

Strategic Housing Finance Corporation



REQUEST FOR PROPOSALS

FOR

FY 2022 CONSULTING SERVICES TO EVALUATE REAL ESTATE DEVELOPMENT SERVICE DELIVERY MODEL

SOLICITATION NO. SHFC-22-01

Issue Date: June 13, 2022

Proposal Due Date: August 1, 2022

INVITATION TO SUBMIT PROPOSALS

The Strategic Housing Finance Corporation (SHFC) is seeking proposals for Consulting Services to evaluate its current Real Estate Development Service Delivery Model, which includes but is not limited to:

- Development of strategies for the expansion of affordable housing portfolio utilizing various financing tools;
- Development of strategies for the long-term preservation and sustainment of existing portfolio;
- Performing asset management duties and ensuring compliance with regulatory and other requirements;
- Ensuring that the delivery of resident supportive services is consistent with language typically included in Texas Department of Housing and Community Affairs guidance, specifically:
 - *Regularly and frequently offered to all residents, primarily on-site;*
 - *Easily accessible and offered at times that residents are able to use them;*
 - *Must include readily available resident services or service coordination that either aid in addressing debilitating conditions, or assist residents in securing the skills, assets, and connections needed for independent living.*
- Ensuring effective selection and ongoing monitoring and performance assessment of vendor relationships, to include property management providers, construction general contractors, and others.

The desired evaluation will focus on the overall consideration of and recommendations for operating SHFC as an *affiliate* of the Housing Authority of Travis County (HATC), versus SHFC remaining as a *separate organization* from HATC (as is currently the case.) In addition, the evaluation will focus on the feasibility, effectiveness, and efficiency of SHFC operating its existing real estate development delivery model via utilization of internal staff vs. other available alternatives (*i.e., outsourcing the delivery model to external brokerages or to contractors/consultants, other hybrid solutions, etc.*). Recommendations are also sought from the successful respondent to include possible future courses of action for the identified best-practice scenario (*i.e., retaining the delivery model's in-house team vs. outsourcing, etc.*) as well as proposed actions to ensure maximum success of the recommended approach.

This Request for Proposal (RFP) contains specific submission requirements, a general scope of service requirements, as well as terms, conditions, and other pertinent information necessary for submitting a proposal. Questions and inquiries prior to the submittal deadline can be directed to Patrick Howard, Executive Vice President, 502 East Highland Mall Boulevard, Suite 106B, Austin, TX 78752, by email at: Patrick.b.howard@traviscountytexas.gov, or by FAX to (512) 854-1899. As indicated below, proposals must be received on or before August 1st, 2022, at 5:00 p.m. (CST).

This invitation is restricted to services for SHFC only, and proposals with respect to other projects are not requested and will not be considered. Proposals are invited from qualified firms that are able to demonstrate full compliance with all requirements of this RFP, with the overall objectives of SHFC, with federal/state/local laws, and with HUD regulations, as applicable.

SHFC FACTS

To further address the affordable housing needs of residents in Travis County, Texas, the Strategic Housing Finance Corporation was created by, and remains, an independent partner of the Housing Authority of Travis County. SHFC's focus is, and has been, to increase the supply of quality affordable housing for individuals and families of moderate and lower incomes in Travis County, and to create inclusive communities that stabilize families. SHFC was incorporated as a nonprofit entity under the laws of the state of Texas and was created pursuant to Chapter 394 of the Texas Local Government Code.

As part of its focus, SHFC assists in the development of affordable properties through the private activity bond/tax credit program by providing property tax exemption and participation in partnerships allowing the developments to be financially feasible. SHFC is responsible for providing funding to HATC to supplement the inadequate funding supplied by HUD and to support special projects approved by both Boards.

HATC FACTS

Created in 1975 by Resolution of the Travis County Commissioner’s Court and governed under the guise of Chapter 392 of the Texas Local Government Code, the Housing Authority of Travis County provides safe, decent, and sanitary housing for low-income families in Travis County. HATC currently operates and maintains 105 HUD *Project Based Rental Assistance* (PBRA) units and authorizes the issuance of 632 housing choice vouchers.

In addition, HATC receives *Continuum of Care* grants from HUD to provide rental assistance to homeless individuals with disabilities and their families in connection with matching supportive services funded through other sources. HATC owns an affordable family development (non-public housing) and an affordable seniors’ development (non-public housing) with 16 and 33 units, respectively.

BACKGROUND INFORMATION

At present, SHFC maintains an in-house real estate development team which is tasked with identifying, securing, leading, facilitating, and managing partnerships with private real estate development organizations to develop affordable housing in Travis County, Texas, with the ultimate goal of aligning with and supporting HATC’s core mission.

Currently (and historically), real estate development activities have also been conducted in coordination with an HATC affiliated entity – the Travis County Facilities Corporation (TCFC). This fact should be considered during the project and be taken into account during the overall evaluation and the development of subsequent recommendations, as appropriate.

TCFC Background

Established in January 2001, The Travis County Facilities Corporation (TCFC), authorized via Chapter 303 of the Texas Local Government Code, was created to work in conjunction with the Housing Authority of Travis County to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs. To date, TCFC has focused its efforts on affordable housing.

At present, the SHFC real estate development team is composed of three full-time employees. In addition to their roles with SHFC, all have a direct employment relationship with HATC and responsibilities within HATC. These three employees occupy the positions of Director of Real Estate Development, Asset Manager, and Administrative Assistant.

SCOPE OF SERVICES

SHFC is seeking qualifications from firms interested in providing consulting services to evaluate the organization’s current real estate development delivery model, as well as to provide full recommendations for addressing any issues identified in the evaluation.

Regarding this project for which services are requested, SHFC is seeking to evaluate the overall consideration of and recommendations for operating SHFC as an *affiliate* of the Housing Authority of Travis County (HATC), versus SHFC remaining as a *separate organization* (as is currently the case.) In addition, an evaluation and recommendations are sought of the feasibility, effectiveness, and efficiency of operating its existing real estate development delivery model via utilization of internal staff vs. other available alternatives (*i.e., outsourcing the delivery model to external brokerages or to contractors/consultants, other hybrid solutions, etc.*). Recommendations are also sought from the successful respondent to include possible future courses of action for the identified best-practice scenario (*i.e., retaining the delivery model in-house vs. outsourcing, etc.*)

Current SHFC real estate development delivery model's activities conducted by the in-house team include but are not limited to:

- The structuring of real estate transactions and developing project budgets;
- Creating operating projections;
- Proposing and negotiating financing;
- Providing supportive services to residents and to meet and enhance the strategic goals and responsibilities of the organization; and
- Selecting and monitoring the performance of various vendor relationships, to include property management providers, construction general contractors, and others.

Associated finance function activities should also be considered and examined and include but are not limited to:

- The identification of potential funding from both private and public sources;
- Raising of project equity and debt; *and*
- Analysis of project leverage recommendation of financing structures, disposition advisory, and limited partnership negotiations.

Certain questions which the consultant should be prepared to answer as part of its evaluation and recommendations include, but are not limited to, the following:

- Should SHFC continue to operate as a separate entity (in partnership with HATC), or should it be restructured as an affiliate of HATC?
- Should the real estate development employee team continue to be retained within SHFC? If so, what structure should the organization take and what employee roles would be needed to be retained, eliminated, or added to ensure its successful operation into the future?
- Should the real estate development team activities be fully outsourced by SHFC, and the internal employee team be abolished or reassigned, if possible? If so, what specific recommendations can be made to ensure the success of such an action?
- Should a "hybrid" structure be considered, where the delivery model is partially outsourced but also partially retained in-house? If so, what employee roles would need to be retained or eliminated by SHFC to ensure its successful operation, and what specific recommendations can be made to ensure the success of such an approach?
- Should a recommendation be made by the consultant to fully outsource the delivery model or to operate it in a hybrid manner in the future, what criteria should be used by SHFC in selecting outsourcing partners to ensure success of such a new endeavor, and what else could be done to ensure success?
- Will the recommended structure be able to effectively provide supportive services to residents and to meet and enhance the strategic goals and responsibilities of the organization? If so, how?
- Will the recommended structure be able to ensure the effective selection and ongoing monitoring and performance assessment of vendor relationships, to include property management providers, construction general contractors, and others? If so, how?

PROJECT DELIVERABLES

At the conclusion of its evaluation, the consultant shall:

- Provide a professionally prepared report that summarizes the findings from its analysis, and which effectively communicates relevant information;
- Identify key issues and opportunities; *and*
- Present recommendations.

A *Draft Report* with an *Executive Summary* shall be issued to SHFC first. The document shall include the summary of findings of the consultant's analysis and subsequent recommendations as identified in the Scope of Work. Any documentation prepared by the consultant shall be made available to SHFC in electronic format.

A Final Report shall be issued following SHFC's comments on the Draft. In addition, SHFC may require consultant to provide and present a PowerPoint (or similar) presentation. The report should provide sufficient information and support for subsequent strategic, tactical, operational, and policy decisions regarding real estate development operations.

PROPOSAL SUBMISSION REQUIREMENTS

Interested and qualified firms must provide the following information in their responses to the RFP:

- **Qualifications and Experience of Firm** - Demonstrate the firm's understanding and qualifications for completing the requested work, evidence of firm's ability to perform this type of work, and any record of related prior experience including similar projects relative to municipal, governmental, redevelopment and housing authorities, or other political entities. Please provide a summary of your company's related experience in the completion of evaluations as described in this document. Include profile of firm's principals, staff, and facilities.
- **Qualifications and Experience of Key Personnel/Assigned Project Team members** - Identify and provide resumes for the individual(s) who will be assigned to this project, their qualifications, training, responsibilities. Be specific as to their level of experience with local governments and Public Housing Authorities, particularly as it relates to this scope of services. List any contractors or third parties which will be potentially involved in providing services, to include the same information.
- **Licensing/Certified Statements** - Evidence that the firm meets any and all licensing requirements. Include a certified statement that the firm is not debarred or otherwise restricted from entering into contracts with HUD-funded agencies or other Federal, State, and/or local agencies.
- **Approach and General Understanding** - Describe your firm's approach to the *Scope of Services* and provide a sample outline of the approach, including a timeline.
- **References** - Supply three current references for same or similar work to the *Scope of Services* found in this document. Provide names, complete contact information, dates of service(s) provided, and description of the work performed.
- **Price** – Please provide complete and detailed information on project price quote, including information on how work will be billed to SHFC (i.e., flat fee, hourly/semi-hourly rate, etc.) Proposed prices quoted are expected to be firm for a minimum of ninety (90) days. SHFC will award a contract to a successful respondent for the provision of these services for a maximum of a one-year period.

PROJECT TIMELINE

As part of the response to this solicitation, a timeline for completion of this project must be provided. As support for the overall timeline, respondents should provide a more detailed breakout of milestone dates/time periods for completion of different tasks.

DEADLINE

Proposals must be received by SHFC on or before August 1st, 2022, at 5:00 p.m. (CST.)

PLACE OF SUBMISSION

One (1) unbound original and three (3) copies of the complete proposal package is preferred; however, electronic transmittal is also an acceptable form of submission. Electronic submittal can be directed to patrick.b.howard@traviscountytexas.gov. Packages submitted should be in an envelope, sealed and labeled and submitted as follows to:

Proposal for Consulting Services to Evaluate Real Estate Development Delivery Model

RFP No. SHFC-22-01

Patrick B. Howard, Executive Vice President
STRATEGIC HOUSING FINANCE CORPORATION
502 East Highland Mall Boulevard, Suite 106B
Austin, TX 78752

OTHER TERMS AND CONDITIONS

1. WITHDRAWAL OF RFP

Proposals may be withdrawn before the RFP submittal deadline by submitting a written request to Patrick Howard (Patrick.b.howard@traviscountytexas.gov). Re-submittal before the RFP submittal deadline can be made; however, they may not be re-submitted after the deadline.

2. RFP COSTS

All costs incurred in the preparation and presentation of the RFP shall be completely absorbed by the responding party to the RFP. All documents submitted as part of the RFP will become the property of SHFC. Requests for specific material to be returned will be considered. Any material submitted that is confidential must be clearly marked as such.

3. COMPLIANCE WITH LAWS

The selected firm agrees to be bound by applicable Federal, State and Local laws, regulations, and directives as they pertain to the performance of the project.

4. AWARD BASIS

At the option of SHFC, finalists may be selected for a final round of negotiations; however, vendors are encouraged to present their best offers with their initial submission. SHFC reserves the right to accept or reject any and all proposals, to waive any irregularities in any proposal process, and to make an award of contract in any manner in which SHFC, acting in the sole and exclusive exercise of its discretion, deems to be in SHFC's best interest. The award of the contract will not necessarily be made to the firm offering the lowest price.

5. CONTRACTUAL DEVELOPMENT

If a proposal is accepted, SHFC intends to enter into a contractual agreement with the selected bidder. Contract discussion and negotiation will follow the award selection. Bidders must be amenable to inclusion, in a contract, of any information provided whether herein or in response to this RFP or developed subsequently during the selection process.

6. WORK PRODUCT

- a. All work papers prepared in connection with the contracted services will remain the property of the successful bidder. The work papers must be retained for a period of five years and be made available to SHFC upon request.
- b. All reports rendered to SHFC are their exclusive property and subject to their use and control.

7. INDEPENDENT CONTRACTOR

The successful bidder and its agents, officers and employees shall act at all times in an independent capacity during the term of the agreement and in the performance of the services to be rendered, and shall not act as, and shall not be, and shall not in any manner be considered agents, officers or employees of SHFC.

8. ASSIGNMENT

Neither the agreement nor any part thereof shall be assigned by the successful bidder without the prior written consent of SHFC.

9. CONTRACT TERMS

SHFC reserves the right to cancel the agreement if it is determined that the selected firm is not performing satisfactorily or is adversely affecting the performance of SHFC's activities. SHFC also reserves the right to request changes in the selected firm's representation if, at our discretion, assigned personnel are not satisfying the needs of SHFC.

10. PAYMENT TERMS

SHFC will make payment for the performance of services upon successful completion of project and following receipt of final invoice from consultant. Specific details regarding payment approval and processing may be discussed with SHFC prior to project initiation, as necessary.

11. INFRINGEMENT AND INDEMNIFICATION

The firm awarded this contract agrees to protect, defend, and hold harmless SHFC against any demand for payment for the use of any patented materials, process, article, or device that it may enter into the rendering of the necessary services. Furthermore, the selected firm agrees to indemnify and hold harmless SHFC, their Board of Commissioners and employees from suits or actions of every nature and description arising out of, or in connection with, the performance of this contract, or on account of any injuries or damages received or sustained by a party or parties by or from any act of the selected firm, or its agents.

12. EQUAL OPPORTUNITY

SHFC emphasizes that all respondents will receive full consideration without regard to race, color, sex (including pregnancy, gender identity, and sexual orientation), religion, national origin, age (40 or older), disability, genetic information, veteran status, or any other status protected by applicable federal, state, or local laws. Minority and women-owned firms are especially encouraged to respond to this RFP.

13. LIMITATIONS

SHFC reserves the right to reject any and all proposals and to waive any informality in the solicitation process.