

SOUTHAMPTON HOUSING AUTHORITY (TSHA)

**REQUEST FOR QUALIFICATIONS (RFQ)
FOR
DEVELOPER SERVICES**

RFQ NO. 2024-10



**Sealed proposals provided in the Request For Qualification package shall be
received by :**

5:00 PM EST on October 18, 2024.

All Proposals Must Be Received by Mail:

**57 Springville Road Unit 34A
Hampton Bays, NY 11946**

Background

The Town of Southampton Housing Authority’s (“TSHA”) mission is to develop mixed-income housing opportunities in keeping with the rural character of the hamlets and villages of the Town of Southampton. The goals and objectives of the Authority are to:

- Assist in providing greater housing opportunities for both rental and home ownership.
- Preserve and improve existing affordable housing.
- Pursue opportunities to develop additional mixed income housing.
- Provide safe, secure affordable rental housing and prepare residents for future home ownership.
- Educate the community on all facets of home ownership as an ambassador for first time home-buyers.

General Information

The Southampton Housing Authority (TSHA), hereinafter called the “Agency”, is seeking a qualified developer, hereinafter called the “Developer”, to partner with the Agency. The Developer will assist the Agency by creating affordable housing that serves the low- and moderate-income families and individuals in Southampton, NY and the surrounding hamlets and villages within Southampton. This RFQ is intended to create an open-ended process by which the Developer can propose development opportunities to the Agency and establish a qualification process for the selection of these proposed future development opportunities.

The Agency is headed by Curtis E. Highsmith, Jr., Executive Director, and governed by a five-person Board of Commissioners and is subject to the requirements of Chapter 611, Laws of 2002; State of New York (Section 466 of the Public Housing Law); Article Eighteen of the Constitution of the State of New York; and the Agency’s Procurement Policy.

The Agency is seeking responses to this RFQ from interested development teams for the creation and implementation of affordable housing. The Agency will receive responses until **5:00 pm (EST) on Friday, October 18, 2024.** At that time, the Agency will evaluate all on-time responses and make a recommendation to the Board of Commissioners for formal approval.

The Developer must have significant and successful Low-Income Housing Tax Credit (LIHTC) application and development experience in the state of New York. The Developer must have the ability, skills, experience, and resources to assemble a development team in which team members also have significant and successful LIHTC and development experience. The ability to assemble and coordinate such must be clear and evident from the qualifications submitted. Once approved by the Board of Commissioners, the Developer must make a good faith effort to enter into a Memorandum of Understanding with the Agency to begin development project(s).

Services provided by the Developer and/or its team members would include, but are not limited to, the following:

- Prepare Development Agreement. The approved Developer shall prepare the Developer Agreement for consider and formal approval by the Agency Board of Commissioners.
- Undertake pre-development activities
- Assemble a development team
- Propose the general partnership structure, prepare a management plan for the property (which includes the Agency ultimately taking over management of all properties), and recommend a Bond Counsel, as applicable.
- Coordinate all development activities with the Agency, including but not limited to reporting and budget requirements
- Propose site and development plans
- Produce a project budget
- Architecture and engineering
- Develop and manage a project implementation schedule
- Provide all necessary financial guarantees and assurances to bond holders and investment partners and assure compliance with all LIHTC guidelines and criteria.
- Obtain commitments from bond purchasers and tax credit investors for financing the project, as applicable. Such commitments to be on terms and with parties acceptable and approved by the Agency.
- Developer will provide the experience needed to meet the requirements under the Qualified Allocation Plan (QAP)
- Develop a comprehensive finance plan
- Obtain additional leveraged funds from private and other sources
- Obtain all permits, approvals, environmental clearances and land entitlements
- Preparation and submission of applications to obtain LIHTC allocations and/or other sources.
- Preparation of all information needed to submit to HUD and/or other regulatory bodies
- Site preparation
- Construction and Infrastructure
- Brown Field Remediation
- Oversee construction and ensure project is completed on schedule
- Assure compliance with all building codes and other local, state, and federal requirements
- Deliver apartments consistent with HUD requirements and guidelines
- Assist the Agency staff in gaining development experience
- Assist the Agency staff in gaining LIHTC experience

Services provided by the Agency would include, but are not limited to, the following:

- Agency’s Board of Commissioners governs all development decisions related to this RFQ and resulting projects are subject to their formal approval. Curtis Highsmith is the Executive Director of the Agency.
- Agency’s Board of Commissioners shall consider and must formally approve the

Development Agreement.

- Development Partnership. The specific ownership structure will be negotiated and must be formally approved by the Agency's Board of Commissioners. The Agency or any entity created to act on its behalf shall be the Managing General Partner.
- Potential development sites must be submitted and formally approved by the Agency's Board of Commissioners prior to any development activities beginning.
- Financing. The Developer shall work closely with the Agency in preparing and submitting of any finance proposals, as well as any other applicable required legal and program documentation.
- Loans. The Agency shall be informed of all loans, indebtedness, and all liens attached to the property and must be formally approved by the Agency's Board of Commissioners.
- Financial Statements. The Agency shall be provided with all required projections and reports on a timely basis.
- LIHTC Syndication and Investors. The Agency's Board of Commissioners must approve the investment partners.
- Property Management. A third-party management may be necessary during the initial period. However, the Agency must assume control of all management functions as soon as possible.
- Design. The Agency shall review, and the Board of Commissioners must formally approve all designs of any project(s).
- Development Team. The Developer is responsible for the selection of the Development team. The Developer agrees to submit their Development Team and disclose any identified conflicts of interest to the Agency for review. The Agency reserves the right to recommend changes to the Development Team.
- Bond Counsel. The Agency reserves the right to appoint Bond Counsel, if applicable.
- Provide Non-Profit status to a LIHTC application
- Interface with HUD and the local community
- Local contacts to assist with permits and approvals

Income Structure

The Agency is currently planning to develop all proposed housing communities with apartments certified as LIHTC. However, the Agency seeks to provide housing to a mix of eligible households, including the low- and very low-income and families and individuals capable of paying market rate rent. Respondents may target occupancy subject to any income restrictions associated with the LIHTC Program and other funding sources and propose that structure to the Agency for consideration.

Project Design

The Agency and the Developer will enter into a Developers Agreement which will set forth the parameters of the development process. The Agency will review all design and construction documents, and the Agency's Board of Commissioners must approve all documents before any development activities begin.

Legal and Ownership Structure

The Agency and the Developer will determine the specific ownership structure. However, any such structure must be formally approved by the Agency's Board of Commissioners. The Agency or any such entity created to act on its behalf must be the Managing General Partner.

Submission Requirements

Respondent will provide a cover letter that identifies the primary contact person for said Respondent, listing all firms that are a part of the development team (which should include, at a minimum, the Architect), and briefly describe the Respondents experience with affordable housing development, HUD Programs and LIHTC. The letter must be signed by an authorized principal of the Respondent and include a statement that the submittal will remain valid for not less than 90 days.

In addition to the cover letter, Respondents are required to submit the following information, although the Agency reserves the right to request additional information upon review of the initial submission.

- Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team are not disbarred from participation in HUD programs, Southampton Housing Authority (TSHA) programs, any other state agency programs, any agency of the United States government, state of New York, or any governmental agency.
- Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team is in good standing with TSHA and does not have any compliance issues.
- Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team are not in default and have not been in default within the past five (5) years on any indebtedness. Provide full details if a default has occurred during the referenced time period.
- Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team have a successful record constructing and/or developing residential apartments (single family or multi-family) in the capacity as owner, general partner, or developer. Describe the developer's experience in the development of affordable housing programs, including LIHTC, Tax Exempt Bonds, HOME, and Housing Trust Funds. Include the name and address of the property, property description, designate new construction or acquisition/rehabilitation, the source of funding (if LIHTC, indicate whether 4% or 9% credits were utilized), and indicate allocation/award year with awarding agency and project number. Provide a description of the participation of the Respondent, identification of any participation by a housing related non-profit organization, and the contact information of a reference for each property. Describe the Respondent's use of alternative funding tools for multi-family developments, such as FHA insured mortgages, HOME funds, Choice neighborhood, HOPE VI, and private mortgages. The respondent 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 New York.
- If applicable, describe and provide supporting evidence (e.g., certification by a governmental agency) of the Developers status as a minority business enterprise (MBE) and/or women owned business enterprise (WBE), or of the Developer’s history utilizing MBEs and/or WBEs.
 - Describe the Developers experience in working with public housing authorities (PHAs). Provide the names of the PHAs with a description of the work (indicating if the experience included the replacement of public housing apartments) and the contact information for a representative at each PHA with which the Developer has worked.
 - The Agency and the selected Respondent will negotiate the specific terms of the ownership structure after the Agency’s Board of Commissioners have formally selected the approved Developer. The Agency will serve as the Managing General Partner or the Development Partner in order to maintain the ad valorem property tax-exemption that will apply due to the Agency’s ownership. The Respondent shall provide the proposed ownership structure and identify the various legal entities to be involved in the ownership.
 - Respondents should submit a proposed fee structure expressed as a percentage of development costs and/or construction costs, as appropriate, including a proposed split of the developer fee with the Agency, based upon the Agency’s role as set forth above. The proposed fees should include the amount and timing of payment of developer fee and overhead, contractor profit, overhead and general requirements, and property management fees.
 - Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team have not been removed as a general partner within the last five (5) years.
 - Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team during the past five (5) years have not been involved in and are currently not involved in litigation regarding the development and financing of properties under the LIHTC program.
 - Certification by the authorized principal that the firm, individuals working for the firm, principals of the firm, and everyone on the development team do not have any outstanding issues with the Internal Revenue Service (IRS) regarding LIHTC properties.
 - Identify the individual that would serve as the project manager and describe their specific qualifications and experience with LIHTC projects. The project manager is an integral part of the Contract with the Agency and may not be replaced without the prior written approval of the Agency.
 - Provide the location of the Respondents principal office and the office from which services will be provided to the Agency, if different from the principal office.
 - A brief history of the Respondents firm, including the year the firm was founded.
 - The number of personnel in the Respondents firm, including the number that will be working directly on the Agency’s project.
 - The geographic range of the Respondent firm’s work.
 - Description of the financial strength of the Respondents firm. Please provide a copy of the most recently audited financial statements. (Financial information will remain confidential)

- A list of Respondents current New York clients who may be completing against the Agency for tax credits.
- Provide resumes for the Project Manager and all key personnel who will be directly involved on the development team.
- Provide at least three (3) applicable references from lenders, tax credit investors, clients, etc.

Experience of Development Team Members – Architecture & Engineering

For development team members that are not directly employed by the Respondent's firm, (such as third-party architects, land planners, etc.) provide an overview of each firm and describe its qualifications and experience on similar projects.

In your response, please provide the following information:

- Description of the extent to which the Respondent has worked with each firm before.
- A brief history of the firm, including the year the firm was founded.
- The individual who would be primarily responsible for each firm's work on the Agency's project. Describe his/her specific qualifications and experience with similar projects; and provide at least three (3) references.
- Description of similar projects for which each firm has provided comparable services in the past.
- The geographic range of each firm's work; and highlight any experience in New York.
- Provide each firm's experience in working with PHAs
- Provide resumes for each firm's key staff.
- Provide at least three (3) references for each firm.
- Certification that each firm has never been terminated from a contract or been involved in any type of litigation, or full disclosure of such termination and/or litigation.

Experience of Development Team Members – Financing & Legal

For development team members not directly employed by the Respondents firm, (such as third-party attorneys, accountants, financial consultants) provide an overview of each firm and describe its qualifications and experience on similar projects.

In your response, please provide the following information:

- Description of the extent to which the Respondent has worked with each firm before.
- A brief history of the firm, including the year the firm was founded.
- The individual who would be primarily responsible for each firm's work on the Agency's project. Describe his/her specific qualifications and experience with similar projects; and provide at least three (3) references.
- Description of similar projects for which each firm has provided comparable services in the past.
- The geographic range of each firm's work; and highlight any experience in New York.

- Provide each firm’s experience in working with PHAs
- Provide resumes for each firm’s key staff.
- Provide at least three (3) references for each firm.
- Certification that each firm has never been terminated from a contract or been involved in any type of litigation, or full disclosure of such termination and/or litigation.

Expenses of Qualifications Statement and Proposal Submission

All expenses involved with the preparation and submission of qualification statements and proposals to the Agency as well as all expenses associated with presentations and interviews or other pre-award activities are the responsibility of the Respondent submitting the statements of qualifications and proposals.

Inquiry Contact Person

Questions pertaining to procurement and/or this RFQ requirements should be directed to Curtis Highsmith, Executive Director at chighsmith@southamptonha.org or (631) 488-4220, ext. 207.

Business Terms

The Agency intends to participate in development and operations decisions related to any and all project(s) that result from this RFQ. The agency wishes to achieve the following:

- The agency is seeking development services in developing affordable housing.

With this objective in mind, Respondents must address each of the following in their submittals:

- The Respondent will describe how the Agency will participate in the fee structure and cash flow and gain development and management experience and capacity to develop their entrepreneurial activities and asset-based property management activities.
- The Respondent will detail how the Agency can acquire the property of said project(s) that may result from this RFQ after expiration of the initial 15-year tax credit compliance period.
- The Respondent’s expectations for fees, and/or sales profits, or other compensation on rental unit development, and/or homeownership unit development, rental property management, and any other services. Describe both the calculation basis of any fees (e.g. if there is a development fee expressed as a percentage, indicate to which specific things the percentage would be applied) and the expectations for timing of payments.
- Address willingness to perform duties on a fee only basis (preferred methodology.) If financial participation is required, describe expectations.
- Provide the breakdown of fees and costs by developer fee, contractor’s profit, and management fees.

NOTE: FINAL FEES WILL BE NEGOTIATED SUBJECT TO THE MUTUAL BEST INTERESTS OF THE AGENCY AND THE SUCCESSFUL RESPONDENT.

Final Submission Instructions

Respondents shall submit one (1) original hard copy plus one (1) electronic copy via thumb drive. All copies shall include a cover letter. The proposal shall indicate the Respondents capacity and capability to provide the necessary services to comply with all the requirements of this RFQ. This proposal shall clearly define how the Respondent will achieve the intended performance under the following five (5) evaluation criteria.

Proposal Review Process

The Agency will rate and rank all proposals received by the deadline set forth in this RFQ according to the evaluation criteria established herein. Respondents may be asked to participate in a telephone or personal interview if they are among the top-rated Respondents. Top Respondents may be asked to give the Agency personnel a tour of some of its properties. If the Agency cannot successfully negotiate a contract with the top-rated Respondent, the next ranked Respondent shall be selected.

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

The Agency has absolute veto power in the case of disagreement regarding the project scope, ownership structure, design, unit mix, income levels served, etc.

Evaluation Criteria

1. Low-income Housing Tax Credit Development Expertise (20 Points)

The proposal must indicate the Respondents experience applying for, developing, and owning and managing low-income housing tax credit developments. The experience of the Respondent in developing low-income housing in the state of New York will be considered.

2. Architectural and Engineering Services (15 Points)

The Respondent shall indicate its ability to provide the necessary design, architectural and engineering services in both the application and developmental phases of specific projects. The experience of the A&E firm in developing affordable housing will be considered.

3. Financing Expertise (20 Points)

The Respondent shall indicate its ability to provide debt and equity financing expertise and limited guarantees. The experience of the Respondent in financing affordable housing will be considered. The Respondent must detail its plan to successfully secure a tax credit award for the Agency.

4. Local Experience (15 Points)

The Respondent shall document their knowledge and experience building and/or develop within the Town of Southampton.

5. Fee Structure (20 Points)

The Respondent shall indicate their proposed developer fee, contractor's profit, and management fee, if applicable, and detail how the Agency will participate in the fee structure and gain experience and capacity to develop their own entrepreneurial activities and asset-based property management activities.

6. Brown-Field Remediation (10 Points)

The proposal may indicate the Respondent's experience in facilitating the revitalization of brown-field properties through risk management, remediation planning, and implementation.

NOTE: NO FEES OR COSTS SHALL BE REMBURSED FOR THE RESPONDENT'S PREPARATION OF A RESPONSE TO THIS RFQ.

Insurance Requirements

Proof of Insurance shall not be terminated or expire without thirty (30) days written notice and is required to be maintained in force until completion of the contract. The Respondent shall require all subcontractors used in the performance of this contract to name TSHA as an additional insured. Following are the standard types and minimum amounts.

1. Commercial General Liability: \$2,000,000; per occurrence for bodily injury, personal injury and property damage liability; *TSHA Additional Insured.*
 2. Comprehensive Automobile Liability: \$1,000,000; combined single limit bodily and property damage liability per occurrence and aggregate; *TSHA Additional Insured.*
 3. Professional Liability: \$1,000,000; per occurrence and aggregate.
 4. Workers' Compensation: as required by the state of New York
- Failure to provide proof of insurance or failure to maintain insurance as required in this RFQ, or by law; are grounds for immediate termination of the contract. In addition, the awarded Developer shall be liable for all re-procurement costs and any other remedies under law.
 - All policies, except for the Workers' Compensation and Professional Liability policies, shall contain additional endorsements naming TSHA and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.
 - The awarded Developer shall immediately furnish certificates of insurance to TSHA evidencing the insurance coverage, including the endorsements above required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice. Awarded Developer shall maintain such insurance from the time Developer commences performance of services hereunder until the completion of such services.