

SAN ANTONIO HOUSING TRUST



REQUEST FOR QUALIFICATIONS

FOR

Asset Management and Underwriting Services

SUPPORTING

- San Antonio Housing Trust
- San Antonio Housing Trust Foundation
- San Antonio Housing Trust Public Facility Corporation
- San Antonio Housing Trust Finance Corporation

REQUEST FOR QUALIFICATIONS STATEMENTS

DUE BY 2:00, August 5, 2020

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BACKGROUND

The San Antonio Housing Trust provides opportunities to support affordable housing projects, programs, and initiatives in the form of loans, grants, and partnerships. Our aim is to align with community needs identified by the City of San Antonio and community-based housing organizations. There are four entities that perform different functions to carry out the objectives of the Trust (the “Trust entities”). The Trust is seeking a firm to provide Asset Management and Underwriting Consulting Services to support new and existing housing development activities.

Housing Trust

The Trust is a fund established with a \$10 million corpus by the City of San Antonio governed by a Board of Trustees appointed by the San Antonio City Council. The Board of Trustees reviews and recommends decisions to the full San Antonio City Council on the Housing Trust Fund. The Trust earns interest from an established corpus, revenue generated from prior loan repayments, funds sourced from the other Trust entities, funds sourced from the City, and donations. The Board recommends funding for affordable housing initiatives based on proposals received from sponsors responding to a request for funding proposals during an open and competitive, solicitation process.

Foundation

The day-to-day administration of the Housing Trust Fund and its affiliated entities is performed by the San Antonio Housing Trust Foundation, Inc. initially formed in 1991, as a Section 501(c)(3) non-profit organization, under contract with the City of San Antonio. The Foundation provides administrative support for all the Trust entities.

For the Trust and Foundation, staff provides recommendations for primarily low interest loans for projects and initiatives designed to support the City of San Antonio's efforts to produce, preserve, and protect affordable housing. The intent of the loans is to act as a revolving source of funds for our affordable housing community.

Finance Corporation

An entity formed by the Trust for the sole purpose of issuing private activity bonds to support the development or preservation of affordable housing projects. The Texas Low Income Housing Tax Credit Program requires applicants to have a reservation induced by bond inducing entities. The San Antonio Housing Trust Finance Corporation (SAHTFC) was formed by the City of San Antonio in 1997 to act as a financial pass-through entity to issue bonds to provide lower than market rate financing for affordable single and multi-family housing.

To date, the Finance Corporation has issued over \$305 million in private activity bonds for 15 – 4% low-income housing tax credit projects supporting over 4,000 units. We currently have six bond inducements totaling \$179 million in multi-family bonds pending final

approval of tax credits. This will add over 1,400 additional units of affordable housing when closed and completed.

Public Facility Corporation

The San Antonio Housing Trust Public Facilities Corporation (SAHTPFC or PFC) is a tool under Chapter 303 of the Texas Local Government Code which is utilized by the Trust to create new affordable housing opportunities through partnerships with the development community. The partnership allows Tax Exemptions which reduce operating expenses and building costs for the developers. In exchange the PFC receives both affordable housing units and a financial return which supports other affordable housing initiatives.

To date the Public Facility Corporation has partnered in 24 multi-family housing developments representing \$959 million in total development costs, with nearly 4,900 affordable units and 2,160 market units. 14 of these developments are in construction and 10 are completed and active. Our Public Facility Corporation board has approved initial inducements of 13 additional developments that are at various stages of the pre-development. These 13 developments represent a future pipeline of 2,800 units and close to \$500 million in development costs.

SCOPE OF SERVICES

The San Antonio Housing Trust seeks proposals from qualified professional services to provide Asset Management and Underwriting Consulting Services to include the following:

Initial Project Review

- Conduct an initial assessment of project feasibility
- Review of initial proforma
- Review sources and uses Statement
- Review unit mix and check market rent comps
- Calculate est. value of PFC sales tax and property tax exemption
- Provide recommendation for PFC Partnership initial terms
- Prepare/assist with drafting Letter of PFC Intent Memo

Due Diligence

- Establish Due Diligence Plan for each proposed project
- Review Development Team Experience
- Update evolution of Financial Projections w/ updated debt/equity commitments
- Communicate with borrowers and stakeholders
- Review 3rd Party Reports (Phase I, Appraisal, Market Study, Capital Needs, etc..)
- Review 1st year Operating Budget

Underwriting

- Update projections to reflect PFC Partnership Terms
- Updated debt commitments to reflect impacts on equity and cash flow
- Identify exposures and evaluate mitigants (e.g. guarantees, reserves, holdbacks)
- Review of in-place tenant files to determine if any are over income
- Market Study Review to ensure rents are justified
- Review of historical operations for Rehabilitation Projects
- Guidance from historical info and/or comps for trending assumptions of rent, expenses, utilities
- Provide standard upside and stress case scenarios
- Confirm alignment with other capital providers' regulatory agreements

Closing

- Assist with presentation of underwritten project to Trust sub-committee
- Compile full set of due diligence received and provide a link to a sorted, named folder after closing

Reviewing Operations

- Collect operating and capital budgets for each property
- Summarize budget variances to prior year actual performance
- Collect, check, and review unaudited financial statements
- Collect, check, and review rent rolls quarterly
- Conduct annual site inspection and issue report

Reviewing Financials

- Track and estimate net operating income, cash flow, and distributions
- Estimate cash flow waterfalls, fees, and other obligations owed to the Trust
- Review performance, trends, and operations across the Trust portfolio

Compliance Monitoring

- Develop Contract Monitoring Plan for each property
- Track and monitor compliance of property with state regulatory agency certification requirements
- Collect copies of regulatory reports, summarize findings, and provide to Trust
- Track annual property compliance with Trust required rent and income limits.

TERM

In accordance with our policy, the Trust shall seek to negotiate a multi-year agreement not to exceed five years exercised at the Trust's discretion with one or more firms.

EVALUATION CRITERIA

The Trust shall make its selection based on a 100-point scale reviewing demonstrated competence, experience, knowledge, qualifications, minority/women owned businesses, and location of the professional service as follows:

- Service(s) ability to carry out the scope of services provided above. **25 points**
- Familiarity and prior experience with Multi-family Housing Portfolio Asset Management and Underwriting. **20 points**
- Professional qualifications and licensing of individuals who will perform the work (including subcontracted personnel). **20 points**
- Respondent's record and experience with non-profit, housing trusts, and other public agencies **10 Points**
- Respondent's insurability, status of current work, and workload **10 points**
- Certified minority-and women-owned business enterprises and/or the employment of minority group members and women in the performance of the Trust Contract. **10 points**
- Local office location, access, and availability to the Trust entities **5 Points**

EVALUATION PROCESS

- The Foundation may call upon anyone deem necessary to assist with the evaluation.
- The Foundation may obtain information from references.
- The Foundation may contact the proposed Respondent for the purpose of obtaining additional information or clarification during the evaluation period.

- The Foundation shall evaluate each Qualification Package received, in accordance with the factors identified above.
- The Foundation shall reserve the right to request written clarification and references.
- The Foundation may rank and determine the highest qualified firm based solely upon the evaluation of the Statement of Qualifications package, any subsequent written clarifications required, and reference information obtained.

If based on the review of the Qualifications Packages the Foundation deems it necessary to interview respondents in order to determine the highest qualified Respondent, the Foundation may identify more than one Respondent to be interviewed.

The Foundation will notify the most qualified respondent(s) in writing. Upon notification of selection by the Foundation, the parties will attempt to negotiate scope and extent of work to be performed, time for performance, compensation, and other terms. Final selection of the successful Respondent(s) will be contingent upon approval of the appropriate Trust entity Boards.

TIMELINE

Milestone	Date
Issue Date	July 8, 2020
Pre-submittal Conference	July 22, 2020
Last Day for Questions	July 24, 2020
Proposal Due Date	August 5, 2020

Pre-submittal Conference meeting information: July 22, 2020 @ 9 AM

Zoom link: <https://us02web.zoom.us/j/82561063182?pwd=Nnc5RWdPOU1nTnc5bVBSeDVKUG9oQT09>

Meeting ID: 825 6106 3182 Password: 147262

Questions

Questions may be submitted to Nicole Collazo at nicolec@saht.org.

STATEMENT OF QUALIFICATIONS

The information in the Respondent's Statement of Qualifications in this Package shall be presented in the same order and sequence as outlined below.

1. Organizational Information

Describe the Respondent's name, principals, ownership organization, address, contact information, consulting specializations, year established, and former names. Also identify the home or branch office making submittal, as well as, the primary location from which services will be provided, if different.

2. Key Personnel

The Respondent shall provide a resume for key personnel that will be assigned to the Trust. The information for each individual must include the following: Name, Area(s) of Expertise, Years of Experience, and Professional Licenses(s).

3. Resource Utilization Plan

Workload Status Based on the Respondent's current workload and staffing, indicating the current percentage of capacity at which the Firm is operating. Indicate the current backlog (if any) of key personnel assignments in months.

4. Experience

The Respondent shall provide lists and details of experience in conducting similar services with other non-profit organizations, public agencies, and housing trusts. Experience must include: Name, Location, and Description of Services, and Contact Person and Telephone Number.

5. References

Provide at least three references. References must include: Name & Location, Respondent's role, and responsibility. Project description and reference phone contact information.

6. MWBE Statement

The Respondent shall provide documentation certifying the respondent is a minority-and/or women-owned business enterprises as well as statement showing the respondent's plan to ensure an opportunity for meaningful participation or employment of minority group members and women in the performance of this agreement.

7. Claims/Performance/Insurance/Bonding

- If the Respondent has ever been terminated from an assignment for non-performance, please briefly explain.
- Is the Consulting Firm currently carrying General Liability, Workers Compensation, Professional Liability and Errors and Omissions insurance, and will it continue to carry such insurance for the duration of the contract term?

Costs for preparing the RFQ Package and any subsequent materials or presentations shall be the sole responsibility of the prospective Respondent.

SUBMISSION REQUIREMENTS

The Qualification Package will include the following four (4) components and shall be numbered as shown:

- *One Page Transmittal Letter*

The letter shall provide the names, title, address (physical and mailing) and telephone number of the official contact and shall be numbered if more than one page.

- *Statement Concerning Insurance*
Confirmation that the Respondent has in place general liability insurance, worker's compensation, and professional liability insurance.
- *Statement Concerning Conflict of Interest*
Disclose those interests of the Respondent that would impede with or interfere in the carrying out the duties and responsibilities of the position of a providing Asset Management and Underwriting Consulting services that are deemed conflicting.
- *Qualifications Statement*
The entire Qualification Package shall stand alone and include full responses to all RFQ instructions. The Qualification statement must not exceed 15 pages of 8 ½" X 11" paper.

The Consulting Firm shall submit four (4) copies of the Statement of Qualifications Package. Packages may be delivered by courier, U.S mail, or overnight delivery. Submission may also be delivered electronically via e-mail to Nicole Collazo, Assistant Director at nicole.collazo@saht.org. No faxes will be accepted. If delivered by courier or U.S. mail, the Qualifications Statement Package should be in sealed envelopes which are clearly labeled and addressed as follows:

CONFIDENTIAL: STATEMENT OF QUALIFICATIONS FOR ASSET MANAGEMENT AND
UNDERWRITING SERVICES ENCLOSED
SA Housing Trust
2515 Blanco Rd
San Antonio TX 78212

Note: If the Respondent is a Joint Venture firm, then documentation of its incorporation may be requested.

The Trust reserves the right to reject any and all qualifications received in response to this request. The Trust is not obligated to award a contract solely based on this request or to otherwise pay for information solicited. Information received will be considered contractual in nature and will be used in validation and evaluation of qualifications and in any subsequent contractual agreement

All data and information submitted by the Respondent in response to this RFQ may become public information, as provided by the Texas Open Records Act, Texas Government Code. The Trust does not assume responsibility for asserting Consulting arguments for confidentiality on behalf of the Respondent.