

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. <u>Amendment/Modification No.</u> A00001	2. <u>Effective Date</u> August 9, 2017	3. <u>Requisition/Purchase Order No.</u>	4. <u>Project No. (if applicable)</u> RAD 18-R-0031
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5. <u>ISSUED BY</u> Housing Authority of the City of El Paso, Texas Procurement Department 5300 E. Paisano Dr. El Paso, TX 79905-2931 Mr. Juan Pulido, Procurement Manager	6. <u>ADMINISTERED BY (if other than Item 5)</u> Housing Authority of the City of El Paso, Texas Public Housing Department 5300 E. Paisano Dr. El Paso, TX 79905-2931 Tel: 915-849-3789 Fax: 915- 849-3868 erocha@hacep.org
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7. <u>NAME AND ADDRESS OF CONTRACTOR</u> (No., Street Name, County, State & Zip Code)	8a. <u>Amendment of Solicitation No.</u> RAD 18-R-0031
	8b. <u>Dated (see item 10)</u> August 9, 2017
	9a. <u>Modification of Contract No.</u>
	9b. <u>Dated (see item 12)</u>

10. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATION

The above numbered solicitation is amended as set forth in Item 13. The hour and date specified for receipt of Offers is:

is extended is not extended.

Offerors must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods:

(a) By completing Items 7 & 14, and returning _____ copy (ies) of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter, email, or fax which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such a change may be made by email, fax or letter, provided each email, fax or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

11. ACCOUNTING AND APPROPRIATION DATE (if required) PHA

**12. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT
IT MODIFIES THE CONTRACT NO. DESCRIBED IN ITEM 13.**

<input type="checkbox"/>	A. This change order is issued pursuant to (Specify Authority) The changes set forth in Item 13 are made in the Contract No. in Item 9a.
<input type="checkbox"/>	B. The above numbered contract is modified to reflect the administrative changes (such as changes in paying office, appropriation data, etc). Set forth in Item 13 pursuant to the authority of FAR 43.103 (b).
<input type="checkbox"/>	C. This supplemental agreement is entered into pursuant to the authority of:
<input type="checkbox"/>	D. Other (Specify type of modification and authority)

E. **IMPORTANT:** Contractor is not is required to sign this document and return ALL copies to the issuing office.

13. Description of amendment/modification:
Amendment No. A00001 - Bid Closing date has been extended from 8/25/2017 to new date of 9/8/2017
- Revision on page 4 to reflect changed date of September 8, 2017 to submit proposals
- Please remove and replace revised pages 13-18 of the RFP

14a. <u>NAME AND TITLE OF SIGNER (Type or print)</u>	15a. <u>NAME AND TITLE OF CONTRACTING OFFICER (Type or print)</u> Gerald Cichon, Chief Executive Officer		
14b. <u>OFFEROR/CONTRACTOR</u> _____ (Signature of Authorized Person)	14c. <u>Date Signed</u>	15b. _____ (Signature of Contracting Officer)	15c. <u>Date Signed</u>

APPROVED AS TO FORM: _____ HACEP Legal Counsel	DATE: _____	HACEP Form 001
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The Housing Authority of the City of El Paso, Texas

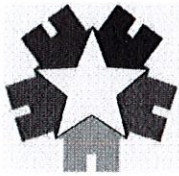
Requests Proposals for:

Developer Services for Blue Flame Building

Solicitation No. RAD 18-R-0031

Addendum A00001 – Revised 8/9/2017 -revision to page 4 and pages #13-18

<p>Housing Authority of the City of El Paso, Texas</p> <p>Gerald Cichon Chief Executive Officer</p>	<p>An Equal Opportunity Employer and Contracting Agency</p>
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Housing Authority of the City of El Paso

RFP: RAD 18-R-0031
Developer Services for Blue Flame Building

Date Issued: August 4, 2017
Subject: Request for Proposal (RFP)

Solicitation No.: RAD 18-R-0031

Separate sealed proposals for Developer Services for Blue Flame Building for the Housing Authority of the City of El Paso, Texas will be received at the following address:

**Contract Compliance & Procurement Administration
Housing Authority of the City of El Paso, Texas
5300 Paisano
El Paso, Texas 79905 – 2931**

until 3:00 p.m., local time, September 8, 2017. Proposals will be held in confidence and not released in any manner until after contract award.

For any Contract which requires the Contractor to provide services, the Contractor shall, prior to commencement of work, provide HACEP with Certificates of Insurance in the below amounts and shall maintain such coverage in effect for the full duration of the Contract. HACEP must be named as additional insured in the insurance certificate(s).

- Professional liability insurance in the amount of \$1,000,000 per occurrence for the Respondent and any other professionals used by the Respondent, with respect to negligent acts, errors or omissions in connection with professional services to be provided in connection with the development project. HACEP must be added as an “additional insured”.
- Workers' compensation insurance and employer's liability insurance in the maximum statutory liability amount equal to \$1,000,000 per occurrence, naming HACEP and its affiliate non-profit as additional insured.
- Business automobile liability insurance in the amount equal to \$1,000,000 per occurrence.
- Developer must also meet the insurance requirements of the debt & Equity Providers.

By submission of a proposal, the offeror agrees, if its proposal is accepted, to enter into a contract with HACEP in the form included in the solicitation documents, to complete all work as specified or indicated in the contract documents for the contract price and within the time parameters indicated in the attached RFP. The offeror further accepts all of the terms and conditions of the Request for Proposal.

All proposals will be evaluated on eligibility criteria and factors for award stated in this proposal.

The Housing Authority of the City of El Paso, Texas specifically reserves the right to reject any or all proposals, waive technicalities and to award the contract in the best interest of the Housing Authority. Price alone will not be the sole determining criteria in the selection process.

All proposals should be delivered to 5300 E. Paisano must be received by Procurement Staff. Receptionist staff cannot accept your proposal and is not responsible for mishandling your proposal.

Each offeror is responsible to ensure that they have received all amendments related to this solicitation. Contract Compliance will send amendments through e-procurement, through fax, etc. For those companies that download this solicitation through e-procurement, amendments will be posted to e-procurement. Companies that receive this solicitation in electronic format through other than e-procurement may not receive notifications.



**REQUEST FOR PROPOSALS FOR
Developer Services for Blue Flame Building**

RAD 18-R-0031

INTRODUCTION:

The Housing Authority of the City of El Paso (HACEP) requests proposals from qualified firms or individuals interested in serving as a third party co-developer (“Developer”) to assist HACEP in the design, financing, provision of guarantees, and adaptive reuse of the historic building located in downtown El Paso, TX and commonly known as Blue Flame, using 9% low income housing tax credits (LIHTC) awarded by Texas Department of Housing and Community Affairs (TDHCA) to HACEP on July 27, 2017 and use of historic tax credits (HTC). Said Blue Flame development is conditional upon HACEP’s acquisition of the property.

BACKGROUND INFORMATION:

HACEP is a public housing authority created pursuant to Texas Statutes, with a goal of providing additional housing opportunities to low and low-to-moderate income residents of El Paso, TX. HACEP has both public housing capacity and administers the Section 8 Housing Choice Voucher Program sponsored by the United States Department of Housing and Urban Development (HUD). To further its mission of housing El Paso families, HACEP will revitalize selected communities through public/private partnerships with one or more qualified developers.

HACEP AND THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROJECT:

HACEP is participating in a program offered by HUD - the Rental Assistance Demonstration (RAD) program. RAD allows HACEP to leverage private financing for public housing communities through an ownership entity of which HACEP is a member. HACEP uses standard financing, primarily low income housing tax credits (LIHTC) and traditional or FHA 221 (d) 4 debt financing, to rehabilitate and replace public housing through the RAD program.

Upon completion, properties are converted from Public Housing to a Project Based Rental Assistance property with a standard 20 Year Housing Assistance Payments contract. **HUD established RAD rents would be required instead of standard local Fair Market Rents (FMRs).**

Utilizing the RAD program, HACEP is renovating or rebuilding substantially its entire portfolio of about 6,300 public housing units in a program that started in 2015 and is expected by HUD to be substantially complete at the end of 2020. Approximately 1,600 units have been converted by HACEP to date.

All projects are within the city limits of El Paso, TX. The portfolio includes primarily low-rise garden-style communities, as well as four high-rise buildings and single-family homes in scattered site communities.



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RFP: RAD 18-R-0031
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HACEP will consider utilizing multiple debt and equity instruments to fund the RAD conversion program, including tax-exempt bonds, low income housing tax credits, historic tax credits, mortgage financing, limited partnerships, HOME funds, CDBG, Federal Home Loan Bank funds, PACE loans and public/private collaborations to support projects. HACEP, at its discretion, may use proprietary funds for credit enhancements, development loans, or other purposes in project financing. A major role of the selected co-developer will be to identify and preserve adequate development funds from these and other sources.

PROJECT OVERVIEW:

HACEP invites statements of qualifications and proposals from experienced developers in LIHTC, HTC and adaptive reuse projects to respond to requirements outlined in this RFP. The selected developers will serve in a full service capacity, creating, with HACEP's advance input and approval, a recommended development and financing program and implementing the approved program with HACEP oversight.

Further activity following this solicitation is contingent upon HACEP's successful receipt of the awarded LIHTC allocation from TDHCA together with receipt of historic tax credits. Prospective developers may submit a proposal for the renovation of the Blue Flame. HACEP reserves the right, in its sole discretion to select one proposal, and to award none, or the proposal that best meet its needs. Emphasis will be placed on strength of proposal.

HACEP further reserves the right to bundle two or more properties, as appropriate, into a single financial entity with a single financial closing. Selection as a developer for the Blue Flame project applies only to the specific project, and provides no implied assurance of selection on other or future projects by HACEP. Also, the awarded project, if any, to any developer are "award specific" and therefore are non-transferable to other HACEP projects.

Blue Flame Project – The project subject to HACEP's acquisition of the property will be financed using 2017 9% Low Income Housing Tax Credits, Historic Tax Credits, traditional or FHA 221 (d) 4 debt, and other funding including the possibility of 4% Low Income Housing Tax Credits as an additional source, as identified by the developer. Development options include the construction of 150 units of housing including specifically 120 affordable units and 30 market rate units in the Blue Flame building to be acquired by HACEP or the partnership. The development will consist one- and two-bedroom units and ground floor office/retail uses. Alternatively, another option considers additional office use on the lower floors together with the ground floor space. Therefore, the residential component of the development will include reduction of the housing units in a mix yet to be finalized. The final unit configuration will achieve a 1:1 replacement of the existing public housing units located at Pooley Community and relocates tenants through transfer of assistance to the building.

HACEP intends to acquire the Blue Flame property with asbestos abatement and demolition completed by seller. Seller's asbestos abatement and demolition scope of work and plans will include preservation of the properties defining historic elements. Completion of this scope of work will be helpful to advance the construction schedule.

More detailed description is provided in **Exhibit A**.



HACEP's RESPONSIBILITIES:

HACEP will have the following roles and responsibilities:

- Serve as the general (managing) partner of the ownership entities to be formed for the projects.
- Provide project approvals including approving the developer's development plan, budget, pro-forma, team, bids and contracts, design, funding program and any regulatory filings done by the developer. HACEP and its team members may participate in lender and investor solicitations and/or negotiations. Managing all HUD requirements and approvals.
- Providing planning and resident relocation services.
- Providing funding for up to 50% of the predevelopment costs, which will be reimbursed at closing.
- Providing post-award reports to TDHCA
- HACEP's instrumentality EP HOME will serve as the property manager for all building.
- Provide legal team for HUD, LIHTC and bonds as necessary.

DEVELOPER'S RESPONSIBILITIES:

The selected developer will have the following roles, duties, and responsibilities:

- Creating a comprehensive development plan, budget, and schedule for HACEP's review and approval.
- Identifying and securing all necessary funding sources
- Creating and regularly updating detailed development and operating budgets.
- Providing written monthly reports to HACEP on the progress of the development efforts, including schedule, budget, and quality.
- Procuring any third party reports and evaluations necessary beyond what HACEP may already possess for the 9% LIHTC applications.
- Performing all normal and customary development work for a LIHTC project such as selecting team members as necessary (subject to HACEP approval); scheduling and project management; completing site and/or infrastructure assessments; managing design, entitlements, and construction; identifying, procuring and managing project funding; and managing all regulatory filings, other than HUD, required filings and compliance documents.
- Work with HACEP's tax credit consultant and Novogradac & Company, prepare the schedule for delivery of tax credits, complete the Low Income Housing Tax Credit Certification, and meet carryover, 10% test and 8609.
- Providing all guarantees required by lenders and investors through the project development obligation period, typically defined as project stabilization and, if applicable, conversion to permanent financing.
- Attending meetings with residents, local government, and community organizations.
- Providing funding for 50% of the pre-development costs, which will be reimbursed at closing.
- Will follow HACEP's Development Procedures Manual (see **Exhibit H**).

HACEP prefers that the developer not be a member of the HACEP affiliate ownership entity. HACEP prefers that the developer provide the development services and then terminate its participation when the guarantees are released. Other methods or proposals will be considered if offered as an alternate in the response.

Other considerations:

- For vendor solicitations, including debt and equity partners, HACEP requires three (3) or more qualified proposals. HACEP will have final approval of the selected partners based on the most favorable terms for each project.



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- Affordable Housing Enterprises (AHE), a non-profit HACEP instrumentality, will be the general contractor and the selected construction contractor will be a subcontractor to AHE to secure exemption from sales tax on materials. The responding entity may include a general contractor experienced in LIHTC and HTC projects, in its proposal and will be subject to HACEP's approval in its sole discretion. In such event, an independent third party cost review will be required, said third party cost reviewer, shall be selected subject to mutual agreement and completed prior to closing, and which will be a project cost. If no general contractor is proposed, then HACEP will require the general contractor to be procured by the developer through competitive bidding. HACEP prefers procurement of the qualified general contractor.
- The selected developer will provide genuine and measurable training and employment opportunities to Section 3 individuals to ensure compliance and including general contractor and sub-contractor.
- The selected developer will ensure significant participation by D/M/WBE (**Exhibit C**) and Section 3 (Attachment #5 of MOU) firms throughout the development by insuring that the D/M/WBE and Section 3 requirements set forth on to this RFP are satisfied.
- HACEP encourages high quality architectural design. The developments will provide amenities commensurate as required by federal, state, and local ordinances and funding partners such as TDHCA based on the drawings submitted with the 9% LIHTC application.
- HACEP seeks to incorporate Green Building practices, increase community safety through resilient design, as well as provide ample green space and parking
- The Selected developer will assure that any proposed lender and investor is a member of a Federal Home Loan Bank and is ready and willing to sponsor an application on behalf of the applicable project for Affordable Housing Program (AHP) funds.
- The developer will cooperate with HACEP to undertake all marketing and lease up efforts.
- The developer must be eligible and able to pass a previous participation review with TDHCA.
- All developers submitting a proposal must disclose to HACEP, as part of the response, whether they have been awarded 2017 9% LIHTC allocation.

Prospective developers must, or within its team, satisfy the following:

- Experience developing communities that contribute meaningfully to their neighborhoods.
- Experience developing, constructing, and operating affordable housing, particularly under TDHCA's 9% LIHTC program.
- Experience in Historic Tax Credit program.
- Experience in adaptive reuse of historic buildings.
- Experience in Green Building design and construction.
- Experience developing housing for families, the elderly, and the disabled.
- Expertise in regulatory compliance issues.

- Provide documentation to support developer financial resources and to provide all required guarantees
- Expertise in Section 3, DBE/MBE/WBE, and Davis Bacon compliance.

EXISTING HACEP CONSULTANT TEAM:

HACEP expects the selected developer to select the A/E team for the building. HACEP, in its sole discretion will approve the selected architect. The general contractor will either be proposed as part of the developer's team or will be selected by the developer later with HACEP approval. In addition, the selected developer will select the historic tax credit consultant.



In addition, HACEP has assembled a team of outside consultants to complete other requirements of the RAD project and including but not limited to:

- HUD legal counsel
- TDHCA legal counsel
- Bond Counsel
- LIHTC Consultant
- Predevelopment Project Manager
- Financial consultant

HACEP anticipates that all existing HACEP consultant contracts will continue and be respected by the selected developer(s). HACEP reserves the right to approve all team members proposed by the developer.

COMPENSATION PROPOSAL:

Respondents will propose a percentage split of the developer fee between HACEP and the developer. The developer's sole compensation will be equivalent to their respective fee percentage. Fees will be paid on a pro rata basis to HACEP and developer. Proposers should be aware of fee limitations based on TDHCA and HUD RAD guidelines when developing their proposed fee splits. Also, developer's will propose the General Contractor fee structure for General Conditions, Profit and Overhead with percentages respectively. Our fee structure goal is 4.5%/1%/4.5% or 10%, and understand that discussions may include alternative fee structures not to exceed safe harbor fees of 6%/2%/6% or 14%.

Estimates of total development cost and developer's fee for each project is included in **Exhibit F**.

A. RESPONSE DUE DATE:

Responses must be submitted by **3:00 p.m. on Friday, September 8, 2017** to be eligible for consideration. Respondents should make early submission of the materials to avoid any risk of loss of eligibility brought about by delays, delivery related, or other problems. Facsimile and email responses will not be accepted. Responses received after the deadline for receipt will be deemed unresponsive and will be disqualified.

B. RECEIPT OF RESPONSES:

HACEP requests one (1) original response and four (4) copies of the response, to include an electronic copy on a flash drive, must be submitted in sealed packages and marked **Developer Services for Blue Flame Building RAD 18-R-0031**. **Emailed responses will not be accepted. Responses sent via facsimile will not be accepted. Only one set of financials per submission is required and should be provided in a separate sealed envelope contained within the original submission.** All materials must be submitted in an 8 ½" x 11" format. All submissions must be received at the following address:

The Housing Authority of the City of El Paso
5300 East Paisano Drive
El Paso, TX 79905

Attention: Eddie Rocha



Housing Authority of the City of El Paso

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HACEP reserves the right to reject any or all responses wherever in its sole discretion; it is in the best interest of HACEP. The Housing Authority of the City of El Paso is an Equal Opportunity Employer. Minority and Women-owned business are encouraged to submit a proposal.

All RFP submissions must be received at **3:00 pm MDT on the Friday, September 8, 2017.**

Selected Developer will be required to attend the September 27, 2017 HACEP Board Meeting in our Board Room at 5:30PM MST. Address is Housing Authority of the City of El Paso, 5300 E. Paisano Drive, El Paso, TX 79905.

C. INSTRUCTIONS AND NOTICE TO RESPONDENTS:

1. SUBMISSION AND CONTENT OF RESPONSES

Inquiries: The intent of this RFP is to establish the general Scope of Services needed and to provide prospective Respondents with sufficient information to enable them to provide an acceptable response to this RFP. Every effort has been made to outline requirements, and to provide information in a format that is clear and concise. Nevertheless, questions may arise, or additional information may be needed. Questions and inquiries regarding this RFP must be submitted in writing, (email or facsimile is permissible) to: Ms. Eddie Rocha, erocha@hacep.org and copy Mr. Juan Pulido, jpulido@hacep.org.

All inquiries must be in writing and received according to the instructions above no later than **5:00 p.m. MDT, on Friday, August 17, 2017.**

2. SUBMISSION REQUIREMENTS

Responses that do not include all required information will be deemed unresponsive and may be disqualified.

Submissions must comply with the requirements of Sections A and B of this RFP. The completed and signed off checklist attached to this RFP is a mandatory submission requirement