

Newton Housing Authority

NHA

REQUEST FOR PROPOSALS

#HH 2018-0119

Accounting Services for

NHA Haywood House LLC

Sponsored by the
Newton Housing Authority

January 19, 2018

**REQUEST FOR PROPOSALS
FOR
ACCOUNTING SERVICES**

NHA HAYWOOD HOUSE LLC

The Newton Housing Authority (NHA) is seeking **sealed bid proposals through the RFP process** from qualified accounting firms with particular expertise in mixed finance real estate development transactions, low income housing tax credits, in addition to possessing experience working with public housing agencies. Services are for the proposed development of NHA Haywood House on Jackson Road for a fee not to exceed \$70,000. The proposed development is for a 55 unit affordable elderly housing facility.

This Request for Proposals (“**RFP**”) contains specific requirements and other information necessary for submitting a proposal. Any questions about this RFP must be submitted by February 8, 2018 @ 3:00 PM.

Proposals must be submitted as described by terms specified within the RFP. Sealed bids must be provided in two separate envelopes; one for qualifications and one for price; both to be contained within one sealed envelope and delivered in hand or by courier to the Newton Housing Authority, 82 Lincoln Street, Newton Highlands, MA 02461 attn: Christine Long, Capital Improvements. NO electronic, fax, email or other digital transmission will be accepted.

Sealed bids must be received no later 4:00 PM EST on February 14, 2018, Eastern Standard Time. Proposals received after this deadline will not be considered. In the event of any unusual weather occurrence or other unexpected disaster that causes the Housing Authority to be closed at the time Bids are due, the new date for submission will be the following day, February 15, 2018 at 4:00 p.m.

A. Project Overview

Background: Jackson Gardens is an existing 64-unit Federal public housing project in the Nonantum section of Newton, Massachusetts. Recently, due to demand and shortage of affordable elderly housing, Newton Housing Authority has decided to explore possible locations where additional units could be built to accommodate the need. Consequently, it was discovered that when Jackson Gardens was built in the 1960s a parcel remained undeveloped on the site since the parcel’s topography differed from the majority of the site and the need at the time did not dictate the demand for use of the parcel.

Newton Housing Authority is proposing to build a **55 unit**, four- story building containing a finished basement to be fully occupied, for the purpose of mixed-income senior (age 62+) housing development on the parcel that was left undeveloped on the site. Unit breakdown is as follows: **Eleven** of the units will be for tenants earning less than 30% of AMI who are at risk or are homeless; **two** units for tenants at 50% AMI or below; **thirty-two** for those earning less than 60% of AMI; **ten** units for those earning between 61% and 99% of AMI and **thirteen** units with no income restriction (market rate); **three** units to be fully accessible for individuals with mobility impairments per Community Based Housing; **six** units designated for individuals at risk of homelessness (including **three** under State Facilities Consolidation Fund). All units will have one bedroom. The proposal is to raze the existing community building and replace it with common areas, parking and management offices that will be utilized by both tenants of Jackson Gardens and the proposed NHA Haywood House.

The Newton Housing Authority is acting as the developer for the project since it possesses the financial resources to support this effort as well as to meet the guarantee requirements of lenders and tax credit

investors. Newton Housing Authority has retained a seasoned professional consulting team comprised of the following consultants: Housing Partners, Inc., Development Consultant; Baker Wohl, Architects; Pinck and Co., OPM; Colantonio, Inc., Construction Manager; Klein Hornig, Legal Counsel; Schlesinger and Bookbinder, Local Counsel; and Bonz & Co., Market Analysts.

Upon completion, NHA Haywood House Apartments will consist of 55 units as follows

Haywood House	# of Units	30% AMI Sec. 8 Subsidy	Low Income 31-60% AMI	Moderate income (99%)	No Income restriction
1 BR	55	8	24	10	13
# of LIHTC units	32				

8 units will benefit from the allocation of Section 8 PBV assistance in the form of a 15-year Housing Assistance Payment contract by NHA.

B. Profile of Project Sponsor

The Newton Housing Authority is the largest provider of affordable housing in the City of Newton, with a 50-year tradition of providing a high standard of affordable housing to its diverse population of more than 1,300 residents. The NHA also operates a Housing Choice Voucher Program with 441 vouchers and has received a SEMAP score of 100% for each of the last ten years. The NHA receives consistently high scores on the rigorous REAC inspections of its federal properties. In addition to providing safe, clean and affordable housing, the NHA also offers a variety of social service programs to elderly residents, families and residents with disabilities, endeavoring to create a sense of community and enhance residents' quality of life within an environment of caring and dignity. The NHA is committed to expanding its social services program and currently retains a full time licensed social worker as part of staff personnel.

NHA Haywood House LLC plans to enter into a Management Agreement with the selected Management Agent.

C. Project Description

1. Development Plan

The proposed site of the NHA Haywood House Senior Housing Development is approximately 25,200 square feet of undeveloped, wooded property owned by the Newton Housing Authority (NHA). The proposed development is to construct 55 one bedroom rental units that will abut the existing Jackson Gardens Federal Public Housing development.

Unit size average 670 sq.ft and are offered as affordable for incomes ranging from 30% of median income to over 100%. Three units will be handicap accessible, one of which will also be for hearing or sight impaired and all units will be adaptable.

Thirty-two units will be designated as tax credit units for low-income seniors and persons with disabilities with income at or below 60% of AMI. The NHA anticipates that at least eight of these units will be occupied by residents at 30% of AMI or below; six of these units will be set aside for homeless households or at risk of homelessness. In addition, ten units will be occupied by households with incomes between 80% and 99% of AMI and thirteen units for tenants will no income restriction. The project will also include parking and new community spaces to be utilized by residents of the development and others in the community. The development will be funded primarily by leveraging low income housing tax credits.

Common areas will include a library, fitness center, laundry and studio, and programs available to tenants include citizenship classes, English classes, ceramic classes and a strong tenant association.

The Haywood House development will lease twenty-two spaces from the adjacent Jackson Gardens. It is anticipated that rent will be capitalized as a one -time payment to the Newton Housing Authority for the spaces. Tenants of the Jackson Gardens Development will utilize the laundry and trash facilities, the community room and a property manager's office. Appropriate operating costs will need to be allocated to the Newton Housing Authority for this use and is anticipated to be in the form of rent.

Summary of Unit Mix/Subsidies

The number of units to be constructed will be 55. The anticipated unit mix is detailed below.

Haywood House	# of Units	30% AMI Sec. 8 Subsidy	Low Income 31-60% AMI	Moderate income (99%)	No Income restriction
1 BR	55	8	24	10	13
# of LIHTC units	32				

2. Financing Sources/Anticipated Affordability Restrictions

The Developer's projected sources of funding and affordability housing restrictions are summarized below. Please note that information reflects estimates only.

The Project is expected to receive financing from the proceeds of the syndication of Federal and State LIHTC funds, soft loans from DHCD's Affordable Housing Trust Fund and Housing Stabilization Fund and from the City of Newton through the Community Preservation Act. Unit affordability levels will be governed by overlapping regulatory requirements. It is currently envisioned that 32-units at Haywood House will be restricted to residents earning no more than 60% AMI under the low-income housing tax credit program and 10 units will be restricted to tenants earning no more than 99% AMI. Restrictions will be in effect for the 15-year tax credit compliance period followed by an extended-use period of 15 years. Eight units will be rent restricted to households earning no more than 30% AMI, exceeding the provisions of the 2012 Massachusetts LIHTC Qualified Allocation Plan.

The NHA also anticipates entering into a long-term ground lease with the LLC for NHA Haywood House. The lease will contain the requisite provisions required by funding agencies to assure that the project complies with all applicable affordable housing requirements.

3. Operating Subsidies

Eight units in the development will be the beneficiary of a Section 8 PBV HAP Agreement, for a period of 15 years, subject to Congressional Authority.

4. Ownership Structure

The Owner will be structured as a limited liability company, with an instrumentality of the NHA, serving as the manager.

5. Schedule

The development is beginning its application to DHCD for funding, has applied for funding from the city of Newton for CPA funds. A Construction Manager has been engaged (Colantonio), an Owner's Project Manager has been engaged (Pinck) as required by Chapter 149a of Mass General Law. Schematic Design is complete.

6. Development Team

The Newton Housing Authority is the Project Developer. NHA is led by Amy Zarechian, a seasoned affordable housing professional with more than 12 years of experience at Newton Housing Authority. NHA Commissioners, Rick Kronish and Vince O'Donnell make up the Development Committee with decades of experience in banking, development and affordable housing.

Other Members of the Development Team:
Housing Partners, Inc, Development Consultant
Pinck & Company, Owner's Project Manager
Baker Wohl, Architect
Alan Schlesinger, Permitting/Zoning Attorney
Klein Hornig, Tax Credit Attorney:

All development team participants have extensive experience with projects similar to the proposed project.

D. Scope of Services

The selected firm will be responsible for providing development period accounting and financial advisory services, including but not limited to:

- Assist with preparation of the assignment and assumption of project costs between the owner LLC from the NHA prior to the initial closing.
- Preparation of schedules for the investor and other funders demonstrating completion of project milestones such as breakeven operations and required debt service coverage.

- Preparation of the cost certification, 8609, and other documents required at the completion of construction and development.
- Preparation of tax returns
- LIHTC modeling, calculation of Internal Rate of Return
- Responsible for preparation of annual audit of the NHA Haywood House, LLC
Occasional advisory services as needed
- *Note: This contract is for a 9% deal which will require a 10% test.*

III. Contract Requirements

A draft of the contract is attached and the following documents will be considered part of the Contract for Accounting Services:

1. This Request for Proposals in its entirety and any and all addenda issues thereafter and prior to the submission deadline.
2. The Proposal Submission from the selected firm.

Any items or conditions described in this RFP that appear to contradict the Contract shall be brought to the attention of the NHA prior to execution of the Contract. If, in the event one is found to contradict at a later time, the most stringent condition or requirement shall apply. A firm's acceptance and execution of the NHA Contract, with the above documents appended, is a requirement of this project.

The contract period shall be up to five years. Hourly billing rates shall be valid for the duration of the contract period. Maximum or fixed fees are expected to be established for the accounting tasks detailed in D above.

Per the RFP, the proposer shall acknowledge receipt of any and all addenda, if any, listing the Addenda by number(s) and date(s) respectively, in their Letter of Interest. Likewise, all submissions are required to acknowledge that no addenda have been received, if that is the case.

- **Please note: Proposals must be submitted with two separate sealed envelopes: One sealed envelope containing the proposer's non-price proposal for qualifications; and one separate sealed envelope containing the proposer's price proposal.**

IV. Qualifications and Selection Criteria

Selection Criteria: In selecting the Accounting firm, the NHA will consider the criteria as detailed below:

Highly Advantageous: The proposer has at least ten (10) years of experience providing professional accounting services per the scope of this RFP to housing authorities and/or municipalities.

Advantageous: The proposer has at least six (6) years of experience consulting with housing authorities and/or municipalities on projects of similar size and scope to this project.

Not Advantageous: The proposer has less than five (5) years providing accounting services to housing authorities and/or municipalities...

Qualifications:

To be eligible for selection, the Accounting proposal must demonstrate the following minimum qualifications:

1. Significant prior experience with projects of similar size, scope, magnitude, and complexity.
2. Significant experience completing publicly-funded mixed-finance transactions, with particular expertise in low-income housing tax credit structuring and syndication and tax credit housing;
3. Prior experience working with Public Housing agencies and the financing involved with respect to the development of such affordable housing projects.

Staffing Plan and Methodology:

1. Staffing plan that details how the proposers will accommodate project work load to meet all necessary required work items.

Highly Advantageous: The plan of services proposes a detailed, logical and highly efficient scheme for producing a complete service plan that addresses all required expertise in completing task items.

Advantageous: The plan of services proposed a credible scheme for producing a service plan that addresses all required work items outline.

Not Advantageous: The plan of services is not sufficiently detailed to fully evaluate, or the plan does not contain all the necessary components to produce a realistic service plan that addresses all of the required work items.

Part 1: Non-Price Proposal:

Comparative Criteria for Evaluation:

Relevant experience of proposer and/or project staff: possible **40 points**

Selection Criteria. In selecting the Accountant, the NHA will consider the criteria below

Qualifications/Experience

15 Points

- Demonstrable ability of the team to provide professional services in accordance with the project schedule;
- Familiarity with tax credit financing, and publicly funded mixed-finance transactions;

- Experience of the individual personnel assigned to each component of the proposed services.

References

+10 Points

- General past performance of each member of the team with regard to projects of similar size, scope and complexity;
- Ability to meet deadlines.

Proposal

10 Points

- Clarity and completeness of proposal;
- Ability of firm(s) to present complex issues in a concise and understandable manner;
- Team organization and identification of responsible Project Manager(s).

Proposed Fee Structure

10 Points

- Hourly Rates;
- Proposed Fees for Specific Tasks as described;
- Overall maximum contract fee.

Other

5 Points

- Qualification of firm as Minority-Owned Business Enterprise and/or Woman-Owned Business Enterprises (MBE/WBE).

Part 2: Price Proposal:

Proposed Fee Structure/Schedule

- **Proposed Fees for Specific Tasks as described**
- **Overall maximum contract fee**
- **Fee for any unanticipated or miscellaneous item that may arise**

Authority Discretion

The determination of the criteria and process whereby responses are evaluated, the decision as to who shall receive a contract award, or whether or not an award shall be made as a result of this RFP, shall be at the sole and absolute discretion of the NHA.

No Claim against the Housing Authority

A respondent shall not obtain, by submitting qualifications in response to this RFP, any claim of any sort against the NHA or the NHA's property by reason of all or any part of the following: (1) Any aspect of this RFP; (2) the selection process; (3) the rejection of any or all offers; (4) the acceptance of any offer; (5) entering into any agreement or the failure to enter into any agreements; and (6) any statements, representations, acts or omissions of the NHA to any person or entity acting on its behalf.

V. PROPOSAL SUBMISSION REQUIREMENTS

Persons and firms interested in applying must submit three copies of a proposal containing the following minimum information:

1. Qualifications and Experience of Firm

Describe firm's general qualifications and experience, including any relevant experience with projects that involve public and leased housing, tax credit syndication, tax-exempt bond financing, and mixed-finance projects. Indicate if firm qualifies as an MBE/WBE.

2. Team Member Qualifications

Provide specific qualifications and experience for persons assigned to this project, referencing any relevant experience with projects that involve qualifications and experience described above. Include resumes for each of the proposed team members.

3. Scope of Services

Provide a detailed response to the scope of services identified in this RFP. Identify and describe any omissions, additions, or clarifications to the scope that may be necessary.

4. References

Provide at least three references for projects of similar size, scope and complexity.

5. Proposed Fee Structure

The overall fee will be a lump sum, not-to-exceed price based on hourly rates to complete the scope of work as described herein.

Proposers are required to provide a breakdown of tasks anticipated to complete the scope of work. Further, proposers should note the costs per hour of the personnel assigned to the task, estimated hours to complete the tasks and ceiling limits (maximum fees) per task, if appropriate. Ceiling or fixed rates for accounting tasks such as preparation of the cost certification, audited financial statements and tax returns are expected. Ceilings for the advisory tasks are not expected. Also provide proposed terms for reimbursable expenses.

This RFP contains two parts to be submitted in two separate sealed envelopes with one large sealed envelope. ***Proposers are strongly urged to hand deliver or deliver by courier all sealed packages prior to the submission deadline of February 14, 2018 at 4:00 PM to avoid disqualification. No late submission will be considered.***

All proposals should be addressed as follows:

**NEWTON HOUSING AUTHORITY
82 LINCOLN STREET
NEWTON HIGHLANDS, MA 02461
ATTN: CHRISTINE LONG, CAPITAL IMPROVEMENT COORDINATOR**

RE: SEALED BID - #HH2018-0119 – ACCOUNTING SERVICES

VI. RULE FOR AWARD

Any contract that may result from this procurement shall be awarded to the responsible and responsive proposer offering the most advantageous proposal, taking into consideration all evaluation criteria described here.