

**Request for Qualifications and Proposals for
REAL ESTATE APPRAISAL SERVICES**

Required by

MISSOURI HOUSING DEVELOPMENT COMMISSION



Strength, Dignity, Quality of Life
MISSOURI HOUSING
DEVELOPMENT COMMISSION

RESPONSES DUE:

Friday, August 30, 2013 by 4:30 P.M. Central Time

SECTION I: INTRODUCTORY INFORMATION

Missouri Housing Development Commission:

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low and moderate income persons, established the Commission in order to increase the availability of decent, safe and sanitary housing at prices within the means of low and moderate income persons. The Commission’s authority is derived from Chapter 215 of the Revised Statutes of Missouri, as amended and supplemented. Chapter 215 provides general information about the Commission and is available on-line at www.moga.mo.gov/statutes/c215.htm. Further information about the Commission and its programs is available on the Commission’s website at www.mhdc.com.

Through its rental production department, the Commission administers a variety of state and federal funding sources to finance the construction and rehabilitation of affordable rental housing for low-income Missourians. Funding is made available through a combination of issuing tax credits and tax-exempt bonds, providing grants, and making low-interest loans. Sources include the Federal Low Income Housing Tax Credits, Missouri Low Income Housing Tax Credit, HOME Investment Partnership Program, federal Risk-Share insurance, and Affordable Housing Assistance Program, as well as the Commission’s own general fund balances. The Commission’s rental production activities are governed by the laws and regulations of each particular funding source as well as Commission policy.

Purpose of RFQ:

The purpose of this Request for Qualifications (“RFQ”) is to obtain statements of qualifications (“Responses”) from appraisal firms with expertise in the analysis and valuation of multifamily rental properties and intangible property rights. The Responses will be used to identify and retain a pool of qualified appraisal firms to serve the Commission’s future needs for determination of market value of existing and proposed multifamily properties in Missouri that either have been approved for financing or are under consideration for financial assistance through various federal and state subsidy programs. This RFQ is the means for prospective appraisal service providers to submit their qualifications to be considered for inclusion in the Commission’s qualified appraisal firm pool. Firms currently in the appraiser pool will need to reapply.

Scope of Services:

The Commission is seeking to create a pool of appraisal firms qualified to perform one or more appraisals relating to affordable multifamily rental properties and intangible property rights. Firms in the pool will be periodically invited to participate in certain specific appraisal opportunities. MHDC will generally expect requested appraisal reports to be electronically delivered within 30 days of order placement.

Appraisals requested may be on proposed construction, existing improvements to be rehabilitated or vacant land. Consideration must be given to any contributory value of existing site improvements. The appraisals may be required for general lending purposes or for meeting the standards of specific government loan programs. As such, the appraiser may be asked to provide the following information:

- a. An opinion of the market value of a given property “as is”, “as complete, “as stabilized” and/or “as rehabilitated”.
- b. Various market value conclusions, assuming either a development restricted by subsidy funding agreements or unrestricted (market rate)
- c. The intangible market value of tax credits and/or any below market mortgage financing or other intangible value, and
- d. An opinion of investment value that is comprised of the sum of market value of the property as restricted by subsidy funding agreements, the value of favorable financing (if any), and/or the value of federal and state tax credits.

The reports must be self-contained and signed by a principal of the firm. Any contribution by a staff appraiser needs to be acknowledged by their signing of the transmittal letter and/or certificate of value, or alternatively, by being identified in the certificate of value as someone who has made a significant contribution to appraisal development. Electronic delivery of searchable reports is preferred; hard copies are not required.

In addition, the appraisal development and reporting must conform to the edition of Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.

In addition to the USPAP reporting requirements, appraisals must

contain the following items, generally in the order shown:

- a. Title or cover page with sufficient identification of the report, including a complete address of the subject property, or an intersection identifier.
- b. Letter of Transmittal
- c. Table of Contents
- d. Executive Summary of important data and conclusions
- e. Extraordinary Assumptions and/or Hypothetical Conditions used in the analysis
- f. General assumptions and limiting conditions
- g. Definition of market value, as defined for federally-related transactions
- h. Ownership and sale history, and analysis of any pending or consummated sale and sale price
- i. Description of the subject property both “as is” and “as complete”, including a site description
- j. A real estate tax analysis including “tax comps”
- k. An area analysis (MSA, county, etc.)
- l. A description (including a map) of the subject’s primary market area and its features that may or may not have an effect on the subject property
- m. A description of the subject’s neighborhood and its features that may or may not have an effect on the subject property
- n. Photos of the subject that show its relationship to surrounding properties and land uses
- o. Photos and “write ups” of all comparable properties (including land and improved sales and rentals) which should include pertinent comments in addition to a mere listing of facts
- p. Location maps showing the subject’s linkages to neighborhood features, improved sale comps, rental comps and land sales
- q. Analysis and opinion of the subject’s highest and best use
- r. Cost approach to value (required for all new construction, optional on rehabilitation projects)

- s. The subject's sale can only be a 4th or 5th comparable
- t. Income approach to value (required, using both unrestricted (market) rents and expenses and restricted rents and expenses)
- u. Sales comparison approach (required) which must utilize at least one adjustment or ranking procedure in addition to any other method
- v. Final reconciliation
- w. Certification(s) of appraisers involved in the appraisal and report development
- x. Appraiser qualifications
- y. Any forms required by the U.S. Department of Housing and Urban Development (HUD) for Risk-Share insurance
- z. Architectural exhibits

Term of Service: It is anticipated that the selected firms will be retained by the Commission for three years commencing October 1, 2013 (ending September 30, 2016).

MHDC reserves the right, at its sole discretion, to end the term of service for any firm selected pursuant to this RFQ, at any time prior to the expiration of the stated term of service. This right reserved to MHDC to remove a firm is a unilateral right in the sole discretion of MHDC and may be undertaken at any time with or without cause. Selection of a firm to be added at such time may be made from among respondents to this RFQ or pursuant to such other selection process as MHDC shall determine at that time.

Submission of Proposal: For this submission, two hard copies of the Response, along with one electronic copy on a CD-ROM, must be submitted by the Response Due Date (August 30, 2013):

Missouri Housing Development Commission
 3435 Broadway
 Kansas City, Missouri 64111
 Attn: William Ulm
 Director of Rental Production

Proposals shall include all information required pursuant to this RFQ and must be delivered (personally, or via U.S. Postal Service, Fed Ex, UPS, etc.) in printed bound form, along with one electronic copy on a CD-ROM, in a sealed envelope marked

“Proposal to Provide Real Estate Appraisal Services to MHDC”.

The envelope shall be marked with the name of the firm submitting the Proposal. (Neither faxed copies nor electronic submissions will be accepted.)

Proposal Due Date: Wednesday, August 30, 2013 by 4:30 P.M. Central time

**Anticipated
Timetable for RFQ
and Proposals:**

RFQ Release	July 15, 2013
Proposals Due	August 30, 2013
Committee Recommendation	September 30, 2013

SECTION II: PROCEDURES AND INSTRUCTIONS

Questions: Questions regarding this RFQ should be directed to the Commission in writing by mail, phone, facsimile or electronic mail, as follows:

William Ulm
Director of Rental Production
Missouri Housing Development Commission
3435 Broadway, Kansas City, Missouri 64111
(816)759-6882 (phone)
(816)759-6829 (fax)
wulm@mhdc.com

Standards of Conduct: This RFQ is considered a “Competitive Matter” as that term is defined in the Commission’s “Standards of Conduct” Policy (the “Standards of Conduct”). Further, every Respondent, including, but not limited to, their respective principals, key employees and agents acting on their behalf are considered “Interested Parties” (as defined in the Standards of Conduct). As a result, every Respondent (including, but not limited to, its principals, key employees and agents) under this RFQ is obligated to abide by the rules and restrictions imposed by the Standards of Conduct, including the rules governing contact with Commissioners and MHDC employees. The failure of any Respondent to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of that Respondent’s Response. Therefore, you are strongly encouraged to review and familiarize yourself with the Standards of Conduct. The Standards of Conduct is available on MHDC’s website at www.mhdc.com/about/commission/policies/standards_of_conduct.htm.

Furthermore, pursuant to the Standards of Conduct, any Response under this RFQ shall disclose the name of the individual, entity and/or

entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFQ is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at wwatson@mhdc.com.

Modifications to Proposals:

No Respondent may modify or correct its Proposal any time after the Proposal Due Date, except in direct response to a request from the Commission for clarification.

Revisions to this RFQ:

In the event that it becomes necessary to revise any part of the RFQ, the Commission will provide an addendum to each firm receiving this RFQ. Any additional information required to clarify portions of this RFQ will be issued in the form of an addendum.

Expense of Preparation of Proposals:

The Commission is not responsible for any expense incurred in preparing and submitting a Proposal, or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Proposal.

Reservation of Rights:

The Commission reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate; negotiate modifications to any of the items proposed in the Proposal; request additional information from any firm; reject any or all Proposals; and waive any irregularities in any Proposal.

The Commission retains the right to set the fees and compensation arrangements for its appraisal services requirements. The engagement described in this RFQ is not exclusive and MHDC expressly retains the right at any time to retain any other firm or firms to provide other appraisal services without violating the engagement contemplated by this RFQ.

Public Records:

Firms responding to this RFQ should be aware that the Proposals are public records in accordance with state law, after the evaluation and selection process is completed.

Visits and Interviews

All firms responding to this RFQ must be prepared to schedule a visit to its offices or to another location upon request by the Commission. In addition, firms responding to this RFQ may be interviewed by the

Appraisal Committee as a part of the selection process.

Information provided to the appraisal firm may or may not include: the developer's narrative from the initial submission, architectural renderings, site plans, photos, 2013 form.

SECTION III: STRUCTURE OF PROPOSAL

- A. Each Proposal shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the firm shall certify (i) that no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFQ, (ii) that the information included in the Proposal is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Proposal on behalf of the firm.
- B. Proposals should be organized in the same manner as the individual information request contained in **Section V: Proposal Details**. Responses to each numbered question shall begin on a separate page (e.g., answers to Question 2 should begin on a separate page from the response to Question 1).
- C. The Commission desires to consider Proposals in a consistent and easily comparable format as established in this RFQ. Proposals not organized as set forth in this RFQ may, at the Commission's discretion, be considered unresponsive. Do not refer to other parts of your Proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the firm's website or in publicly available sources, in lieu of providing specific information in the Proposal.
- D. Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

SECTION IV: MINIMUM QUALIFICATIONS OF RESPONDENT

A. The Respondent must:

- 1) Be generally certified in their home state of operations and have the capacity to be granted a temporary license by the Missouri Real Estate Appraiser's Commission if necessary to perform appraisal services in the State of Missouri.
- 2) Not have any violations of record with the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council 2008.
- 3) Have demonstrative experience in the valuation of multifamily properties with values exceeding \$2,000,000.
- 4) Substantial depth and knowledge and experience with mortgage lenders, commercial banks and state and federal government housing agencies.

SECTION V: PROPOSAL DETAILS

Firms responding to this RFQ should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated.

1. Profile of the Firm. Describe your firm and its areas of expertise. State whether your firm is local, regional or national. (Smaller firms and WBE/MBE firms are encouraged to respond to this RFQ). Give the location of the office from which the work is to be performed and the number of partners, managers, supervisors, and other professional staff employed at that office. Describe how your firm meets the minimum qualifications listed in Section V.

Pursuant to the Standards of Conduct, any Response under this RFQ shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFQ is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at wwatson@mhdc.com.

2. Contact Person and Staffing. Provide the name, address, phone number, fax number and email address of the primary contact person of the Respondent. Identify the key

personnel to be assigned the Commission's engagement, including supervisory personnel. Resumes for each supervisory person to be assigned to the appraisal should be included, and specific experience should be indicated. The resumes may be included as an appendix. Describe your policy regarding notification of changes in key engagement personnel and expectations regarding staff continuity.

3. Appraisal and Analysis Services. Clearly describe your firm's approach to conducting real estate appraisal and analysis. Discuss the firm's philosophy of providing services to MHDC.
4. Geographic Reach. State what regions in the State of Missouri your firm and competently develop real estate appraisal and analysis services.
5. Qualifications and Experience. Describe your relevant work with financial institutions, real estate, other housing finance agencies and government organizations for which appraisals have been developed.
6. Appraisal Reports. The appraisal reports provided by your firm are expected to be similar to the outline shown in Section I of this RFQ.
7. Litigation, Investigations and Regulatory Proceedings. Describe any pending investigation, litigation, recent settlements or regulatory sanctions in performing appraisal and analysis services since 2008. Give sufficient detail for evaluation.
8. References. Provide the names, contact person(s) and phone numbers for at least three client references for which multifamily appraisals have been developed within the past 12 months (September 1, 2012 to August 29, 2013).
9. Special Strengths. Describe any special strengths or capabilities of your firm. Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, special services offered, etc. Publications of your firm, such as directories, articles, and lists of clients may be included but should not be voluminous. As may be applicable, describe the firm's status as a minority or woman-owned firm (MBE/WBE) or any other special services or assistance your firm may provide to MHDC that you believe may be relevant to or helpful to MHDC for its real estate and analysis needs. Describe the minority representation of personnel within your firm and the involvement of any minority persons or firms that would be assisting in any capacity with providing services to MHDC. Indicate if there would be a joint venture with a minority or woman-owned firm through a third party contract for part of the services.

If there is a joint venture with a minority or woman-owned firm, questions # 1, 2, 5, 7 and 8 should also be completed for the minority/woman-owned firm.
11. Proposed Fees. The proposed fee paid for appraisal reports as described in this RFQ for appraisals ordered after October 30, 2013 through October 31, 2014 is \$5,500.

12. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, firm(s) selected pursuant to this RFQ shall provide MHDC with an affidavit stating that the firm does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the firm is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any agreement contemplated herein, the firm shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Weylin Watson, by phone at 816-759-6624 or email at wwatson@mhdc.com. **In your proposal, please indicate whether your firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.**

SECTION VI: EVALUATION CRITERIA

The qualifications of the firms submitting proposals will be reviewed by Commission staff (the Appraisal Committee) and it is possible that several of the firms may be invited to make presentations to the Committee. The principal factor in the selection of an appraisal firm is the firm's ability to develop an appraisal for MHDC on time with a value conclusion that is well supported. MHDC expects that value conclusions will not contain any bias in any direction. The criteria to be used in evaluating the Proposals will include, but are not limited to, the following:

The criteria used in evaluating the Responses will include, but are not limited to, the following (in no particular order of importance):

- Qualifications, capabilities and expertise of the firm's staff;
- The extent of geographic reach in Missouri of the Respondent's firm;
- Relevant experience providing similar services to state housing agencies or other clients;
- The Respondent's ability and willingness to provide the services desired by the Commission and demonstrated understanding of the requirements of the Commission in order to present work product of excellent quality in the desired timeframe;
- Feedback obtained from references
- Related investigations and/or disciplinary actions will be taken into account;
- The Commission's prior experiences, if any, with the Respondent and any other factors the Commission believes would be in its best interest to consider;
- The rationale for selection provided by the Respondent;
- The inclusion of minority and women (MBE/WBE) participation by the Respondent's firm(s), including the employees and/or any participation with a minority or woman-owned firm.

There is no additional information requested. Thank you for reviewing this RFQ. We look forward to your response.