

REQUEST FOR QUALIFICATIONS

**SINGLE FAMILY HOME DEVELOPMENT
– JOPLIN, MISSOURI, MSA**

REQUIRED BY

MISSOURI HOUSING DEVELOPMENT COMMISSION



Strength, Dignity, Quality of Life

MISSOURI HOUSING

DEVELOPMENT COMMISSION

RESPONSES DUE:

Friday April 6, 2012, by 4:30 P.M. Central Daylight Time

SECTION I: INTRODUCTORY INFORMATION

Missouri Housing Development Commission:

The Missouri Housing Development Commission (“MHDC” or the “Commission”) was established in 1969 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 is a governmental instrumentality of the state of Missouri and a body corporate and politic. The Commission’s authority is derived from Section 215.030, *et seq.*, of the Revised Statutes of Missouri, as amended and supplemented.

The Commission administers a variety of state and federal funding sources to finance the purchase of single family homes for owner occupancy and 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, sale of bonds to provide mortgages, providing grants, and making low-interest loans. Sources include the federal Low Income Housing Tax Credit, Missouri Low Income Housing Tax Credit, HOME Investment Partnership Program, federal Risk-Share insurance, Affordable Housing Assistance Program and proceeds of bond sales, as well as the Commission’s own general fund balances. The Commission’s 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 request proposals and qualifications from builders/developers for construction of for sale single family homes in the Joplin, Missouri, MSA to provide housing for low to moderate income families who were displaced by the May, 2011 tornado.

Joplin Single Family Initiative:

MHDC has developed a program to provide financing to builders/developers to build single family homes in Joplin MSA that will be sold to low to moderate income families. The program stipulates that \$10 Million in MHDC funds, will be set aside for construction of these homes and will be made available to qualified builders/developers who are awarded a loan in response to this RFQ. The monies advanced to the builders/developers will be repaid to MHDC from the sale proceeds of the home(s) or other developer resources.

Proposal Due Date:

Issuance of RFQ – Wednesday March 7, 2012
Deadline for submission of developer questions – March 26, 2012
MHDC responses to builder/developer questions– March 30, 2012
RFQ response deadline – Friday April 6, 2012 by 4:30 P.M. Central Daylight Time

Submission of Proposal:

Three (3) printed copies and one electronic copy of the proposal must be submitted by the proposal due date noted above to:

*William J. Ulm, Director of Rental Production.
Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111*

Proposals must be submitted in printed bound form, along with one electronic copy on a CD-ROM, in a sealed envelope marked "Proposal for Single Family Home Development, Joplin, Missouri" and shall include all information required pursuant to this RFQ. The envelope shall be marked with the name of the firm submitting the Proposal.

(Neither faxed copies nor electronic submissions will be accepted.)

SECTION II: PROCEDURES AND INSTRUCTIONS

Questions:

Questions regarding this RFQ should be directed to the Commission in writing by mail, facsimile or electronic mail by March 26, 2012, as follows:

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

MHDC will attempt to answer all questions by March 30, 2012.

Standards of Conduct:

Please refer to the Commission's "Standards of Conduct" Policy for information regarding contact with MHDC commissioners or staff in connection with this RFQ, necessary disclosures thereunder and other policies regulating the actions of interested parties, employees and commissioners during a competitive matter. The Commission's Standards of Conduct Policy is available on MHDC's website at www.mhdc.com.

Furthermore, pursuant to the Standards of Conduct, any Response under this RFP 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. 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.

Modifications to Proposals:	Respondents may not 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 or clarify any part of the RFQ, MHDC will provide an addendum on MHDC's website at www.mhdc.com.
Expense of Preparation of Proposals:	MHDC 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:	MHDC 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 respondent; reject any or all Proposals; and waive any irregularities in any Proposal.
Review and Selection Process:	All responses to this RFQ will be reviewed by MHDC staff. All respondents will be notified of the result of the review process.
Public Records:	Respondents to this RFQ should be aware that responses received become public records under state law once the evaluation process has been completed.

SECTION III: OVERVIEW

Description:	The Missouri Housing Development Commission ("MHDC") is requesting proposals and qualifications from builders/developers to build single family homes which will be sold to low and moderate income families in the Joplin, Missouri, MSA.
Objective/Goal:	MHDC has allocated \$10 Million for this program and will be acting as a construction lender. MHDC will make these funds available to builders/developers at an interest rate of three percent to assist in the development of this housing. The goal of this program is to quickly provide as much housing as possible to this area which was devastated by the May, 2011 tornado. See program specifics in the next section.

SECTION IV: PROGRAM SPECIFICS

- MHDC will make \$10 Million available for construction of for sale housing single family homes (for owner-occupancy) in the Joplin, MSA with first-position construction loans.
- Funds Availablitiy Period - These funds will be available for the acquisition of property and construction of single family homes for up to a 12 month period beginning May 1, 2012 and ending no later than April 30, 2013 (provided however, that upon the expiration of this initial loan period, loan recipients may continue to draw upon the MHDC loan funds for up to an additional 12

months for the sole purpose of completing construction of single family homes on all properties acquired prior to the initial loan termination date noted herein.

- The loans will be repaid to MHDC as the homes are sold to qualified buyers and homeowners who have obtained mortgages from one of MHDC's home loan programs or from other financing sources.
- The construction loan will be provided at an interest rate of 3%.
- All Builders/Developers awarded funds under this RFQ will be required to pay at least Davis Bacon residential wages to all workers.
- A qualified buyer is defined as a family with total family income of \$83,860 or less regardless of family size (140% of median income for the Joplin, MSA).
- Funds will be available via a competitive process with awards made to selected builders/developers based on underwriting criteria which includes experience, financial ability and workforce capacity. Preference will be given to firms based in the State of Missouri and to firms which have previously worked with MHDC.
- MHDC will limit the number of spec homes financed to 3 properties in order to provide emphasis on constructing homes for ready-homebuyers with non-contingent financing approval.
- As spec homes are sold or as purchaser's with pre-approved permanent financing sign contracts the builder/developer may apply to MHDC for funds to construct additional properties as long as the funds are available and the Funds Availability Period has not expired.
- In order to effectively monitor the construction of single family homes under this loan program, MHDC will assess each home builder a fee of \$1,650 for each of the 3 spec homes and \$1,400 for each additional home constructed for purposes of off-setting MHDC's cost in paying an independent construction inspector to inspect each such home. Any home builder applying for loan funds under this RFQ should include this inspection cost in projecting its construction costs.
- In order to adequately protect MHDC's interests in each parcel of property developed under this loan program, MHDC has engaged the services of St. Louis Title, LLC, to provide a lender's policy on the parcels developed by each home builder. The initial costs for title work is anticipated to be approximately \$4,200 plus costs of recording MHDC's recordable loan documents. In addition, the costs associated with the title work on each subsequent closing on parcels acquired after the initial loan closing is estimated at approximately \$700 per closing. Any home builder applying for loan funds under this RFQ should include the costs of title work in in projecting its construction costs.
- Since MHDC is providing attractive construction financing it is MHDC's intent that the cost savings associated will be passed on to the purchaser in the form of reduced pricing. To that end, in order to ensure cost savings are passed on the the purchasers of the

homes, each home builder's profit on each home will be capped at ten percent (10%) of the cost of construction.

SECTION V: RESPONSES TO THIS RFQ

Builders/Developers responding to this RFQ must provide the following information:

Information on the Company

- Resume which details the history of the firm including years in business, past developments, size of the firm, etc.
- Most recent audited financial statements of the borrowing entity and all of its individual underlying principals. Each borrowing entity and its individual underlying principals will be required to provide to MHDC a personal guaranty as a condition of receiving loan funds pursuant to this RFQ. If any of the statements are unaudited, each such unaudited statement must include a certification as being true and correct and signed by the Owner or Chief Financial Officer.
- Three references, including name, address, phone number and e-mail address from financial institutions.
- Three references, including name, address, phone number and e-mail address from suppliers.
- Three references, including name, address, phone number and e-mail address from former customers.
- Other information that you feel would be helpful to MHDC in evaluating your company.

Information on your proposed development

- Do you currently own a site for which you would propose a development? If so, please provide a site plan and location map.
- The number of homes that you feel you could comfortably complete within the loan period stipulated in this RFQ.
- Construction timeframe for each home.
- Please provide approximate details regarding the homes which you would propose to develop, including number of square feet, number of bedrooms/bathrooms, amenities, etc.
- Estimated cost to construct each home.
- Will your homes be targeted for sale to families, seniors or both?
- Please provide your estimate of the cost to develop the homes.
- Please provide estimated sales prices.
- If you are proposing to build a home which you have developed in the past, please provide copies of the elevations and floor plans.
- Other information that you feel would be helpful to MHDC in evaluating your proposed development.

SECTION VI: UNDOCUMENTED WORKERS

Undocumented Workers. 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 VII: STRUCTURE OF RESPONSES

- 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 MHDC's discretion, be considered unresponsive. Do not refer to other parts of your proposal in lieu of answering a specific question.
- Each response shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the respondent 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 response is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the response on behalf of the respondent.
- Proposals should be organized in the same manner as the individual information request contained in Section V: Responses to this proposal.
- Exhibits containing additional information may be attached to provide more detail to respondent's offerings or services.

SECTION VIII: EVALUATION CRITERIA

The proposals will be reviewed by MHDC staff. The Proposals will be evaluated on a variety of factors, including:

- Capabilities and Financial Capacity of the firm and its underlying principals.
- Review of previously completed developments.
- Proposed development size and cost.
- Previous experience working with MHDC

The lowest-priced proposals will not be the sole criterion used to determine who is selected.

MHDC will endeavor to announce the firm or firms selected for participation in this program by April 20, 2012.