

**REQUEST FOR STATEMENT OF QUALIFICATIONS
TO PROVIDE
DEVELOPMENT SERVICES
TO THE
JOHNSON CITY DEVELOPMENT AUTHORITY
IN CONNECTION WITH THE TRANSFER OF
A HOUSING ASSISTANCE PAYMENTS CONTRACT
FROM JOHN SEVIER CENTER**

**Deadline for Submittal:
5:00 p.m. EDT July 12, 2019**

REQUEST FOR STATEMENT OF QUALIFICATIONS

SECTION I - BACKGROUND

A. PURPOSE OF SOLICITATION

The purpose of this Request for Statement of Qualifications (“RFQ”) is to solicit proposals from qualified developers to provide services in connection with the potential transfer of the budget authority (the “Budget Authority”) of that certain Project-based Section 8 Housing Assistance Payments Contract for 63 residential efficiency units and 87 residential one-bedroom units (the "HAP Contract") from the John Sevier Center to an alternative housing development.

B. ORGANIZATIONAL OVERVIEW

JCDA is a development authority organized pursuant to Chapter No. 96 of the 1989 Private Acts of the Tennessee General Assembly. JCDA is governed by a fifteen-member Board of Directors. JCDA is focused on the revitalization of downtown Johnson City, with an emphasis on safety and enhancing the walkability of downtown, expanding opportunities for public and private parking, administration of façade grants, tax increment financing and economic development.

C. STATEMENT OF NEEDS

JCDA has entered into a purchase and sale agreement to acquire the John Sevier Center, a residential apartment building located in downtown Johnson City containing 150 residential apartment units (the “Building”) and subsidized by the Budget Authority. The Building was originally constructed as a hotel that opened on August 5, 1924. In 1978, the Building was converted into residential apartments and rent was subsidized pursuant to the HAP Contract.

The condition of the Building has deteriorated and JCDA intends to issue a future request for proposals for redevelopment of the Building. To improve the facilities and services available to the current residents of the Building, JCDA hopes to identify an alternative location for a new or newly renovated residential apartment facility (the “New Apartments”). All residents of the Building at the time of the transfer of the Budget Authority will be expected to move to the New Apartments. The New Apartments must contain at least 150 studio or one bedroom units with a maximum of 63 studio units. As part of the financing and continued support of the new residential apartment facility, JCDA intends to apply to the Department of Housing and Urban Development (“HUD”) for approval to transfer the Budget Authority to the New Apartments, all in accordance with HUD Notice H 2015-03. JCDA requires assistance in the transfer process and in identifying a location for the New Apartments.

JCDA plans to engage an affordable housing developer with significant experience to assist in planning the relocation of residents and the transfer of the Budget Authority to the New Apartments. The successful proposer will have the first right to enter into negotiations with JCDA to agree on the terms of a Development Agreement pursuant to which the successful proposer will manage the application process to transfer the Budget Authority and will develop the New Apartments.

JCDA's Board of Directors will review responses to the RFQ and will determine the selection of the development firm. Proposals will be evaluated based on the responses to the specific questions asked. Qualified firms must have demonstrated ability to develop and finance housing developments subsidized by Project-Based

Section 8 Housing Assistance Payments Contracts under Section 8 of the United States Housing Act of 1937 and an understanding of the issues relevant to the transfer of the Budget Authority.

JCDA's Board of Directors reserves the right (i) to reject any and all proposals that do not comply with all prescribed procedures and proposal requirements; (ii) to engage the services of more than one firm; (iii) to waive any requirements set forth herein; (iv) to modify the terms of the proposal process; and (iv) to cancel the transaction entirely.

D. WORK STATEMENT

The development firm selected by JCDA will assist in making recommendations on all aspects of the transfer of Budget Authority including, but not limited to, the following:

- Assist JCDA in developing a strategy to obtain approval from HUD to transfer the Budget Authority and make recommendations as to the optimal structure for such transfer.
- Propose alternative locations for the New Apartments.
- Assist JCDA with any public process required in connection with the proposed transfer of Budget Authority.
- Have the first right to enter into negotiations with JCDA to agree on the terms of a Development Agreement pursuant to which the successful proposer will manage the application process to transfer the Budget Authority and will develop the New Apartments.

E. PROPOSAL ACCEPTANCE PERIOD

The response to the RFQ shall indicate the submitting firm's intent to negotiate in good faith for a period of ninety (90) days following the closing of JCDA's acquisition of the Building.

F. PROPOSAL EVALUATION AND AWARD NOTIFICATION

The Board of Directors will evaluate the proposals based on:

1. The submitting firm's experience in the housing industry; financial strength; success of past projects; development capabilities; direct experience with applicable HUD programs; and direct experience with the Tennessee Housing Development Agency ("THDA"). (85%)
2. Fees and costs. (15%)

Firms that have submitted a Statement of Qualifications will be notified in writing of JCDA's decision as soon as practicable. JCDA anticipates interviewing at least a portion of the submitting firms as part of its selection process, but reserves the right not to do so if it is not necessary to make a final decision. JCDA's notification of selection of a developer should be within thirty (30) days from the deadline for submitting Statements of Qualification.

G. FINANCIAL CAPACITY

Upon request by JCDA, the submitting firm will provide information to demonstrate financial capability for undertaking the development of the New Apartments.

H. INTEREST OF MEMBERS, OFFICERS, OR EMPLOYEES AND FORMER MEMBERS, OFFICERS OR EMPLOYEES

No member, officer, or employee of JCDA, no member of the governing body of the City of Johnson City, and no other public official of JCDA or the City of Johnson City, may have any interest direct or indirect, in or otherwise personally benefit from any agreement resulting from this RFQ.

I. ASSIGNABILITY

The successful firm will not be allowed to assign or transfer any interest in any agreement resulting from this RFQ without the prior written consent of JCDA.

SECTION II - REQUIREMENTS FOR SUBMITTING QUALIFICATIONS

Firms that are interested in submitting a Statement of Qualifications are requested to meet the following specifications listed below. Failure to respond to all requested information may result in disqualification.

A. FORMAT

Firms are reminded to follow the prescribed format. Responses to the questions should be legible, clear, succinct, limiting discussion to the question asked. Font size shall be no smaller than 11 pitch.

B. LETTER OF TRANSMITTAL

An authorized representative for each submitting firm shall sign a letter of transmittal to accompany the firm's Statement of Qualifications that provides:

1. Name, address, and telephone number of contact person;
2. Signatures of an officer of the firm who has the authority to bind the submitting firm;
3. The date of proposal; and
4. A statement that the proposal is valid for ninety (90) days after the deadline for submission.

C. SUBMISSION LOCATION

Statement of Qualifications must be received by JCDA no later than 5:00 p.m. (EDT) on July 12, 2019, at the following location:

Dianna Cantler, Director
Johnson City Development Authority
Northeast TN Partnership
300 E. Main Street, Suite 406
Johnson City, Tennessee 37601

D. NUMBER OF COPIES AND COSTS OF PREPARATION

One (1) original and five (5) copies of your firm's Statement of Qualifications must be submitted. Each firm is responsible for all costs of proposal presentation. JCDA is not liable for any costs incurred in preparation or response to the RFQ.

E. QUESTIONS

Any Questions regarding this RFQ should be directed via e-mail to Dianna Cantler, Director, at cantler@NortheastTN.com.

SECTION IV - RESPONSE

A. RESUMES/EXPERIENCE INFORMATION

1. Please provide brief resumes for those individuals within your firm who will be assigned to this project.
2. Provide a brief description of your firm and the organizational structure of its development department.
3. Please provide four (4) references from clients for which your firm has performed fee development work for or from municipalities in which your firm owns affordable housing developments.

B. DEVELOPMENT EXPERIENCE

Please provide an overview of your firm's experience as developer of affordable housing. Please include information relating to the number of developments that your firm has developed and the construction cost of such developments for the previous three (3) years. Please identify which of these developments are new construction and which are rehabilitations.

C. HUD/THDA EXPERIENCE

Please provide a discussion of your firm's experience with transactions involving Housing Assistance Payment Contracts and other HUD requirements. Please (i) confirm that your firm has successfully obtained 2530 approval in connection with a Housing Assistance Payment contract within the last three (3) years, and (ii) provide a copy of a flag report in HUD's Active Partners Performance System (APPS) for any "Controlling Participants" of the prospective owner of the New Apartments. Please also discuss any experience your firm may have with regard to the transfer of budget authority in connection with a Housing Assistance Payment Contract. Finally, please provide a discussion of your firm's experience with transactions involving THDA.

D. FEES AND COSTS

Please provide your firm's proposed fees, if any, in connection with the work leading to the negotiation of a development agreement with JCDA.

E. TIMETABLE

Please provide a proposed timetable for identifying a site for the New Apartments, construction of the New Apartments, transfer of the Budget Authority and relocation of the residents of the Building.

F. NO CRIMINAL HISTORY

Please disclose whether your firm or any person in your firm to be assigned to work with JCDA has been (1) indicted or convicted of a felony or misdemeanor greater than a Class C in the last five years; (2) terminated (for cause or otherwise) from any work being performed for any federal, state or local government; or (3) is involved in any claim or litigation with any federal, state or local government during the last ten years.

G. MISCELLANEOUS

Please include any other information that you consider appropriate and that may be helpful to JCDA in making its decision regarding the hiring of a firm pursuant to this RFQ.

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