



**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 May 18, 2020**

# 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 (“Project A”) to an alternative housing development (“Project B”) through the HUD 8bb Transfer Program (“8bb”).

### **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” or “Project A”) and subsidized by the HAP Contract. 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 (“Project B”). All residents of the Building at the time of the transfer of the Budget Authority will be offered the opportunity to move to Project B. If feasible, Project B should contain at least 150 studio or one bedroom units with a maximum of 63 studio units; alternatives to this unit mix are possible with HUD approval through the 8bb process. To facilitate the 8bb process, JCDA intends to apply to the Department of Housing and Urban Development (“HUD”) for approval to transfer the Budget Authority to Project B in accordance with HUD Notice H 2015-03. JCDA requires assistance in the transfer process and in identifying Project B.

JCDA plans to engage an affordable housing developer with significant experience to identify and develop Project B, and to assist in planning for the relocation of qualified and willing residents, and to facilitate the transfer of the Budget Authority to Project B. 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 help with the management (with the assistance of qualified consultants) of the application process to transfer the Budget Authority, and they will develop or redevelop Project B.

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 HAP Contracts and must demonstrate 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 Project B.
- 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 help with the management (with the assistance of qualified consultants) of the application process to transfer the Budget Authority and will develop Project B.

**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 their selection.

**F. PROPOSAL EVALUATION AND AWARD NOTIFICATION**

The Board of Directors will evaluate the proposals based on:

1. Firm's experience in development and ownership of affordable housing for low income seniors (35%)
2. Direct successful experience with HUD Section 8 Contracts (25%)
3. Financial strength (20%)
4. Direct successful recent experience with THDA and their financing programs (15%)
5. Direct successful experience with HUD's 8bb program (5%)

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 it 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 Project B.

**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 DIRECTIONS**

Statement of Qualifications must be submitted by electronic submission and received by JCDA no later than 5:00 p.m. (EDT) on May 18, 2020. Please email the submission to [cantler@NortheastTN.com](mailto:cantler@NortheastTN.com). Below is the physical address of the Authority for the purposes of a cover letter.

Dianna Cantler, Director  
Johnson City Development Authority  
300 E. Main Street, Suite 406  
Johnson City, Tennessee 37601  
[cantler@NortheastTN.com](mailto:cantler@NortheastTN.com)

**D. QUESTIONS**

Any Questions regarding this RFQ should be directed via e-mail to Dianna Cantler, Director, at [cantler@NortheastTN.com](mailto:cantler@NortheastTN.com).

## **SECTION III - 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 partners, lenders, and/or equity investors with whom your firm has completed development work for or from municipalities in which your firm owns affordable housing developments.

### **B. DEVELOPMENT AND OWNERSHIP EXPERIENCE**

Please provide an overview of your firm's experience as developer and owner 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. Please identify which of these developments continue to be owned by the firm or a subsidiary of the firm. Please explain ownership of each project listed.

### **C. HUD/THDA EXPERIENCE**

Please provide a discussion of your firm's experience with transactions involving HAP 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 Project B. Please also discuss any experience your firm may have, if any, with regard to the transfer of Budget Authority in connection with a HAP Contract. Finally, please provide a discussion of your firm's experience with transactions involving THDA.

### **D. TIMETABLE**

Please provide a proposed timetable for identifying a site or existing property for the construction or renovation of Project B.

### **E. 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.

### **F. 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.