

# **Asset Management Services Request for Proposals (RFP)**

## **1. Introduction**

The West Virginia Housing Development Fund (the “Fund”) is seeking proposals from qualified entities to provide asset management services (“Services”) for Low-Income Housing Tax Credit Program properties funded with programs authorized by the American Recovery and Reinvestment Act, namely the Tax Credit Assistance Program (“TCAP”) and the Tax Credit Exchange Program (“TCEP”). The Services provided will be in accordance with all applicable program rules, regulations, and policies issued by the U. S. Department of Housing and Urban Development (“HUD”) and the U.S. Treasury Department (“Treasury”).

The Fund will select a company providing Services. Such company will advise and consult with the Fund staff and will implement and complete all services listed in Section 2.

Eligible applicants include companies that have the demonstrated capacity and experience to provide the required Services and meet the evaluation criteria as outlined in this Request for Proposal (“RFP”).

## **2. Scope of Services**

The Fund is seeking a qualified entity to provide Services. The selected company will have extensive experience providing the required Services specifically for investors in properties funded through the Low-Income Housing Tax Credit Program. The proposals should thoroughly describe the company’s ability and expertise in providing the following requirements. The scope of Services described below is subject to any necessary change(s) in order to comply with program guidance as issued by HUD and Treasury regarding the asset management functions for TCAP and TCEP.

The scope of services shall include, but are not limited to the following:

- Manage and enforce subsidy recapture and ownership/management performance requirements through liens, mortgages, partnership agreements, and/or other methods deemed appropriate by the Fund;
- Review initial tenant qualification file(s) and review lease-up progress report(s);
- Review and monitor lease-up reserve(s);
- Receive and review monthly reports, which include, but are not limited to information concerning occupancy level(s) and reportable incidents;

- Review quarterly reports, which include, but are not limited to income statement(s), balance sheet(s), and certificate(s) of insurance;
- Monitor the debt service coverage ratio;
- Prepare and present a quarterly portfolio performance report to the Fund using methods described by the Fund, including any on-line systems;
- Manage operating reserve(s) and replacement reserve(s), including the approval of expenditure(s);
- Prepare and present an annual portfolio, which includes, but is not limited to Annual Budget Analysis, Cash Flow Trend Analysis, Reserve Burn Rate Analysis, Operating Cost Analysis, and other reports deemed necessary by the Fund;
- Review audit(s) prepared by independent auditor(s) and ensure delivery of audit(s) to the Fund;
- Conduct site inspections to guarantee the property(ies) is (are) being maintained in accordance with the Uniform Physical Condition Standards and other Fund guidelines;
- Monitor Low-Income Housing Tax Credit Program compliance through (a) review of tenant files during the first year lease-up, (b) initial tenant certification, (c) any re-certifications, and (d) any other duties deemed essential;
- Recommend and implement property work-outs;
- Provide training and technical assistance as needed;
- Prepare disposition and/or refinancing analysis(es) as needed;
- Annually compare CNA replacement to actual work completed; and
- Other duties deemed necessary by the Fund to provide efficient and effective asset management services.

### 3. **Experience and Qualifications**

The entity shall furnish the following information:

**Experience:** Description of legal entity, including location and size, number of years of operation, organizational structure, number years providing asset management services, list of clients and number of years in service, number of years underwriting Low-Income Housing Tax Credit Program properties, experience with cost estimation and other relevant experience.

**Staff Qualifications:** Names and qualifications of staff persons that will be responsible for providing services to the Fund. Identify the staff person who will be the primary contact for the Fund.

**Staff Resumes:** Provide a resume for each staff person that will be working with the Fund.

**Insurance:** Provide a certificate(s) of insurance executed by a duly authorized representative of each insurer, in compliance with the following requirements:

Liability Insurance

*Commercial General Liability Insurance:* Commercial general liability (“CGL”) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per occurrence. If CGL insurance contains aggregate limits, the general aggregate limit shall be at least twice the “per occurrence” limit. CGL insurance shall have products-completed operations aggregate limit of at least two times the “per occurrence” limit.

*Business Auto Policy:* Business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident.

Employers Liability (“Stop Gap”) Insurance

Employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

Additional Provisions

The above insurance policies shall include the following provisions:

*Additional Insured:* All insurance provided in compliance with this contract shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the selected company.

*Cancellation:* The Fund shall be provided written notice before cancellation or non-renewal of any insurance referred to therein.

*Insurance Carrier Rating:* All insurance and bonds should be issued by companies admitted to do business with the State of West Virginia.

*Excess Coverage:* By requiring insurance herein, the Fund does not represent that coverage and limits will be adequate to protect said company and such coverage and limits shall not limit said company’s liability under the indemnities and reimbursements granted to the Fund in the contract.

Workers' Compensation Coverage

The company selected to provide Services will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The Fund will not be held responsible in any way for claims filed by said company or their employees for services performed under the terms of the contract.

**Financial Statements:** Provide a copy of your company's audited financial statements for the previous two years.

**4. Schedule of Events**

The Fund has established the following schedule for the selection of a company to provide Services:

<u>Event</u>	<u>Date</u>
Request for Proposal Issuance	November 7, 2011
Request for Proposal Submission Deadline	November 14, 2011 by 4:30 p.m., prevailing Eastern Time
Anticipated Final Selection	December 12, 2011
Anticipated Execution of Contract	December 19, 2011

Schedule is subject to change. The Fund will provide notification if the schedule is revised.

**5. Proposal**

Prepare a fee schedule for Services and include any and all applicable costs to perform the Scope of Services described in Section 2. Outline the fee schedule with and without physical inspections during the asset management period of up to 15 years. The Fund anticipates entering into a three-year contract with the opportunity for one-year extensions that will be granted at the Fund's discretion. Include a specific line item for travel since the properties will be located throughout the State of West Virginia. Meetings will be held at the Fund's offices in Charleston.

The Fund anticipates nine (9) TCAP grantees covering 18 properties and anticipates eleven (11) TCEP grantees covering 15 properties. A listing of the property locations and number of units is attached to this RFP as Exhibit A.

## **6. Submission of Proposals**

Proposals must be submitted via mail or hand delivery by the “Request for Proposal Submission Deadline” listed in Section 4 of this RFP.

Proposals should be addressed to:

West Virginia Housing Development Fund  
Attention: Sherry B. Bossie, CPA  
5710 MacCorkle Avenue, SE  
Charleston, WV 25304

Proposals that are received after the deadline will not be reviewed. Applicants are advised there will be no opportunity to correct mistakes or errors after the submission deadline. It is the sole responsibility of each applicant to verify the accuracy of the proposal and the delivery of the proposal. Proposals that are considered deficient or nonresponsive to the RFP will not be reviewed by the Fund.

## **7. Review Process and Criteria for Selection**

Responses will be reviewed by a selection committee. The selection committee shall be comprised of: the Managing Director – Low-Income Housing Tax Credit Program; the Managing Director – HOME Program; the HOME Single Family Loan Manager; the Senior Tax Credit Processor; and the Manager – Multi-Family Lending.

Please note that no contact with any committee member other than the designated contact person will be permitted.

The committee shall determine which, if any, respondents are qualified to perform the work and perform the scope of services. The committee shall choose the successful respondent for negotiation of a contract from these qualified respondents. The committee shall also rank remaining qualified respondents in order of preference. If the selection committee determines that it is not possible to successfully negotiate a contract with the successful respondent, the Fund shall discontinue negotiations and attempt to negotiate a contract with the highest-ranked qualified remaining respondent. This process shall continue until negotiation of a contract is successful, all qualified respondents have been exhausted, or the Fund voids this RFP.

The responses will be evaluated and the respondent(s) selected/ranked based on the following criteria:

1. The respondent's plan of work, recommended schedules, and overall project understanding.
2. Qualifications and experience providing the requested services as exemplified by past projects and client contacts.
3. References that will demonstrate a thorough understanding of the Asset Management process.
4. Ability and commitment of respondent to complete work expeditiously, in required timeframe.
5. Experience and qualifications of individuals that will be responsible for providing services to the Fund.
6. Location of respondent headquarters: respondents with primary or major offices in the State of West Virginia to receive a first priority; respondents with primary or major offices in other states to receive a second priority.
7. Ability to perform the work within the available budget with limited Fund assistance.

The Selection Committee may add other selection criteria during the selection process.

#### **8. Contract Negotiations**

The Fund reserves the right to reject any and all proposals and to negotiate the terms of the contract, including the amount, with the selected entity prior to the execution of the written contract. If contract negotiations cannot be successfully concluded with the highest scoring entity, the Fund may negotiate a contract with the next highest scoring entity.

#### **9. Contact Person**

Questions concerning this RFP, the scope of services or the review process should be directed to:

Michelle Wilshere, Managing Director – Low-Income Housing Tax Credit Program, 5710 MacCorkle Avenue SE, Charleston, WV 25304 or mwilshere@wvhdf.com.

PROPERTY LOCATION, FUNDING PROGRAM, AND NUMBER OF UNITS

CITY AND COUNTY LOCATION(S)	FUNDING PROGRAM	NUMBER OF UNITS
CHARLESTON, KANAWHA COUNTY, WV - TWO SITES	TCAP	96
MARTINSBURG, BERKELEY COUNTY, WV	TCAP	92
MOUNT HOPE, RALEIGH COUNTY, WV	TCAP	49
FAIRMONT, MARION COUNTY, WV	TCAP	99
WHEELING, OHIO COUNTY, WV	TCAP	18
BUNKER HILL, BERKELEY COUNTY, WV - ONE SITE	TCAP	44
MARTINSBURG, BERKELEY COUNTY, WV - FOUR SITES		154
MOOREFIELD, HARDY COUNTY, WV - TWO SITES		64
HARPERS FERRY, JEFFERSON COUNTY, WV - ONE SITE		31
SHEPHERDSTOWN, JEFFERSON COUNTY, WV - ONE SITE		12
BECKLEY, RALEIGH COUNTY, WV	TCAP	48
FAYETTEVILLE, FAYETTE COUNTY, WV	TCAP	28
LEWISBURG, GREENBRIER COUNTY, WV	TCAP	32
CHARLES TOWN, JEFFERSON COUNTY, WV	TCEP	50
CHARLESTON, KANAWHA COUNTY, WV - THREE SITES	TCEP	44
REEDSVILLE, PRESTON COUNTY, WV	TCEP	40
MORGANTOWN, MONONGALIA COUNTY, WV	TCEP	40
MORGANTOWN, MONONGALIA COUNTY, WV	TCEP	46
CHESTER, HANCOCK COUNTY, WV	TCEP	32
PRINCETON, MERCER COUNTY, WV	TCEP	37
WINFIELD, PUTNAM COUNTY, WV	TCEP	32
HINTON, SUMMERS COUNTY, WV - TWO SITES	TCEP	40
TALCOTT, SUMMERS COUNTY, WV - ONE SITE		20
NEW MARTINSVILLE, WETZEL COUNTY, WV	TCEP	48
POINT PLEASANT, MASON COUNTY, WV	TCEP	32
TOTAL NUMBER OF UNITS		1,228