



Housing Authority of the City of Baytown

RFQ/P 2025002

Request for Qualifications and Proposals
For
Developers of Multi-Family Housing
Using Low-Income Housing Tax Credits

Housing Authority of the City of Baytown
1805 Cedar Bayou Rd, Baytown, Texas 77520

I. Request for Qualifications and Proposals

The Housing Authority of the City of Baytown (Housing Authority) and/or one its affiliates seeks statements of qualifications and proposals from qualified individuals and/or firms (Developer) to construct affordable housing using 4% and/or 9% Low-Income Housing Tax Credit (LIHTC) or other federal or state sponsored financing program. The Housing Authority desires to reposition Sam Houston a 20-unit public housing community to project-based vouchers.

The selected developer(s) will apply for a multifamily housing 4% or 9% allocation from the Texas Department of Housing and Community Affairs (TDHCA). The housing developments must include low-income affordable units and may include Market Rent units. The sites must be within the City of Baytown, meet requirements for the LIHTC Program, other financing sources components, and include Housing Authority owned property. The specific site is called The Hartman Property located on Hartman Drive, Baytown, Texas.

The Housing Authority is interested in contracting with an individual and/or firm that is experienced, qualified, and has a successful track record of LIHTC awards in Texas, is experienced with Housing Authority as a partner, understanding HUD regulation and development activity requirements. The selected developer will work with the Housing Authority to maximize and/or determine the competitiveness of a 9% application using 2026 LIHTC. At the sole discretion of the Housing Authority, Developer will submit 9% applications on behalf of the Housing Authority or its affiliates for the following four consecutive years.

The Housing Authority and/or its affiliates may develop other affordable housing through HUD financing tools and/or Private Activity Bonds. The selected LIHTC developer for these projects will be at the sole discretion of the Housing Authority and/or its affiliate.

A copy of the Request for Qualifications and Proposals (RFQ/P 2025002) can be obtained from:

Housing Authority of City of Baytown

1805 Cedar Bayou Rd, Baytown, Texas 77520

Telephone 281-427-6686

Via Email to: davidc@baytownhousing.org

Submission and Award Schedule

KEY DATES	
Advertisement for Proposal	May 22, 2025
Deadline for Written Questions	June 3, 2025
Response to Written Questions	June 10, 2025
Proposal Due Date	3:00 p.m., C.S.T. Wednesday, June 18, 2025
Anticipated Award Date	Monday, July 21, 2025

II. General Information

New Construction Project:

This initiative is being undertaken by the Housing Authority to provide additional affordable housing options for families in Baytown, Texas and surrounding areas.

The Housing Authority intends to replace 44 public housing units from a prior disposition by constructing 22 duplexes on a 4.6-acre site purchased by the Housing Authority. Replacement units will be included in the LIHTC development. The development will be subject to the requirements of TDHCA, local building codes, and other applicable local, state, and federal requirements.

Repositioning 20 Public Housing Units:

The Housing Authority desires to convert Sam Houston Court, a 20-unit public housing community, to project-based vouchers. No relocation will be necessary.

III. Housing Authority's Role

The selected Developer is responsible for assessing a LIHTC application in the 2026 round and, at the sole discretion of the Housing Authority, for up to four (4) years thereafter in subsequent rounds. The Housing Authority will assume one or more of the following roles in the development of the selected project(s):

- A. *Lender/Grantor.* Capital Fund monies and other funds from the Housing Authority may be made available at the discretion of the Housing Authority for use by the Developer for the repositioning and/or development of the Public Housing units.
- B. *Other Funding.* The Housing Authority will assist the Developer in obtaining other funding that may be available.
- C. *Asset Manager.* The Housing Authority will monitor and enforce the terms of a Regulatory and Operating Agreement for any Public Housing units.
- D. *Development Partner.* The specific ownership structure will be negotiated.

- E. *Ownership Structure.* Unless otherwise approved in advance by the Housing Authority, a Texas Limited Partnership will be created to own the property involving LIHTC. The General Partner shall be a Texas Limited Liability Company (LLC) with its sole member being the Housing Authority or a Public Facility Corporation (PFC) that will be an instrumentality of the Housing Authority. The Housing Authority, or an entity created to act on its behalf, shall be a Limited Partner that will be replaced by the Investor.
- F. *Development Partner.* At the outset, the ownership structure shall include the Housing Authority, or an entity created to act on its behalf as the sole general partner or sole member of the general partner entity of the tax credits owner entity. The Housing Authority's Executive Director shall be the primary contact for TDHCA, and the Developer shall be the secondary contact. The Housing Authority shall consider the Developer to be the primary contact and become the secondary contact with TDHCA.
- G. *Tax Credits Syndication.* The Housing Authority, in consultation with the Developer and mixed finance legal counsel, will participate in the request for proposals and the selection of the tax credits investor(s). The Housing Authority will require solicitations from a minimum of three (3) syndicators / investors that will be submitted directly to the Housing Authority and will not recognize any proposals that do not comply with these requirements. Syndicators / investors shall be informed in advance of other requirements by the Housing Authority (e.g., land ownership, removal of the general partner, payments on loans from cash flow). The number of proposals to be obtained is subject to market conditions, satisfactory explanation for less than required must be provided to the Housing Authority.
- H. *Land ownership.* Title to land shall be in the name of the Housing Authority or Public Facility Corporation (PFC) created by the HA and the land will be leased to the tax credits owner entity. HUD and the Housing Authority will not allow the fee estate to be foreclosed on, and syndicators, lenders, and others shall be so informed in advance when soliciting proposals and documents for debt and equity and the partnership agreement shall specifically address this issue. Subject to financial projections, the value of the lease for the land for the initial 18 years may be funded by a note from the tax credits owner entity with payments from cash flow. The lease, debt, equity, and partnership agreement shall specify that the lease shall be at market value at the end of the tax credits initial compliance period (estimated at 18 years after entering the lease). The ground lease shall be structured to meet the state's requirements for a property tax exemption.
- I. *Removal of the General Partner.* HUD will not allow the removal or replacement of the general partner without advance HUD written approval. The general partner shall be afforded a reasonable amount of time to cure any reasons for removal.
- J. *Guarantees.* The Housing Authority cannot and will not guarantee debt or make any other financial guarantees to lenders, investors, or others. The Developer is responsible

for all guarantees and shall assure that all prospective investors, lenders, and others are made aware of this in advance.

- K. *Right of First Refusal.* The ground lease, equity documents and the partnership agreements shall provide the right of first refusal to the Housing Authority, and that the removal of the general partner shall not negate this requirement. Investors shall be informed in advance.
- L. *Housing Authority Loans.* All Housing Authority loans shall bear interest in the applicable federal rate (AFR) and shall be amortized and be due on the same terms as the first lien. The Housing Authority payments on these loans may come from the project's cash flow.
- M. *Fees and Commissions:* The Developer is entitled to a share of the developer fees and if the general contractor, A&E service and other professional services, costs as allowed by TDHCA. Housing Authority and Developer will negotiate the "Developer Fee" distributions. Housing Authority legal fees will be paid at closing through the development/transaction budget.

I. Developer's Role

The responsibilities of the selected developer(s) will include, but are not limited to, the following:

- Undertake predevelopment activities.
- Perform needs assessments of Public Housing developments to determine needed rehabilitation and modernization and costs and whether demolition may be justifiable and undertake demolition activities where necessary.
- Develop architectural plans consistent with TDHCA, and local requirements and guidelines, and obtain City and other required approvals and permits.
- Develop and manage an implementation schedule.
- Obtain additional leveraged funds from private and other sources.
- Evaluate competitiveness of a 9% Low-Income Housing Tax Credit application in the 2024 round and for four (4) years thereafter in future rounds at the sole option of the Housing Authority. If submissions are warranted, not later than two weeks prior to the deadline for submitting pre-applications, provide hard copies of the pre-application to the Housing Authority's Executive Director. The Developer shall timely and closely coordinate the final application with the Housing Authority's Executive Director. During the application preparation process and prior to submissions of the final application, the developer shall provide copies of pertinent parts of the final application to the Housing Authority's Executive Director. A hard copy of the final application shall be provided to the Housing Authority's Executive Director.

- Obtain market studies.
- Develop projects and other budgets.
- Coordinate all development activities, including reporting and budget requirements, with the Housing Authority.
- Determine a general management structure, prepare a management plan for the property, and recommend a property manager, subject to approval by the Housing Authority. If the Housing Authority is interested in managing the property at the onset or after a certain number of years, the Developer and Housing Authority will create a transition plan acceptable to Investor.
- Provide all necessary financial guarantees and assurances to the lenders and tax credit investors as they may require.
- Solicit construction bids and enter a contract for construction.
- Oversee construction and ensure completion in a timely manner.
- If the development considers any HUD subsidy (i.e., public housing units, project-based vouchers), Developer will assist the Housing Authority in preparation and submission of any required HUD oversight and approval component, including all required evidentiary materials.
- Obtain commitments from lenders and tax credit investors for financing the project, such commitments to be on form and with parties acceptable to the Housing Authority.
- Deliver units consistent with HUD requirements and guidelines.

A Memorandum of Understanding (MOU) and a Development Agreement governing the development responsibilities of the parties will also be negotiated.

II. Income Structure and Use Restrictions

The Housing Authority seeks to provide housing to a mix-composition to include low, very low income, and severely low-income renters. Respondents may target occupancy to low-income households with incomes from 30% to 80% of area median income (and subject to any income restrictions associated with the LIHTC Program and other funding sources).

III. Project Design Review

The Housing Authority and the Developer will enter a Memorandum of Understanding (MOU) and a Development Agreement which will set forth the parameters of the development process. The Housing Authority will review all design and construction documents. The Housing Authority will review design documents at three phases of completion: 20%, 50%, and 100%.

IV. Legal and Ownership Structure

The specific ownership structure will be determined by the Housing Authority and the Developer. Unless approved in advance by the Housing Authority, the owner of a tax credits property shall be a Texas Limited Partnership. At the outset (e.g., all pre-applications and applications submitted to TDHCA) shall have a General Partner, that is Texas LLC with its sole member being the Housing Authority or an entity created to act on its behalf. The initial Limited Partner shall be the Housing Authority, or an entity created to act on its behalf and shall be replaced by the investor limited partner. To the extent that the project includes Public Housing units, the owner will be required to enter into a Regulatory and Operating Agreement with the Housing Authority that will set forth the responsibilities of the parties, the methodology for providing operating subsidies and all applicable HUD use restrictions and regulations regarding Public Housing units.

V. Submission Requirements

Respondents are required to submit the following information, although the Housing Authority reserves the right to request additional information upon review of initial submissions.

PLEASE TAB YOUR SUBSAN JUAN AS IDENTIFIED BELOW:

Submission Tab	Submission Detail and Evidence
1	Certification of Non-Disbarment
	Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, is not barred from participation in HUD programs or those of any agency of the United States government, state of Texas, city, county, school district, or any other governmental agency, or full disclosure of any debarment. This certification shall include that disclosure immediately be made to the Housing Authority of any changes that may occur after this certification.
2	Certification of Good Standing
	Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, is in good standing with the Texas Department of Housing and Community Affairs (TDHCA) and does not have any outstanding compliance issues, or full disclosure of any problems and issues. This certification should include that disclosure shall immediately be made to the Housing Authority of any changes that may occur after this certification.
3	Certification of Non-Litigation
	Certification by the individual or firm's principal that the individual and/or firm and its principal have not been involved during the past five years and is not currently involved in litigation regarding the development and financing of properties under the LIHTC program, or full disclosure of any litigation.
4	Certification of Internal Revenue Service -Good Standing
	Certification by the individual and/or firm's principal that the individual and/or firm, including its principals, do not have outstanding issues with the Internal

	Revenue Service regarding LIHTC properties, or full disclosure of any outstanding issues.
5	Certification of Non-Collusion
	Certification that the party making the foregoing proposal, that proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the proposer has not directly or indirectly induced or solicited any other proposer to put in false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or that anyone shall refrain from submitting a proposal; that the proposer has not in any manner, directly or indirectly, sought by agreement, or to fix any overhead, profit, or cost element of proposal, or of that any other proposer, or to secure any advantage against the Housing Authority of the City of Baytown or anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative hereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, depository, or to any member or against the not effectuate a collusive or sham proposal.
6	Letter of Non-Syndication Fees
	Letter from the individual and/or firm's principal that the individual(s), firm(s), principals, and identity of interest entities and individuals will not earn any fees or commissions from the syndication of the LIHTC guarantees required by the investors, lenders and others, real estate transactions, and/or for obtaining financing for the project, and/or paid from project expenses for consulting services.
7	Acknowledgment of Payment to Housing Authority Related Fees
	Letter from the individual and/or firm's principal acknowledging the responsibility of the tax credits project owner entity to pay for the Housing Authority's, legal counsel, and other expenses related to the project.
8	Acknowledgment of Owner Entity
	Letter from the individual and/or firm's principal acknowledging the ownership entity required by the Housing Authority and the names of entities and properties must be approved by the Housing Authority.
9	Identity of Principals and Roles
	Identify the principals and other team members and entities and describe their roles and responsibilities.
10	MBE or WBE Certifications
	Describe and provide supporting evidence (e.g., certification by a governmental agency) of the status as a minority business enterprise (MBE) and/or women owned business enterprise (WBE), and history of utilizing MBEs and WBEs.

11	Experience with Housing Authority Entities
	Experience in working with Housing Authorities, names of Housing Authorities, description of the work, and name and telephone number for a contact representative at each Housing Authority.
12	Experience with LIHTC Development
	Experience in the development of properties using LIHTC. Include the name and address of the property, property description, whether new construction or acquisition and rehabilitation, whether 9% or 4% LIHTC and allocation year, description of the participation of the Respondent, identification of any participation by a housing related nonprofit and whether it is community based and located in the city where the property is located, and the name and telephone number of a reference person(s) for each property.
13	Project Financial Sample
	Using TDHCA required forms or similar forms, provide the (a) Sources and Uses of Funds, rental schedule(s), (b) annual and 15-year Operating Pro Forma that presents the primary elements of the development and operating costs and operating projections for the development, and (c) development cost schedule. It is understood that these are estimates. The Respondent should assume that the development will be exempt from ad valorem taxes.
14	Development Activity Schedule
	Provide an anticipated development activity schedule that addresses the TDHCA application processes, planning, predevelopment, and development phase activities for the development and provides a timeline for the development process, indicating key assumptions and milestones. Please include an assumption of the award and the timeline associated with securing investors, negotiations of formal agreements and normal construction periods to lease-up.
15	Developer Financial Capacity
	These statements should demonstrate the financial capacity of the Developer or the entity that would be responsible for executing all applicable guarantees. Financial statements may be submitted in a separate, sealed envelope (one copy only) marked "Financial Statements – Confidential." Provide names of banks and other financial institutions and the names and telephone numbers of contact persons.

VI. Expense of Qualifications Statement and Proposal Submission

All expenses involved with the preparation and submission of qualification statements and proposals to the Housing Authority as well as all expenses associated with presentations and interviews, or other pre-award activities shall be borne by the individual and/or firm submitting the statements of qualifications and proposals.

One original and one electronic version (i.e., USB) of the proposal's submission must be submitted in a sealed envelope or package. The outside of the envelope or package shall show:

SUBMITTER'S INFORMATION
RFQ/P 2025002 FOR DEVELOPERS OF MULTIFAMILY HOUSING USING LIHTC
ATTENTION OF
DAVID CORTEZ, EXECUTIVE DIRECTOR

**Submissions are due by no later than 3:00 P.M. Central Daylight Savings Time, Wednesday
June 18, 2025, to:**

**David Cortez
Executive Director
Housing Authority of the City of Baytown
1805 Cedar Bayou Rd,
Baytown, Texas 77520**

The contact person for all inquiries is David Cortez, Executive Director, only via email at davidc@baytownhousing.org. The deadline for inquiries is Tuesday, June 3, 2025. Answers to inquiries will be disseminated to all proposed applicants who have registered their name with the Housing Authority.

VII. Evaluation and Section Process

The Housing Authority will not consider incomplete submissions or submissions received after the deadline established for receiving submissions. The Housing Authority reserves the right to reject all submissions. The Housing Authority shall not consider any individuals and/or firms barred from doing business with HUD and reserve the right to disqualify any individuals and/or firms barred by other governmental entities, or that may not be in good standing with the TDHCA. Any selection(s), contracts, agreements, and Housing Authority financial participation are subject to review and approval by HUD.

The Housing Authority will use a multi-step process. First, the Housing Authority will ask for statements of qualifications and proposals which are requested in this RFQ/P. The submissions will next be evaluated by the Housing Authority via the evaluation criteria outlined below. The Executive Director will present his recommendations to the Housing Authority's Board of Commissioners who will make the final selection.

The Housing Authority may invite one or more Respondents for presentations to the Executive Director and/or the Board of Commissioners. The Board of Commissioners may request one or more respondents to submit the best and final offers. The Housing Authority will select a final Respondent and negotiate an agreement with that Respondent.

EVALUATION CRITERIA

Experience and Qualifications	Possible Points
Experience & Qualifications of the Respondent and team members, as evidenced material provided under TAB 12 and other related material.	35
Experience in working with Housing Authorities and the development of Public Housing using the mixed finance development with LIHTC, as evidenced under TAB 11 and other related material.	25
Experience in LIHTC application process and related timelines, as evidenced under TAB 14.	10
The degree to which the development team provides for MBEs and WBEs participation.	10
The feasibility of a sample development as evidenced by the financial structure, development, and operating costs assumptions, as provided under TAB 13	10
Financial capacity of the Developer.	10
Total Available Points	100

END OF RFQ/P DOCUMENT