

**STATE OF LOUISIANA**  
**Office of Community Development**

**REQUEST FOR QUALIFICATIONS**  
**FOR**  
**Technical Assistance Services**

**February 12, 2008**

## **I. Introduction**

The State Office of Community Development (OCD), invites technical assistance providers with experience in the housing and community development field to submit their qualifications to provide technical assistance to small property owners receiving a conditional award through the State's Small Rental Property Program (SRPP).

Technical assistance would include compliance with program requirements, financial counseling, construction counseling, loan packaging, and construction management. The Small Rental Property Program provides financial incentives to property owners to restore their storm-damaged, small-scale rental properties to habitable condition and to make their units available to low- and moderate-income tenants at affordable rates over extended periods of time. By helping to restore badly needed rental units, the SRPP aims to speed the redevelopment of devastated communities and provide homes to returning workers. This program targets small buildings (one to four units) that suffered damage from hurricanes Katrina and Rita and small owners (those who own fewer than 20 units total). Consequently, many of the SRPP awardees are not familiar with government programs and/or lending institutions and need assistance working their way through the process of restoring their units and leasing them to income eligible tenants. The SRPP operates in the thirteen Parishes (Acadia, Calcasieu, Cameron, Iberia, Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington) that suffered the most damage to rental housing. OCD is soliciting technical assistance services for all thirteen Parishes. However, the vast majority of the SRPP assistance is being provided in Orleans, Jefferson, St. Bernard, and St. Tammany Parishes.

## **II. Small Rental Property Program (SRPP) – Program Description**

The SRPP assistance is structured as a no interest “take-out” loan made available to owners only AFTER (1) have delivered a property that meets the State Building Code as well as any additional physical requirements established by their SRPP loan, and (2) they have identified an income eligible tenant to occupy the unit(s). Participating property owners are required to accept limits on the rents they charge and the incomes of the tenants they select for the life of the loan.

The loans are not repayable as long as the property owner continues to ensure that the units are affordable to the target group and maintained in standard condition. Each year a portion of the loan is forgiven until it is completely forgiven at the end of the loan period – generally 10 years.

The SRPP award process is structured as follows. Owners apply to the SRPP program, applications are scored and ranked and applicants scoring above the threshold receive “Conditional Awards”. Conditional Awardees are then required to document the answers they have provided in their applications. Once the SRPP verifies that awardees meet the program requirements (e.g. confirm ownership, status as small owner etc.) they are issued a firm “Commitment Letter” in which OCD acknowledges that the awardee meets the basic program

requirements, states the final amount of the SRPP award, and pledges to provide this amount to the awardee upon completion of the work and selection of an eligible tenant.

The SRPP is working with participating lenders who have agreed to participate in the program by providing construction financing to qualified applicants as a “bridge” to the State’s take out with its final award. Many of these institutions are also available to provide permanent financing if it is necessary. The State’s Commitment Letter, which is assignable to the bank, is designed to help conditional awardees obtain the construction financing they need from these institutions to execute their project. A significant number of owners may be able to finance their construction with insurance proceeds, savings, or other equity sources and may not actually need to obtain construction financing. In these instances, the Commitment Letter ensures them that they will be able to receive the State’s take-out assistance upon completion. However, many owners require further technical assistance to successfully rehab their units and receive State funding.

To date, the SRPP has issued a total of \$502 million in conditional awards. The funding will produce more than 11,000 units, including nearly 10,000 affordable rental units in a total of nearly 6,000 rental properties.

### **III. Services Being Sought – Technical Assistance Description**

Technical assistance providers are being sought to provide one or more of the following services to owners in the Small Rental Property Program.

1. Hands on instruction regarding compliance with SRPP program requirements;
2. Financial counseling with special emphasis on the economics of rental housing;
3. Construction counseling/loan packaging, including assessment of loan feasibility, assistance in developing work scopes and cost estimates and assistance in securing contractors and construction financing;
4. Construction monitoring.

Training and technical assistance can be provided in a variety of ways: training sessions (traditional or web based) in either a single session or multiple consecutive sessions; workshops; small discussion groups; and/or one-on-one technical assistance. Given that the needs of the small rental property owners span a wide range and the required assistance is typically project specific, one-on-one or small group technical assistance is the preferred method. Depending on the responses to this RFQ, the State may elect to engage an intermediary(s) to oversee and manage the direct TA that is being provided in the field. Applicants are asked to provide one or more of the following types of technical assistance and/or training to owners in the SRPP:

- **Program Requirements** technical assistance will focus on the specific areas of the program such as a detailed overview of the program, Uniform Relocation Act (URA) requirements, tenant income determination, tenant selection guidelines and property standards.
- **Financial Guidance** technical assistance will provide an understanding of and the tools to develop the basic financial reports needed for loan packages including: balance sheets; income statements with an understanding of gross profit margins and ratios; development budget with a sources and uses statement that identifies the financial need of the project;

pro forma operating budget on the rental project; cash flow with a focus on analysis to determine when cash shortfalls may occur and an understanding the differences between profit and cash flow; business and financial plans; break even analysis; and guides to raising capital for the project.

- **Loan Packaging** technical assistance will focus on the requirements, other than financial reporting mentioned above, for submitting loan packages to banks including: basic information about property such as appraisal with current value, post construction value estimates, survey, preliminary title information (bank may obtain); property insurance; flood insurance; builder's risk insurance; workman's compensation; the estimated construction costs; financial information on owner; financial information on the project; explanation on any known credit issues. This training would also include discussions about bank underwriting such as financial analysis based on certain ratios: current; debt coverage; debt to equity and return on assets.
- **Construction Monitoring** technical assistance provides an assessment of progress on the job and feedback as to whether timetables and budgets will be accomplished, appropriate materials are being used and program construction standards, e.g. green building, are met.

#### **IV. Availability of Funds**

Funding for these programs will be made available from a grant to the State of Louisiana from the U.S. Department of Housing and Urban Development's Community Development Block Grant Program or from other sources. Funding amounts will vary based on services provided.

#### **V. Qualification Process**

The Applicant will respond to this RFQ as outlined below. Responses will be reviewed by OCD to determine if Applicant meets minimum requirements and can be placed on the list of Qualified Providers. A subsequent RFP will adhere to the minimum requirements established through the RFQ. The response to the RFP will include detailed information describing proposed technical assistance design and implementation. Applications will be reviewed by a team of objective evaluators based on the extent to which an applicant demonstrates and/or documents their congruity with the evaluation criteria in the RFP. Proposers to the RFP who do not meet the minimum qualifications will not be considered for a contract award. It is anticipated that applications will be received from a variety of potential providers and that multiple contractors will be selected to deliver services under this program.

#### **Applications**

Eligible Applicants include for-profit entities, not-for-profit entities, small business development centers, or joint ventures. Intermediaries may apply on behalf of multiple Qualified Providers. All applications must include the information requested in this RFQ. Upon review, OCD may notify an applicant that additional information or clarification is necessary.

**Applications to this RFQ should contain:**

1. A cover page (included in the Application) with contact information of Applicant and Applicant's federal tax identification number if applicable.
  
2. Background on the organization, including the following (Applicants may reference and attach the organization's business plan, annual report, and other relevant literature.)
  - A. The organization's mission, history and corporate structure, including:
    - a) The structure of the organization (for-profit or not-for-profit) and its governing body (e.g., Board of Directors).
    - b) The names and qualifications of the members of any such governing body.
    - c) The organization's current employees and their functions.
    - d) The names and qualifications of key personnel.
  - B. The geographic area and/or targeted populations served by the organization.
  - C. The organization's current programs, capacity, and work load.
    - a) Describe in detail the organization's current programs.
    - b) Describe other services offered by the organization that could assist owners in the SRPP.
    - c) Describe the organization's previous experience working with federal sources of funding.
    - d) The organization's resources and limitations.
    - e) The organization's standard cost/fee for services rendered.
  
3. A copy of the operating budget for the current fiscal year, including all projected sources of revenue and all items of expense, and showing year-to-date budget progress. Identify all pending proposals and applications the organization has submitted to other funding sources in connection with Hurricanes Katrina/Rita recovery, including the amounts requested and the proposed use of funds.

**Proposer Inquiries**

The State will consider written proposer inquiries regarding RFQ requirements through Monday, February 25, 2008. The State reserves the right to modify the RFP should a change be identified that is in the best interest of the State.

To be considered, written inquiries and requests for clarification of the content of this RFQ must be sent via email transmission to the RFQ Coordinator, Avra Winograd-Hutner (avra.winograd-hutner@la.gov). Any and all questions directed to the RFQ Coordinator will be deemed to require an official response. Official responses to each of the questions presented by the proposers will be posted by 5:00 pm CST on Thursday, February 28, 2008 at <http://wwwsrch2.doa.la.gov/osp/lapac/pubmain.asp>

Only the RFQ Coordinator at the Office of Community Development has the authority to officially respond to proposer's questions on behalf of the State. Any communications from any other individuals are not binding to the State.

### **Additional Submission Requirements**

**Proposals must be received on or before 4:00 p.m. Central Standard Time on Wednesday, March 5, 2008.** Please allow sufficient mail delivery time to ensure receipt of your proposals by the time specified. The proposal package must be delivered at the proposer's expense to:

Avra Winograd-Hutner  
Office of Community Development  
Disaster Recovery Unit  
1515 Poydras Street, Suite 1100  
New Orleans, LA 70115

OCD requests that five (5) copies of the proposal be submitted to the RFQ Coordinator at the address specified. At least one copy of the proposal shall contain original signatures; that copy should be clearly marked or differentiated from the other copies of the proposal. This copy will be retained for incorporation by reference in any contract resulting from this RFQ.

The proposal must include a cover letter signed by those company officials or agents duly authorized to sign proposals or contracts on behalf of the organization. For corporations, a certified copy of a board resolution for granting such authority should be submitted.

### **Establishing List of Qualified Providers**

OCD will review the responses to the RFQ within the following Minimum Qualification requirements:

- Necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them (including subcontractor arrangements or through the proposal of a consortium of partners);
- Availability of other funds to contribute to the fulfillment of the goals of this contract or the ability to leverage other funds available to the proposer in the fulfillment of the intended objectives of this RFQ;
- Location in a disaster affected parish, or location in an area where there is a concentration of affected residents;
- Current Certificate of Good Standing from the Louisiana Secretary of State;
- Ability to provide a specified minimum caseload if one is specified;
- Satisfactory record of integrity, judgment and performance (contractors who are seriously delinquent in current contract performance, considering the number of contracts and the extent of delinquencies of each, shall in the absence of evidence to the contrary or evidence of compelling circumstance, be presumed to be unable to fulfill the requirement);
- Ability to comply fully with all federal and state regulatory requirements associated with the use of federal funds.

All Applicants must meet the minimum requirements of this RFQ. Applicants should ensure that their proposals contain sufficient information and evidence for OCD to make its determination. Each proposer must prove that they:

- Have adequate financial resources for performance, or have the ability to obtain such resources as required during performance;
- Have the necessary experience, organization, technical qualifications, skills, and facilities, or have the ability to obtain them;
- Have a satisfactory record of integrity, judgment, and performance; and
- Are otherwise qualified and eligible to receive an award under applicable laws and regulations.

Selection under this RFQ means only that OCD has determined that such applicant meets the requirements set forth in this RFQ to be a Qualified Provider and that OCD may or may not thereafter elect to commence negotiations with such Applicant regarding the award of a technical assistance grant. Inclusion of an Applicant on the list of Qualified Developers under this RFQ does not guarantee that it will be selected to receive a technical assistance grant.

### **Proposal Rejection/RFQ Cancellation**

Issuance of this RFQ in no way constitutes a commitment by the State to award a contract. The State reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in the State's best interest.

### **Proprietary Information**

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Record Act, R.S. 44: 1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

### **Ownership of Proposal**

All materials (paper content only) submitted in response to this request become the property of the State. Selection or rejection of a response does not affect this right. All proposals submitted will be retained by the State and not returned to proposers. Any copyrighted materials in the response are not transferred to the State.

### **Cost of Preparing Proposals**

The State shall not be liable for any costs incurred by prospective proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the proposer in responding to this RFQ are entirely the responsibility of the proposer and shall not be reimbursed in any manner by the State.

### **Errors and Omissions in Proposal**

The State shall not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by the State or the proposer. The State, at its option, has the right to request clarification or additional information from the proposers.

**Code of Ethics**

Proposers are responsible for determining that there will be no conflict or violation of the Louisiana Government Code of Ethics or the Louisiana Rules of Professional Conduct governing the practice of law if their organization is awarded the contract.

**Funding Sources**

The State may fund the listed activities with CDBG funds or other sources of financing. This RFQ does not guarantee that all activities will be funded.