

Request for Qualifications and Proposals for Real Estate Appraisal Services



Required by
Missouri Housing Development Commission

Responses Due:
Monday, December 18, 2023

I. Introductory Information

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. In 1969, the 75th General Assembly of Missouri, in the face of a general housing shortage severely affecting low and moderate income persons, established the Commission in order to increase the availability of decent, safe and sanitary housing at prices within the means of low and moderate income persons. The Commission’s authority is derived from Chapter 215 of the Revised Statutes of Missouri, as amended and supplemented. Further information about the Commission and its programs is available on the Commission’s website at www.mhdc.com.

Through its Rental Production Department, the Commission administers a variety of state and federal funding sources to finance the construction and rehabilitation of affordable rental housing for low-income Missourians. Funding is made available through a combination of issuing tax credits and tax-exempt bonds, providing grants, and making low-interest loans. Sources include the Federal Low Income Housing Tax Credits, Missouri Low Income Housing Tax Credit, HOME Investment Partnership Program, federal Risk-Share insurance, National Housing Trust Fund, and the Affordable Housing Assistance Program, as well as the Commission’s own general fund balances. The Commission’s rental production activities are governed by the laws and regulations of each particular funding source as well as Commission policy.

A. Purpose of RFQ

The purpose of this Request for Qualifications (“RFQ”) is to obtain statements of qualifications (“Responses”) from appraisal firms with expertise in the analysis and valuation of multifamily rental properties and intangible property rights. The Responses will be used to identify and retain a pool of qualified appraisal firms to serve the Commission’s future needs for determination of market value of existing and proposed multifamily properties in Missouri that either have been approved for financing or are under consideration for financial assistance through various federal and state subsidy programs. This RFQ is the means for prospective appraisal service providers to submit their qualifications to be considered for inclusion in the Commission’s qualified appraisal firm pool. Firms currently in the appraiser pool will need to reapply.

B. Scope of Services

The Commission is seeking to create a pool of appraisal firms qualified to perform one or more appraisals relating to affordable multifamily rental properties and intangible property rights. Firms in the pool will be periodically invited to participate in certain specific appraisal opportunities. MHDC will generally expect requested appraisal reports to be electronically delivered within 30 days of order placement.

Appraisals requested may be on proposed construction, existing improvements to be rehabilitated, or vacant land. Consideration must be given to any contributory value of existing site improvements. The appraisals may be required for general lending purposes or for meeting the standards of specific government loan programs. As such, the appraiser may be asked to provide the following information:

- a. An opinion of the market value of a given property “as is,” “as complete,” “as stabilized,” and/or “as rehabilitated”;

- b. Various market value conclusions, assuming either a development restricted by subsidy funding agreements or unrestricted (market rate);
- c. The intangible market value of tax credits and/or any below market mortgage financing or other intangible value; and
- d. An opinion of investment value that is comprised of the sum of market value of the property as restricted by subsidy funding agreements, the value of favorable financing (if any), and/or the value of federal and state tax credits.

The reports must be self-contained and signed by a principal of the firm. Any contribution by a staff appraiser needs to be acknowledged by their signing of the transmittal letter and/or certificate of value, or alternatively, by being identified in the certificate of value as someone who has made a significant contribution to appraisal development. Electronic delivery of searchable reports is preferred; hard copies are not required.

In addition, the appraisal development and reporting must conform to the edition of Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.

In addition to the USPAP reporting requirements, appraisals must contain the following items, generally in the order shown:

- a. Title or cover page with sufficient identification of the report, including a complete address of the subject property, or an intersection identifier
- b. Letter of Transmittal
- c. Table of Contents
- d. Executive Summary of important data and conclusions
- e. Extraordinary Assumptions and/or Hypothetical Conditions used in the analysis
- f. General assumptions and limiting conditions
- g. Definition of market value, as defined for federally-related transactions
- h. Ownership and sale history, and analysis of any pending or consummated sale and sale price
- i. Description of the subject property both "as is" and "as complete," including a site description
- j. A real estate tax analysis including "tax comps"
- k. An area analysis (MSA, county, etc.)
- l. A description (including a map) of the subject's primary market area and its features that may or may not have an effect on the subject property
- m. A description of the subject's neighborhood and its features that may or may not have an effect on the subject property
- n. Photos of the subject that show its relationship to surrounding properties and land uses
- o. Photos and "write ups" of all comparable properties (including land and improved sales and rentals) which should include pertinent comments in addition to a mere listing of facts
- p. Location maps showing the subject's linkages to neighborhood features, improved sale comps, rental comps and land sales
- q. Analysis and opinion of the subject's highest and best use
- r. Cost approach to value (required for all new construction, optional on rehabilitation projects)

- s. Income approach to value (required, using both unrestricted (market) rents and expenses and restricted rents and expenses)
- t. Sales comparison approach (required) which must utilize at least one adjustment or ranking procedure in addition to any other method
- u. The subject's sale can only be a 4th or 5th comparable
- v. Final reconciliation
- w. Certification(s) of appraisers involved in the appraisal and report development
- x. Appraiser qualifications
- y. Any forms required by the U.S. Department of Housing and Urban Development (HUD) for Risk-Share insurance
- z. Architectural exhibits

C. Term of Service

It is anticipated that the selected firms will be retained by the Commission for three years commencing January 1, 2024 and ending December 31, 2026.

MHDC reserves the right, at its sole discretion, to end the term of service for any firm selected pursuant to this RFQ, at any time prior to the expiration of the stated term of service. This right reserved to MHDC to remove a firm is a unilateral right in the sole discretion of MHDC and may be undertaken at any time with or without cause. Selection of a firm to be added at such time may be made from among respondents to this RFQ or pursuant to such other selection process as MHDC shall determine at that time.

D. Submission of Proposal:

For this submission, two hard copies of the Response, along with one electronic copy on a flash drive, must be submitted by the Response Due Date of December 18, 2023:

“Proposal to Provide Real Estate Appraisal Services to MHDC”
Annette Lloyd
Appraiser/Analyst
Missouri Housing Development Commission
920 Main Street, Suite 1400
Kansas City, Missouri 64105

The envelope shall be marked with the name of the firm submitting the Proposal. *(Neither faxed copies nor electronic submissions will be accepted.)*

E. Proposal Due Date

Monday, December 18, 2023 by 4:30 P.M. Central Time

F. Anticipated Timetable for RFQ and Proposals

RFQ Release	Tuesday, November 21, 2023
Proposals Due	Monday, December 18, 2023
Committee Recommendation	Friday, December 29, 2023

II. Procedures and Instructions

A. Questions

Questions regarding this RFQ should be directed to the Commission in writing by mail or electronic mail before Friday, December 1, 2023, as follows:

Annette Lloyd
Market Study Analyst
Missouri Housing Development Commission
920 Main Street, Suite 1400
Kansas City, Missouri 64105
(816) 759-6626 (phone)
Annette.lloyd@mhdc.com
Subject "2024 Real Estate Appraisal Services RFQ"

Notice Regarding Distribution of Questions and Answers

For the purpose of transparency and in an effort to prevent any real or perceived unfair advantage, all questions or requests for additional information submitted to MHDC regarding this RFQ and the corresponding answers will be published on MHDC's website or otherwise made available to all Respondents.

B. Standards of Conduct

This RFQ is considered a "Competitive Matter" as that term is defined in the Standards of Conduct. Further, every Respondent, including, but not limited to, their respective principals, key employees and agents acting on their behalf are considered "Interested Parties" (as defined in the Standards of Conduct). As a result, all Interested Parties under this RFQ are obligated to abide by the rules and restrictions imposed by the Standards of Conduct, including the rules governing contact with Commissioners, MHDC employees, former Commissioners, and former employees. The failure of any Interested Party to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of the Respondent's Response. Therefore, Respondents are strongly encouraged to review and ensure compliance with the Standards of Conduct Policy, which can be found on the MHDC website: <https://www.mhdc.com/>.

Furthermore, pursuant to the Standards of Conduct, any Response under this RFQ shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent entity. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of

entity layers that may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFQ is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Anne Powell, by phone at 314-877-1373 or email at apowell@mhdc.com.

C. Public Records Disclaimer

MHDC is subject to Missouri Sunshine Law (RSMo Chapter 610) and is required to disclose public records. Upon conclusion of the RFQ process and selection of one or more Respondent(s) in connection with this RFQ, all Proposals shall become public record and may be published or otherwise distributed to any individual or entity. No Proposal or associated documentation will be returned to the Respondent(s).

D. Advertising and Publicity

Respondents may not issue any news release or otherwise seek publicity regarding this RFQ. No Respondent shall use the name or logo of MHDC or any adaptation, extension, or abbreviation of such name for advertising, trade display, or other commercial purposes except as specifically approved by MHDC in writing.

E. Costs and Liability

This RFQ does not commit or obligate MHDC to enter into any negotiations, contractual agreement or Final Contract with any Respondent. Each Respondent will be responsible for costs incurred in preparation of its Proposal. MHDC reserves the right to accept or reject any or all Proposals or offers made in response to this RFQ.

F. Rights of MHDC

MHDC reserves and may exercise one or more of the following rights and options regarding this RFQ:

1. Reject any and all Proposals;
2. Seek additional Proposals;
3. Seek clarification or additional information in connection with any Proposal;
4. Select one or more Respondents;
5. Enter into negotiations with any Respondent;
6. Enter into a Final Contract with the successful Respondent, or enter into multiple Final Contracts with multiple Respondents;
7. Choose not to award any contract under this RFQ;
8. Add to, delete, modify, reduce or enlarge this RFQ including any specifications and/or the Scope of Work, or terms or conditions;
9. Modify the terms and conditions of any proposed or executed contract awarded pursuant to this RFQ;
10. Cancel or withdraw this RFQ without the substitution of another RFQ, or alter the terms and

conditions of this RFQ;

11. Conduct credit checks and investigations as to the qualifications of each Respondent at any time prior to the award of a contract; and/or,
12. Extend deadlines or otherwise modify the required schedule in its sole discretion.

G. RFQ Revisions

In the event MHDC deems it necessary or appropriate to revise or clarify the terms or provisions of this RFQ, any such revisions or clarifications will be issued in the form of an addendum. Any such addendum issued by MHDC will also be posted to our web site at www.mhdc.com.

H. Other Legal Conditions

By virtue of its signed Proposal to this RFQ, the Respondent agrees that, in the event it is selected to provide the goods and services pursuant to this RFQ, it will enter into good faith negotiations in pursuit of an acceptable Final Contract. MHDC, at its sole discretion, may incorporate any and all terms and conditions included in this RFQ, the Proposal, and any additional provisions required by MHDC into the Final Contract. Any Respondent selected to proceed toward a contract with MHDC will be required to include in the Final Contract, provisions that address issues of liability, indemnification, insurance, payment terms, and such other terms and conditions as are customary for agreements that address the subject matter of this RFQ. Each Respondent must conspicuously state in its Proposal its inability or unwillingness to accept any of the provisions, terms or conditions in this RFQ, including any provisions set forth in exhibits, and must include in its Proposal the reason(s) for any such exceptions. The Final Contract shall become effective on the date it is fully executed by MHDC and the successful Respondent(s). The Final Contract and any extensions or modifications thereof shall remain in full force and effect until completion of the Scope of Work and approval of the same by MHDC unless otherwise extended or terminated pursuant to the terms of the Final Contract.

MHDC and Respondent may, at any time after a selection is made under this RFQ and before the Scope of Work is completed, agree to extend or expand the Scope of Work to include additional services or goods, and/or to provide additional time to complete the Scope of Work, provided that all such amendments to the Final Contract must be agreed to in writing by both MHDC and Respondent.

I. Expense of Preparation of Proposals

The Commission is not responsible for any expense incurred in preparing and submitting a Proposal, or taking any action in connection with the selection process, or for the costs of any services performed in connection with submission of a Proposal.

J. Reservation of Rights

The Commission reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate; negotiate modifications to any of the items proposed in the Proposal; request additional information from any firm; reject any or all Proposals; and waive any irregularities in any Proposal.

The engagement described in this RFQ is not exclusive and MHDC expressly retains the right at any time to retain any other firm or firms to provide other appraisal services without violating the engagement contemplated by this RFQ.

K. Visits and Interviews

All firms responding to this RFQ may be required to schedule a visit to its offices or to another location upon request by the Commission. In addition, firms responding to this RFQ may be interviewed by the Appraisal Services Committee as a part of the selection process.

III. Structure of Proposal

1. Each Proposal shall include a transmittal letter signed by an authorized representative of the firm. In the transmittal letter the firm shall certify (i) that no elected or appointed official or employee of the Commission is financially interested, directly or indirectly, in the performance of the services specified in the RFQ, (ii) that the information included in the Proposal is true and correct to the best of its knowledge and (iii) that the person signing the transmittal letter is authorized to execute the Proposal on behalf of the firm.
2. Proposals should be organized in the same manner as the individual information request contained in Section V: Proposal Details. Responses to each numbered question shall begin on a separate page (e.g., answers to Question 2 should begin on a separate page from the response to Question 1).
3. The Commission desires to consider Proposals in a consistent and easily comparable format as established in this RFQ. Proposals not organized as set forth in this RFQ may, at the Commission's discretion, be considered unresponsive. Do not refer to other parts of your Proposal in lieu of answering a specific question. Do not provide references to filings or forms publicly available, including on the firm's website or in publicly available sources, in lieu of providing specific information in the Proposal.
4. Exhibits containing additional information may be attached to provide a more detailed response to a question, but only if clearly identifiable as a response to a specific question.

IV. Minimum Qualifications of Respondent

The Respondent must:

1. Be generally certified in their home state of operations and have the capacity to be granted a temporary license by the Missouri Real Estate Appraiser's Commission if necessary to perform appraisal services in the State of Missouri.
2. If a corporate entity, either be authorized to do business in Missouri or be willing to seek such authorization.
3. Not have any violations of record with the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council since 2018.

4. Have demonstrative experience in the valuation of multifamily properties with values exceeding \$2,000,000.
5. Substantial depth, knowledge, and experience with mortgage lenders, commercial banks, state and federal government housing agencies.

V. Proposal Details

Firms responding to this RFQ should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated.

1. Profile of the Firm. Describe your firm and its areas of expertise. Provide documentation on the firm's business entity including legal structure, state of organization, organizational documents, federal employer identification number and evidence of Respondent's good standing with the state. State whether your firm is local, regional or national. Give the location of the office from which the work is to be performed and the number of partners, managers, supervisors, and other professional staff employed at that office, and status as a veteran, minority, or women-owned firm. Describe how your firm meets the minimum qualifications listed in Section IV.

Pursuant to the Standards of Conduct, any Response under this RFQ shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFQ is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Anne Powell, by phone at 314-877-1373 or email at apowell@mhdc.com.

2. Contact Person and Staffing. Provide the name, address, phone number, fax number and email address of the primary contact person of the Respondent. Identify the key personnel to be assigned the Commission's engagement, including supervisory personnel. Resumes for each supervisory person to be assigned to the appraisal should be included, and specific experience should be indicated. The resumes may be included as an appendix. Describe your policy regarding notification of changes in key engagement personnel and expectations regarding staff continuity.
3. Appraisal and Analysis Services. Clearly describe your firm's approach to conducting real estate appraisal and analysis. Discuss the firm's philosophy of providing services to MHDC.
4. Geographic Reach. State what regions in the State of Missouri your firm competently develops real estate appraisals and analysis services. In addition, you must submit evidence of authorization to do business or operate in the State of Missouri or confirm your willingness to obtain such authorization if selected.
5. Qualifications and Experience. Describe your relevant work with financial institutions, real estate, other housing finance agencies and government organizations for which appraisals have been developed.
6. Appraisal Reports. The appraisal reports provided by your firm are expected to be similar to

the outline shown in Section I of this RFQ.

7. Litigation, Investigations and Regulatory Proceedings. Describe any pending investigation, litigation, recent settlements or regulatory sanctions in performing appraisal and analysis services since 2018. Give sufficient detail for evaluation.
8. References. Provide the names, contact person(s) and phone numbers for at least three client references for which multifamily appraisals have been developed within the past 12 months (October 31, 2022 to November 1, 2023).
9. Special Strengths. Describe any special strengths or capabilities of your firm. Give any additional information considered essential to this proposal, including involvement in state and local government organizations, seminars, special services offered, etc. Publications of your firm, such as directories, articles, and lists of clients may be included but should not be voluminous. As may be applicable, describe any other special services or assistance your firm may provide to MHDC that you believe may be relevant to or helpful to MHDC for its real estate and analysis needs.
10. Affiliations and Subcontractors. Respondent must identify and fully explain all third-party agreements, joint venture arrangements, and/or relationships that will result in the provision of any services in whole or in part by outside parties, third-party contractors, affiliates, or subcontractors, including any veteran, minority or women-owned firms. Respondent must provide documentation regarding the qualification and experience of all third-party agencies as a whole, as well as for each staff member proposed to be involved in performing the Scope of Work. In addition, Respondent must clearly delineate the duties and obligations being assumed by which parties in carrying out the Scope of Work. In identifying any such parties, Respondent must include each party's full legal name, state of organization (in the case of an entity), all contact information (e.g. address, phone/fax numbers, email address, primary point of contact, etc.). Joint ventures are required to designate a single contracting entity with the authority to negotiate, execute and bind the joint venture to any potential future contract and act as the party responsible to MHDC. The provisions of this paragraph do not require inclusion of information regarding use of a temporary employment on contract labor to provide day labor or temporary staffing except that the Respondent must include information about the employment entity that will provide such day labor or temporary staffing and must include information about whether the persons contracted or employed will be located within the State of Missouri.
11. Proposed Fees. The proposed fee paid for appraisal reports as described in this RFQ for appraisals ordered after January 1, 2024, through December 31, 2026, is \$6,500. MHDC reserves the right to review the appraisal fee at its discretion.
12. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, firm(s) selected pursuant to this RFQ shall provide MHDC with an affidavit stating that the firm does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the firm is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any agreement contemplated herein, the firm shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Anne Powell, by phone at 314-877-1373 or email at apowell@mhdc.com. **In your proposal, please indicate whether your firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.**

13. Prohibition to Boycott Israel. Pursuant to *Mo. Rev. Stat. §34.600*, MHDC shall not enter into a contract with any agency that boycotts Israel. In your proposal, state whether your agency is or is not currently engaged in a boycott of (i) goods or services from the State of Israel; (ii) companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or (iii) persons or entities doing business in the State of Israel. "Boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

VI. Evaluation Criteria

The qualifications of the firms submitting proposals will be reviewed by Commission staff (the Appraisal Committee) and it is possible that several of the firms may be invited to make presentations to the Committee. The principal factor in the selection of an appraisal firm is the firm's ability to develop an appraisal for MHDC on time with a value conclusion that is well supported. MHDC expects that value conclusions will not contain any bias in any direction.

The criteria used in evaluating the Responses will include, but are not limited to, the following (in no particular order of importance):

- ✓ Qualifications, capabilities, and expertise of the firm's staff;
- ✓ The extent of geographic reach in Missouri of the Respondent's firm;
- ✓ Relevant experience providing similar services to state housing agencies or other clients;
- ✓ The Respondent's ability and willingness to provide the services desired by the Commission and demonstrated understanding of the requirements of the Commission in order to present work product of excellent quality in the desired timeframe;
- ✓ Feedback obtained from references
- ✓ Related investigations and/or disciplinary actions will be taken into account;
- ✓ The Commission's prior experiences, if any, with the Respondent and any other factors the Commission believes would be in its best interest to consider;
- ✓ The rationale for selection provided by the Respondent;

There is no additional information requested. Thank you for reviewing this RFQ. We look forward to your response.