

Request for Qualifications for
REAL ESTATE MARKET STUDY SERVICES

Required by

MISSOURI HOUSING DEVELOPMENT COMMISSION



RESPONSES DUE:

Friday, September 8, 2023 by 4:30 P.M. Central Time

SECTION 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.

Purpose of RFQ: The purpose of this Request for Qualifications (“RFQ”) is to obtain statements of qualifications and work samples (each a “Proposal” and collectively the “Proposals”) from real estate appraisal firms with expertise in market research and analysis to measure demand for multifamily rental properties. The Proposals will be used to identify and retain a pool or list of qualified appraisal firms to serve the Commission’s needs for determination of market demand for existing and proposed multifamily properties in Missouri. Such properties 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 on the Commission’s list of qualified appraisal firms to develop market studies. Firms currently on the list of acceptable market analysts will need to reapply.

Scope of Services: The Commission is seeking to create a pool (or list) of market real estate appraisers qualified to perform one or more market studies relating to the Low Income Housing Tax Credit program. Section 42 of the IRS Code requires a comprehensive market study to be developed by a disinterested third party with no identity of interest to the developer or other parties related to the transaction. MHDC uses such a study as part of the underwriting process.

If selected, future market studies developed by selected firms are expected to conform to MHDC’s most current Market Study Guidelines posted on MHDC’s website (currently the 2023 Market Study Guidelines at the time of the issuance of this RFQ) at the time such study is conducted.

Respondents (as defined hereinafter) should be aware that developers (not MHDC) engage the real estate appraisal firm to develop the market study for proposed developments, and that MHDC will be shown as an intended user in the report.

Developers select a firm to develop the market study either through personal knowledge or referral by selecting an appraisal firm from a list provided on the MHDC website. The Respondents selected from this RFQ will replace the list currently in use.

Developers, not the analyst, will submit each completed market study to MHDC, along with other materials, in accordance with the Developer's Guide, which is also posted on the MHDC website.

Please Note: While MHDC's most current market study guidelines are technically the 2023 Market Study Guidelines, any sample market study submitted as part of the response to this RFQ may utilize MHDC's guidelines in effect for the 2022 submission round.

As detailed in MHDC's current Market Study Guidelines, market studies must be developed by a certified real estate appraiser with proven experience in developing market studies for the Low Income Housing Tax Credit program. The market study may be required for general lending purposes or for meeting the standards of specific government loan programs. At a minimum, (and based on MHDC's current Market Study Guidelines) the appraiser will be asked to provide the following information in each report (provided, however, that any and all such requirements are subject to change should MHDC modify its Market Study Guidelines during the time the Respondents selected hereunder are listed as approved appraisers preparing market studies).

- ✓ What locational factors affect the subject site;
- ✓ What is the achievable restricted rent per unit type;
- ✓ What is the achievable market rent per unit type;
- ✓ If the market supports the developer's projected restricted rent estimates, or not;
- ✓ If there are sufficient households with sufficient incomes to be able to afford the proposed rents to make the project viable, or not;
- ✓ The point in time when the property is expected to reach stabilization; and
- ✓ If there are any risks to these projections.

MHDC considers the development of a rent opinion to be an appraisal. As such, the future work must be created by a licensed or certified appraiser and the market study development and reporting must conform to Standards I and II of the edition of the Uniform Standards of Professional Appraisal

Practice (USPAP) in effect at the time of the market study development, as well as applicable Missouri law governing appraisals.

The study must identify the Missouri Housing Development Commission (MHDC) as an intended user of the report.

A detailed explanation of the minimum required contents of a market study prepared for MHDC's use is contained in MHDC's current Market Study Guidelines found on the MHDC website.

Term of Service:

It is anticipated that the selected firms will be listed by the Commission for three years commencing October 1, 2023 (ending September 30, 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 (each a "Respondent" and collectively the "Respondents") or pursuant to such other selection process as MHDC shall determine at that time.

Submission of Proposal:

For this submission, provide one hard copy of the Proposal, plus one electronic copy of the Proposal on permanent storage media. In addition, provide one color hard copy of a market study work sample developed by the Respondent on a LIHTC property, preferably located in the Midwest, dated within the past three years (no earlier than July 31, 2020). Also, put a searchable PDF copy (or similar format) of the sample work on the storage media. The Proposals must be submitted by the Proposal Due Date (Friday, September 8, 2023) to the following address:

Annette Lloyd
Market Study Analyst
Missouri Housing Development Commission
920 Main Street, Suite 1400
Kansas City, Missouri 64105

Each Proposal shall include all information required by this RFQ and must be delivered (via U.S. Postal Service, Fed Ex, UPS, etc., in printed bound form, along with one searchable electronic copy on permanent storage media, in a sealed envelope marked "Proposal to MHDC to Provide Real Estate Market Study Services".

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

Proposal Due Date: Friday, September 8, 2023 by 4:30 P.M. Central Time

**Anticipated
Timetable for RFQ
and Proposals:**

RFQ Release Proposals Due Committee Recommendation by

Monday, August 14, 2023 Friday, September 8, 2023 Monday, September 18, 2023
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SECTION II: PROCEDURES AND INSTRUCTIONS

Questions: Questions regarding this RFQ should be directed to the Commission in writing by mail or electronic mail before September 8, 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 “2023 Real Estate Market Study Services RFQ”

Notice Regarding Distribution of Questions and Answers

NOTICE: 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.

**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.

**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).

**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.

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.

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.

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.

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.

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.

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

market study services without violating the engagement contemplated by this RFQ.

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 Market Study Committee as a part of the selection process.

SECTION III: STRUCTURE OF PROPOSAL

- A. 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.
- B. 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).
- C. 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.
- D. 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.

SECTION IV: MINIMUM QUALIFICATIONS OF RESPONDENT

The Respondent must:

- 1) Be a certified appraiser in the state of Missouri.
- 2) If certified as an appraiser in a state other than Missouri, have the capacity to be granted a temporary certification by the Missouri Real Estate Appraiser's Commission.
- 3) Have the ability to write a report that, at a minimum, clearly shows the methodology used to arrive at intermediate and final conclusions and follow the MHDC Market Study Guidelines.
- 4) Not have any violations of record with the Appraisal Subcommittee ("ASC") of the Federal Financial Institutions Examination Council.

- 5) Not have any violations of record with the U.S. Department of Housing and Urban Development ("HUD") or any other state housing finance agency.
- 6) Be able to work under tight deadlines.
- 7) Have substantial knowledge and experience with the Low Income Housing Tax Credit program.
- 8) Have the ability to provide independent opinions.
- 9) If the Respondent is a corporate entity, it must either be organized under the laws of the state of Missouri or it must be authorized to do business within the state of Missouri prior to submitting any market study to MHDC. Out- of-state Respondents may submit a Proposal prior to obtaining authorization to do business in Missouri, but must register prior to doing business in Missouri if selected pursuant to this RFQ.

SECTION 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. State whether your firm is local, regional or national. (Smaller firms and WBE/MBE firms are encouraged to respond to this RFQ). 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. Describe how your firm meets the minimum qualifications listed in Section IV.

Pursuant to the Standards of Conduct, any Proposal 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. Market Study and Analysis Services. Clearly describe your firm's approach to conducting real estate market studies and analysis for low income housing. Discuss the

firm's philosophy of being engaged by a developer, providing market-supported independent opinions and having MHDC as an intended user.

4. Geographic Reach. State what regions in the state of Missouri your firm can competently develop real estate market study 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 market studies have been developed.
6. Litigation, Investigations and Regulatory Proceedings. Describe any pending investigation, litigation, recent settlements or regulatory sanctions since January 2, 2021. Give sufficient detail for evaluation.
7. References. Provide the names, contact person(s) and phone numbers for at least three client references for which market studies have been developed from July 31, 2020 to July 31, 2023, not to include MHDC.
8. Organizational Overview and Documentation. Provide an overview of the Respondent's business entity, including legal structure, full legal name, and state of organization. Provide documentation on Respondent's business entity including organizational documents, federal employer identification number and evidence of Respondent's good standing with the state. If Respondent is a certified MBE/WBE, provide copies of documentation establishing certification as an MBE/WBE. If Respondent is not a certified MBE/WBE, provide information regarding the percentage of the Respondent organization owned by women and/or minorities and also provide information regarding the percentage of persons employed by the Respondent organization that are women and/or minorities.

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 the firm's 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.

9. 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. 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.), and must indicate whether the party is an MBE/WBE and provide copies of documentation establishing that certification as an MBE/WBE. 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.

10. Proposed Fees. A reasonable fee for each assignment will be negotiated between the analyst and developer.
11. Federal Work Authorization Program. Pursuant to *Mo.Rev.Stat. §285.530.2*, any Respondents selected pursuant to this RFQ shall provide MHDC with an affidavit stating that the Respondent does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that the vendor 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 Respondent 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 the Proposal, please indicate whether the Respondent is currently enrolled in and participating in a federal work authorization program such as E-Verify.
12. 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.

SECTION VI: EVALUATION CRITERIA

The qualifications of the firms submitting proposals will be reviewed by the Market Study 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 a market analyst is the firm's ability to develop a market study for the developer on time with conclusions that are well supported. MHDC expects that conclusions in the market study will not contain bias in any direction.

The criteria used in evaluating the Proposals 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 other state housing agencies or other clients;
- ✓ The Respondent's ability and willingness to provide the services desired by the developer and needed by MHDC;
- ✓ Demonstrate 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 respondent's rationale as to why the Respondent should be selected; and
- ✓ The inclusion of minority and women participation by the Respondent's firm(s), including the employees and/or any participation with a minority or woman-owned firm.

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