



APPLICATION

Rosenberg Housing Authority

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Rosenberg Housing Authority
Application
Last updated November 12, 2024

APPLICANT NAME: _____

ENTITY TYPE AND STATE OF FORMATION: _____

AUTHORIZED REPRESENTATIVE: _____

AUTHORIZED REPRESENTATIVE TITLE: _____

AUTHORIZED REPRESENTATIVE CONTACT INFORMATION:

Address: _____

Phone: _____

Email: _____

RHA Goals

Rosenberg Housing Authority ("RHA") has the following goals for its affordable housing investments and partnerships.

1. Increase affordable housing options in Fort Bend County
2. Increase the depth of affordability; for example at 30% AMI
3. Promote and support new construction of affordable housing in Fort Bend County
4. Be a good steward and partner

RHA is seeking partners to achieve these goals. Respondents shall include a statement in the QBS response explaining how the proposed project aligns with the forgoing RHA goals.

Instructions

Please complete and submit the following information to the Rosenberg Housing Authority Public Facility Corporation (RHAPFC) for review of your application for a potential RHAPFC partnership. The RHAPFC reserves the right to reject any application that it determines to be incomplete or inaccurate.

One electronic copy of your application and all attachments should be submitted on one flash drive sealed in an envelope.

Please include a Company Check, Cashier's Check or Money Order payable to the Rosenberg Housing Authority Public Facility Corporation for its \$5,000.00 application fee. Each Company Check, Cashier's Check or Money Order is non-refundable, and proposals that do contain the required document(s) will be considered non-responsive by RHA.

The envelope may be mailed or delivered by to:

Rosenberg Housing Authority Public Facility Corporation
117 Lane Dr. Ste 22
Rosenberg, TX 77471

Attn: Kimberly Brown

Applications must also be emailed to rhapfc@rosenbergha.org.

Deadline will be determined by the schedule in the **Next Steps** section of the application.

Each document corresponding to applicable sections on the flash drives should be clearly labelled to easily identify the portion of the application with which it corresponds. Excel spreadsheets may not link to external data sources, and must be unlocked so that all data, including formulas, are viewable. Submissions that do not meet threshold requirements will not be considered.

The following items are required: Letter of Transmittal, Proposed Site submission, Development Scorecard, Total Public Benefit, Proof of Site Control, Application Fee, Signed forms.

Letter of Transmittal (LT)

1. Acknowledge the receipt, review of this solicitation, and any Amendment(s) issued by RHA.
2. The LT must be on company letterhead, manually signed by authorized official of the company (who can negotiate, and contractually bind the company to perform the services specified herein), along with their title, phone number, and e-mail address.
3. Provide a brief non-technical overview of the Firm's business. Include the history and the range of services that can be offered. Indicate how and why the Firm's products and services can meet the needs of RHA.
4. Termination: Indicate whether the Firm has been terminated from a contract (that is similar to the services described herein), and describe the circumstances and outcome.
5. Litigation: Indicate whether the Firm has ever sued or been sued by a public agency and describe the circumstances and outcome.
6. Eligibility to Bid and Contract: Indicate whether the Firm has been disbarred from bidding on projects by any federal, state or local government agency. Fully disclose the details.

Proposed Site Submittal

1. Project Design and Location - Provide a general description of the proposed project(s) that includes any relevant information such as:
 - 1.1. Conceptual design
 - 1.2. Unit type and unit mix
 - 1.3. Tenant amenities
 - 1.4. Community amenities (schools, parks, libraries, police, fire stations, grocery stores, churches, recreation, transportation & healthcare)
 - 1.5. Location - Legal description and street address
 - 1.6. Census Data on the subject tract families by Race and ethnicity as well as the percentage of families in poverty
2. Development Plan and Financial Plan Submittal
 - 2.1. Budget, cost control and results.
 - 2.2. Predevelopment and development budgets and operating budget
 - 2.3. Sources and Uses of Funds
 - 2.4. Cash flow projections, assumptions
 - 2.5. Stream of Income allocation between RHA and Development Partner for all revenue sources. Include approaches for RHA providing guarantees at the time of development partner's exit from the Partnership.
 - 2.6. Legal description and street address
 - 2.7. Preliminary construction/rehabilitation estimate

- 2.8. Provide an execution plan including schedules with tasks on how this work will be accomplished.
3. Other Considerations
 - 3.1. Provide any additional information that will facilitate RHA's review of a proposal

Development Scorecard

The development scorecard is a separate file - See Appendix 1

Total Public Benefit

Total Public Benefit, as calculated by the submitter and verified by RHA, shall equal or exceed 90% of the property tax savings as a threshold requirement. To calculate the Total Public Benefit the addition of the Rental Delta and payments or PILOTS as the numerator, is divided by the total property tax savings for the same period, as the denominator.

Proof of Site Control

RHA requires that the Developer evidence proof of site control as a threshold requirement for being considered in response to the QBS. This evidence of site control can be accomplished through any of the following:

1. A deed showing ownership of the property in the applicant or an affiliate entity;
2. A purchase and sale contract or option agreement between the property owner and the applicant or an affiliate; or
3. A binding letter of intent to enter a purchase and sale agreement between the property owner and the applicant or an affiliate.

Signed Forms

Various forms required for procurement (non-collusion, conflict of interest, ownership, etc)

OTHER INFORMATION AND RHA EXPECTATIONS

Annual Report, Annual Audit and Compliance Reviews.

In addition to any audit requirements required by Texas Local Government Code Section 303.0426, if applicable, each year after project completion, a successful firm shall submit a Compliance Report for all affordable units to RHA that includes the tenant's name, unit number, household size, age (only in Senior Living, and sex of each household member, number of bedrooms, initial date of occupancy, lease renewal date, tenant gross income and percentage of Area Median Income (AMI) adjusted by family size, income source, rent, utility allowance (if applicable) and date of last income review. This Compliance Report (completed by a third party) must certify that tenant income and rents are in compliance with the terms of this QBS and any and all MOU's, term sheets, agreements, lease

agreements and regulatory agreements in addition, RHA will have the right to conduct compliance monitoring or an independent audit of compliance with income and rent restrictions in its sole discretion. Further, an annual audit prepared by an independent CPA firm in accordance with Generally Accepted Accounting Principles (GAAP) is required.

Fair Housing and Tenant Protections

Successful firms must certify that they will not discriminate based on a tenant's source of income. Source of income means lawful, regular, and verifiable income including, but not limited to, Housing Choice Vouchers, TANF and other subsidies provided by government or non-governmental entities, child support, and/or spousal maintenance.

Affirmative Marketing Plan

Successful firms must prepare and submit to RHA a written Affirmative Marketing Plan. Firms must comply with TDHCA's minimum Affirmative Marketing Plan requirements and are encouraged to utilize Form HUD-935.2A as a tool to prepare the Plan. Successful firms must notify RHA of available vacancies on a monthly basis, so that RHA can make Housing Choice Voucher holders aware of available units.

Appraisal

For existing properties, Developer must submit an appraisal of the property with its QBS response, which appraisal shall be performed by a member of the Appraisal Institute (MAI).

RHA understands that the appraisal may take some time to complete, so RHA is willing to take the resolutions for the property to the Board of Commissioners for approval without an appraisal in hand; however, while the Board may approve the Resolution without the appraisal, the MOU will explicitly state that it is subject to the review and approval of the appraisal.

T-12 / Proforma

For existing properties, Developer must submit the property's operating statement for the immediately preceding 12 months. For all properties a 10 year proforma must be submitted showing sources, uses, operating costs, defined assumptions, loans, IRR and other regular and routine proforma items.

REQUIREMENTS BY TRANSACTION TYPE

Low Income Housing Tax Credit Transactions

Minimum Financial Return to RHA

For Low Income Housing Tax Credit Transactions RHA will receive a minimum of 10-15% of cash flow and 15% of a capital event in the waterfall, or a fixed ground lease payment, or a combination of the two.

Developer Fee

Developer and RHA or its designated affiliate shall execute a Co-Developer Fee Sharing Agreement that provides that RHA or its designated affiliate be paid at least 25% of the Development Fee, as and when paid to the Developer.

Transactions Pursuant to Section 303 of the Texas Local Government Code

Affordability Standards

Rents on affordable units shall be capped at 30% of 60% of AMI or 80% of AMI, as applicable, adjusted by family size. Income screening for the affordable units shall consider the income of everyone living in the unit and not just the person listed on the lease. In addition, rent levels must be reduced to accommodate a utility allowance for any tenant-paid utilities in accordance with the utility allowances established by RHA, which are generally updated on an annual basis. A successful firm will provide that at least five (5) units to be made available for Housing Choice Voucher Program (HCVP) voucher holders, and that if the applicable HCVP payment standard as published by RHA is lower than the rents being charged at the project, the project will reduce the rent for those five (5) units to allow HCVP voucher holders to occupy the units and pay no more than 30% of adjusted income as their share of the rent.

At least 30% of all units in the project must be reserved for occupancy by individuals and families earning no more than 80% of the area median family income, as established by the U.S. Department of Housing and Urban Development. At least 20% of all units at the project must be reserved for occupancy by individuals and families earning no more than 60% of the area median family income, as established by the U.S. Department of Housing and Urban Development, subject to any more restrictive affordability standards required by Section 303.0421 of the Texas Local Government Code. For properties located in municipal utility districts, at least 40% of all units in the projects must be reserved for occupancy by individuals and families earning no more than 80% of the area median family income, as established by the U.S. Department of Housing and Urban Development and at least 10% of all units at the

project must be reserved for occupancy by individuals and families earning no more than 60% of the area median family income, as established by the U.S. Department of Housing and Urban Development, subject to any more restrictive affordability standards required by Section 303.0421 of the Texas Local Government Code.

Acquisition Fee

An "Acquisition Fee" at least equal to .75% of the project's total development cost ("TDC") as estimated at the time of closing (the "Estimated TDC"), shall be paid to RHA or its designated affiliate at the closing on the financing and syndication, as applicable, of the transaction. In the event the Estimated TDC is more than the actual TDC calculated 36 months after closing, the Developer shall cause the project owner to make a "true up" payment to RHA or its designated affiliate in an amount sufficient to cause that sum of the Acquisition Fee payments made to RHA or its designated affiliate equivalent to .75% of the project's TDC.

Minimum Financial Return to RHA

All proposals should include a minimum financial return to RHA of 1) an annual compliance fee of at least \$40,000 increasing by 3% per year to cover costs of overseeing compliance fully covered by the developer and chosen by the RHA; 2) an administrative fee equal to the greater of \$25,000 and .50% of gross revenues and 3) either a fixed ground lease payment or minimum return of cash flow in each calendar year equal to 15% of cash flow (after payment of preferred returns). To the extent that in any calendar year RHA does not receive this minimum return, the amount will accrue and be payable in future years or from sale proceeds from the project.

From the proceeds of sales and other capital events, RHA shall receive the greater of (a) 1% of the gross sales price or (b) 15% of residual proceeds (after payment of a preferred internal rate of return).

This is the minimum financial return to RHA. Projects that offer a higher return to RHA may be viewed more favorably. Any party responding to this QBS will be assumed to have agreed to this minimum financial return to RHA.

Sales Tax Savings Fee

If new construction, 25% of estimated sales tax savings to be paid as follows: (i) 25% at closing, (ii) 25% at 50% completion, and, (iii) subject to reconciliation, the balance at completion.

LURA Requirement

There will be a requirement that the LURA remain in place for at least 20 years, without regard to whether the property is sooner sold.

Rehabilitation Expenditures

For acquisitions of existing properties, RHA requires the Developer to provide a detailed plan of the repair and rehabilitation expenditures planned for the project as a threshold requirement for being considered in response to the QBS. Please detail:

- a. Initial rehabilitation plans and expenditures; and
- b. Planned expenditures and/or reserved for ongoing repairs.

Additionally, QBS responses must demonstrate that not less than 15 percent of the total gross cost of the existing development will be expended on rehabilitating, renovating, reconstructing, or repairing the development, with initial expenditures and construction activities as per Section 303.0421(b)(3)(A) of the Texas Local Government Code.

Sale of Leasehold Interest

A. Sale of the leasehold interest will be allowed once construction of the property is complete (for new construction) and the property has reached stabilization. For acquisitions, sale of the leasehold will be allowed once the property has reached compliance with the income and rental restrictions. In all cases, transfer of the leasehold interest will be subject to approval of the housing authority of the proposed new owner of the leasehold estate. Any such approval of RHA will be in its reasonable discretion. Upon transfer of the leasehold interest, a 1% transfer fee shall be paid to RHA starting with the first such transfer of the leasehold interest. The 1% transfer fee shall be calculated on the purchase price of the leasehold interest. All subsequent transfers shall also require a transfer fee in the amount of 1% of the purchase price. On the first transfer of the leasehold interest, no transfer fee will be charged as long as RHA receives proceeds from the sale at least equal to 1% of the purchase price. If not, RHA will receive a transfer fee on the first transfer of the leasehold estate equal to 1% of the purchase prices less the amount received by RHA as sale proceeds. Upon transfer of the leasehold estate, the Lease Agreement shall require the purchaser of the leasehold interest to make annual payments to RHA in the amount of 12% of the property sales tax savings for the preceding year.

Payment Delivery

All payments due to RHA for a given calendar year shall be remitted to RHA on or before March 31 of the immediately following calendar year. To ensure availability of

such fees on the due date, 1/12 of any such fee shall be escrowed monthly prior to any distribution of cash flow.

Transactions Pursuant to Section 392 of the Texas Local Government Code (without LIHTCs)

Affordability Standards

Rents on affordable units shall be capped at 30% of 60% of AMI or 80% of AMI, as applicable, adjusted by family size. Income screening for the affordable units shall consider the income of everyone living in the unit and not just the person listed on the lease. In addition, rent levels must be reduced to accommodate a utility allowance for any tenant-paid utilities in accordance with the utility allowances established by RHA, which are generally updated on an annual basis. A successful firm will provide that at least five (5) units will be made available for Housing Choice Voucher Program (HCVP) voucher holders, and that if the applicable HCVP payment standard as published by RHA is lower than the rents being charged at the project, the project will reduce the rent for those five (5) units (or more) to allow HCVP voucher holders to occupy the units and pay no more than 30% of adjusted income as their share of the rent.

At least 30% of all units in the project must be reserved for occupancy by individuals and families earning no more than 80% of the area median family income, as established by the U.S. Department of Housing and Urban Development. At least 20% of all units at the project must be reserved for occupancy by individuals and families earning no more than 60% of the area median family income, as established by the U.S. Department of Housing and Urban Development.

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- c. Initial rehabilitation plans and expenditures; and
- d. Planned expenditures and/or reserves for ongoing repairs.

Payment Delivery

All payments due to RHA for a given calendar year shall be remitted to RHA on or before March 31 of the immediately following calendar year. To ensure availability of such fees on the due date, 1/12 of any such fee shall be escrowed monthly prior to any distribution of cash flow.

NEXT STEPS:

Applications are processed 3 times a year in March, July, and November. Upon receipt of a complete application, RHAPFC staff will commence processing the applications according to the time-line below:

Applications received:

January - February scored and presented at March Board meeting

May - June scored and presented at July Board meeting

September - October scored and presented at November Board meeting

Accepted applicants will be notified upon approval by the RHAPRC Board of Directors. Upon approval of the RHAPFC Board of Directors, a signed term sheet or MOU will be provided to Applicant. The entire process, from submission of a complete application to final approval, is anticipated to take 3 to 6 months. The RHAPFC reserves the right to amend the timeline and approval process at any time.

RHA Development Score Card

Category	Maximum Points	Score	Basis for Scoring
Depth of Affordability	25		List the number and percent of affordable units by AMI: more points for serving 30% AMI or 40% AMI at some level, more points for serving more than 50% affordable
Total Public Benefit %	20		90% - 10 points 94% - 15 points 97% - 20 points 100% - 25 points
Term of Affordability	15		What are the number of years units are restricted as affordable? 20 years - 5 points, 30 years - 7 points 60 years - 10 points, 99 years - 15 points
Rent Discounts	20		What percentage of public benefit is for rent discounts? Over 50% 5 points, over 60% points 10 points, over 70% 15 points
Flood Plain	5		Is the parcel in the 500 year Flood Plain? Are any buildings in the 500 year Flood Plain? Not in flood plain - 5 points
Fixed Ground Lease	5		5 points for fixed ground lease 0 points cash flow proceeds
Unit Mix	5		List % of the affordable units 2 bedroom units or larger? At least 10% 1 points, at least 20% 3 points, over 25% 5 points
Mix with Market Units	5		Does the project include 20% or greater market units? 5 points
Total	100	0	