



REQUEST FOR QUALIFICATIONS (RFQ)

FOR FAIRCLOTH-TO-RAD PROJECTS

WITHIN THE BOUNDARIES OF THE CITY OF SAVANNAH

Virtual Workshop on May 8, 2023, at 10 AM EST

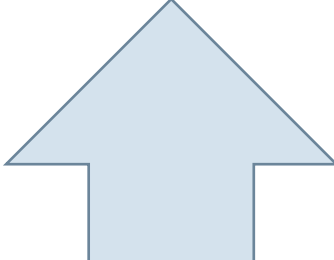
AGENDA

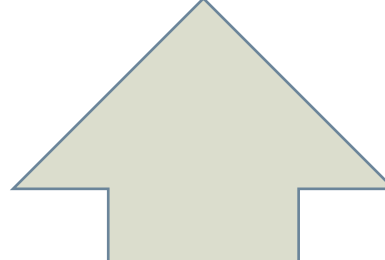
- Introductions
- Some “housekeeping”...availability of materials, Q&A
- HAS RFQ Goals
- 10:00 - 10:40 { • Overview of the Faircloth-to-RAD program
- HAS RFQ Requirements, updates (Addendums), deadline
- Anticipated timeline
- HUD Resources
- 10:40 - 11:00 { • Questions and Answers

HAS RFQ GOALS

- Utilize the Faircloth-to-RAD program to activate existing federal authority to create **new multifamily housing** with a deeply rent-assisted component
- Ensure long-term affordability through contractual, reliable rental subsidy
- Select projects from reputable developers and owners of multifamily rental properties with a shared mission of increasing supply of housing units restricted to families of very low income in Savannah
- Through selection of multiple projects, spread the new supply of affordable units throughout different neighborhoods
- In continuous collaboration with development partners, utilize this first offering of 200 units as an opportunity to acquire the necessary knowledge for future F2R solicitations

FAIRCLOTH-TO-RAD

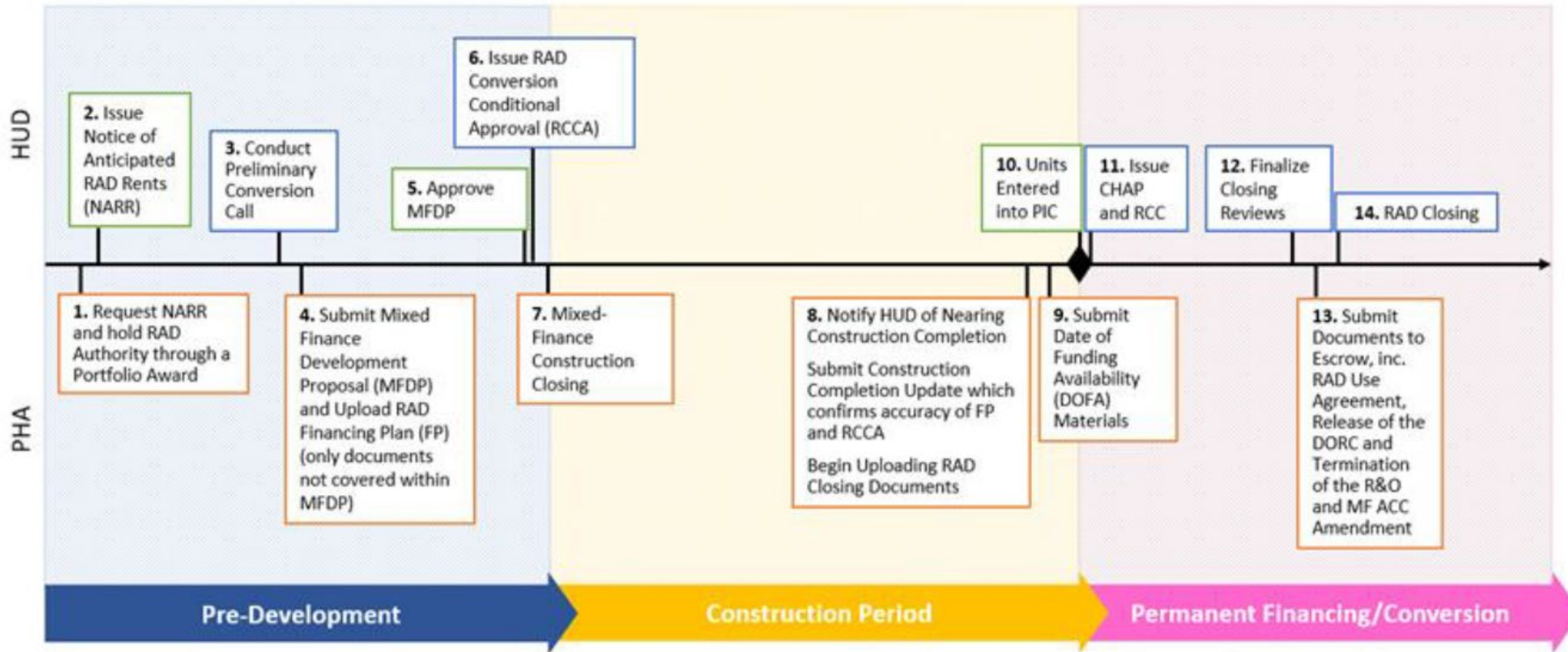
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- The 1998 Faircloth Amendment: a Limit of 2,356 public housing units to be owned and operated by HAS
 - 681 units converted to RAD, 918 still active
 - Current Faircloth Authority enabling HAS to develop additional **757** public housing units in Savannah

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- Rental Assistance Demonstration program authorizing the conversion of public housing units to Section 8, hence allowing PHAs to leverage public and private debt and equity to preserve / improve units
 - Long term Section 8 contract ensures continuous affordability
 - Annual rent adjustments (OCAF)
 - Resident protection

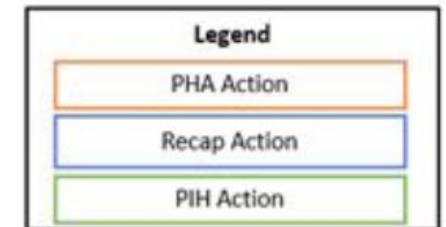


- Development of public housing units under the mixed-finance program, with pre-approval for conversion to a Section 8 contract after construction. Merged and **streamlined** processes
- RAD supporting financing the development of units under PHA's Faircloth Authority
- More predictable rents than in regular mixed-finance deals, facilitating underwriting by lenders and investors
- A new 2021 Program with regulations subject to change

FAIRCLOTH-TO-RAD PROCESS



Note: The PHA has the option to begin leasing units as public housing or wait to lease as Section 8 after the units have completed the RAD conversion process. If units are leased as public housing, the PHA would have to execute new leases with the tenants in conjunction with the RAD Closing. Requirements of RAD Notice Rev-4 regarding resident notification and meetings must be met. For example, if residents move in after RCC and before closing, the resident notification and meeting requirements applicable to the period between RCC and RAD Closing must be met. See Guidance on Faircloth to RAD conversions for more information.



FINANCIAL CONSIDERATIONS

- Contract Rents under Faircloth-to-RAD (F2R) are based on estimated Operating Fund, Capital Fund, and Tenant Rents levels. For new F2R units, due to anticipated low maintenance cost, Capital Fund levels are lower in comparison to rents in active, aging public housing units. PHA comparable, location and building type also play a role in rent determination
- Rents in the **Notice of Anticipated RAD Rents (NARR)** are used in underwriting. Rents posted on HAS Addendum I are therefore for inclusion in Preliminary Conceptual Plans only
- Capital Fund allocation is nonexistent in first year of new F2R projects, hence, is fundamental for the budget to account for initial operating deficit. Funding based on contract rents begins on January 1 of first calendar year after conversion
- Proposals should include expected economic participation of HAS – development budget and operating proforma disclosing the need for project’s gap financing and predevelopment loan, as well as anticipated business terms and fee-sharing structure



RFQ REQUIREMENTS

For **New Construction** Projects

- Statement of Qualifications
- Project location and site control docs
- Site plan
- Phase I Environmental Assessment
- Market Study
- Appraisal (if with acquisition)
- Building type
- Common Areas and Amenities
- Property Management and Ownership structures
- Description of green initiatives
- **Development budget**
- **Operating proforma**
- **Unit mix and brief narrative on other forms of rental assistance**

Evaluation Factors

- Qualifications: ability to implement project and proposer's past performance (20 points each)
- Project readiness and feasibility (20 points)
- Complete submission (10 points)
- Green initiatives (10 points)
- Projects in Qualified Census Tracts (10 points)
- Proposal's organization and appearance (10 points)

Accepted as a **Preliminary Conceptual Plan** before the deadline. HAS providing feedback

For **Rehabilitation Projects**
Add Physical Needs Assessment and
Rehab Scope

RFQ UPDATES!

Since release of solicitation in December 2022, two Addendums have been posted:

Addendum I, issuance on April 7th

- Average rents of RAD units managed by HAS have been posted to facilitate development of preliminary proformas
- Confirmation on annual rent increase in accordance with Operating Cost Adjustment Factor (OCAF)
- Site control and availability of HAS-owned sites for development with [SAGIS link](#)
- Potential availability of HAS funds to cover a portion of predevelopment expenses
- HAS welcoming Preliminary Conceptual Plans with preliminary project info for threshold review

Addendum II, issuance on April 20th

- Description of expected content of Preliminary Conceptual Plans
- Extension of RFQ deadline to December 31, 2023
- Confirmation of this workshop



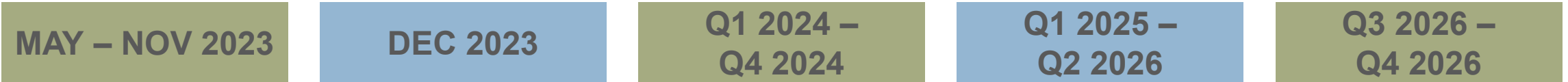
Submission of one original-signature copy, four exact copies and one electronic copy of proposal. Hard copies must be delivered by the deadline



ANTICIPATED TIMELINE

(SUBJECT TO CHANGE IN ACCORDANCE TO DEAL READINESS, STRUCTURE, AND FINANCING)

Are you ready before December?
Let's go!



- MAY – NOV 2023**
Submission of Preliminary Conceptual Plan
- DEC 2023**
Deadline for submission of final project info / complete proposals
- Q1 2024 – Q4 2024**
Predevelopment activities
 - Execution of Development Agreement
 - HAS submission of request for NARR
 - Applications for funding
 - Submission of Mixed-Finance Development Proposal
- Q1 2025 – Q2 2026**
Construction
 - Mixed Finance closing in Q1 2025
 - Submission of RAD docs before construction completion in Q1 2026
 - Construction Completion in Q2 2026
- Q3 2026 – Q4 2026**
Post-Construction
 - Submission of PIC and DOFA materials
 - CHAP and RCC availability
 - RAD Closing

IMPORTANT RESOURCES

HAS RFQ and published Addendums

<https://www.savannahpha.com/bids.html>

Faircloth-to-RAD HUD Guidance:

https://www.hud.gov/sites/dfiles/Housing/documents/Faircloth_Resource_Package.pdf

Mixed-Finance webpage:

[Mixed Finance and Public Housing - HOPE VI - Public and Indian Housing | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](https://www.hud.gov/officeofpublichousing/mixed-finance-public-housing)

RAD Resource Desk:

[RAD Resource Desk](#)





Thank you for participating!