To: Albuquerque Housing Authority Board of Housing Commissioners

From: Dan Foster, Housing Development Director

Date: November 18, 2020

Re: Executive Communication 2020-06, Request for Proposal (#P2125) AHA Remodel of 6100 Harper – Contract Award

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Background: In 2012, Congress authorized the Rental Assistance Demonstration (RAD) to test a new way of meeting the large and growing capital improvement needs of the nation's aging public housing stock. Properties "convert" their assistance to long-term, project-based Section 8 contracts. These new contracts provide a more reliable source of operating subsidy that allow PHAs and owners to safely leverage private capital – typically debt and equity – in order to finance the property rehabilitation or replacement.

On August 18, 2018 the AHA Board of Housing Commissioners approved Resolution 2018-15 Authorizing Submission of HUD Rental Demonstration Assistance Program Applications for 6100 Harper to allow for the use of Low Income Housing Tax Credits (LIHTC), public or private debt, and grant funds for the rehabilitation of the properties.

On February 20, 2020, the AHA Board of Housing Commissioners approved Resolution 2020-03, Regarding Financing the Rehabilitation of 6100 Harper authorizing: 1) the submission of an application by AHA to the New Mexico Mortgage Finance Authority for Low Income Housing Tax Credits; 2) the submission of applications, or issuance of solicitations, by AHA for any other public or private sources of funding needed to affect the acquisition and rehabilitation of 6100 Harper; 3) the Executive Director or her designee to enter in to a sale/purchase agreement for the buildings comprising 6100 Harper, at their appraised value, and enter in to a long-term lease commitment for the land with the to be formed limited partnership [note the structure has been modified so AHA will retain ownership of land and buildings, both of which will be leased to the partnership]; 4) the Executive Director or her designee to obligate AHA to provide limited financial guarantees or financial obligations related to the acquisition and rehabilitation of 6100 Harper as follows: a) Operating deficit guarantees, low income housing tax credits delivery guarantees, repurchase guarantees, and similar financial obligations using, and not to exceed the amount of, unrestricted cash earned from developer fees and the sale of non-public housing units; b) construction completion guarantees, using and not to exceed the amount of, the balance of funding available in the Local Government Investment Pool (LGIP) from the sale of public housing units, as approved by HUD; and c) seller financing for the acquisition of the buildings at 6100 Harper, to be repaid from available cash flow, at a rate and term to be determined; and 5) the Executive Director or her designee to make other necessary and proper decisions needed to move the project forward.

AHA issued a Request for Proposal (#P2125) AHA Remodel of 6100 Harper. The RFP was posted through the National Association of Housing and Redevelopment Officials (NAHRO) procurement advertisement website. AHA received four proposals before the proposal deadline. Proposals were received from Pavilion Construction, LLC, Tofel Dent Construction, Gibraltar Construction Co., Inc., and J4 Development, Inc.

Discussion
Proposals received by AHA were evaluated based on a number of factors as outlined in the table below.

Factor Type	Maximum Points
Experience	20
Capacity	20
Approach & Methodology	25
Price/Fee	20
Section 3 Business	15

The proposals Pavilion Construction and Tofel Dent Construction were ranked highest by all review committee members with Pavilion ranking at the top based on price.

Recommendation
Staff requests Board approval to execute a contract with Pavilion Construction in an initial amount not-to-exceed $5,700,000.00 (excluding gross receipts tax) for the remodel of the 6100 Harper pending successful negotiations. In the event that negotiations fail with Pavilion, staff requests Board approval to execute a contract with Tofel Dent Construction in an initial amount not-to-exceed $5,700,000.00 (excluding gross receipts tax) for the remodel of the 6100 Harper, pending successful negotiations.

By voting to formally approve receipt of this Executive Communication, the **AHA BOARD OF HOUSING COMMISSIONERS**, the governing body of the AHA does:

1. Authorize the Executive Director, at the Executive Director's discretion, or designee to execute a contract with Pavilion Construction in an initial amount not-to-exceed $5,700,000.00 (excluding gross receipts tax) for the remodel of the 6100 Harper as contemplated in Request for Proposals #P2125, pending successful negotiations.

2. In the event that negotiations fail with Pavilion, Authorize the Executive Director, at the Executive Director's discretion, or designee to execute a contract with Tofel Dent Construction in an initial amount not-to-exceed $5,700,000.00 (excluding gross receipts tax) for the remodel of the 6100 Harper, pending successful negotiations.

PASSED and ADOPTED this 18th day of November 2020.
BY A VOTE OF 5 FOR, AND 0 AGAINST.

Members Absent: _____
Members voting against: _____

ALBUQUERQUE HOUSING AUTHORITY
BOARD OF HOUSING COMMISSIONERS

By: /s Rebecca Robinson
Rebecca Robinson, Chairperson of the Board

ATTEST:

/s Linda Bridge
Linda Bridge, Secretary to the Board and Executive Director