

COUNTY OF MILWAUKEE  
Inter-Office Communication

**DATE:** November 16, 2018

**TO:** Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors

**FROM:** Mary Jo Meyers, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator, Housing Division*

**SUBJECT:** **An informational report from the Director, Department of Health and Human Services (DHHS), relating to the Housing Division's efforts to co-develop multi-family real estate**

**Issue**

The Milwaukee County Housing Division has launched the practice of co-development of multi-family real estate. The goal of co-development is for the Division to receive fair compensation for services it provides in making real estate projects a reality. Historically, Housing has been a partner in over a dozen Low Income Housing Tax Credit projects. The division would typically help subsidize these developments, create service plans, and find sites for developers without receiving any compensation for these services.

Traditionally, developers are allowed to pay themselves a development fee while a new project is under construction. This fee has typically been over \$1 million per project on top of the rent collected from the units. For years, Housing has been instrumental in helping developers get projects completed at no cost to the developer. Through this co-development initiative, the Housing Division will now capture a portion of the development fee and potentially a portion of cash flow.

Developer fees on real estate projects can vary dramatically based on the financing of each project. Fees and cash flow captured on market rate housing can be very different from projects that are funded by Low Income Housing Tax Credits. Fees also vary because a project could be 20 units or 200 units and the fees would be based on the total development cost. Because of these variables, it is difficult to accurately budget the revenue Housing will realize from co-development in advance of each project. The Division anticipates that the developer fees will be based on the overall contribution it brings to each real estate project.

Capturing revenue from co-development will be used to offset tax levy in the Housing Division. This revenue source is being used in part to fund the County's new Eviction Prevention Program included in the 2018 Budget.

This structure is not unique to Milwaukee County. Housing authorities around the country are often co-developers of multi-family housing and this is a very common structure in the Low Income Housing Tax Credit arena. The Housing Authority of the City of Milwaukee and the Dane County Housing Authority are local examples of this structure.

### ***Process for Qualifying Development Partners***

The Housing Division worked closely with County Procurement to develop a Request for Qualifications (RFQ) that would allow developers interested in co-development the opportunity to partner. Criteria for the RFQ (attached to this report) includes:

- Illustrating history of previous projects with an emphasis on affordable and or supportive housing
- Ability to secure financing for projects, both through public credits/grants and private financing
- In-house services, asset management, property management, construction services, social services
- Cooperation with the County on previous projects (this is not a heavily weighed criteria as the Housing Division is looking to expand its current list of developers and is interested in developing new relationships)

All developers were encouraged to respond to the RFQ and Housing worked with Procurement to promote this opportunity. It was the Housing Division's goal to have as many qualified developers respond to the RFP as possible and this included local and national partners. The first RFQ was released in the 3<sup>rd</sup> quarter of 2018 and Housing received 13 applicants that were deemed qualified to work with on future projects.

By announcing to the development community that the County is now interested in directly participating in the co-development of supportive and affordable housing, we anticipate developers coming to us with new and innovative ideas on how to serve the public. By being pre-qualified, developers can approach Housing with these opportunities and Housing can immediately begin evaluating the feasibility of the project. This prequalification allows the Housing team to respond in a timely manner which is not possible through the traditional Request for Proposals (RFP) process. Being able to respond quickly is vital in the highly competitive world of Tax Credit development. Housing anticipates the RFQ to be a rolling process, to allow future developers the opportunity to qualify thus expanding our opportunities.

The Housing Division's goal for co-development would be to earn revenue to allow for fiscal sustainability of its tax-levy funded homeless-related programs.

**Recommendation**

This report is for information only.



---

Mary Jo Meyers, Director  
Department of Health and Human Services

Attachment

cc: County Executive Chris Abele  
Raisa Koltun, County Executive's Office  
County Supervisor James "Luigi" Schmitt  
County Supervisor Supreme Moore-Omokunde  
Teig Whaley-Smith, Director, DAS  
Joseph Lamers, Director – Office of Performance, Strategy & Budget  
Steve Cady, Research Director, Comptroller's Office  
Lisa Wozny, Fiscal & Management Analyst, DAS  
Lottie Maxwell-Mitchell, Research & Policy Analyst, Comptroller's Office



**Milwaukee County  
Housing Division (MCHD)**

# **REQUEST FOR QUALIFICATIONS**

**RFQ #98180027**

**DATE ISSUED**

August 31, 2018

**RESPONSES MUST BE RECEIVED BY**

September 28, 2018

## TABLE OF CONTENTS

### **I INFORMATION AND INSTRUCTIONS TO CONTRACTORS INTERESTED IN SUBMITTING QUALIFICATION STATEMENTS**

- 1.Introduction
- 2.Scope of Work
- 3.Two Stage Selection Process
- 4.Schedule
- 5.General Information Process
- 6.Evaluation of Qualification Statement
7. Developer's Rights and Limitations
8. Addenda and Interpretations

### **II QUALIFICATION REQUIREMENTS AND FORM OF RESPONSE**

- 1.Definitions
- 2.Response Requirements
  - A. General Format
  - B. Cover Letter
  - C. Table of Contents
  - D. Executive Summary
  - E. Project Team
  - F. Key Staff Experience and Resumes
  - G. Developer's Past Experience and Capabilities

### **APPENDIX – A**

Evaluation Criteria – Form 1

### **PART I – INFORMATION AND INSTRUCTIONS TO CONTRACTORS INTERESTED IN SUBMITTING QUALIFICATION STATEMENTS**

#### **1. INTRODUCTION**

The Request for Qualifications (RFQ) will be utilized to pre-qualify and shortlist Developers capable and experienced in the design, development, financing, and operational management of multi-family supportive housing. The shortlisted developers will be invited to develop a bid proposal to provide services as detailed

in the bid documents. *If you have already submitted and qualified for the shortlist, you do not need to resubmit. This will be a quarterly posting.*

The receipt of a response to this RFQ by MCHD shall not bind or obligate MCHD in any manner. It is not the intention of MCHD to receive project specific design, engineering or integration recommendations as part of this RFQ. Developers should limit their submittals to the information requested in Part II of this RFQ.

It is the policy of MCHD that Targeted Business Enterprises (TBE's), certified by Milwaukee County or another recognized agency in accordance with 49 CFR Part 26, shall have the maximum opportunity to compete for awarding of contracts as professional, technical and non-technical service providers to MCHD. MCHD shall qualify and award service contracts without regard to race, religion, color, creed, national origin, gender, age or handicapping condition. MCHD's service contracts are subject to the requirements of Wisconsin law, and all other agencies having jurisdiction. The contract for this project will be awarded in accordance with the applicable laws of Wisconsin.

## 2. SCOPE OF WORK

The Housing division is looking for partners who have experience in developing affordable and supportive multi-family properties, to participate in the co-development of future projects within Milwaukee County.

Future projects developed will have a portion or all units reserved exclusively for Housing Division programs in most cases.

Partnerships will be non-exclusive. The County will retain a list of qualified applicants for a term of 5-years and select developers on a per-project basis based on qualification/strength. Decisions to award will be made at the sole discretion of the Housing Division.

Future projects may be identified by the Developer or the Housing Division. Qualified applicants are free to approach the County with potential projects after the RFQ is complete.

Developers must show:

- History of successful affordable and supportive housing projects in Milwaukee County or Metro area.
- Ability to work cooperatively with the County regarding the development process including; financing, zoning and municipal approvals,
- In-house services you can provide, including but not limited to; Architectural design, Construction services, Property Management, and grant writing.

REQUEST FOR QUALIFICATIONS  
MCHD # 98180027

- Historical ability to secure financing, including but not limited to; low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, tax-exempt bond financing, financing utilizing Department of Housing and Urban Development programs, and conventional financing.
- History of owning and managing properties that work with Housing Division customers
- History of working with local hiring and DBE minority owned subcontractors during construction and managing operations.

**3. TWO STAGE SELECTION PROCESS**

MCHD intends to utilize a two-phase selection process for final design and construction services for future projects. This Request for Qualification Statements is the first phase of the selection process. Upon receipt and review of the Qualification Statements, MCHD intends to shortlist Developers based on the information contained in the Form of Response and Evaluation Criteria outlined in this document. The selected Developers will receive an invitation to submit a Proposal to perform the Work for future projects. MCHD reserves the right, in its sole discretion, to pre-qualify as many Developers as it deems to be in the best interest of MCHD.

**4. SCHEDULE**

The following schedule outlines the anticipated activities and dates related to the overall selection process and award of contract.

August 31, 2018	Issue RFQ
Sept 14, 2018	Final questions due by 4:00pm CST
Sept 17, 2018	Issue Final Addendum-if necessary
Sept 28, 2018	Qualification Statements due by 4:00pm CST

**5. GENERAL INFORMATION PROCESS**

Request for Qualification Documents will be available from <https://countymilwaukee.bonfirehub.com/opportunities/>. Please contact **Lacy Parson at (414) 223-8109** or at [lacy.parson@milwaukeecountywi.gov](mailto:lacy.parson@milwaukeecountywi.gov) for information.

Responses resulting from this solicitation may be modified or withdrawn prior to the time set for the opening. After the time set for the opening, no response may be modified or withdrawn.

## 6. EVALUATION OF QUALIFICATION STATEMENTS

Developer selection shall be qualifications-based. Please do not include any rates, fees or other fiscal information in your qualifications statement. Milwaukee County reserves the right to accept or reject any and all qualifications statements, issue addenda, request clarification, waive technicalities, alter the nature and/or scope of the proposed project, request additional submittals, and/or discontinue this process.

**The Qualification Statements will be evaluated to select a shortlist of Pre-Qualified Respondents who will be invited to participate in the bid process.** A short list of Pre-Qualified Respondents will be selected who, in MCHD's sole judgment, are determined to be the most qualified to perform the Work.

Evaluation of Qualification Statements will be made based on the evaluation criteria and weighting formula found in Form 1 in Appendix A.

Each statement will be evaluated according to the following process to determine how well it meets the Evaluation Criteria outlined in Appendix A

Step One: Determine whether the Pre-Qualification Statement presented by the Respondent meets the Minimum Requirements found in this document and outlined in Part II. Those Statements failing to meet the minimum requirements, including completeness, format and content, may be rejected without further evaluation.

Step Two: Verify and substantiate all information presented in each statement. Respondents may be asked to revise, clarify and/or provide additional information during the review process. These requests will require prompt action by the Respondent. Qualification statements, which pass Step One successfully, will be evaluated by the Review Team according to the Evaluation Criteria. The Review Team consists of MCHD staff and other evaluators as the Authority determines appropriate.

MCHD reserves the right to reject any and all Qualification Statements. MCHD also reserves the right to waive any irregularities or technicalities.

MCHD reserves the right to reject any Respondent who does not satisfy MCHD as to its ability to perform the work successfully.

## 7. DEVELOPERS RIGHT AND LIMITATIONS

Any formal protest which is to be made by an aggrieved Developer concerning the pre-qualification solicitation or the evaluation of Qualification Statements must be submitted in writing to [lacy.parson@milwaukeecountywi.gov](mailto:lacy.parson@milwaukeecountywi.gov) and must be submitted within ten (10) days after such Developer knows or should have known of the facts giving rise thereto. The protest shall include a clear and detailed statement of the basis upon which it is filed. The failure of the Developer to file any protest within the time limits prescribed herein, shall be deemed a material prejudice to the interests of MCHD and shall constitute an absolute waiver of the protest and the right to thereafter prosecute same.



## 8. ADDENDA AND INTERPRETATIONS

Any prospective Developer desiring an explanation or interpretation of the Request for Qualifications (RFQ) must request it in writing. Any information given to a prospective Developer concerning a solicitation will be furnished promptly to all other prospective Developers as an addendum to the RFQ, if that information is necessary in submitting a proposal or if the lack of it would be prejudicial to any other prospective Developer. All questions must be received at <https://countymilwaukee.bonfirehub.com/opportunities/> before May 15, 2018 at 4:00pm CST.

No interpretation, explanation, or clarification of the RFQ, including, without limitation, the Appendices and Exhibits hereto, or the Contract or any version thereof to be delivered pursuant hereto, by any official, consultant, attorney or other representative of MCHD will be considered authoritative or binding on MCHD unless contained in a written Addendum to the RFQ. MCHD will not be bound by any information, explanation, clarification, or any interpretation, oral or written, by whosoever made that is not incorporated into a written Addendum to this RFQ. All such Addenda shall become part of this RFQ and all Contractors shall be bound by such addenda.

All Addenda will be distributed to each designated representative receiving the Request for Qualification Statements, but it shall be each person's responsibility to make inquiry as to the Addenda issues. All such Addenda will become part of the Request for Qualification Statements and all Developers shall be bound by such Addenda, whether or not received by the Developers.

## PART II – QUALIFICATION REQUIREMENTS AND FORM OF RESPONSE

### 1. DEFINITIONS

As used in the Request for Qualifications, the following terms shall have the meaning set forth below.

<b>“Appendices”</b>	The appendices attached to this RFQ
<b>“Developer”</b>	Each Contractor, prime contractor, proponent, firm or project team proposing to perform the Work pursuant to this RFQ
<b>“MCHD”</b>	Milwaukee County Housing Division 600 W Walnut St, Suite 100 MILWAUKEE WISCONSIN 53212
<b>“May”</b>	Indicates something that is not mandatory but permissible
<b>“Project”</b>	The project contemplated by this RFQ and as described in this document
<b>“RFQ”</b>	This Request for Qualifications

“Services”	All services, tasks, functions, assignments, hardware, software and equipment associated with the final design, installation, construction, testing, training and start-up that are necessary or convenient for the successful completion of the Project
“Shall, Will, Must”	Indicates a mandatory requirement. Failure to meet these mandatory requirements will result in the rejection of the statement as non-responsive
“Statement”	Pre-Qualification response document developed by the contractor and provided to MCHD for review in response to this RFQ.

## 2. RESPONSE REQUIREMENTS

Developers are expected to carefully examine the scope of work required, the project objective, and all instructions in and attachments to the RFQ. Failure to do so will be at the Contractor’s risk. Responses will only be considered under this RFQ if the Contractor meets the minimum qualifications set forth in this Part of the RFQ document. Contractors are asked to provide a response in the same sequential order as presented in this document. Failure to meet the minimum requirements will result in disqualification from further consideration.

### A. GENERAL FORMAT

The Developers general form of response shall follow the outline noted below and include specific and relevant experience related to the scope of this Project. The response shall be posted to <https://countymilwaukee.bonfirehub.com/opportunities/>. Proposals shall represent the best efforts of the Developer and will be evaluated as such. Proposals must set forth full, accurate, and complete information as required by this RFQ.

Brochures or other presentations beyond those sufficient to present a complete and effective response to the solicitation are not desired and may be construed as unnecessarily elaborate and an indication of the Developer’s lack of cost consciousness. Elaborate art work, expensive paper and binding, and expensive visual and other presentation aids are neither necessary nor desired. Concise and clear proposals are sought. The proposal shall be kept to the page limit as described in the preceding paragraph.

All proposals will be retained by Milwaukee County and therefore will not be returned to the Contractor. The County will not pay for preparation of proposals or for the proposals that are retained by the County.

**Any proposal received after the exact time specified for receipt will not be considered. No proposal will be permitted to be modified unilaterally by the firm after the date and time specified for receipt of the proposal.**

**B. COVER LETTER**

A cover letter must be submitted with each Qualification Statement. The cover letter must be prepared on the letterhead of the Developer and signed by a representative who is empowered to enter into contracts with MCHD on the Developers behalf. The cover letter is intended to introduce the Developer and its team members. It must contain at least the following information:

1. Designation of the Person that will be the point of contact and who should receive all further correspondence related to the project.
2. General description of the project team including responsibilities of each team member.
3. Acknowledgment that the Developer has reviewed the RFQ in its entirety, identify addendums received, and understands and accepts the requirements including the Code of Ethics Requirements defined in Paragraph K.
4. Three key issues/examples that demonstrate the team's unique capabilities related to this Project.

**C. TABLE OF CONTENTS**

Qualification Statements must contain a detailed table of contents listing major sections and subsections that correspond to the requirements of the Request for Qualifications. The table of contents must also list all tables, appendices, and figures contained in the Qualification Statement.

**D. EXECUTIVE SUMMARY**

The purpose of the Executive Summary is to provide an overview of the Developer's qualifications to accomplish the Project. At a minimum, the Executive Summary must contain the following information:

1. Name and headquarter location of Developer
2. Primary location from which the work will be executed
3. Examples of major current and past (within the past 5 years) similar projects under Developer firms' management which are similar in size and complexity of this project.
4. A statement to indicate an understanding of the project requirements including a detailed description of the proposed approach to each part of the services required and key issues or concerns with this Project.
5. Specific capabilities and experience of the Development Team that the Developer believes will benefit MCHD.

**E. PROJECT TEAM**

REQUEST FOR QUALIFICATIONS  
MCHD # 98180027

Provide an Organization chart which clearly describes the duties and responsibilities of each participating team member and reporting structure of the organization. The chart should clearly define the firm responsible for the Work and key staff members assigned to complete the Work.

Provide a brief description of each team member, their overall duties and responsibilities on the project, background experience and relevant value added to this Project.

**F. DEVELOPER PAST EXPERIENCE**

The following minimum qualifications must be met either by the Prime Developer or by the Prime Developers sub-contractor(s). Together the team must meet the requirements noted below:

1. A minimum of five years' experience developing multifamily supportive housing in the Milwaukee area.
2. Experience operating and maintaining multifamily supportive housing.

Each project description must include the following information:

1. Project Name
2. Project Location
3. Owner Name and Contact information including mailing address, phone number and name and email address of primary point of contact – Please verify phone numbers
4. Project Scope Description
5. Completion Date
6. Project Cost
7. Key Staff

At least two projects must demonstrate that the Contractor performed similar work in metro areas of similar size and complexity to Milwaukee County and this project.

**G. IN-HOUSE CAPABILITIES**

Provide a list of services that your company can offer. Such as architectural design, construction services, grant writing, property management and any other relevant options.

**PROPERTY MANAGEMENT**

Provide current list of owned and managed properties.

**K. COOPERATION WITH MKE COUNTY REQUIREMENTS**

Please provide current or previous development projects or programs that included MCHD programming.

**L. TARGETED BUSINESS ENTERPRISE REQUIREMENTS**

Please provide statistics working with TBE and minority owned businesses.

While this procurement opportunity does not have a specific participation goal established by Community Business Development Partners, all respondents to this solicitation are hereby directed to use active and aggressive efforts to assist Airport in participation of Targeted Business Enterprise (TBE) firms on Airport procurements. The directory of certified firms, and further assistance with this initiative, can be obtained by contacting the Community Business Development Partners Department of Milwaukee County (CBDP) at (414) 278-4747, or [cbdp@milwaukeecountywi.gov](mailto:cbdp@milwaukeecountywi.gov). The directory of TBE firms currently certified in the State of Wisconsin can be found at: <http://wisconsin.gov/Pages/doing-bus/civil-rights/dbe/certified-firms.aspx>

**M. CODE OF ETHICS REQUIREMENTS**

Contractors submitting qualifications statements shall follow Milwaukee County Code of Ethics as follows: No person(s) with a personal financial interest in the approval or denial of a Contract being considered by a County department or with an agency funded and regulated by a County department, may make a campaign contribution to any County official who has approval authority over that Contract during its consideration. Contract consideration shall begin when a Contract is submitted directly to a County department or to an agency until the Contract has reached final disposition, including adoption, County Executive action, proceeding on veto (if necessary) or departmental approval. Contractor shall confirm, in writing, they understand this.

**APPENDIX A**

**FORM 1  
EVALUATION CRITERIA**

The items below will determine the Contractors qualifications. Selected MCHD representatives will evaluate the information provided by the Contractor for each item. Each proposal will be evaluated using the criteria specified below.

	SUBJECT	CRITERIA	WEIGHT
1	History of Projects	Multifamily projects done in the metro area. Credit given for location, number of units, type of tax credits, total cost	25
2	History of Financing	Going back 5 years. Types of financing and credits awarded. Local, state, and Federal. Include types of projects they were applied to.	25
3	In-house Services	Number of services able to be provided in house; Architectural design, construction services, grant writing, property management, other	20
4	Property Management	List properties that are owned and managed.	10
5	Cooperation with County	Development projects or programs run that include Milwaukee County Housing Division programming	10
6	TBE Statistics	Previous utilization of TBE and minority owned businesses	10
		TOTAL SCORE	100