



HOUSTON
HOUSING AUTHORITY

Transforming Lives & Communities

RESOLUTION NO. 3443

At the meeting of the Houston Housing Authority Board of Commissioners, **May 17, 2022**, the following resolution was moved by **Kristy Kirkendoll** and seconded by **Stephanie Ballard**:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to negotiate, execute, and make necessary changes and corrections to a contract with Praxis Consulting Group, LLC., to provide consulting services for development financing related to tax credit projects and Rental Assistance Demonstration, (RAD) transactions at several properties across the Houston Housing Authority's portfolio, for an amount not to exceed \$200,000.00 per year, for a period of performance for two (2) year term with a 1-year option to extend pursuant to the memorandum from Jay Mason, Interim Director, REID dated May 2, 2022, to David A. Northern, Sr., President & CEO

A true and accurate copy of the vote is listed below, and a true and correct copy of the Resolution that was approved is attached hereto.

Name	Aye	No	Abstain	Name	Aye	No	Abstain
L. Snowden, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	G. Hernandez*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Kirkendoll, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A. Cooksey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Thomas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S. Ballard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

***Absent: G. Hernandez**

(SEAL)



DocuSigned by:

David A. Northern, Sr.

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David A. Northern, Sr., Secretary
HHA Board of Commissioners



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REQUEST FOR BOARD AGENDA ITEM

1. Brief Description of Proposed Item

Consideration and/or take action to authorize the President & CEO or designee to execute a contract with Praxis Consulting Group, LLC., to provide development finance consulting services for but not limited to tax credit projects and Rental Assistance Demonstration (RAD) transactions, at several properties across the Houston Housing Authority's portfolio.

2. Date of Board Meeting: May 17, 2022

3. Proposed Board Resolution:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to negotiate, execute, and make necessary changes and corrections to a contract with Praxis Consulting Group, LLC., to provide consulting services for development financing related to tax credit projects and Rental Assistance Demonstration, (RAD) transactions at several properties across the Houston Housing Authority's portfolio, for an amount not to exceed \$200,000.00 per year, for a period of performance for two (2) year term with a 1-year option to extend pursuant to the memorandum from Jay Mason, Interim Director, REID dated May 2, 2022, to David A. Northern, Sr., President & CEO.

4. Department Head Approval Signature Jay Mason Date: 5/11/2022
DocuSigned by: FB1ADD8791F24F3

5. Statement regarding availability of funds by VP of Fiscal Operations
Funds Budgeted and Available Yes No Source Property Funds / Capital Funds / Development Funds depending on task

VP of FO Approval Signature Mike Rogers Date: 5/11/2022
DocuSigned by: 3FC87AD41107420...

6. Approval of President & CEO Signature David A. Northern Sr. Date: 5/11/2022
DocuSigned by: 9E0B1D8C1AF04AA



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MEMORANDUM

TO: DAVID A. NORTHERN, SR., PRESIDENT & CEO
FROM: JAY MASON, INTERIM DIRECTOR, REID
SUBJECT: CONSIDERATION AND/OR TAKE ACTION TO AUTHORIZE THE PRESIDENT & CEO OR DESIGNEE TO EXECUTE A CONTRACT WITH PRAXIS CONSULTING GROUP, LLC., TO PROVIDE DEVELOPMENT FINANCE CONSULTING SERVICES FOR BUT NOT LIMITED TO TAX CREDIT PROJECTS AND RENTAL ASSISTANCE DEMONSTRATION (RAD) TRANSACTIONS, AT SEVERAL PROPERTIES ACROSS THE HOUSTON HOUSING AUTHORITY'S PORTFOLIO
DATE: MAY 2, 2022

This memorandum recommends that the Houston Housing Authority Board of Commissioners authorizes the President & CEO to take all necessary actions to negotiate, execute and make necessary changes and corrections to a contract with Praxis Consulting Group, LLC., to provide development finance consulting services for but not limited to tax credit projects and Rental Assistance Demonstration, (RAD) transactions, at several properties across the Houston Housing Authority's portfolio.

BACKGROUND:

HHA intends to execute a Development Consultant agreement for a two (2) year term and a 1-year option to extend with an experienced Development Consultant (the "Consultant"), to which the Consultant will provide professional oversight for Real Estate Development not limited to:

1. Providing technical assistance, guidance, and structured training to HHA's staff to facilitate project plan development and execution of HHA's New Development/Redevelopment projects.
2. Assisting HHA's staff in submitting funding applications, including but not limited to Low Income Housing Tax Credits (LIHTC), Community Development Block Grant Funds (CDBG/CDBG-DR), HOME, Choice Neighborhood Grant, Capital Fund Financing Program (CFFP), Affordable Housing Fund (AHP), Renewal Energy Tax Credits, and Historic Tax Credits; or any other such projects as may be needed. Assist HHA in preparation of submittal of Mixed-Finance Proposals.
3. Developing financial projections for each redevelopment scenario; financial projections should include a range of possible financing sources that will maximize the leverage of HHA Funds.
4. Assisting with the:
 - 4.1 Identification and utilization of a multitude of project financing options; with specific expertise regarding - LIHTC, CFFP, CDBG, bond financing, and other HUD grant opportunities.
 - 4.2 Determination of HHA's role in the development process.

- 4.3 Creation of development partner selection criteria and methodology and advising HHA throughout the development process as needed.
- 4.4 Solicitation and selection of developer(s), financial partner(s), and other partners including, but not limited to, lenders, equity providers, architects, engineers, and planners. Assist HHA in the procurement of private development partner(s) and in negotiating agreements with them. Provide technical assistance to HHA staff when working with development partner(s), development negotiating developer partner agreements, fees, and expense reimbursements.
5. Assisting HHA with the necessary HUD processes and submittals, including, but not limited to, acquisition and disposition applications to HUD's Special Application Center (SAC), FHA Financing applications, Mixed-Finance application(s), Project-Base Section 8, etc.
6. Preparing and assisting in the maintenance of a timeline for project implementation to include application deadlines and benchmarks with respect to a project and consulting with HHA's authorized representative to update the schedule periodically.
7. Being available throughout the development process to provide advisement and guidance to HHA for the effective completion of the Development projects.
8. Evaluating and providing expert advice to HHA staff regarding the developer's pro forma, operating statements, and adequacy of reserves. Analyze the developer's proposed financing strategy and structure as it relates to public housing and mixed-finance regulations and policies to ensure that there are no statutory and/or regulatory incompatibilities. Provide technical assistance regarding structuring HHA's ownership interests.
9. Obtaining demographic and housing market analysis to the extent necessary to support HHA regarding community and market conditions as it concerns uses and other neighborhood improvements to maximize the highest and best use of Development projects.
10. Providing other support activities for each of the following development phases; Strategic Planning, Predevelopment, Development, Construction, Lease and Operations, Project Completion, and Construction Close-Out.
11. Conduct staff training in:
 - 11.1 Project development and analysis, including pro forma creation and analysis; LIHTC, other financing tools as appropriate, project management, and development tracking. Provide and produce necessary materials as it relates to each project assignment.
 - 11.2 Development activities and other related activities that may arise from time to time under the direction of HHA.

ADVERTISEMENT:

In February of 2022, a legal notice advertising RFP 22-02 Financial Advisor for Tax Credit and RAD Conversions was posted in the Houston Chronicle and Forward Times Newspapers and in the Houston Business Journal.

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In addition to posting "RFP 22-02" on its website, HHA's Procurement Department sent e-mails advertising this solicitation to potential Firms on its Bidder's List; to the City of Houston Office of Business Opportunity ("OBO"); and to the Houston Minority Supplier Development Council ("HMSDC").

Interested parties were also able to access "RFP 22-02" by going to the websites of the City of Houston Office of Business Opportunity ("OBO"); the Greater Houston Black Chamber of Commerce ("GHBC"); the Houston Minority Supplier Development Council ("HMSDC"); the Houston Chapter of the National Association of Minority Contractors ("NAMC"); and to the Houston Office of the United States Small Business Administration ("SBA").

EVALUATION PROCESS:

HHA staff, Mike Rogers, Vice President of Finance, Jay Mason, Interim Director of REID, and David Cukierman, Real Estate Consultant, evaluated the two responsive proposals received. The proposals were reviewed individually and evaluated according to the following nine (9) criteria:

Evaluation/Selection Criteria	Maximum Score
Company Profile	10
Organizational Experience (Working with Public Housing Authorities)	25
Customer References	10
Personnel Qualifications (Acting as a Municipal Financial Advisor)	15
Project Plan / Methodology	10
Fees	35
Cost Control	25
M/WBE Participation	10
Section 3 Participation	10
Total	150

Rank	Firm/Company	M/WBE	Evaluation Rating
1	Praxis Consulting Group		135
2	CSG Advisors		124

References have been checked and returned positive. There are no conflicts of interest, and firm(s) are not on the HUD Debarment List.

RECOMMENDATION

Accordingly, I recommend that the Board considers this resolution, which states:

Resolution: That the Houston Housing Authority Board of Commissioners authorizes the President & CEO or designee to negotiate, execute, and make necessary changes and corrections to a contract with Praxis Consulting Group, LLC., to provide consulting services for development financing related to tax credit projects and Rental Assistance Demonstration, (RAD) transactions at several properties across the Houston Housing Authority's portfolio, for an amount not to exceed \$200,000.00 per year, for a period of performance for two (2) year term with a 1-year option to extend pursuant to the memorandum from Jay Mason, Interim Director, REID dated May 2, 2022, to David A. Northern, Sr., President & CEO