



Public Housing Repositioning Wednesday Webinar Series: Developer Roles for Repositioning Public Housing

June 30, 2021



Panelists

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Webinar Topics	Dates
<u>Developing a Repositioning Strategy</u>	May 13, 2020
<u>Options for Scattered-Site Units</u>	June 3, 2020
<u>Options for 50-and-Under PHAs</u>	June 24, 2020
<u>Resident Considerations</u>	August 12, 2020
<u>Streamlined Voluntary Conversion</u>	September 2, 2020
<u>Proceeds Notice</u>	October 14, 2020
<u>Common PHA Board Questions</u>	October 28, 2020
<u>Public Housing Program Closeout</u>	November 18, 2020
<u>Project-Based Voucher Program Overview</u>	December 2, 2020
<u>RAD and Section 18 New Blend Options</u>	February 17, 2021
<u>Preservation Strategies</u>	March 17, 2021
<u>Environmental Review Procedures</u>	April 14, 2021
<u>Developer Roles for Repositioning Public Housing</u>	June 30, 2021



All webinars are recorded and posted at www.hudexchange.info



Why are we here?

The goal of this webinar series is to help explain and discuss common issues in the repositioning process.

Today's call will focus on:

Developer Roles in Repositioning:

- Should the PHA be its own Developer?
What's required?
- Should the PHA Select a Developer for Certain Programs/Properties?
 - Selection process
 - Key Business points





Question 1

I'm the executive director of a PHA and we plan to convert one of our properties to Section 8, i.e., repositioning. When does a transaction typically require a "developer"? What is the role of developer?

Development Process



Strategic Planning

What do you want to do with your asset and what tools are available?



Resident Engagement

Communication with residents about plans and practical matters.

Notices and rights

Implementing relocations

Problem solving



Pre-Development Activities

Gathering due diligence: title, survey, environmental, geo-tech, haz mat, etc.

Manage design process

Manage pre-construction process

Obtain permits

Problem solving



Affordable Housing Finance

Create financial plan (development and operating)

Applications for funding

Manage rules and underwriting

Negotiating terms

Closing financing

Manage funds

Problem solving



Construction Management

Selection of a general contractor

Pre-construction

Managing cost to budget

Section 3 and MWESB goals

Approval of work

Problem solving



Regulatory (HUD, State, PHA)

HUD: Repositioning (RAD, Section 18, SVC, Section 32), URA, FHEO, Section 3, procurement, Mix Finance, Davis Bacon.

State: Procurement, prevailing wages, other.

PHA: Procurement, bylaws, other policy

Problem Solving





Question 2

Now that I know what a developer does, and when one is needed, when should I expect to self-develop (be my own developer) and when should I seek a development partner?



Question 3

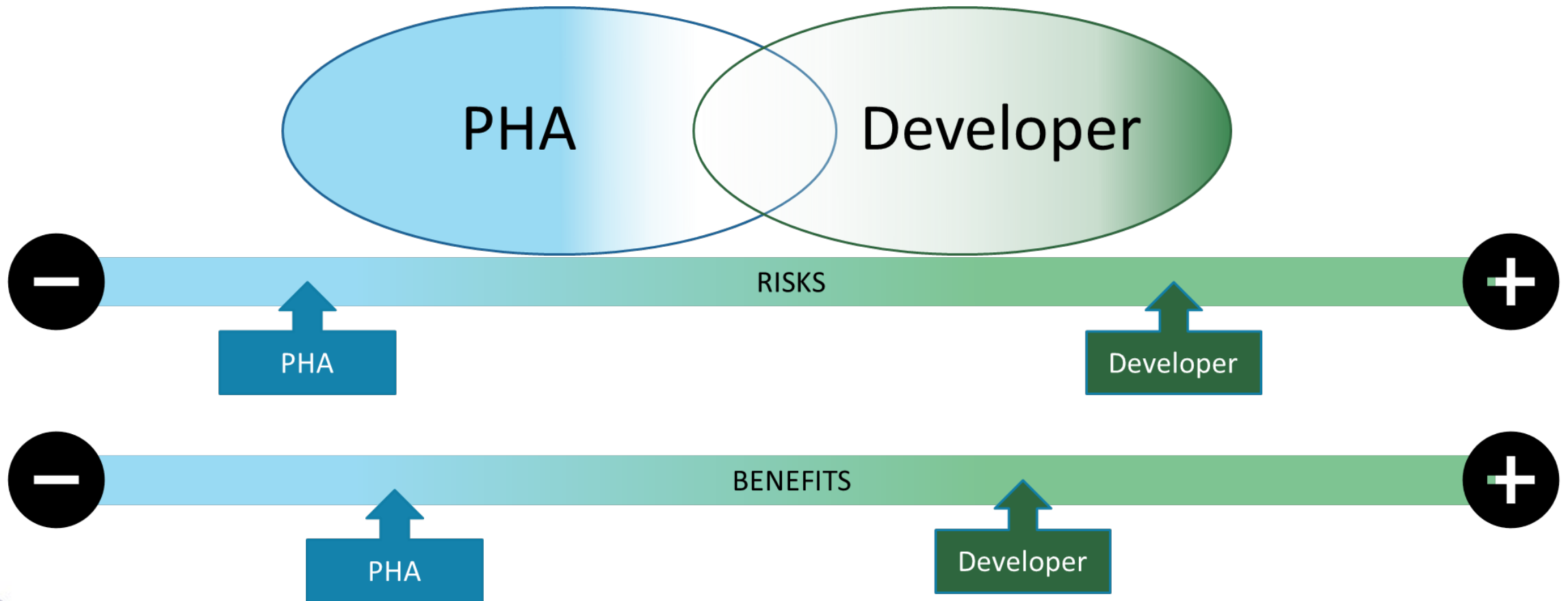
What is a developer consultant and how does it relate to what a developer does?

Question 4: If I take on a development partner, how should I think about sharing the risks/rewards?

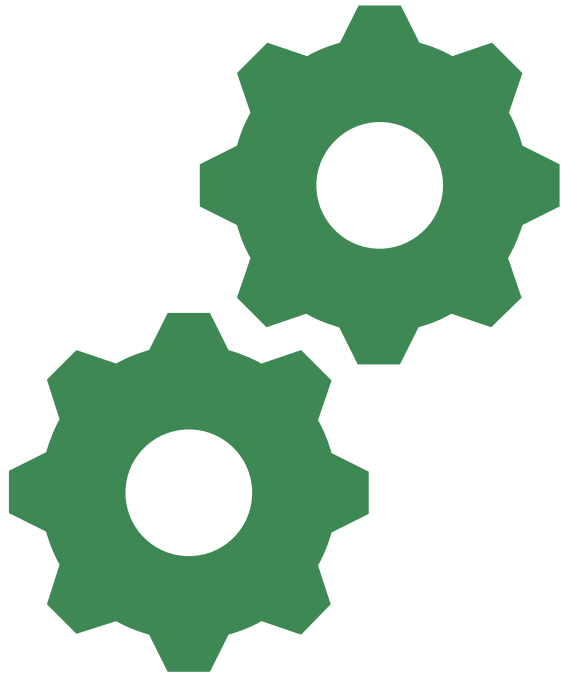
Risk	Exposure	Mitigation
Construction Completion	Funding cost overruns or unforeseen conditions	Contingency, quality contractor, GMP contract, P&P Bond
Tax Credit Delivery	Loss of equity due to late delivery of project	Quality contractor, reasonable schedule, quality prop mgt
Operating Deficit	Requirement to fund operating shortfall	Operating Reserve, HAP contract, reasonable expense budget, quality prop mgt, quality asset management
Construction loan guarantee	Repayment of construction loan if permanent sources decrease	Developer fee is at risk
Repurchase obligation (LIHTC)	Repayment of equity invested	Experienced development team, experienced operators



A Continuum of Development Options



Question 5



Are there HUD
rules for
selecting a
developer?

RFP vs RFQ

Request for Proposal (RFP): Price, scope of work, qualifications, experience, approach

Request for Qualifications (RFQ): Price need not be requested or used as an evaluation factor

RFQ is most common approach for conversion developments:

- Qualify a group of developers and then select based on characteristics of specific project
- Qualify a single developer: Negotiate with top-ranked respondent; go to second if agreement can't be reached

RFQ Process:

1. Publish RFQ
2. In person (or zoom) meeting/Questions period
3. Responses are scored (based on factors/points in RFQ: experience, qualifications, use of minority contractors, Section 3
4. Selection Committee holds interviews
5. Recommendation to Board
6. Select and sign Letter of Agreement/Developer Agreement





Question 6

What are some of the decision points when negotiating development agreements?



Question 7

I know resident relocation is a topic in and of itself, but can you speak to the role of a developer partner in relocation?

Question 8

Are there other high-level issues we haven't talked about, but you'd like to flag for our audience?



Questions?

