

VICTORIA HOUSING AUTHORITY

Request for Proposals
Repositioning Legal Services
RFP #2025-004



VICTORIA HOUSING AUTHORITY

Issued by: Victoria Housing Authority (Texas)

Project: Public Housing Repositioning Legal Services

Services: Legal services for the repositioning of public housing properties through Section 18 and/or RAD/Section 18 Blend and closeout of the public housing program.

Issue Date: January 15, 2025

RFP Questions Due: March 05, 2025

Attn: Candice Clay, Procurement Agent

Proposals Due: March 14, 2025, 4:00 p.m. Central Time. Late submissions will not be accepted.

Submit Proposals To: 4001 Halsey St. Victoria TX 77901

RFP Contact: Candice Clay, cclay@victoriahousing.org, 361-575-3682, ext. 341

Document Availability: [Procurement | Victoria Housing Authority & Housing Agency Marketplace](#)

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Introduction

A. Notice

Established in 1950, the Victoria Housing Authority (hereafter “VHA”) provides affordable housing opportunities to serve residents of the City of Victoria in Texas. VHA is headed by an Executive Director, governed by a five-member Board of Commissioners, and provides housing for low-income families. VHA owns and manages 321 Public Housing Units and administers 359 HCV (Housing Choice Vouchers), also known as the Section 8 Program.

The VHA currently has 2 non-profit subsidiaries. VHA would like an opinion on whether its nonprofit organizations are suitable to be used in repositioning.

The mission of the VHA is to enhance the Victoria community by creating and sustaining decent, safe and affordable living environments for lower-income families, the elderly and persons with disabilities; and to foster stability, self-sufficiency and a sense of community and pride in neighborhoods where they reside.

VHA requests proposals for legal services to be performed under a contract to represent and advise VHA by a firm with experience providing legal services for public housing repositioning, including the removal of housing from the public housing program under Section 18 and conversion to a Rental Assistance Demonstration (RAD) platform under the U.S. Department of Housing and Urban Development (HUD) together with all the various legal issues and closing transactions associated therewith. The selected applicant shall provide legal representation services with respect to the VHA’s removal of its public housing units under Section 18 and/or VHA’s conversion to a RAD regulatory platform which may also involve RAD/Section 18 Small PHA Blends and low-

income housing tax credits. VHA intends to close out its public housing program after all its public housing units are removed via Section 18 or repositioned through RAD. Legal services under the RFP are expected to last between 5 and 8 years.

Proposals must be received by March 14, 2025, 4:00 p.m. Central Time. Proposals must be submitted in paper format (one (1) original and two (2) copies) to Victoria Housing Authority, Attn: Candice Clay, 4001 Halsey St, Victoria, TX 77901 (mailed or delivered in person). Proposals received after the deadline will not be considered.

The RFP document is posted to the VHA website at [Procurement | Victoria Housing Authority & Housing Agency Marketplace](#) documents can be viewed and downloaded from the Housing Agency Marketplace site. Proposers should check the site for any addenda before submitting their proposal.

VHA reserves the right to request any and all proposals and waive any and all formalities in the authority's best interest.

B. Portfolio Repositioning: Overview and Goals

VHA has set out to reposition its public housing by seeking out technical assistance from HUD and, most recently, preparing to issue an RFQ for a Co-Development partner in January 2025 with final selection anticipated by March 2025. Many housing authorities, like VHA, are focusing on creating new or rehabbing developments through public-private partnerships, ensuring residents have a well-managed and well-maintained place to live.

During 2024, VHA undertook an analysis of its public housing portfolio in partnership with Dominion Due Diligence Group (D3G). That review identified opportunities and strategies for repositioning VHA's 321 public housing units, including new construction and rehabilitation through HUD repositioning tools such as Section 18 Demolition-Disposition and RAD/Section 18 Small PHA Blend. The review also indicated VHA's financial feasibility of addressing current and projected capital needs and repairs while also strengthening its overall long-term financial position.

VHA's current public housing portfolio consists of 9 developments:

1. **Anna Blackley Apartments:** 701 E. Second St., Victoria, TX 77901
2. **Crestwood Apartments:** 3904 Azalea St., Victoria, TX 77901
3. **Fillmore Apartments:** 802 Fillmore Ave., Victoria, TX 77901
4. **Griffith Terrace Apartments:** 102 Griffith Dr., Victoria, TX 77901
5. **Leary Lane Apartments:** 2309 Leary Ln., Victoria, TX 77901
6. **Lova Apartments I:** 1609 Lova Dr., Victoria, TX 77901
7. **Lova Apartments II:** 1801 Lova Dr., Victoria, TX 77901
8. **Lova Apartments III:** 1805 Lova Dr., Victoria, TX 77901
9. **Mary Krenzler Apartments:** 4101 Halsey St., Victoria, TX 77901

These 9 developments are made up of one hundred ten (110) one- to two-story apartment buildings, mostly duplex or townhome building types. The properties feature three hundred twenty-one (321) multifamily dwelling units. According to VHA records, the buildings were constructed in 1953, 1974, 1982, and 1985, feature a total gross area of approximately 134,714 square feet and are situated upon a total of 33.60 acres. The properties are in fair to poor physical condition.

The D3G repositioning analysis conducted in 2024 called for VHA to reposition its entire public housing portfolio. Implementing this strategy would rely on a Section 18 strategy that would demolish and/or dispose of all 321 units. (VHA is also open to considering RAD/Section 18 Small PHA Blend if advantageous.) D3G recommended grouping several developments together to meet physical obsolescence requirements and increase project rent potential. VHA anticipates closing out its public housing portfolio after its repositioning efforts.

Development and repositioning plans are subject to change, but VHA currently plans to reposition its public housing portfolio in three phases:

1. Remove 209 units at Crestwood Apartments, Leary Lane Apartments, and Lova Apartments via a Section 18 Demolition-Disposition (physical obsolescence justification) and replace with new construction utilizing 9% or 4% LIHTCs. Alternatively, VHA could reposition these units via a RAD/Section 18 Small PHA Blend.
2. Remove 88 units at Anna Blackley Apartments, Griffith Terrace Apartments, and Mary Krenzler Apartments via a Section 18 Disposition (physical obsolescence justification) and conduct a substantial rehabilitation utilizing 4% LIHTCs. Alternatively, VHA could reposition these units via a RAD/Section 18 Small PHA Blend.
3. Remove 24 units at Fillmore Apartments via a Section 18 Disposition (very small PHA justification) and minor to moderate rehabilitation, potentially using debt-only or 4% LIHTCs.

C. Authority's Reservation of Rights

1. The VHA reserves the right to reject any and all proposals, to waive any informalities in the RFP process, or to terminate the RFP process at any time if deemed by the VHA to be in its best interest.
2. The VHA reserves the right not to award a contract pursuant to this RFP.
3. The VHA reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon ten (10) days written notice to the successful proposer.
4. The VHA reserves the right to determine the work schedule and locations where the successful proposer shall provide the services described in the RFP.
5. The VHA reserves the right to retain all proposals submitted and not permit withdrawal for sixty (60) days following the deadline for receiving proposals without the written consent of the VHA.
6. The VHA reserves the right to negotiate the fees proposed by the proposer entity as described in the RFP.
7. The VHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to, incomplete proposals and/or proposals offering alternate or non-requested services.
8. The VHA shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
9. The VHA shall reserve the right to, at any time during the RFP or contract process, prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the required details herein.

During the period of advertisement for this RFP, VHA may wish to amend, add to or delete from the contents of this RFP. In such situations, VHA will issue an addendum to the RFP setting forth the

nature of the modification. All addenda will be distributed to the prospective vendors, if known via email.

Required Qualifications

The legal team should have demonstrated experience developing and negotiating agreements among PHAs, their development partners, equity providers, lenders, funders and other third parties. The legal team should also have demonstrated experience with the interaction of housing authorities, as well as their affiliate entities, with HUD and the regulations and requirements associated with affordable housing redevelopment. Past experience working in Texas is not required, but it will be considered. Experience with legal requirements related to Section 18 Demolition and/or Disposition, RAD financing, the use of Low-Income Housing Tax Credits (LIHTC), tax-exempt bond financing, HOME, CDBG, State HFA programs, project basing of housing choice vouchers, and other public or private funding mechanisms is expected. The selected legal team must have, at a minimum, the qualifications and experience necessary to perform the scope of work as described as follows:

- Knowledge and experience to represent VHA's interests in drafting and negotiating a master development agreement with VHA's preferred co-development partner;
- Significant demonstrated experience with HUD Section 18 Demolition and/or Disposition process;
- Significant demonstrated experience with HUD RAD conversion program, particularly RAD/Section 18 Blends;
- Demonstrated capacity to prioritize VHA work, respond promptly to inquiries and to competently and efficiently manage needs and redevelopment activities;
- Demonstrated client-centered approach that appropriately staffs every assignment with a knowledgeable team that prioritizes responsiveness and efficiency;
- Legal team members representing VHA must be in good standing with the State of Texas and HUD;
- Familiarity with public housing and affordable housing development legal issues including the governing Federal Public Housing Code and related HUD regulations;
- Experience assisting PHAs with closing out their Section 9 Public Housing programs;
- Proof of professional liability insurance;
- Confirmation that the firm is free from potential conflicting interests from business foreseeably conducted by the firm.

Scope of Work

The successful legal team will assist the VHA with any and all legal aspects associated with the repositioning process. The team will offer legal opinions and/or recommendations that will enable the VHA to achieve its program goals.

Legal scope of services includes (but is not limited to):

- As requested by VHA, draft necessary documents in respect to the Section 18, RAD/Section 18 Blend, and/or Tax Credits transactions (e.g., Sponsor Loan documents, Ground Lease, Declaration of Restricted Covenants, HAP contracts and Project-Based Voucher documents);
- Draft, negotiations and evaluation of agreements (e.g., Master Development Agreement with co-development partner, financing agreements, Limited Partnership Agreements,

Payment in Lieu of Taxes, Property Management Agreement). Analyze documents and convey any legal or financial implications of VHA or its affiliates. Provide comments. Assist VHA in protecting its interests and resources;

- Advise VHA on local, state and federal statutory and regulatory matters relative to implementation of the project;
- Advise VHA on whether its nonprofit organizations are suitable to be used in repositioning; if not, assist VHA in creating the appropriate entities to facilitate the repositioning transactions.
- Provide comprehensive representation of the VHA in negotiations with HUD, investors, lenders and other agencies as necessary);
- Represent the VHA in connection with tax credit syndication and issuance of tax-exempt bonds;
- Represent VHA relative to all financing associated with the conversion;
- Legal advice and assistance in creating appropriate legal entities as affiliates or subsidiaries of VHA or its non-profits, if necessary;
- Legal advice and written opinions as it pertains to conversion from public housing to Section 8 through RAD and/or Section 18;
- Participate in necessary development team meetings, Board of Commissioner meetings, equity provider meetings, lender meetings or HUD meetings as necessary;
- Prepare and negotiate documents required for the closing of Section 18 dispositions and/or RAD/Section 18 conversions. Coordinate with the development team for edits and submission;
- Assist with post-RCC uploads to RAD Resource Desk;
- Assist VHA with closeout of its Section 9 program.

Submission Requirements

Each proposer is responsible for being aware of and abiding by all dates, times, conditions, requirements, and specifications set forth within all applicable documents issued by VHA, including the RFP, attachments, and any addenda. By virtue of completing, signing, and submitting the completed documents, the proposer is stating their agreement to comply with all the conditions and requirements set forth within those documents.

Submissions must be formatted as described below to provide all responding firms with equal consideration and an opportunity to be evaluated fairly. The sections that must be included in the written submission are below and must be clearly labeled and assembled in the order provided below. Responses that do not include all required information may be deemed unresponsive. Concise and clear submissions are encouraged. If necessary, VHA may seek clarification after submission.

Respondents must submit one (1) original and two (2) copies in paper format to VHA at 4001 Halsey St. Victoria TX 77901 by March 14, 2025, at 4:00 PM EST. Late submissions will not be accepted.

TAB 1: Cover Letter

Respondent's submittals shall be accompanied by a Cover Letter on the respondent's letterhead. The letter should state that the proposer understands the scope of services, the commitment to

perform the services expeditiously, and a brief statement indicating why the respondent believes they are best qualified to perform the engagement. Introduce the firm and describe general philosophy and relevant experience. Briefly describe all members of the legal team being proposed. Confirmation that the firm is free from potential conflicting interests from business foreseeably conducted by the firm. The letter should be signed by an authorized representative of the legal firm.

TAB 2: Firm Description(s) and Key Personnel

Discuss the firm's history, organization and size. Provide a statement of the law firm's philosophy. Provide an overall summary of the law firms' knowledge as it relates to the scope of this RFP.

Describe the overall staffing approach and provide information regarding staff experience and qualifications that demonstrate the respondent's capacity to perform the required services. Resumes for key personnel who will be assigned to VHA work should be provided. If the firm is multi-disciplinary, describe other resources and skills available. If the firm is smaller, please describe the approach to involving third party contractors if necessary to fulfill required scopes.

Certify that all key team members will be available to start immediately or describe existing time commitments which would impair the respondent's ability to proceed expeditiously.

TAB 3: Proposed Approach

Include in this section a narrative that explains the proposed method for implementing the legal services as well as coordinating and communicating with the VHA and its partners. Provide a brief narrative summary describing the legal issues anticipated based on VHA's proposed repositioning approach that includes partnering with a turn-key developer, Section 18 Demolition-Disposition, new construction, extensive rehabilitation and using 9% or 4% LIHTCs.

TAB 4: Past Similar Project Narrative

Describe firm's knowledge and relevant experience in providing legal services with regards to negotiating a co-developer partnership, the removal of public housing via Section 18, the conversion of public housing to the RAD Section 8 platform, closing out a PHA's public housing program and any other areas under Scope of Work.

TAB 5: References

Provide three (3) former or current client references, including PHAs, for whom the proposer has performed services similar to those sought by VHA. Please include: the entity's name with the specific contact person's name, email address and telephone number.

TAB 6: Fee Proposal

Include a fee proposal that identifies the hourly billing rates for all proposed staff who might be required to work under the contract resulting from the RFP, including any subconsultants, if applicable. Provide any other key business terms.

TAB 7: Proof of Professional Liability Insurance

Please provide evidence of liability insurance in an amount not less than \$1,000,000.

TAB 8: HUD Forms

All forms attached and/or required to be attached to the RFP as throughout this request, including but not limited to: HUD Form 5369 B, HUD Form 5369 C, HUD Form 5370 C, Certificate as to Principal, Non-Collusion Affidavit and Section 3 Preference Certification.

Evaluation Criteria

Respondents' submittals will be evaluated based on the criteria listed in this section and further described above. In preparing the submittal to VHA, it is for respondents to clearly demonstrate their expertise and qualifications in the areas described in this RFP.

Respondents are encouraged to identify and clearly label in their submittal how each criterion is being fully addressed. Evaluation of responses to this solicitation will be based only on the information provided in the submittal package, and if applicable, interviews, and reference responses. The VHA reserves the right to request additional information or documentation from the firm regarding its submittal documents, personnel, or other terms to complete the selection process. If a responding firm chooses to provide additional materials in their submittal beyond those requested, those materials should be identified as such and included in a separate section of the submittal.

The following factors will be used by the VHA to evaluate each submission received. Award of points for each listed factor will be solely based upon the submitted documentation:

Factor 1—Project Management Approach— 25 points

- Proposed methodology for implementing the proposed legal services, coordinating with various partners, addressing anticipated issues and commencing legal services immediately upon award of contract.

Factor 2—Firm Staff Capacity and Experience—30 points

- Evidence of respondent's capacity to provide legal services on a timely basis
- Evidence of the respondent's experience, knowledge and expertise in closing transactions and providing legal guidance for projects involving HUD public housing, RAD, Section 18, Low Income Housing Tax Credits, and Project-based Section 8.
- Completeness of RFP response

Factor 3—Fee Schedule—20 points

- Complete fee schedule and hourly billing rate of proposed staff

Total: 75 points

Selection Process

Respondents must submit **one (1) original and two (2) copies in paper format** to the VHA **March 14, 2025, at 4:00 PM Central Time**. Proposals may be mailed or delivered in person to **Victoria Housing Authority, Attn: Candice Clay, 4001 Halsey St, Victoria, TX 77901**.

Each proposal received will first be evaluated for responsiveness to the submission requirements.

VHA anticipates that will be convene a selection committee with up to three (3) people to evaluate each of the responsive submittals. The selection committee will evaluate and award points based on the factors and points above.

If the evaluation was performed to the satisfaction of the VHA Executive Director, the recommendation may be forwarded to the VHA Board of Commissioners for approval.

The VHA reserves the right to make its final selection based solely upon those initial steps. If the VHA determines that another step is necessary to narrow the field of qualified respondents, a select number of respondents will be notified, and additional information may be requested and/or interviews may be held to determine the final selection.

The VHA reserves the right to conduct reference checks at any point in the review and evaluation process. In the event that information obtained from the reference checks reveals concerns about the proposer's past performance and their ability to successfully perform the contract to be executed based on this solicitation, the VHA may, at its sole discretion, determine that the respondent is not a responsible legal counsel and may select the next highest-ranked respondent whose reference checks validate the ability of the respondent to successfully perform the contract to be executed based on this solicitation. In conducting reference checks, the VHA may include itself as a reference if the respondent has performed work for the VHA, even if the respondent did not identify VHA as a reference.

By submitting in response to this solicitation, the respondent accepts the procurement method used and acknowledges and accepts that the evaluation process will require subjective judgements by the VHA and the evaluation panel.

Statements and Required Information

- HUD Form 5369 B
- HUD Form 5369 C
- HUD Form 5370 C
- Certificate as to Principal
- Non-Collusion Affidavit