

# NEW MEXICO MORTGAGE FINANCE AUTHORITY

## Request for Qualifications

### Market Study Services



September 30, 2022

**New Mexico Mortgage Finance Authority (MFA)**  
**Request for Qualifications for**  
**Market Study Services**

**Part I: Background & General Information**

**Introduction**

The New Mexico Mortgage Finance Authority (MFA) is a governmental instrumentality, separate and apart from the state, created by the Mortgage Finance Authority Act, N.M. Stat. Ann. Sections 58-18-1 1978 *et seq.* (1978) for the purpose of financing affordable housing for low- and moderate-income New Mexico residents.

The Low Income Housing Tax Credit (LIHTC) program was created in the Tax Reform Act of 1986 as an incentive for individuals and corporations to invest in the construction or rehabilitation of low-income housing. LIHTC provides the investor with a dollar-for-dollar reduction in personal or corporate federal income tax liability for a 10-year period for projects meeting the program's requirements.

In January 1997, MFA was designated by Governor Gary Johnson as the Housing Credit Agency (HCA) responsible for administering the LIHTC program in the state of New Mexico and allocating tax credits to eligible New Mexico projects. MFA awards tax credits to projects meeting its Project Selection Criteria and other requirements and monitors existing projects for compliance with the Internal Revenue Service (IRS) Code (IRC) Section 42.

MFA's Housing Development Department administers the allocation of tax credits. Overall responsibility extends to publishing the Qualified Allocation Plan; setting the allocation schedule; reviewing and ranking applications; recommending projects for MFA Board approval; processing carryover allocations; final allocation of tax credits by issuance of IRS Form 8609; annual notification to the IRS of program performance through submission of IRS Form 8610; and providing public information concerning the program.

MFA also provides gap financing for LIHTC and non-LIHTC projects, offering construction and permanent financing for all phases of multifamily and single family affordable housing project developments, including land and building acquisition, infrastructure development, rehabilitation and new construction. These financing sources include federal funds, including the National Housing Trust Fund (NHTF) and the HOME Investment Partnership (HOME) programs.

**Purpose**

The purpose of this Request for Qualifications (RFQ) is to invite the submittal of qualification statements, in accordance with MFA Procurement Policy, from highly qualified, capable persons or firms, who by reason of their skill, knowledge, and experience are able to furnish MFA with affordable multifamily rental real estate market analyses for LIHTC and non-LIHTC, MFA-financed projects, and who desire to be placed on our list of approved providers. The Minimum Qualifications and Requirements for this RFQ are outlined in Part II of this RFQ, below. Qualification statements must address all elements outlined in the Minimum Qualifications and Requirements of this RFQ.

## **Questions and Answers**

Questions pertaining to this RFQ must be submitted via MFA's website at <https://housingnm.org/rfps/rfpsrfqs> for Market Study Services. Select the Market Study Services RFQ and type in your question(s) and submit. The FAQ will open the day after the RFQ issues and will close on May 20, 2022. To submit your questions, scroll down to the "Frequently Asked Questions (FAQ)" section, enter your name, email address, and type your question in the "Question" box. Type the word in the CAPTCHA box and click on "Submit." MFA will make every attempt to answer questions within five business days.

## **Proposal Submission**

All proposals must be received for review and evaluation by MFA no later than October 28, 2022, at 4:00 PM,

Mountain Standard Time. Proposals shall be sent by email to [mrivera@housingnm.org](mailto:mrivera@housingnm.org) with a subject line of "Response to Market Study Services RFQ." Submissions will be opened, and review will begin after the deadline established for receipt of Submissions. Submissions will not be opened publicly and will not be available for public inspection until after the list of approved providers has been finalized.

Electronic proposals should be submitted as a single PDF file sized to be printable on standard 8 ½ x 11 paper with tabs/bookmarks identifying each Minimum Qualifications and Requirements item and evaluation criteria item within the PDF.

## **Proposal Tenure**

All submissions shall include a statement that the proposal shall be valid until after the list of approved providers has been finalized, but no more than 60 calendar days from the proposal due date.

## **RFQ Revisions and Supplements**

If it becomes necessary to revise any part of this RFQ or if additional information is necessary to clarify any provision of this RFQ, the revision or additional information will be provided on the MFA website.

## **Incurred Expenses**

MFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFQ. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFQ will be borne solely by the Offerors.

## **Cancellation of Requests for Proposals or Rejection of Proposals**

MFA may cancel this RFQ at any time, for any reason and may reject all proposals (or any proposal) which are(is) not responsive.

## **Evaluation of Proposals, Award Notice and Engagement Letters**

Proposals will be evaluated by an Internal Review Committee of MFA staff using the criteria listed in Part V: Evaluation Criteria. MFA may provide Offeror(s) whose proposals are reasonably likely, in MFA's discretion, to be selected to be on the approved list of providers, an opportunity to discuss and revise their proposals prior to selection, for the purpose of obtaining final and best offers. The Internal Review Committee shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to MFA, and MFA will place those Offeror(s) on a list of approved providers, provided that payment may not exceed the prices proposed in the Offeror's response to the RFQ. MFA shall provide written notice of the inclusion on the approved list to all Offerors within 10 days of the date of the approval.

For any given engagement, vendors may be selected on the basis of availability and other relevant factors, as solely determined by MFA. The basis for individual selections will be documented by MFA. In accordance with MFA's Procurement Policies, quotes may also be solicited from time to time from other providers not on the approved list.

### **Protest**

Any Offeror who is aggrieved in connection with this RFQ, specifically the approval or non-approval as a provider, may protest to MFA. The protest must be written and addressed to the following Contact Person:

Miguel Rivera, Architectural Service Representative  
New Mexico Mortgage Finance Authority  
344 Fourth Street, SW  
Albuquerque, NM 87102

The protest must be delivered to MFA within fifteen (15) calendar days after the written notice of inclusion on the approved list. Upon the timely filing of a protest, the Contact Person shall give notice of the protest to all Offeror(s) who appear to have a substantial and reasonable prospect of being affected by the outcome of the protest. The Offeror(s) receiving notice may file responses to the protest within seven (7) calendar days of notice of protest. The protest will be reviewed by the MFA's Policy Committee, which will have final decision on the outcome of the protest. During the protest period, Offerors shall follow the communication requirements described in the following "Proposal Confidentiality" section.

### **Proposal Confidentiality**

Offerors or their representatives shall not communicate with MFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFQ review process, including any period immediately following release of the RFQ.

Until the inclusion on an approved list is made and notice given to all Offerors, MFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror, so as to make the contents of any offer available to competing or potential Offerors.

## **Irregularities in Proposals**

MFA may waive technical irregularities in the form of proposal of any Offeror selected for award which do not alter the price, quality or quantity of the services offered. Note especially that the date and time of proposal submission as indicated herein under Part I: Background and General Information, Proposal Submission cannot be waived under any circumstances.

## **Responsibility of Offerors**

If an Offeror who otherwise would have been awarded a contract is found not to be a Responsible Offeror, a determination that the Offeror is not a Responsible Offeror, setting forth the basis of the finding, shall be prepared and the Offeror shall be disqualified from being placed on a list of approved providers. A Responsible Offeror means an Offeror who submits a proposal that conforms in all material respects to the requirements of this RFQ and who has furnished, when required, information and data to prove that his financial resources, facilities, personnel, reputation and experience are adequate to make satisfactory delivery of the services described in this RFQ. The unreasonable failure of an Offeror to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination that the Offeror is not a Responsible Offeror.

## **Part II: Services to Be Performed**

Services to be provided under this RFQ could include, but are not limited to, the completion of Market Studies, as described below.

In 2021, the Qualified Allocation Plan was changed to require Market Studies for all incoming applications for tax credits and the analysts and eventual report are required to meet certain criteria as outlined in ancillary documents to the Qualified Allocation Plan. Among other requirements, Offerors must demonstrate experience in the area of market research, preferably in New Mexico, and the ability and capacity to complete studies thoroughly and efficiently, according to the specifications provided in the RFQ.

The overall purpose of the Market Study is to provide a detailed assessment of the feasibility of the proposed project. It must address all aspects of marketability, including but not limited to rent and expense comparisons, existing and proposed competing projects, vacancy, absorption, and income levels in the targeted market area. Additionally, the Market Study should detail community profile, local industry profile, tax credit rents as compared to market rents, market rate and low-income housing demand, a description of the project including amenities, number of units, unit type, and unit size. The projects may be existing properties to be renovated or new construction projects.

**Each Market Study Report Must include the following components:<sup>1</sup>**

**A. Executive Summary**

The executive summary should include a concise summary of each section of the market study including data, analysis, and conclusions. Minimum content of the Executive Summary includes: Concise description of the site and the immediately surrounding area/surrounding land uses.

1. Concise description of the site and the immediately surrounding area/surrounding land uses. Summary of economic conditions.
2. Brief summary of the subject development, including the proposed targeted population to be served.
3. Summary of economic conditions
4. Brief description and support of the defined primary market area.
5. Summary of key demographic data.
6. Summary of competitive market conditions.
7. Summary of demand for the proposed development including a concise statement of the analyst's opinion of market feasibility, determined by factors of market demand. Summary must include demand for units at each income and rent level proposed, overall capture rate (with and without subsidy, if applicable), and current subject vacancy rate.
8. Summary of positive and negative attributes and issues that will affect the property's marketability, performance, and lease-up. Mitigating factors of any negative attributes should be identified, if any.
9. Precise statement of key conclusions reached by the analyst. This statement should provide a definitive evaluation of the proposed development and its prospect for success as proposed. This statement should reconcile any conflicting data indicators among the various sections of the report.
10. If needed, recommendations and/or suggested modifications to the proposed project. It should be clear if these modifications would be necessary for the project's success.
11. Absorption estimate for the subject property. If recommendations are provided in the report, it should be clear if this absorption estimate is as proposed or assuming the analyst's proposed recommendations are followed.

**B. Introduction and Scope of Work (See: NCHMA's Scope of Work)**

The introduction of the market study should summarize the report's purpose and scope of work conducted during the preparation of the report. This section should include:

1. Type of report – Comprehensive Market Analysis Full Narrative Report, Comprehensive Summary Report, Market Advisory Report, or Other (explain).
2. Client and project developer.
3. Intended use and users of the report.
4. Identify steps taken in completion of the report. If any significant steps were not taken, identify and explain.
5. Date of field work and site visit.
6. Person conducting field work.
7. Primary analyst reaching conclusions of report.

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<sup>1</sup> Based on *Model Content Standards for Rental Housing Market Studies*, Version 3.0, National Council of Housing Market Analysts.

### **C. Project Description**

The market study should include a project description detailing the analyst's understanding of the project as proposed. The project description should include:

#### General Requirements:

1. The proposed unit mix including bedrooms, bathrooms, square footage (identify as heated, gross, or paint-to-paint), estimated utility costs, and proposed net rents and gross rents.
2. The community's target market and any tenancy restrictions. This may include income restrictions, age restrictions, or special needs.
3. Utility energy sources and proposed utility policy (utilities included in rent).
4. Description of the proposed/existing development including:
  - a. Number of buildings and building design including:
    - i. Building type (walk-up, single-story, mid-rise, high-rise, etc).
    - ii. Number of stories.
    - iii. Exterior finish.
  - b. Common area/site amenities.
  - c. Unit features and finishes (if available).
  - d. Parking options provided including number of spaces and any parking fees.
5. For rehabilitation projects ([See: NCHMA's Preservation Analysis White Paper](#)), provide:
  - a. Description of proposed scope of rehabilitation including a breakdown of hard and soft costs, if available.
  - b. An estimate of total construction cost and cost per unit.
  - c. Identify existing unit mix and rents including any existing housing subsidies. Compare current and proposed rents.
  - d. Current and historical (if available) occupancy information.
  - e. An analysis of the current rent roll (if available) to determine if existing tenants will remain income qualified and/or able to afford the proposed rents.
6. Include the status or date of architectural plans, name of the architect, and/or a copy of the floor plans and elevations.
7. Developer's projected dates for start and completion of construction and start of lease up.
8. Description of supportive services provided for residents, if any will be provided.

#### Additional LIHTC/Affordable Requirements:

- Unit mix should be broken out by bedrooms and targeted income level.
- Income restrictions for each unit type including maximum and minimum income limits should be presented.
- Identify project-based rental subsidies to be offered and the number of units to which the subsidy applies.

#### Additional Senior Requirements:

- Identify age restriction (55+, 62+, 65+) for the community. Analysts should discuss the appropriateness of the age restriction in light of local market conditions and experiences of comparable properties.

**D. Location** Provide a description of the site characteristics including its size, shape, general topography, vegetation, and proximity to adverse conditions.

1. Provide photographs of the site and neighborhood including description of picture and vantage point.
2. Identify land uses directly surrounding the subject site.
3. Provide a map of the site.
4. Describe the proposed ingress/egress of the subject property and identify any potential concerns with site accessibility.
5. Describe and evaluate the visibility of the site.
6. Provide analysis of neighborhood amenities available. Along with analysis, provide a
7. table and map of neighborhood amenities and their distance from the subject site including transportation linkages, shopping, schools, medical services, public transportation, places of worship, recreational amenities and other services such as libraries, community centers, banks, etc.
8. Comment on the availability of public transportation.
9. Provide analysis of public safety issues including information or statistics on crime in the PMA relative to data for the overall area. Address any local perceptions of crime or problems in the PMA.
10. Provide conclusion concerning the suitability of the proposed site for the proposed use.

**E. Market Area Definition**

1. Define the primary market area (PMA). Identify PMA boundaries by census tracts, jurisdictions, street names, or other geography forming the boundaries. Also define the larger geographic area in which the PMA is located (i.e. city, county, MSA, etc.) See: [NCHMA's Market Area White Paper](#). PMA discussion should include:
  - a. A detailed narrative explaining how the market area was determined. The narrative should include market specific language rather than a list of generic concepts or factors considered.
  - b. Identify borders of the market area and approximate distance from the subject property/site.
2. Include a map of the PMA including the subject site.

**F. Employment and Economy**

Provide data and analysis on the local employment and economy to give an understanding of the overall economic health of the region and its potential impact on household trends. Economic data should be presented for the market area or the smallest geographic area available, which is often the county. This data should be compared to regional data, which could include county, MSA, state, and/or nation. List data sources and describe the methodology for the analysis.

General Requirements:

1. Provide total At-Place Employment for the past ten years. "At-Place Employment" measures the number of jobs located within a specific geography and should not be confused with Employed Labor Force. Recent trends (job loss/gain) in At-Place Employment should be identified and discussed.
2. Show At-Place Employment by Sector and Employment Change by Sector. Identify the most important employment sectors in the area, potentially including share of employment and employment growth.



3. Show the historical unemployment rate for the last ten years (or other appropriate period) for the most appropriate geographic areas.
4. List major employers in the PMA and/or region including the type of business and the number employed.
5. Comment on recent or planned major employment expansions or reductions including potential impact on demand for rental housing. Comment on trends and projections of employment in the PMA, if any.
6. In relevant markets (such as resort areas), comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.
7. Provide a breakdown of typical wages by occupation or industry sector.
8. Document commuting patterns for workers including commuting time and destination.
9. Provide conclusion stating whether economic conditions will have a significant positive or negative impact on the subject property.

## **G. Demographic Characteristics**

Demographic data should be presented for the PMA and a comparison area, which may include a secondary market area, county, or MSA. Sources of data, projections, and estimates should be clearly identified. Data should reflect the most recent decennial Census Data, recent American Community Survey information, and/or data provided by third-party providers. Analyst should present detailed discussions of methodologies used to derive estimates or projections.

### General Requirements:

1. Population and household counts for:
  - a. Historical Census Data
  - b. Current year
  - c. Projection for Five-Year Growth or Anticipated Placed-in-Service Date
2. Population and household characteristics including:
  - a. Age
  - b. Household type
  - c. Household size
  - d. Tenure
3. Income distribution for total households and renter households using Census increments.
4. An analysis of trends indicated by the demographic data.
5. Historical building permits trends by housing type should be analyzed in the context of recent household trends and projections.
6. Summarize any specific demographic trends that that positively or negatively affect rental housing demand.

### Additional LIHTC/Affordable Requirements:

- Detailed income increments for the lower income households should be included to provide additional detail, if available.
- Information on substandard housing and an analysis of rent as a percent of income (rent burden) should be presented.

Additional Senior Requirements:

- Population and household estimates and projections should be provided for the appropriate age classification.
- Significant populations of older adults should be identified as a potential long-term source of demand for senior rental housing, if applicable.

**H. Competitive Environment**

A market study should include a comprehensive description and analysis of the rental market serving the primary market area. While the focus of this section should be those properties that are most comparable to the subject property, the scope of the survey/analysis should be sufficient in breadth to evaluate where the subject property fits within the overall rental market. If available and relevant, an overview of the regional rental market including number of units planned/under construction and recent trends in rents and vacancies should be provided.

As the tenant-paid rents at rental communities with project based rental assistance (Section 8, Public Housing, USDA) are based on income, they are not generally an accurate representation market conditions. As such, the contract rents and vacancies at these communities should be presented independently of properties without these subsidies. At a minimum, a market study should include:

General Requirements:

1. Provide an overview of the primary market area's housing stock including age, condition, structure type, and any identified market trends.
2. Discuss recent development activity in the market area including recently constructed rental communities and those planned or under construction in the market area. The market study must include separate estimates of the numbers of rental units currently under construction and the numbers of units in the planning and development stages that are likely to enter the housing market during the specified forecast period. These estimates should include all rental developments known, not solely those determined by the analyst to be comparable and competitive. The location of each pipeline community relative to the subject site should be presented. The report should contain estimates of:
  - a. The number of projects currently under construction, expected completion date, the total number of units, unit mix breakdown by bedroom and income target, and structure type.
  - b. The number of projects in planning stages that are likely to be developed including but not limited to those with building permits or firm financial commitments, including details on the number of units by bedroom size, rents, locations, and stage of development.
  - c. Identify any projects that will specifically compete with the subject property.
3. Identify the most comparable communities to the subject property and provide a narrative evaluation of the subject property in relation to these communities. Market studies addressing affordable communities should identify the most comparable affordable communities and market rate comparables used for a comparison of rents. The study should explain how these communities were selected as the most comparable and why other projects were excluded ([See: NCHMA's Comparable Property White Paper](#)).

4. Conduct a survey of a representative sample of rental communities in the market area. The proposed rents, amenities, and features of the subject property should be shown in comparison to existing communities in all tables. Information provided for each community should include:
  - a. Name, address, occupancy target (senior/general occupancy), year built, condition, and property contact information.
  - b. Unit mix including number of bedrooms and bathrooms, square footage, and rents.
  - c. Current occupancy, historical occupancy if available, and absorption history (if recent/available).
  - d. Waiting lists.
  - e. Current concessions being offered.
  - f. Unit features including kitchen amenities, utility information (those included and energy source), and other features such as ceiling fans, patios, washer/dryer connections, etc.
  - g. Community amenities such as recreation, laundry, and parking.
  - h. Include a map of surveyed communities in relation to the subject site.
5. In markets with limited multifamily rental communities or lower-density subject properties, provide an analysis of available scattered site rentals including pricing and other available/pertinent data.
6. Compare and analyze the subject property to the surveyed rental communities in terms of amenities, tenant paid utilities, location, parking, concessions, and rents. This analysis may be refined to include only the most comparable communities.
7. Present the vacancy rate for the surveyed rental stock. As appropriate, vacancies should be broken up by property classifications and target market, which may include market rate, LIHTC, deeply subsidized (rent based on tenant income), senior, special needs, etc. As available, vacancy data should be provided by bedroom type (unit size).
  - a. Vacancy trends should be provided and discussed if available/relevant.
  - b. Significant seasonal variations in vacancy rates should be discussed if applicable.
  - c. Any vacancy or absorption problems should be identified and discussed, particularly among the most comparable rental communities.
  - d. Identify any significant variances in vacancy rates that exist among price point, location, bedroom size, product type, target market, etc.
8. Absorption experience of recently completed rental developments as available, including units per month estimates for each project, with particular emphasis on comparable and competitive projects that have entered the market within the past 24 months.
9. Current effective rents should be provided for each of the surveyed rental communities by bedroom size. Effective rents should account for any current incentives and should be adjusted to reflect a consistent utility policy.
  - a. Current incentives should be identified.
  - b. Rent trends for the past 24-36 months should be included if available.
  - c. Any options/upgrades should be identified with the associated costs.
10. Discuss the availability and cost of affordable housing options, including purchase or sale of homes, if applicable. The impact, if any, of the single family and condominium market conditions, including an analysis of the cost to rent versus to own, and the impact of foreclosures and of the shadow single-family and condominium rental market.

Additional LIHTC/Affordable Requirements:

- Provide a list of all affordable housing communities including LIHTC communities and deeply subsidized communities (Section 8, Public Housing, USDA). Any LIHTC communities not included in the analysis should be identified with an explanation of its exclusion.
- To accurately understand rent structure, rents of the subject property and existing LIHTC communities should be broken out by AMI level.
- Vacancy among existing LIHTC communities should be provided by AMI if available. Furthermore, vacancies for units with and without project-based subsidies should be included.
- Derive a market rent and an achievable restricted rent and then compare them to the developer's proposed rent. Quantify and discuss market advantage of the subject and impact on marketability (See: [NCHMA's Market Rent White Paper](#)).
- Analysis of projected operating expenses of subject property in relation to comparables.

Additional Senior Requirements:

- Age-restricted properties should be analyzed separately from general occupancy communities when evaluating rents, occupancy, services, etc.
- Examine features and amenities that are specifically designed to address seniors.
- When available, an analysis of senior renters at comparable communities should be provided including average age of residents at entry, frequency of previous homeowners becoming renters, and household size.

**I. Affordability Analysis, Demand Analysis, Capture Rates, and Penetration Rates (See: [NCHMA's Recommended Practices for Determining Demand](#)) (See: [NCHMA's Demand and Capture Rate Methodology](#)).**

The market study should include measurements of potential support of any given product. The analysis should first determine if additional demand exists in the market to support a proposed expansion of the multifamily rental stock. Further, the analyst should address whether sufficient demand or need exists to support to the proposed development.

General Requirements:

1. Comment on the overall level of demand for rental housing in the market area based both on net demand for additional rental housing and needs addressing the existing population/housing stock.
2. Conduct an affordability analysis detailing the number of income-qualified renter households that the subject property will address. Components of the affordability analysis include:
  - a. A minimum income, which is based on the proposed rents and an acceptable rent burden. Rent burden refers to the maximum percentage of income households will be willing or allowed to spend for rent. Analysts should identify if minimum income is based on asking rent or gross rent (including utility cost).
  - b. A maximum income limit, which is based on applicable housing program requirements or perceived target market for unrestricted market rate communities.
  - c. An affordability analysis capture rate is determined by dividing the number of proposed units by the number of renter households within the target income segment.
3. Calculate the penetration rate. A penetration rate measures the percentage of income-qualified households needed to fill the subject property, existing competitive units, and proposed competitive units. Given the inclusion of additional properties, the target income range may differ

from that of the subject property. A detailed description of how the income range was calculated should be included.

4. Analyst must evaluate the overall demand, affordability analysis, and penetration rate analysis and render an opinion on the potential impact of these indicators may have on the subject property.

#### Additional LIHTC/Affordable Requirements:

- Demand estimates and capture rates for affordable housing communities should address both overall demand, demand by income target (AMI), and demand by bedroom count and income target. Demand by income target and bedroom can be used to determine if the community is too heavily weighted towards a particular income level or bedroom size.
- Demand, affordability, and penetration rate analyses should be conducted both with and without project-based housing assistance. Analyst should provide a conclusion stating whether project feasibility is dependent upon project-based rental subsidies. The analysis of the project without project-based rental subsidies may include assumptions regarding proposed rent on the part of the analysis. Rents analyzed should be the lesser of proposed rents or maximum allowable programmatic rents.
- Specific demand estimates may be required. Typical demand methodologies measuring need rather than demand include estimates of overburdened renter households and those living in substandard housing. If the analyst has concerns with the prescribed methodology, an explanation of how the required methodological approach is inadequate should be included.
  - Any additional sources of demand other than those prescribed from the required methodology should be itemized. Capture rates should be shown both with and without any additional sources of demand.
- All data sources used to determine demand should be easily identifiable and easily replicated.

#### Additional Senior Requirements:

- Demand for senior communities should be measured on appropriate minimum age classification.
- Demand for senior communities that includes homeownership conversion should be conservative and take into account the ability, or lack thereof, of seniors to sell homes.
- Maximum income limits for senior communities should be based on a maximum household size of two persons. Maximum income limits for efficiency units or smaller one-bedroom units may be based on less than two persons per household.
- Underwriting (rent burden) percentage for senior communities may be different than general occupancy communities.

#### Additional Market Rate Requirements:

- Compute an estimate of demand for new rental units in the market area. This demand estimate measures rental demand for a three- or four-year period to coincide with the estimated placed-in-service date of the subject property. As this demand analysis is a measurement of the overall rental market, it is based on the universe of rental housing rather than specific income targets. This demand estimate should consider:
  - Renter household growth during forecast period.
  - Recent trends in tenure that may increase/decrease demand for rental units.
  - Replacement of existing rental units from the inventory due to demolition, conversion, housing quality, shifting owner units into the rental market and by other means, and

- consideration of any current excess vacant supply based on a balanced market vacancy rate.
    - The demand estimate should be presented in terms of the number of rental units needed for the market area to be balanced.
    - This gross demand estimate should be reconciled with estimated additions to the rental market (units under construction, approved, or proposed).
  - Although market rate communities are not subject to maximum income limits, analysts should make a determination of reasonable target market. Market rate units at mixed income communities generally target renter households earning no more than 80 to 100 percent of the AMI. Luxury rental products, especially those in urban markets, can often target renter households earning upwards of 150 percent AMI.

#### **J. Local Perspective of Rental Housing Market and Housing Alternatives**

The market study should include a summary of the local perspective on the rental market, the need for the proposed development and unmet housing needs within the market. The local perspective should consider:

1. Interviews with local planners, housing and community development officials, and market participants to estimate proposed additions to the housing supply that would compete with the subject development and to evaluate the local perception of need for additional housing.

#### Additional LIHTC/Affordable Requirements:

- Provide the total number and availability of Housing Choice Vouchers and the number and types of households on the waiting lists for housing choice vouchers.
- Interviews with local public housing authority (PHA) officials to solicit comments on the need for housing and the possible impact of the proposed development on the housing inventory and waiting lists for subsidized housing.

#### **K. Analysis/Conclusions**

The analysis and conclusions section of the market study should summarize salient points from each section of the market study used by the analyst to reach the final conclusion.

1. Estimate the absorption rate for the subject property and the corresponding lease-up period. The absorption period should be based on stabilized occupancy rather than 100 percent occupancy. Stabilized occupancy rate should be stated.
2. Compare the proposed developed to comparable rental communities including:
  - a. Unit distribution.
  - b. Community amenities.
  - c. Included utilities.
  - d. Unit features and finishes.
  - e. Unit square footage.
  - f. Location.
3. Identify any significant competitive advantages or disadvantages of the proposed development.
4. Discuss the proposed price position relative to the existing rental market. Comment on the appropriateness to the proposed rents in light of the proposed location and product to be constructed. Identify risks (i.e. competitive properties which may come on line at the same time as the subject property; declining population in the PMA, etc.), unusual conditions and mitigating circumstances.

5. Discuss any impact (short/long term) the subject property will have on the overall rental market and comparable rental communities.
6. The final conclusion of the report should reconcile any conflicting data in the report. For example, experience of comparable properties may indicate less/more demand than indicated in the demand section of the report.

Additional LIHTC/Affordable Requirements:

- Evaluate need for voucher support or HUD contracts.
- Proposed rents should be evaluated for each proposed income level, rather than an average by bedroom type.
- Analysts should comment if specific units (bedroom/AMI) will lease significantly faster or slower than the remainder of the project.
- Compare the subject's proposed rents to local payments standards or median rents.

**L. Other Requirements**

1. Certifications that state:
  - a. No identity of interest between the analyst and the entity for which the report is prepared.
  - b. Recommendations and conclusions are based solely on professional opinion and best efforts.
2. Statement of analyst's qualifications.
3. List of sources for data in the market study that are not otherwise identified.

Additional LIHTC/Affordable Requirements:

- Provide source of utility allowance estimate, which may include PHA Utility Allowance schedule or utility company provider letters.

***Format of Reports***

MFA may provide forms, outlines and other materials to be used in the presentation of the material collected in the course of the market research, and if available, use of these formats will be required.

**Part III: Minimum Qualifications and Requirements**

- A. Only those Offerors who meet the following minimum qualifications are eligible to submit a proposal pursuant to this RFQ:
  1. Eligible participants in the RFQ must have specific experience in the assessment of rental real estate properties.
  2. Experience with federal subsidy programs is preferred.
  3. A minimum of three years' experience with this work, and references from former clients engaging the Offeror for similar assignments will be required.
- B. Selected Offerors must also meet the following requirements:

1. Offeror or Offeror's family may not have any financial interest in any proposed project or development team<sup>2</sup> or undertaken prior work for a development team of a proposed project that is the subject of an engagement pursuant to this RFQ. Nevertheless, Offeror may still be included on the approved MFA list for market study services even if the Offeror has a conflict, but MFA will not engage the Offeror for the project for which the Offeror has the conflict.
2. No MFA Board of Directors member or employee of MFA shall have any direct financial interest in any contract with the Offeror, nor shall any contract exist between Offeror or its affiliate with any MFA Board member or employee that might give rise to a claim of conflict of interest. Any violation of this provision will render void any contract between MFA and the Offeror for which MFA determines that a conflict of interest exists as herein described, unless that contract is approved by MFA's Board of Directors after full disclosure.
3. Offeror shall provide a statement disclosing any political contribution or gift valued in excess of \$250 (singularly or in the aggregate) made by Offeror or on Offeror's behalf to any elected official of the state of New Mexico currently serving or who has served on MFA's Board of Directors in the last three (3) years.
4. Offeror shall at all times conduct itself in a manner consistent with MFA's Code of Conduct and MFA's Anti-Harassment Policy. A copy of MFA's Code of Conduct and MFA's Anti-Harassment Policy is posted on the MFA website for review at <http://www.housingnm.org/rfp>. Upon request by MFA, Offeror shall disclose information MFA may reasonably request relating to conflict or potential conflicts of interest.
5. Offeror shall provide written certification that Offeror is eligible to participate in any and all federal- or state-funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal- or state-funded housing program; and is not listed as an excluded party(ies) on the System for Award Management's list of excluded parties accessed at [www.sam.gov](http://www.sam.gov).
6. Offeror shall be Equal Opportunity Employer and comply fully with all government regulations regarding nondiscriminatory employment practices.

#### **Part IV. Compensation**

Fee basis should be an all-inclusive rate per market study. Offeror must also state how long the Offeror can hold the all-inclusive fees with the minimum amount of time being two years. Please include a statement as to whether the Offeror's proposed rates are the best offered by the firm to any client.

#### **Part V: Evaluation Criteria**

##### **A. Minimum Threshold Requirements**

Responses must meet the following minimum requirements in order to qualify for further consideration:

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<sup>2</sup> "Development Team" includes any person or entity with any ownership or proposed ownership interest in the project, and the proposed builder or subcontractor, management agent, architect, lender, proposed equity investor or other proposed vendor or service provider with respect to the project.



1. The response must be complete and legible and must be submitted by the application deadline.
2. Offeror must provide evidence of high-quality professional presentation of work, as verified through a sample report and positive references from clients; and
3. Offeror must demonstrate at least three years of experience providing a comparable scope of services contained herein (and as further described in Part II. of this RFQ).

**B. Evaluation of Submittals**

MFA shall select Offerors to be on the list of approved evaluated primarily on experience. Proposals shall be scored on a scale of one to 100 based on the criteria listed below. A minimum score of 70 is required. Please note, however, that a serious deficiency in any one criterion may be grounds for rejection regardless of overall score.

Offeror(s) meeting the minimum threshold requirements and achieving the minimum required Evaluation Criteria score will be placed on MFA’s list of approved providers for market study services. MFA may select one or more Offerors. Being selected to be placed on MFA’s list of approved providers does not guarantee an award of an assignment. MFA may, for cause, remove a selected Offeror from its approved list.

Criteria	Point Range	Maximum Points
<p><b>1. Experience and Capability:</b>            Evaluation of the professional qualifications, background and experience of the Offeror, including:</p> <ul style="list-style-type: none"> <li>• Expertise and experience in the production of market studies for properties with rent limitations, project-based vouchers, affordability restrictions.</li> </ul>	<b>0-25</b>	<b>25</b>
<p><b>2. Quality and Conciseness of Sample Study:</b> Evaluation of Offeror’s Sample Study.</p>	<b>0-25</b>	<b>25</b>
<p><b>3. Fees:</b>            Cost proposal shall indicate the proposed price for the delivery of entire scope of services defined in the market study. Scoring to be calculated by the following equation:            (Lowest evaluation cost amount from all response) / (Evaluation amount being evaluated) X (10 (Maximum section score)) = Final Score</p>	<b>0-10</b>	<b>10</b>
<p><b>4. Capacity:</b>            Demonstrated ability and capacity to provide the services and meet timing requirements.</p>	<b>0-15</b>	<b>15</b>
<p><b>5. Familiarity with New Mexico Markets:</b>            History within the New Mexico real estate market.</p>	<b>0-15</b>	<b>15</b>

<b>6. MAI designated, Certified General Appraiser licensed in New Mexico</b>	<b>0-10</b>	<b>10</b>
<b>Maximum Points (Minimum of 70 points required)</b>		<b>100</b>

**Part VI: Offeror Submission Instructions and Format**

Submissions must, at a minimum, contain the following information and shall be organized as follows:

A. Letter of Transmittal – to include at least the following information:

1. Name, address, telephone number and email address of Offeror and name of contact person;
2. A signature of the Offeror or any partner, officer or employee who certifies that he or she has the authority to bind the Offeror;
3. Date of submission;
4. A statement that the Offeror, if selected to be on the list of approved providers, will comply with the terms and conditions set forth in this RFQ and in any engagement letter;
5. A statement describing how long the Offeror can hold the per market study fee rate;
6. The location of Offeror’s main office and the locations of any of Offeror’s branch offices; and

B. Disclosures and Certifications

1. Offeror shall provide a statement disclosing: (1) any political contribution or gift valued in excess of \$250.00 (singularly or in the aggregate) made by Offeror to any elected official of the state of New Mexico currently serving or who has served on MFA’s Board of Directors in the last three years; (2) any current or proposed business transactions between Offeror and any MFA board member, officer or employee; (3) any affordable housing project or development team that Offeror or Offeror’s family has a financial interest or has undertaken prior work; and (4) any other conflict or potential conflict which may give rise to a claim of conflict of interest, in particular pursuant to Part III.B. of this RFQ.
2. Offeror shall provide a statement disclosing any pending investigation, litigation, recent settlements or regulatory sanctions in performing professional services during the past five years involving Offeror’s firm or employees or individuals or organizations involved in any third-party agreements or joint venture agreements. Describe any circumstances under which Offeror’s firm or any of Offeror’s members or employees have been disciplined by any professional licensing, regulatory or ethics entity. Indicate whether Offeror’s firm has been involved in any capacity in litigation, investigations or regulatory proceedings involving HUD, the State of New Mexico or any agency thereof.
3. Offeror shall provide MFA with written certification that Offeror is eligible to participate in any and all federal- or state-funded housing programs; is not currently facing disciplinary action by any federal, state or local entity; is not suspended, debarred or excluded from participation in any federal- or state-funded housing program; and is not listed as an excluded party on the System for Award Management’s list of excluded parties accessed at [www.sam.gov](http://www.sam.gov).
4. Offeror shall provide MFA with written certification that Offeror shall at all times conduct itself in a manner consistent with MFA’s Code of Conduct and MFA’s Anti-Harassment Policy.

5. Offer shall provide MFA with a written statement that Offeror is an Equal Opportunity Employer and complies fully with all government regulations regarding nondiscriminatory employment practices.

C. Experience and Capability

1. Statement describing experience and technical capability and capacity to provide responsive and professional services and to address Evaluation Criterion 1 as described in Part V.B. of the RFQ.
2. A description of clients for which Offeror has worked or performed services, currently or in the last 10 years.
3. Names and resumes of the key personnel including support staff to be assigned to engagements.
4. Names of at least three references of persons who have worked with the same key personnel proposed.

D. Quality and Conciseness of Sample Study

Sample report produced for a similar assignment. Property and client names and other proprietary information may be deleted or blacked out.

E. Fees

Fee basis should be an all-inclusive rate per market study. Offeror must also state how long the Offeror can hold the all-inclusive fees with the minimum amount of time being two years. Please include a statement as to whether the Offeror's proposed rates are the best offered by the firm to any client.

F. Capacity

1. Offeror's proposal for delivering services, including organization of responsibilities, approach, and the availability of personnel for consultation and discussion, as necessary. Please include steps and time frames to complete all of the tasks described in Part II of the RFQ.
2. Detailed discussion of Offeror's staffing and other elements of its capacity to complete the scope of services specified in Part II of this RFQ.

G. Familiarity with New Mexico Markets

Resume of the individual or corporate Offeror, highlighting market study research completed for properties in the State of New Mexico since January 1, 2012. Corporate Offerors must also identify key staff who will complete the work under the Contract, and provide resumes for each individual identified;

H. Other

1. Offeror must provide proof of professional liability insurance or comparable protection with the limit of \$1,000,000 per claim.
2. Please provide any other relevant information which will assist MFA in evaluating Offeror's ability to provide the services as described herein.

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## **New Mexico Mortgage Finance Authority**

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