



INVITATION TO BID
Deadline to apply August 24, 2020

The Loveland Housing Authority (LHA) is requesting proposals from qualified, licensed, responsible firms interested in providing annual audits and tax returns for the Housing Authority and related/associated entities. The year-end for all entities is December 31.

The audits must be conducted in compliance with; U.S. Generally Accepted Auditing Standards; Audits of States, Local Governments, and Non-Profit Organizations; Government Auditing Standards; The Single Audit Act; OMB circular A-133 Consolidated Audit Guide for Audits of HUD programs and all other regulatory agency requirements as it relates to this request. The audit reports must also comply with Government Accounting Standards Board Statements as applicable, and with HUD'S Real Estate Assessment Center requirements for electronic submission. The Housing Authority and related/associated entities require the audits and tax returns be completed within various time periods unless HUD, IRS or other related parties require shorter time frames. Please refer to exhibit A for details.

Listed below are the eight (8) main entities and each entity reports to a different Board of Commissioner/Directors.

- I. Loveland Housing Authority (LHA) audit
- II. Loveland Housing Development Corporation (LHDC) [(501C(3))] - audit and tax return
- III. Estes Park Housing Authority (EPHA) – audit
- IV. The Pines at Estes Park Condominiums HOA–tax return only
- V. The Pines North at Estes Park Condominiums HOA – tax return only
- VI. Town of Windsor Housing Authority - audit
- VII. Mirasol Community Association, Inc. – audit and tax return
- VIII. Aspire 3D [(501C (3))] - audit and tax return

Note: See the attached exhibit A for a summary of all entities, programs, developments

Entity/ program/fund descriptions

I. LOVELAND HOUSING AUTHORITY (LHA):

A. PUBLIC NON-PROFIT PROGRAMS (unsubsidized):

1. LOVELAND HOUSING AUTHORITY FUND (LHA)

- Responsible for the management and/or contract services (loan servicing, accounting, development, and management services) and/or maintenance of programs and entities listed in Exhibit A.
- The agency is the recipient of various grants/loans from organizations such as Colorado Housing Finance Authority (CHFA), Federal Home Loan Bank (FHLB), Colorado Division of Housing (CDOH), City of Loveland, etc. Sources include HOME, CDBG, State HDG, etc
- The Authority is also an active Developer of new affordable Housing, including 4 and 9% tax credits.
- Annual Operating budget for 2020 is approximately \$2MM and a Development budget of \$10.5MM.

2. WILLOW PLACE APARTMENTS (WP) –

- 20 - Two and three bedroom units.
- Annual budget is approximately \$314k.
- This project is 100% project based section 8 vouchers.

3. CORNERSTONE APARTMENTS (CS) –

- 16 - Two bedroom units.
- Annual budget is approximately \$115k.
- This project is not subsidized although grant monies received over the years have rent restrictions that require some levels of affordability.

4. Revolving Trust Fund is used solely for the processing of accounts payable and payroll. This fund is reimbursed by each fund for the exact amount due after each processing cycle.

B. HUD HOUSING PROGRAMS:

1. SECTION 8 VOUCHERS (DEN 898 Colorado Project No. CO-99-V034)-

- The program currently has funding for approximately 525 vouchers ongoing.
- Annual Budget of approximately \$5.8 million.

C. HUD LOAN MANAGEMENT PROGRAMS:

1. SILVER LEAF II APARTMENTS (SLII)-
 - 72 - one bedroom senior units.
 - Existing Section 8 Housing Assistance Payment Contract.
 - Annual Budget is approximately \$910k.

2. ORCHARD PLACE APARTMENTS (OP) –
 - 50 - one, two and three-bedroom family units.
 - Existing Section 8 Housing Assistance Payment Contract.
 - Financed with TCEP funds
 - Annual Budget is approximately \$549k.

D. COMPONENT UNITS OF LHA - TO BE AUDITED WITH LHA:

1. ROCK CREST LLLP -
 - 56 - one, two and three-bedroom family units.
 - Low Income Housing Tax credit property that is beyond the 15-year compliance
 - Both partners (LHA and HousingQuest) are owned by LHA.
 - The partnership still requires a tax return
 - Annual Budget approximately \$587k

2. HOUSINGQUEST CORPORATION(HQ) - PRIVATE FOR PROFIT:
 - HousingQuest stock is 100% owned by LHA.
 - No annual budget – funds flow to/from LHA.
 - This corporation is the managing general partner for:
 - Rock Crest LLLP,
 - Dove Valley LLLP,
 - Mirasol Senior Housing Partnership I LLLP
 - Mirasol Senior Housing Partnership II LLLP
 - Mirasol Senior Housing Partnership III LLLP,
 - Windsor Meadows Apartments I LLLP
 - Windsor Meadows Apartments II LLLP
 - The EDGE I LLLP.
 - The EDGE II LLLP
 - Meadows Partnership II LLLP
 - Needs Tax Return prepared

3. HOMEQUEST LLC:

- The Corporation has elected with the IRS (form 8832) to be disregarded as a separate entity since Loveland Housing Authority is the only member.
- This LLC was created for developing the Mirasol Community (a mix of affordable and market rental and homeownership units).
- Owns MIRASOL RENTALS: 31 paired home rental units within the community [6 affordable and 25 market rate].
- The affordable units had Colorado Division of Housing money and Federal Home Loan Bank funds as sources of construction funding.
- Annual budget \$592k.

E. COMPONENT UNITS OF LHA - PROVIDED BY OTHER AUDITORS

1. LOVELAND ELDER GREENHOUSE HOMES (LEGH) –

- 501(C) 3 entity
- 60 bed skilled nursing facility.
- Currently has a mix of 60% Medicaid and 40% Private Pay.
- The annual budget is \$7.2M.
- Managed by 3rd party and they contract for the audit
- Sole member of LEGH II LLC
 - 1. LEGH II LLC –
 - Under construction with Certificate of Occupancy - Oct 2020
 - 30 bed skilled nursing facility.
 - 18 Market rate and 12 Medicaid beds
 - Managed by 3rd party and separate audit performed with LEGH

LEGH was financed with New Market Tax Credits and the unwind is in Dec 2020. By Dec 2020 LEGH II should be folded in the LEGH entity, leaving only one entity. The financing for the unwind is in place.

II. LOVELAND HOUSING DEVELOPMENT CORPORATION (LHDC)(501c(3)):

A. NON PROFIT PROGRAMS/FUNDS:

LOVELAND HOUSING DEVELOPMENT CORPORATION MANAGEMENT FUND(LHDC):

- Currently this program is the managing general partner of Pine Tree Village Apartments LLLP (Brookstone Apts.)
- The agency is the recipient of grants/loans from various organizations such as CDOH.

- This fund does not contain any day to day operations although they do sponsor a golf tournament and other fundraising events on behalf of LHA.
- Annual Budget is approximately \$209k.

1. LARIMER HOME OWNERSHIP PROGRAM(LaHOP) -

- This program was funded with Colorado Division of Housing CDBG funds via Larimer County. They also receive local grant matching funds.
- It provided closing costs and down payment assistance to low income families.
- In 2020 HUD and Colorado Division of Housing gave preliminary approval (final is pending) to transfer the portfolio to the LAHIP Fund within LHDC.
- Approximately 52 active loans and 34 deferred loans will be transferred
- Going forward the program income funds will transfer to the LaHIP program (#3 below).
- The annual budget for 2020 was approximately \$10k.

2. MIRASOL EVENT CENTER –

- This Event Center is the hub of the Mirasol Community.
- The Event Center is responsible for activities and fellowship in the Community.
- The Event Center provides a variety of services, programs and resources for seniors.
- The Event Center Building is funded through a Reciprocal Covenants and Easements Agreement which identifies fees to be allocated to all owners in the Mirasol Community. The HOA collects the fee and passes through to the owner(LHDC).
- The Event Center Services Fee is paid by renters and unit owners to the Event Center Owner(LHDC) directly.
- The combined annual budget is 200k.

3. LARIMER HOME IMPROVEMENT PROGRAM (LaHIP) –

- This program provides low interest loans to families who need rehabilitation work done on their homes.
- Expect to generate additional 31 new loans along with approximately 65 active loans and approximately 96 deferred loans in the current portfolio.
- The annual budget is approximately \$267K.
- Funders are Colorado Division of Housing and local governments
- This program will be accepting the Lahop portfolio funds (noted above) and expanding rehab services in the future.

4. SILVER LEAF I –
 - 50 - one bedroom units of senior housing.
 - 100% Section 8 project based vouchers.
 - Annual budget of approximately \$632k

III: ESTES PARK HOUSING AUTHORITY(EPHA):

A: PUBLIC NON PROFIT PROGRAMS:

1. ESTES PARK HOUSING AUTHORITY MANAGEMENT FUND;
 - Responsible for the management and maintenance of all programs identified within Section below:
 - The agency is the recipient of grants/loans from organizations such as Colorado Housing Finance Authority, Federal Home Loan Bank, State Division of Housing (CDBG & HOME), Town of Estes Grant Funds, etc.
 - Accounting services and management services are contracted with the Loveland Housing Authority.
 - Annual Budget approximately \$475k.
 - The Estes Park Housing Authority is also a developer, with one project in the works.
2. Cleave Street Apartments –
 - 10 one and two bedroom units.
 - This project is not subsidized although grant and/or loan monies received over the years that require some levels of affordability.
 - Annual Budget is approximately \$60k.
3. Peak View -
 - This project is anticipated to be under construction late 2020. 26 rent restricted units between 80% and 150% AMI.
4. The Pines –
 - 24 one bedroom units.
 - This project is not subsidized although grant and/or loan monies received over the years have rent restrictions that require some levels of affordability.
 - Annual budget approximately \$160k.

B. TAX CREDIT PROPERTY BEYOND 15 YR COMPLIANCE:

1. Lone Tree Apartments –
 - 57 - one, two and three-bedroom family units.
 - Low Income Housing Tax credit property that is beyond the 15-year compliance.

- Annual budget approximately \$584k

C. OTHER :

1. ESTES PARK DEVELOPMENT CORPORATION – PRIVATE FOR PROFIT

- Managing general partner of Talon’s Pointe LLLP.
- It is wholly owned by EPHA
- Managing General Partner of Falcon Ridge LLLP

IV: THE PINES AT ESTES PARK CONDOMINIUMS:

Homeowners Association (HOA):

This association was created by the Estes Park Housing Authority during the acquisition and rehab of The Pines Condominium 48 units – 24 Homeownership units and 24 rental units. The 24 rental units are owned and contained within the Estes Park Housing Authority entity above (A4):. This HOA has since been divided into two HOA’s. This HOA remains in place for the 24 Homeownership units. It is controlled by the Homeowners and managed by Estes Park Housing Authority. Currently EPHA owns 1 unit in the homeownership section and using it for the resident manager.

V: THE PINES NORTH AT ESTES PARK CONDOMINIUMS:

Homeowner Association (HOA):

This association was created when The Pines at Estes Park Condominiums (IV) split into two HOAs. This association was created for the Rental units owned by EPHA. Both HOAs share common outside maintenance responsibilities. This board is made up of EPHA staff and directors. There is minimal activity within this HOA, the majority of the expenses are contained in the The Pines Rental Operating budget within EPHA (A4).

VI: Town of Windsor Housing Authority(WHA):

PUBLIC NON-PROFIT PROGRAMS (unsubsidized):

1. WINDSOR HOUSING AUTHORITY MANAGEMENT FUND:

- Contracts Management of Century III to LHA.
- WHA Accounting services are contracted to LHA.
- WHA is the managing member of:

- a. Windsor Community Housing I – Administrative GP Windsor Meadows
- b. Windsor Community Housing II – Administrative GP Windsor Meadows II

2. UNITED STATES RURAL DEVELOPMENT (USRD) PROGRAM:

- 1. Century III Apartments
 - 72 - one and two bedroom units of
 - USDA loan program(RRH)
 - 52 units of USRD rental assistance.
 - Annual Budget approximately \$508k.

VII: MIRASOL COMMUNITY ASSOCIATION, INC (Note 3)

1. Homeowner Association (HOA):

- This association has 164 units total.
 - 1. Affordable rental apartments (Mirasol I LLLP- 49 units, Mirasol II LLLP - 60 units),
 - 2. Market and Affordable rental duplexes (31 units)
 - 3. Market and Affordable homeownership. (24 units)
- Homeownership and rental duplex units each have a neighborhood association included within the main association.
- The association also collects the Event Center building fee on behalf of the Event Center Owner (LHDC)
- The current board of directors is made up of 2 homeowners and 3 apartment owner representatives.
- Payments are collected monthly.
- The association signed an agreement with Mirasol Phase III – 60 rental apartment units, to allow access for residents to common areas including the Event Center in exchange for a fee.
- Budget of \$200k

VIII. Aspire 3D (501c (3)):

1. ASPIRE 3D –

- The Corporation was formed for charitable and educational purposes, including but not necessarily limited to collaboration with local human services, education and health care providers to bring case management, health and wellness resources, education programs and basic needs services to elders and families of lower income populations.
- Aspire currently offers services to various LHA properties

- Aspire has an MOU with LHA
- Budget \$507K

Bidder Formats:

Bidders may bid on all audits and tax returns contained in the RFP or they may bid on any combination of the following Groups:

Group 1(LHA Housing Authority):

- Housing Authority City of Loveland
- HousingQuest Corporation
- Loveland Housing Development Corporation
- HomeQuest Development LLC
- Mirasol Community Association
- Aspire 3D

Group 2(EPHA Housing Authority):

- Estes Park Housing Authority
- Estes Park Development Corporation
- The Pines at Estes Park Condominiums
- The Pines North at Estes Park Condominiums

Group 3(WHA Housing Authority):

- Town of Windsor Housing Authority

Please use exhibit B to submit bid information on. Bids will be accepted for Groups as separate bids and all groups as one bid.

Bidder Requirements –

- The books of the Authority and related entities will not leave the premises of the Authority, although much is available electronically. Field work that requires files that are not available electronically must be conducted on site.
- A copy of your firm’s most recent peer review.
- Please provide a list of areas of expertise (ie: Public Housing, Development, Multi Family, 501 c3, etc)
- Estimated time required for your field work at the Authority-can you meet all the deadlines.
- Must be licensed to provide independent audits in Colorado
- For references provided - please indicate the nature of the work your firm completed as well as the time frame and size of the agency audited.
- Please provide staff bios for your firm.
- Firms must not use outside contractors without written approval from the Housing Authority

In addition to the above requirements:

Housing Authorities audits:

- The firm or lead associate assigned to the audit must have completed at least three (3) annual audits of HUD subsidized housing, including Vouchers and Multi-Family properties within the past year to be qualified for this audit.
- The firm must have experience in auditing construction projects in which the Authority is owner and/ or developer. Please include the # of units, new construction or rehab, total amount of development budget, funding sources, etc.
- The successful firm must provide an on-site oral presentation of the audit after completion of the audit to the entity Board of Directors during their regular monthly meeting. The presentation to be within 30 days of the audit completion.
- The bidder must include a reference list, which identifies the other Housing Authority or related audits that meet our minimum qualifications.
- The firm awarded the bid will need to confirm the component units noted in this RFP

Tax Credit Audits – beyond 15 yr compliance

- The firm or lead associate assigned to the audit must have completed at least three (3) annual audits of tax credit properties beyond 15 yr compliance within the past year to be qualified for this audit.

501 c (3) and nonprofit audits:

- The firm or lead associate assigned to the audit must have completed at least three (3) annual audits of 501 c(3) and nonprofit companies Include a reference list, which identifies the other Housing Authority or related audits that meet our minimum qualifications listed above.
- The successful firm must provide an on-site oral presentation of the audit after completion to the Entity Board of Directors during their regular monthly meeting. The presentation to be within 30 days of the audit completion

Bid Fees:

- Fees for services must include **all** costs associated with performing the audit, financial statements and /or tax return by entity and fund.
- The total cost of each audit to include verification of the electronic submissions to HUD's REAC.
- Please submit Costs on attached Exhibit B

Audit presentation requirements:

- Along with the required basic financial statement presentation, the audit **must** present a set of financial statements by fund and there must be comparative data for the basic financial statements after the first year.

Evaluation Criteria:

The key evaluation criteria – Exhibit C:

- Experience – Demonstrate experience having performed audits for other housing authorities, governmental
- References – please detail which references meet which requirements detailed above.
- Competitive Pricing – LHA is not required to accept the lowest bid. However, the selected firm will have to demonstrate their pricing is competitive.
- Local Preference – LHA will give preference in the selections process to those firms who assign staff to this project who are permanently located within the State of Colorado and are regular employees of the selected firm.
- The final selection – The Board of Commissioners of the Housing Authority may waive any improprieties related to this offering and shall have final authority to approve any firm they believe to be in the best interest of the Housing Authority.
- Is the firm able to audit all entities listed in the RFP

Other:

- Specify hourly rate for on-site technical assistance which may be required throughout the year (rate shall be inclusive of all travel costs, per Diem, etc.).
- Preliminary documentation (trial balance, bank stmts, and other backup) can be emailed or uploaded into a secure file system prior to on site visit.
- The Housing Authority, at its discretion, will award bids for either one (1) or up to five (5) years.
- US mail, facsimile or emailed bids will be accepted. Mailed bids must be received by the bid date.
- The Housing Authority reserves the right to combine or change the audit groupings.
- By submission of a proposal, contractor agrees if its proposal is accepted, to enter into a contract with the Housing Authority to complete all work as specified and indicated in the contract and RFP. Also accepts all conditions and terms of the contract and RFP.
- Proposals may be withdrawn by written request prior to the deadline.
- This audit is not subject to Section 3 compliance.
- The Board is looking for a new auditor so the current auditor will not be allowed to submit a bid.
- During the term of this audit contract, new funds, entities programs may be added. Fee changes will need to be negotiated on a case by case basis at the start of the audit.

Bids will be accepted until 5:00pm MST on August 24th, 2020

The Loveland Housing Authority reserves the right to reject any or all bids, to waive any informalities and irregularities therein, and to accept any bid deemed desirable. The Housing Authority reserves the right to cancel this solicitation for any reason it deems is in the best interest of the agency.

If you have any questions, please contact me at:

Telephone: (970) 635-5932, 8am-5pm MST

Fax: (970)-635-5788

Email: slee@lovelandhousing.org

Sincerely,

Sharlet R. Lee
Director of Operations

The Loveland Housing Authority is an Equal Opportunity Employer and does not discriminate on the basis of age, race, color, creed, sex, national origin, political affiliation, handicapped status, or group membership. Women and/or minority owned businesses are encouraged to bid.