



New York City Housing Development Corporation
Request for Proposals for Parity Indenture for NYCHA Preservation
Recommendations
Underwriters
September 13, 2018

The New York City Housing Development Corporation (“HDC” or the “Corporation”) is soliciting responses to this Request for Proposals for Financing Ideas for the creation of HDC’s Parity Indenture for Public Housing Preservation (“RFP”). This RFP is being sent to select firms which have worked with HDC, and will also be posted on HDC’s website, constituting a public dissemination of this RFP.

HDC expects to establish a new parity bond indenture for the financing of mortgage loans for the preservation of the New York City Housing Authority (“NYCHA”) portfolio under HUD’s Rental Assistance Demonstration (“RAD”) program and through the Section 18 disposition process. These programs allow NYCHA to address its critical repair and capital needs by converting public housing funding to long-term property-based Section 8 contracts. NYCHA expects to pool developments into “bundles” for more efficient transaction execution. As each bundle becomes ready for Section 8 conversion, HDC will issue tax-exempt and/or taxable bonds, including Governmental Bonds and 501 (c)(3) Bonds to finance the construction and/or permanent mortgage loans for the development bundle. It is expected that annual issuance may ultimately range from approximately \$500 million-1 billion under this new parity indenture for the preservation of up to 40,000 units, a significant amount of the 170,000-unit NYCHA portfolio.

Specifically, the Corporation asks for recommendations on the following particular objectives and all related matters:

1. Describe the main considerations and structuring options of establishing a parity bond resolution for the preservation of the NYCHA portfolio.
2. Provide recommendations on the types of credit enhancement during the construction phase and the permanent phase, respectively. HDC does not take construction risk, but would consider certain risk sharing arrangements during the permanent phase for a fee.
 - a. Please address (i) the cost of credit enhancement, (ii) lead time and process to secure such credit enhancement, (iii) the risk to HDC and/or impact on the indenture cash flows and bond rating, (iv) HDC’s control under the event of default, and (v) HDC’s flexibility for future refinancing/refunding.



3. Provide specific ideas on executing a bond transaction that involves significant public-private partnership. Describe potential financing partners that HDC should consider bringing in.
 4. HDC does not anticipate the allocation of volume cap/4% credits, and is looking into alternatives such as Opportunity Zones to leverage other private investment. Provide suggestions on the implementation of Opportunity Zones for the NYCHA RAD conversion.
 5. Provide information on rating agency related considerations, including recommendations to achieve a AA rating and strategies to seed the indenture for future capacity and flexibility.
 6. Provide recommendations on structuring and marketing Governmental Bonds or 501(c)(3) Bonds for NYCHA.
 7. Any other ideas that are not mentioned above.
- **Additional Information Required (Can be included as an appendix. Appendices not part of page limit)**
1. Pursuant to Local Law 34 of 2007, amending the City's Campaign Finance Law, the City is required to establish a computerized database contain the names of any "Person" that has business dealings with the "City" as such terms are defined in the Local Law. In order for the City to obtain necessary information to establish the required database, your response to this RFP is required to include a completed, signed **Doing Business Data Form (the "Data Form")**, which is attached hereto. **The Data Form should be sealed in a separate envelope marked "Doing Business data Form.** The Data Form will be submitted to the Mayor's Office of the City of New York (the "City"). If the City determines that your Data Form is not complete, you will be notified by the City and given four (4) calendar days to cure the specified deficiencies. Failure to do so will result in your proposal being deemed incomplete and therefore non-responsive.
 2. If any, provide a copy of the firm's most recent Employer Information Report EEO-1 and include as an **appendix** to the RFP. Please state how many women and minorities work at your firm. HDC is dedicated to furthering the participation of minority and women-owned businesses in its work. All Respondents are urged to include in their Proposals methods for facilitating the participation in the project of businesses that have been certified by the New York City Department of Small Business Services ("SBS") as women or minority owned. This can take any form a Respondent considers appropriate including, but not limited to, Proposals intended



to ensure the utilization of certified minority and women-owned businesses as subcontractors or as joint-venture partners. In addition, Proposals from minority and women-owned Respondents are encouraged. Please include this information as an **appendix** to the RFP.

3. Has the firm, or any of its employees, or anyone acting on its behalf, ever been convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or has any of the firm's officers, directors or persons exercising substantial policy discretion ever been convicted of any crime or offense involving financial misconduct or fraud? If so, please describe any such convictions and surrounding circumstances in detail.
4. Please disclose any other employment or situation which may create a conflict of interest if your firm were to be selected, including any relationship that the firm or any of its employees may have with HDC. Please describe any such relationship in your proposal, or affirmatively state that no such relationship exists.
5. The issuance of this RFP, and the submission of a proposal by the firm or the acceptance of such proposal by HDC, does not obligate HDC in any manner whatsoever. HDC is not obligated to pay and shall not pay any cost incurred by any Firm at any time for the preparation of its Proposal. Legal obligations will only arise upon the execution of formal agreements by HDC and the firm selected to render services described herein.
6. All Proposals submitted to HDC in response to this RFP may be disclosed in accordance with the standards specified in the Freedom of Information Law, Article 6 of the Public Officers Law of the State of New York.

Please keep responses brief (7 pages maximum) and to the point.

Responses to this RFP are due by close of business, Friday September 28, 2018.

Any questions and all responses should be emailed to Ellen Duffy, SVP Debt Issuance and Finance (eduffy@nychdc.com). In addition to the emailed response, please provide **Five** physical copies. The Corporation understands that by responding to this RFP, respondents are not acting as municipal advisors to HDC.

HDC reserves the right to amend, modify or withdraw this RFP; to waive or revise any requirements of this RFP; to select for its management groups as many or as few responding firms as it may choose; to accept or reject any or all proposals received in response hereto; to extend the deadline for submission of proposals; to negotiate or hold discussions with any responding party; and to cancel, in whole or in part, the RFP if HDC deems it to be in its best interest to do so.