



REQUEST FOR PROPOSALS

July 17, 2019

The New York City Housing Development Corporation (the “Corporation” or “HDC”) and its active subsidiaries, the Housing Assistance Corporation (“HAC”) and the New York City Residential Mortgage Insurance Corporation (“REMIC”), are soliciting proposals for the performance of their annual financial audit. The engagement will cover four fiscal periods, commencing with fiscal year 2019, to cover the period from November 1, 2018 through October 31, 2019. The HDC Act and the Public Authority Accountabilities Act mandate that the audit be completed within 90 days of its fiscal year end.

HDC is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York (the “State”). The Corporation was established in 1971 under the provisions of Article XII of the Private Housing Finance Law of the State and is not subject to income taxation, but is covered by arbitrage regulations. HDC was created to encourage the investment of private capital through low-interest mortgage loans to provide safe and sanitary dwelling accommodations for families and persons whose need for housing could not be provided by unassisted private enterprise. To accomplish its objectives, the Corporation is empowered to finance housing through new construction or rehabilitation and to provide permanent financing for multi-family residential housing. The Corporation finances significant amounts of its activities through the issuance of bonds, notes and debt obligations. HDC also does substantial mortgage loan servicing for the City of New York.

At the present time, HDC and its subsidiaries operate about 451 bonded and non-bonded programs that are combined into three categories within the financial statements. Copies of our 2018 financial statements, Single Audit Report, Report on Compliance with Minimum Servicing Standards, and 2018 Annual Investment Report can be found on our website at http://www.nychdc.com/Public_Reports. The programs are more fully described therein.

HDC follows the principles of fund accounting, with a sub-fund for each bond series or program, for the Corporate Services Fund, and for each of its active subsidiaries. Each fund’s assets, liabilities, and net assets are accounted for as separate entities and follow enterprise fund accounting. Certain individual funds are aggregated into larger categories for the purpose of financial reporting.

The Housing Assistance Corporation (“HAC”) is a public benefit corporation created pursuant to Section 654-b of the Private Housing Finance Law. HAC is empowered to receive monies for the purpose of assisting rental developments to maintain affordable rentals for low and moderate income persons. To accomplish this objective, HAC may transfer, lend, pledge or assign these monies to any rental development or assist the Corporation in financing such developments.

The New York City Residential Mortgage Insurance Corporation (“REMIC”) is a public benefit corporation established pursuant to Section 654-d of the Private Housing Finance Law. REMIC has the authority to insure residential mortgage loans throughout the City in order to promote the preservation of neighborhoods and encourage the investment of mortgage capital in such neighborhoods.

The NYC HDC Real Estate Owned Corporation (“REO Subsidiary Corporation”) was established pursuant to Section 654-a of the Private Housing Finance Law on September 20, 2004. This subsidiary has the power to hold property whenever necessary to acquire a project in the case of sale under foreclosure or in lieu of foreclosure. There was no activity by this subsidiary during fiscal year 2018. The REO Subsidiary Corporation is treated as a blended component unit of HDC.

The Housing New York Corporation (“HNYC”) was established pursuant to Section 654-c of the Private Housing Finance Law as a subsidiary of the Corporation. Authorization for the funding of this program ended, and upon repayment of all outstanding bonds on November 3, 2003, HNYC became an inactive subsidiary. Its remaining funds were transferred out of HNYC. However, HNYC is not expected to be dissolved.

The Corporation also receives Interest Reduction Payments (“IRP”) directly from the Department of Housing and Urban Development (“HUD”) for some of its developments in New York City. Additionally, the City of New York, through the New York City Housing Preservation and Development (“HPD”) applied for and was awarded funds from HUD under the Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (“CDBG-DR”) program. The Corporation executed a subsequent agreement with HPD in which the Corporation is responsible for implementing and administering a portion of the Multi-Family Rehabilitation Loan Program (the “Program”). The Program is intended to lend CDBG-DR funds to eligible owners of eligible buildings for eligible work under CDBG-DR and Program regulations.

Requirements:

- The audit must be conducted in accordance with generally accepted auditing standards and government auditing standards.
- The audit should be conducted on a sample basis since the transactions are repetitive, include an interim review, a summarized audit plan, pricing the collateral of investment obligations and securities, and pricing of interest rate caps and swaps at fiscal year end.
- Audit fees should be separately listed for each year and must be fixed for the life of the

engagement. Bids should encompass the 451 bonded and non-bonded existing programs plus an anticipated increase of 30 to 40 programs in each succeeding year.

- Our underwriters may require the issuance of consent letters when bonds are issued throughout the year. Although we currently do not require consent letters, we may need to do so in the future. Therefore, your proposal should separately state your charges for this service.
- HDC adopted the accounting provisions of GASB 45 in fiscal year 2006 and GASB 75 in 2016 and has had actuarial calculations performed every other year since then. Currently, census data includes 180 active employees, 16 deferred vested employees, and 28 retirees. Your proposal should separately state any associated charges, if applicable.
- The audits of HDC, HAC, REMIC, HNYC, and the REO Subsidiary Corporation, and the Federal programs should be conducted under the single audit concept.
- Accountants' Reports must be rendered on the financial statements, investment policies and mortgage servicing requirements of HDC and its subsidiaries.
- A Single Audit report is required due to the Federal programs. Your proposal should separately state your charges for this service.
- The selected firm must attend all HDC Audit Committee meetings throughout the year, and the NYC Comptroller's Audit Committee meeting, at which HDC is required to appear periodically. They may also be required to interface with the City's independent auditors as to the presentation and inclusion of the Corporation's financial statements within the enterprise fund section of the City's Annual Report.
- The proposal should include the number of hours the firm proposes for each annual audit as well as the staffing mix that the firm proposes to assign to the audit including partners, managers, seniors, juniors and specialists.
- The proposal should include a description of your firm's MBE/WBE participation or good faith efforts to achieve MBE/WBE participation.
- The proposal should describe the overall results of your firm's most recent peer review.
- The proposal should include a historical biography of the prospective partners and audit managers indicating experience in and knowledge of the general housing finance field.
- The proposal should include a list of client references.
- Finally, the proposal should include a completed "Doing Business Data Form" with the City of New York, attached herein.

The issuance of this Request for Proposal ("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. Legal obligations will only arise upon the execution of formal agreements by HDC and the firm selected to render services described herein.

HDC reserves the right to amend, modify, postpone or withdraw this RFP; to waive any requirement of this RFP; to require supplemental statements and information from proposing entities, to accept or reject any or all proposals received as a result of this RFP; to extend the

deadline for submission of proposals; to negotiate with any proposing entity which responds to this RFP; to hold discussions with any proposing entity; and to correct deficient proposals which do not completely conform to the instructions given in this RFP. HDC may exercise such rights at any time without notice and without liability to any proposing entity or other parties for their expenses incurred in preparation of the proposal. In its review, HDC may accept a proposal but require modification or negotiation of scope and/or bid price. Although discussions may be conducted with proposing entities submitting acceptable proposals, awards may be made without discussion.

The scope of services described in this RFP provide the most current and accurate descriptions of services sought by HDC. However, at the time contracts are executed, programmatic changes may result in changes to the scope of services.

All documents submitted in response to this RFP will become the property of HDC. The Corporation is subject to the New York State Freedom of Information Laws ("FOIL") and as such HDC shall release all records subject to FOIL without notice or consent of responder.

Proposing entities should specifically identify any portions of their proposals that they deem to contain confidential information or proprietary trade secrets and provide justification why such materials should not be disclosed by HDC. Such information must be easily separable from the non-confidential sections of the proposal.

The proposal must 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 auditing 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.

After a review of the proposals, HDC will select those firms who will be invited in to make a presentation to HDC staff. The final selection of a firm will be made after analyzing the qualifications of the respondents and their presentations, as well as audit fees.

Submission:

Participating firms will be required to submit eight (8) copies of their proposals incorporating all the requirements stated herein, along with any appendices and a Doing Business Data Form, by either certified mail or delivery couriers such as UPS or FedEx to:

New York City Housing Development Corporation
110 William Street, 10th Floor
New York, NY 10038
Attn: Cathleen Baumann

Submissions are due by 3:00 PM on August 9, 2019. Proposals received after 3:00 PM on August 9, 2019 will be deemed late and will not be considered. Email and fax submissions will not be accepted.

Any inquiries to this RFP can be submitted via email to either Cathleen Baumann, Senior Vice President and Treasurer, at cbaumann@nychdc.com or Mary John, Vice President and Controller, at mjohn@nychdc.com.

Appendix

1. **Equal Employment**

If any, provide a copy of the firm's most recent Employer Information Report EEO-1 and include as Attachment to the Proposal. Please state how many women and minorities work in your firm.

2. **Minority and Women Owned Business Enterprise (MWBE)**

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.

3. **New York City Location**

a) State whether the firm maintains its headquarters, or other offices, in New York City, and the number of the firm's employees who are employed in New York City. Describe the firm's commitment to its location in New York City. Since January 1, 2017, has the firm relocated any employees from offices in New York City to locations outside New York City? Does the firm have any plans to relocate any employees or offices outside of New York City in the next two years?

b) Describe the firm's corporate citizenship and commitment to The City of New York, including local procurement of goods and services, development or participation in internship programs or scholarships, corporate philanthropy, specifically in the areas of housing and community development, and policies with regards to the use of women-owned, minority-owned and small business enterprises.

4. **Credit Ratings**

Provide a copy of the firm's most recent credit agency analyses. Include in your response the firm's current ratings. If these ratings have changed in the last three years, please explain in detail the reason for such change.

5. **Local Law 34 Compliance:**

Pursuant to Local Law 34 of 2007, amending the City's Campaign Finance Law, the City is required to establish a computerized database containing 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 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.

To be completed by the City agency prior to distribution Agency _____ Transaction ID _____

Check One

Transaction Type (check one)

- Proposal Award Concession Economic Development Agreement Franchise Grant Pension Investment Contract Contract

Any entity receiving, applying for or proposing on an award or agreement must complete a Doing Business Data Form (see Q&A sheet for more information). Please either type responses directly into this fillable form or print answers by hand in black ink, and be sure to fill out the certification box on the last page. **Submission of a complete and accurate form is required for a proposal to be considered responsive or for any entity to receive an award or enter into an agreement.**

This Data Form requires information to be provided on principal officers, owners and senior managers. The name, employer and title of each person identified on the Data Form will be included in a public database of people who do business with the City of New York, as will the organizations that own 10% or more of the entity. No other information reported on this form will be disclosed to the public. **This Data Form is not related to the City's PASSPort registration or VENDEX requirements.**

Please return the completed Data Form to the City office that supplied it. Please contact the Doing Business Accountability Project at DoingBusiness@mocs.nyc.gov or 212-788-8104 with any questions regarding this Data Form. Thank you for your cooperation.

Entity Information

If you are completing this form by hand, please print clearly.

Entity EIN/TIN _____ Entity Name _____

Filing Status

(Select One)

NEW: Data Forms submitted now must include the listing of **organizations**, as well as individuals, with 10% or more ownership of the entity. Until such certification of ownership is submitted through a change, new or update form, a no change form will not be accepted.

- Entity has never completed a Doing Business Data Form. Fill out the entire form.
 Change from previous Data Form dated _____. Fill out only those sections that have changed, and indicate the name of the persons who no longer hold positions with the entity.
 No Change from previous Data Form dated _____. Skip to the bottom of the last page.

Entity is a Non-Profit Yes No

Entity Type Corporation (any type) Joint Venture LLC Partnership (any type) Sole Proprietor Other (specify) _____

Address _____

City _____ State _____ Zip _____

Phone _____ E-mail _____

Provide your e-mail address in order to receive notices regarding this form by e-mail.

Principal Officers

Please fill in the required identification information for each officer listed below. If the entity has no such officer or its equivalent, please check "This position does not exist." If the entity is filing a Change Form and the person listed is replacing someone who was previously disclosed, please check "This person replaced..." and fill in the name of the person being replaced so his/her name can be removed from the *Doing Business Database*, and indicate the date that the change became effective.

Chief Executive Officer (CEO) or equivalent officer

This position does not exist

The highest ranking officer or manager, such as the President, Executive Director, Sole Proprietor or Chairperson of the Board.

First Name _____ MI _____ Last _____ Birth Date (mm/dd/yy) _____

Office Title _____ Employer (if not employed by entity) _____

Home Address _____

This person replaced former CEO _____ on date _____

Chief Financial Officer (CFO) or equivalent officer

This position does not exist

The highest ranking financial officer, such as the Treasurer, Comptroller, Financial Director or VP for Finance.

First Name _____ MI _____ Last _____ Birth Date (mm/dd/yy) _____

Office Title _____ Employer (if not employed by entity) _____

Home Address _____

This person replaced former CFO _____ on date _____

Chief Operating Officer (COO) or equivalent officer

This position does not exist

The highest ranking operational officer, such as the Chief Planning Officer, Director of Operations or VP for Operations.

First Name _____ MI _____ Last _____ Birth Date (mm/dd/yy) _____

Office Title _____ Employer (if not employed by entity) _____

Home Address _____

This person replaced former COO _____ on date _____

Principal Owners

Please fill in the required identification information for all individuals or organizations that, through stock shares, partnership agreements or other means, **own or control 10% or more of the entity**. If no individual or organization owners exist, please check the appropriate box to indicate why and skip to the **Senior Managers** section. If the entity is owned by other companies that control 10% or more of the entity, those companies must be listed. If an owner was identified on the previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list any individuals or organizations that are no longer owners at the bottom of this section. If more space is needed, attach additional pages labeled "Additional Owners."

There are no owners listed because (select one):

- The entity is not-for-profit
- The entity is an individual
- No individual or organization owns 10% or more of the entity

Other (explain) _____

Individual Owners (who own or control 10% or more of the entity)

First Name _____ MI ____ Last _____ Birth Date (mm/dd/yy) _____
Office Title _____ Employer (if not employed by entity) _____

Home Address _____

First Name _____ MI ____ Last _____ Birth Date (mm/dd/yy) _____
Office Title _____ Employer (if not employed by entity) _____

Home Address _____

Organization Owners (that own or control 10% or more of the entity)

Organization Name _____

Organization Name _____

Organization Name _____

Remove the following previously-reported Principal Owners

Name _____ Removal Date _____

Name _____ Removal Date _____

Name _____ Removal Date _____

Senior Managers

Please fill in the required identification information for all senior managers who oversee any of the entity's relevant transactions with the City (e.g., contract managers if this form is for a contract award/proposal, grant managers if for a grant, etc.). Senior managers include anyone who, either by title or duties, has substantial discretion and high-level oversight regarding the solicitation, letting or administration of any transaction with the City. At least one senior manager must be listed, or the Data Form will be considered incomplete. If a senior manager has been identified on a previous page, fill in his/her name and write "See above." If the entity is filing a Change Form, list individuals who are no longer senior managers at the bottom of this section. If more space is needed, attach additional pages labeled "Additional Senior Managers."

Senior Managers

First Name _____ MI ____ Last _____ Birth Date (mm/dd/yy) _____
Office Title _____ Employer (if not employed by entity) _____

Home Address _____

First Name _____ MI ____ Last _____ Birth Date (mm/dd/yy) _____
Office Title _____ Employer (if not employed by entity) _____

Home Address _____

First Name _____ MI ____ Last _____ Birth Date (mm/dd/yy) _____
Office Title _____ Employer (if not employed by entity) _____

Home Address _____

Remove the following previously-reported Senior Managers

Name _____ removal date _____

Name _____ removal date _____

Certification

I certify that the information submitted on these two pages and _____ additional pages is accurate and complete. I understand that willful or fraudulent submission of a materially false statement may result in the entity being found non-responsible and therefore denied future City awards.

Name _____ Title _____

Entity Name _____ Work Phone # _____

Signature _____ Date _____