



**REQUEST FOR PROPOSALS FOR**  
**INSURERS OF LIHTC**

**INTRODUCTION:**

The New York City Housing Development Corporation (“HDC” or the “Corporation”) is soliciting responses to this Request for Proposals (“RFP”) from firms interested in providing (jointly with HDC) guarantees for Low Income Housing Tax Credits (“LIHTC”) for mixed-income projects.

HDC is a corporate governmental agency constituting a public benefit corporation organized and existing under the laws of the State of New York created pursuant to Article XII of the New York Private Housing Finance Law. HDC has the authority to issue bonds for the purpose of financing the construction or rehabilitation of affordable housing located within the City of New York. In 2014, HDC issued \$1.93 billion of bonds, ranking it first on the Thompson Reuters list of multifamily bond issuers for the third straight year. HDC’s general obligation rating is Aa2 by Moody’s and AA by Standard & Poor’s; the rating on its Open Resolution bonds is Aa2 by Moody’s and AA+ by Standard& Poor’s.

HDC anticipates issuing tax-exempt bonds to finance the construction or rehabilitation of mixed-income projects. HDC contemplates issuing guarantees of the LIHTC attributable to such projects, to enhance the value of the LIHTC to investors and thus provide greater liquidity for the projects. HDC is seeking an entity to participate with HDC in creating a vehicle for the issuance of the guarantees and in providing the guarantees.

**The issuance of this RFP and the submission of a proposal by a responding party or the acceptance of such proposal by HDC does not obligate HDC in any manner whatsoever.**

**Legal obligations will only arise upon execution of formal agreements by HDC and the firm selected to render services described herein.**

**HDC reserves the right to amend, modify or withdraw this RFP; to waive or revise any requirements of this RFP; to require supplemental statements or information from any responding party; 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, this RFP if HDC deems it to be in its best interest to do so. HDC may exercise the foregoing rights at any time without notice and without liability to any responding party or other parties for their expenses incurred in the preparation of proposals or otherwise. Proposals in response hereto will be prepared at the sole cost and expense of the responding party.**

HDC encourages proposals from women-owned and minority-owned firms and discourages joint venture proposals.

**Scope of Proposal:**

The written submission should provide the following: (i) a proposed structure for a vehicle to issue guarantees for LIHTC for mixed-income projects, including the sharing between HDC and the respondent of risk, profit and loss, and revenue; (ii) a summary of the proposed criteria for issuing, pricing and marketing the guarantees and the underlying LIHTC equity investments; (iii) an estimate of the amount of LIHTC equity that could be raised under the program over a three-year period; (iv) an estimate of the syndication costs and transaction expenses; (v) evidence (to be supported by an appendix) that the respondent has and will have a financial condition suitable, in HDC's sole opinion, to support the guarantees over their full term; and (vi) a description of the respondent's experience with the syndication and asset management of mixed-income projects. With respect to item (i) above, the submission should include the extent of the respondent's willingness to accept, on a "first loss" basis, the responsibility for a loss to LIHTC investors with respect to an LIHTC investment, including any overall cap on such responsibility. The

respondent's proposal will also need to demonstrate that it complies with all relevant tax and regulatory requirements.

**PART I – INSTRUCTIONS FOR SUBMISSION**

1. An interested respondent should deliver eight (8) copies of its proposal in its entirety, either by hand or by certified mail, on or before the time and date and at the place specified below:

Date Due: May 12, 2015

Time Due: 5:00 PM

Place Due: New York City Housing Development Corporation  
110 William Street, 10<sup>th</sup> Floor  
New York, New York 10038

Attention: Richard Froehlich, Executive Vice President and General Counsel

HDC will provide written responses to all questions submitted by May 5, 2015, to all firms receiving this RFP by April 28, 2015. Questions should be addressed to: Richard Froehlich, Executive Vice President and General Counsel (**rfroehlich@nychdc.com**). Respondents may not contact any other HDC official regarding this RFP; any attempt to do so will be considered grounds for disqualification. Firms are permitted to have normal communications with HDC officials on ongoing business, but not with regard to any aspect of this RFP. If in doubt about an inquiry, a firm should direct the question to Mr. Froehlich.

2. Responses must be prepared in no smaller than 10 point type and may not exceed ten (10) 8½" x 11" size pages; provided, however, that those matters noted are excluded from this page limitation and should be provided in a separate appendix to the RFP response. Any other materials submitted which exceed this limitation will not be considered in evaluating responses.

3. Proposals must be signed by an authorized official and must also provide the name, title, address, and telephone number of individuals with authority to negotiate and contractually bind the firm, and who may be contacted during the period of proposal evaluation.

## **PART II--REVIEW OF PROPOSALS AND SELECTION OF PROJECT TEAM**

HDC will review all proposals received. Firms responding to this RFP may be considered for an invitation to make oral presentations. If deemed appropriate, oral presentations will be scheduled to take place during May, 2015. Members of the firm must be available during this period. After submission of the proposal, please do not contact any member of the HDC staff with regard to oral presentations. HDC will notify any firm selected to be interviewed.

## **PART III – QUALIFICATIONS, PERSONNEL & EXPERIENCE**

1. Relevant Financing Experience. (A chart can be included in an appendix.)  
Provide a list of relevant financial activities during 2014 which involved multi-family rental housing transactions.
  
2. Team.
  - a) Describe the firm's in-house staff that would be participating in the activities in question, including their relevant capabilities and proposed role, and the extent to which services are contracted with outside entities. If services are contracted to outside entities, describe their experience. Describe any changes in the firm's staffing or staffing policy, as it relates to the personnel in question, over the past three years. Describe the organizational structure in which the firm would propose to manage the activities in question.

- b) List the members of the firm that would be assigned to the team for this project, including all relevant banking, support, sales and marketing, quantitative and research personnel, in the following format:

**Key Team Members**

Name	Role	Summary Qualifications

In addition, provide the resumes of the lead individuals who would assume day-to-day management of HDC financings. (Resumes can be included in an appendix.)

- c) Please disclose whether 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.
- d) Please disclose (i) any material financial relationships that the firm or any firm employee has with any financial firms, investment banks or law firms or other persons or entities that may create a conflict of interest or the appearance of a conflict of interest in acting as a guarantor under this RFP, (ii) any family relationship that any employee of the firm has with any HDC officer or board member that may create a conflict of interest or the appearance of a conflict of interest in so acting, and (iii) any other matter that the firm believes may create a conflict of interest or the appearance of a conflict of interest in so acting. Please describe any procedure the firm has or would adopt, to assure HDC that a conflict of interest would not exist for the firm in the future.

- e) Please disclose whether the firm is involved in any litigation that could adversely impact its ability to successfully act as guarantor of the LIHTC's pursuant to this RFP. If so, please describe

3. Capitalization

Describe the firm's capitalization as at December 31, 2014, or the latest date for which such information is available. Include equity, debt and excess net capital as defined by the SEC.

**PART IV – OTHER INFORMATION** (Charts and reports for questions in this section can be included in an appendix.)

1. Equal Employment

Provide a copy of the firm's most recent Employer Information Report EEO-1 and include as an appendix. Please state how many women and minorities work in areas relating to this project.

2. 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, 2012, 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) For the period 2013-2014, please document the firm's participation in housing programs administered by HDC, the New York City Department of Housing Preservation and Development, as well as, for New York City, by the New York State Housing Finance Agency and Division of Housing and Community Renewal. Please

provide this information by year, by program, number of projects, number of units and dollar amount of construction and/or permanent financing. Additionally, please document the firm's purchase or syndication, if any, of LIHTC, New Markets Tax Credits or other equity investments in projects benefiting low and moderate income households and/or located in low and moderate income neighborhoods in New York City, or other forms of financial commitments to New York City's low and moderate communities

- c) Describe the firm's corporate citizenship and commitment to The City of New York (the "City"), 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 regard to the use of women-owned, minority-owned and small business enterprises.
- d) Does the firm make any investment in affordable housing (e.g. through tax credit investment, employee down payment assistance, etc.)? If so please describe the firm's commitment in terms of dollar volume/number of units.

- 3. Provide a copy of the firms 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.

4. 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 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 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. 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.

Dated: April 28, 2015