



**QUESTIONS AND ANSWERS**

January 9, 2025

For:

**REQUEST FOR PROPOSALS FOR BOND UNDERWRITERS**

Issued January 2, 2025

Please see below [in blue](#) for answers to questions received (in no particular order). We are also appending to this document a redlined Request for Proposals (RFP) reflecting the corrected typo mentioned in Question 1 below.

### Question 1

Part I Question 2 reads in part: ..."provided, however, required charts and/or information for questions Part III questions 2-4; Part IV questions 3-a and 3-b, are excluded from this page limitation and should be provided in the designated Excel table format as instructed; or, if no specific Excel table format is required, in a separate appendix to the RFP response."

- a) Excel tables are only provided for Part III 2,3 & 5. There is no table for Part III 4. Is there a typo or is there special treatment for the response to question 4? [This was a typo. The question should read "...for Part III questions 2, 3, and 5..."](#). There is no special treatment for the response to question 4.
- b) Is the response to question 4 included or excluded from the page count? If excluded from the page count, should our response be answered in a separate appendix to our response? [See above. Additionally, the response to question 4 is \*\*included\*\* in the page count and should be included in the body of the response to the RFP.](#)

### Question 2

Part IV, Question 4

- a) NYC HDC requests an electronic link to our FOCUS Reports. We do not provide an electronic link to the FOCUS report. Is a PDF of our FOCUS Reports acceptable? [Yes.](#)
- b) If so, can the FOCUS reports be submitted separately and not as an appendix for file size management? [Yes, the FOCUS reports can be submitted at the same time as the RFP response in a clearly marked separate email.](#)

### Question 3

Trust Mod Program

- a) Will HDC consider alternative credit enhancement structures given the lack of private activity cap/bonds? [Yes.](#)
- b) Are there specific federal funding sources already identified for the Trust Mod Program? [These are Rental Assistance Demonstration \(RAD\) conversions to Section 8.](#)
- c) What is the anticipated timeline for individual development conversions within the broader 2026 program launch? [Timelines are to be determined.](#)
- d) Will HDC consider taxable bond alternatives if they provide more structural flexibility? [Yes.](#)

- e) What role will NYCHA’s existing capital funds play in the Trust Mod financing structure? Please refer to the authorizing legislation (<https://www.nysenate.gov/legislation/bills/2021/S9409>) and the New York City Public Housing Preservation Trust website (<https://www.preservationtrust.org/>).

#### Question 4

##### Technical Requirements

- a) Regarding recycled volume cap tracking, does HDC prefer underwriters to use any specific monitoring or reporting systems? **No.**
- b) For PACT transactions, are there minimum holding period requirements for rate locks or hedges? **Will depend on proposed structure.**

#### Question 5

##### Open Resolution

- a) 1. Does HDC have specific targets for retail or CRA investor participation? **No. We aim to maximize our investor base.**
- b) 2. Are there preferred approaches to ESG reporting that HDC would like underwriters to follow? **No.**
- c) 3. What metrics does HDC use to evaluate co-manager performance beyond traditional measures like takedown and designations? **Financing ideas, products offered, and orders placed, among other metrics.**

#### Question 6

##### Formatting

- a) Regarding the seven-page limit, should section headers and question numbers be included in the responses? **Yes. For example, at the beginning of the response to Part III Question 1, please label the response with “Part III – Question 1 – Industry Memberships” or comparable phrasing. Stating the Section number once and then listing each question number and title is also acceptable.**

#### Question 7

##### Team Structure

- a) What are HDC’s expectations regarding co-manager participation in structuring discussions? **HDC always welcomes input from its underwriting group.**



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**\*Revised January 9, 2025\***

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## **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 serving as Senior Manager (“Senior Manager”), Co-Manager (“Co-Manager”), and Selling Group Member (“Selling Group Member”) as part of the management group for HDC bond issuances. HDC, at its option, may select different senior managers and co-managers for each issue. Firms that wish to serve only in the capacity of Co-Manager or Selling Group Member may apply solely for that position.

HDC seeks firms to manage the issuance of bonds as either tax-exempt or taxable, fixed rate or variable rate, under several bond resolutions. HDC issued an average of \$2.3 billion of bonds per year since 2020 and anticipates continued significant issuance in the coming years. As of October 31, 2023, the Corporation has total assets of \$24.5 billion and net assets of \$4.1 billion. Respondents wishing to learn more about HDC or review previous Official Statements are encouraged to visit our website at <http://www.nychdc.com/>.

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 obligations for the purpose of financing the construction or rehabilitation of affordable multifamily housing located within the City of New York.

## **THE CORPORATION’S RECENT ACTIVITY**

HDC has numerous programs for the development of affordable housing in New York City. Since its inception, HDC has issued over \$25.6 billion of bonds and has also provided over \$4.0 billion in subsidy loans funded by its corporate reserves. In June 2022, Mayor Eric Adams introduced *Housing our Neighbors, a Blueprint for Housing and Homelessness*, making housing a key priority and has committed \$23 billion to address the City’s affordability crisis. The Corporation will continue to be a critical partner to advance an ambitious housing agenda amid a challenging economic environment marked by inflationary pressures, rising interest rates, market volatility, supply chain constraints, and rapidly escalating costs, all of which impact our ability to deliver on the City’s critical affordable and public housing goals.

In furtherance of HDC’s mission, HDC will continue to play an active role in issuing tax-exempt and taxable bonds under various bond indentures. HDC expects to continue to use its Multi-Family Housing Revenue Bond Resolution, originally adopted in 1993 (the “Open Resolution”), its Housing Impact Bonds Resolution adopted in 2019 (the “Impact Resolution”), and conduit bond financings with external credit enhancement. The Open Resolution is HDC’s largest single asset and most flexible financing vehicle. As of October 31, 2024, the Open Resolution has \$12.2 billion in bonds outstanding with a 1.26x overcollateralization. Further, as of the same date, HDC oversees total units of over 133,000 in the Open Resolution and over 9,000 units in the Impact Resolution (which units are also counted in the Open Resolution).

In addition, HDC is evaluating the launch of the Trust Modernization and Preservation Program (the “Trust Mod Program”) for the financing of up to 25,000 units across 35 to 45 New York City Housing Authority (“NYCHA”) developments with more than \$12.0 billion in capital needs. The Trust Mod Program is a “public-public partnership” and represents a complementary strategy to NYCHA’s existing Permanent Affordability Commitment Together (“PACT”) program financed through the Impact Resolution and Open Resolution. Please note that there is no new volume cap available for the financing of PACT and Trust Mod Program developments; further, HDC will not undertake additional risk associated with these financings.

HDC expects its bond underwriters to assist in developing and furthering such programs, execute seamless transactions, and maintain the Corporation’s reputation as one of the most successful and innovative housing finance agencies in the country.

**The issuance of the RFP and the submission of a proposal by a firm 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 underwriting agreements by and among HDC and the firm(s) selected to render services described herein. This RFP will not apply to the selection of underwriters with respect to in-progress HDC bond issuances, if any.**

**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 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. 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.**

**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.**

**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. Proposals from minority, veteran- and women-owned respondents are encouraged. Joint Venture proposals are discouraged.**

## **PART I – INSTRUCTIONS FOR SUBMISSION**

1. Please deliver one physical copy of the firm’s proposal in its entirety either by hand or by certified mail. **Do not use binders or books of any kind – staple or clip response only.** Also email an electronic copy of the **entire** response, together with a separate Excel file for the information required in the Excel table format, to [underwriter\\_rfp@nychdc.com](mailto:underwriter_rfp@nychdc.com) on or before the time and date specified below:

Date Due: Friday, January 31, 2025

Time Due: 5:00 PM Eastern

Place Due: New York City Housing Development Corporation  
120 Broadway, 2<sup>nd</sup> Floor  
New York, NY 10271

Attention: Tinru Lin, Senior Vice President for Capital Markets

Any questions regarding the structure or content of the RFP should be addressed via email to [underwriter\\_rfp@nychdc.com](mailto:underwriter_rfp@nychdc.com) by 5:00 PM Eastern on Tuesday, January 7<sup>th</sup>. HDC will provide written responses to all questions by 5:00 PM Eastern on Thursday, January 9<sup>th</sup>. HDC cannot ensure a response to questions received later than 5:00 PM Eastern on Tuesday, January 7<sup>th</sup>. Firms are permitted to have normal communications with HDC officials regarding ongoing business, but not regarding any aspect of this RFP. If in doubt about an inquiry, a firm should direct the question to Ellen Duffy and/or Tinru Lin.

2. Responses must be prepared in no smaller than **size 11 font and single spacing** and may not exceed **seven (7) 8½” x 11”** size pages; provided, however, required charts and/or information for questions Part III questions 2-4, 3, and 5; Part IV questions 3-a and 3-b, are excluded from this page limitation and should be provided in the designated Excel table format as instructed; or, if no specific Excel table format is required, in a separate appendix to the RFP response. Any other materials submitted which exceed this limitation will not be considered in evaluating responses. Please respond to questions in the order in which they are presented. If you are applying for a Senior Manager position, a response is required for all questions. If you are applying to be a Co-Manager or Selling Group Member, at a minimum, you are required to respond to questions Part III questions 1, 2, 3, 4b, and 5 and all questions in Part IV, but you can respond to all questions.
3. Proposals must include a one-page cover letter (not part of the page limit), signed by an authorized official and must also provide the name, title, address, e-mail, 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. Please also indicate if the response is for a Senior Manager, Co-Manager, or Selling Group Member.

## **PART II – REVIEW OF PROPOSALS AND SELECTION OF UNDERWRITING TEAM**

1. HDC will review all proposals received. Responses will be evaluated based on the content of the responses and the relevance to HDC. The ability of a firm to execute complex transactions from kickoff to closing will be a major component of HDC’s review. Firms soliciting a Senior Manager position may be invited to make oral presentations. If determined to be necessary, oral presentations are currently expected to take place during late February or early March. Members of the firm must be available during this period. Firms requesting consideration for a Co-Manager or Selling Group position will be evaluated on the basis of written proposals only. Firms not selected as a Senior Manager will be considered for a Co-Manager or Selling Group role. HDC will notify any firm selected to be interviewed.
2. Subsequent to the selection of firms, HDC will continue to maintain an open-door policy with underwriting firms for new and innovative ideas or financing opportunities not otherwise available to HDC. HDC will review those ideas on an ongoing basis and specific underwriting assignments may be awarded where appropriate. In addition, HDC will evaluate the performance of any selected Senior Manager or member of the management group on an ongoing basis and reserves the right, in its sole discretion, at any time to eliminate, substitute, or add a member of the underwriting team.

## **PART III – QUALIFICATIONS, EXPERIENCE, AND FINANCING RECOMMENDATIONS**

1. **Industry Memberships** – Indicate whether the firm is an affiliate member of the National Association of Local Housing Finance Agencies or the National Council of State Housing Agencies.
2. **Capitalization** – Provide the capitalization of the entity that will be contracting with HDC for 2022-2024 or the latest date for which such information is available ***in the Excel table format affixed hereto as Exhibit III-2***. Include total capital, equity capital, liability, net capital, and excess net capital as defined by the SEC.
3. **Ratings** – Provide the ratings of the entities that will be contracting with HDC including bond underwriter (legal entity used for underwriting bonds in a public sale), direct purchaser, liquidity facility (e.g., standby bond purchase agreement or “SBPA”) provider, construction letter of credit provider, swap counterparty, and/or investment provider (e.g., guaranteed investment contract or (“GIC”), as applicable. Include such information ***in the Excel table format affixed hereto as Exhibit III-3***. As an appendix to your proposal, provide the most recent rating reports in PDF form for such entities.
4. **Technical Capabilities** – Consistent with current practice, HDC will continue to prepare all consolidated rating agency cashflow analysis in-house utilizing the cfX structuring software platform. However, Senior Managers will structure individual bond issues, provide financing schedule information to the rating agencies, determine loan allocations, and perform the transaction yield analysis, among other responsibilities.



- a. For those firms seeking to serve as Senior Manager, describe your firm’s in-house technical staff and analytic capabilities and the extent to which services are contracted with outside entities. If services are contracted to outside entities, describe the entity and their experience.
  - b. Describe your firm’s transaction experience and expertise with respect to (i) structuring and yield analyses and (ii) structures HDC has frequently employed, including: (a) tax-exempt and taxable securitizations, (b) recycled volume cap 34-year rule proofs, (c) bond-to-loan allocations, and (d) incorporation of variable-rate debt and interest rate swaps across tax-exempt and taxable debt.
5. **Personnel** – List the members of the firm who would be assigned to HDC’s team, including all relevant banking, support, sales, marketing, quantitative and research personnel, *in the Excel table format affixed hereto as Exhibit III-5*. Also include in **Exhibit III-5 brief** resumes of the lead individuals who would assume day-to-day management of HDC financings. Describe any changes in the firm’s personnel or staffing policy in the public finance department and the housing public finance group since 2022.
6. **Balance Sheet Commitment** – Discuss your firm’s balance sheet commitments to HDC since 2020. Discuss your balance sheet products that are directly applicable to HDC’s financing programs and your firm’s capacity for such commitments.
7. **Open Resolution Financing Ideas** – Provide recommendations to enhance, diversify and/or otherwise assist HDC in its Open Resolution financing program. Provide structuring recommendations that will facilitate the growth of its investor base for retail, Community Reinvestment Act (“CRA”) driven, and crossover investors.
8. **NYCHA PACT Financing Ideas** – Given the relatively longer lead time for NYCHA PACT financings, provide recommendations for hedging strategies with respect to setting the mortgage rate for the developments’ permanent loans. In addition, given the limited recycling capacity available, does the firm have any new or innovative ideas to finance these projects using alternative structures and/or taxable bonds?
9. **NYCHA Trust Mod Program Financing Ideas** – The New York City Public Housing Preservation Trust (the “Trust”) launched its Trust Modernization & Preservation Program (the “Trust Mod Program”) in 2022 as a public benefit corporation vested with flexible procurement and financing capabilities to rehabilitate up to 25,000 units across a projected 35 to 45 developments with more than \$12 billion in capital needs. HDC is exploring financing options to facilitate the launch of the Trust Mod Program, aiming to close the inaugural financing in early 2026. HDC does not anticipate allocating Private Activity Bonds new or recycled volume cap to the Trust Mod Program.
  - a. Evaluate the pros and cons of financing the Trust Mod Program using HDC’s existing Impact Resolution or via a new indenture.

- b. Discuss your firm's recommendations with respect to financing structures, including leveraging any federal funds, noting specific timing considerations with aligning such federal program's timing with that of the Trust Mod Program financings.
10. **Other Financing Ideas** – Provide any other financing recommendations to enhance, diversify and/or otherwise assist HDC in its financing programs.

#### **PART IV – OTHER INFORMATION**

1. **Equal Employment** – Provide a copy of the firm's most recent Employer Information Report EEO-1 and as an appendix to the proposal. State how many women and minorities work in the firm's municipal securities group (public finance and sales and trading).
2. **Conflicts of Interest** – No respondent to this RFP will be selected if he or she, as an individual or any member or partner of the firm's management team is determined, in HDC's sole and absolute discretion, to have been convicted of a felony or crime involving moral turpitude, to be an organized "crime figure," to be under indictment or criminal investigation, to be in arrears or in default on any debt, contract or obligation to the City or State of New York, or otherwise to be a "prohibited person" as defined by the City. The selected firm and any principals thereof, if applicable, may be required to complete a background questionnaire (VENDEX) and be subject to investigation by HDC and the City's Inspector General. The selection may be revoked in the event any derogatory information is revealed by such investigations.
  - a. 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.
  - b. Please disclose (i) any material financial relationships that the firm or any firm employee has with any financial advisory firms, investment banks, 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 Senior Manager or Co-Manager to HDC, (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 acting as Senior Manager or Co-Manager to HDC, and (iii) any other matter that the firm believes may create a conflict of interest or the appearance of a conflict of interest in acting as Senior Manager or Co-Manager to HDC. Please describe the procedure(s) the firm has in place to assure HDC that a conflict of interest would not exist in the future.
  - c. Is the firm involved in any litigation that could adversely impact its ability to successfully market HDC's bonds? If so, please describe.

3. **Federal CRA and Affordable Housing Commitments**

- a. Is the firm subject to the supervision by the CRA? If so, what was the most recent rating given to it by its regulator(s)? For the period since 2022, please describe the firm’s participation in housing programs administered by HDC, the New York City Department of Housing Preservation and Development (“HPD”), and the New York State Housing Finance Agency and Division of Housing and Community Renewal (“DHCR”), and what portion of the participation was for CRA credit. Please also summarize the firm’s CRA investment since 2022, ***in the Excel table format affixed hereto as Exhibit IV-3-a.***
  - b. Does the firm currently make any investment or financial commitments in affordable housing (e.g. through tax credit investment, employee down payment assistance, or other equity investments, etc.)? If so, describe the firm’s commitment, and summarize the firm’s non-CRA commitment to affordable housing since 2022 ***in the Excel table format affixed hereto as Exhibit IV-3-b.***
4. **FOCUS Reports** – Provide an **electronic link** of FOCUS (Financial and Operational Combined Uniform Single) Reports for 2022 through 2024 or the latest date for which such information is available.
5. **Local Law 34 Compliance – Doing Business Data Form** – 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 can be found on the HDC website at [Doing Business Data Form - Standard 2018.pdf \(nychdc.com\)](https://www.nychdc.com/doing-business-data-form-standard-2018.pdf). Your completed Data Form must be included with your proposal. The Data Form will be submitted to the Mayor’s Office of the City of New York (the “City”). If it is determined that your Data Form is not complete, you will be notified and given four (4) calendar days to rectify the specified deficiencies. Failure to do so will result in your proposal being deemed incomplete and therefore non-responsive.