



REQUEST FOR PROPOSAL- FHA LENDER 4% BOND PROJECT



OVERVIEW:

Greater Dayton Premier Management (GDPM) is a public housing authority serving Montgomery County, Ohio. GDPM is seeking proposals from highly qualified firms to provide FHA Lending Services for the Southern Montgomery County (Southern MC) project. Southern MC is a 163-unit, preservation project, recently awarded under the Ohio Housing Finance Agency's (OHFA) 2019 Bond Gap Financing round.

Four developments make up this multi-site project. Invictus is GDPM's nonprofit development entity that will serve as the lead developer, repositioning these properties through HUD's Rental Assistance Demonstration (RAD). Woda Cooper Companies is partnering as co-developer. The RAD conversion will occur as part of GDPM portfolio conversion from Section 9 of the Housing Act of 1937 to Project Based Vouchers (PBV) under Section 8 of the housing Act. The RAD conversion removes HUD's Declaration of Trust from real estate which allows GDPM to pledge the converted properties as security of loans.

The purpose of the RFP is to evaluate respondents to serve in the role of HUD 221 (d)(4) Lender on behalf of the GDPM, for the financing of the Southern MC project. The projects will be renovated through the RAD conversion process and execution of financing, which will incorporate a HUD Section 221(d)(4) loan, the sale of 4% low-income housing tax credits ("LIHTC") and issuance of tax-exempt bonds. This RFP will result in an agreement not to exceed five years and is being procured under HUD's simplified acquisition threshold (contracts not to exceed \$250,000).

THE PROJECT:

A summary of the project is included in Attachment #1.

The funding will include HUD 221(d)(4), in conjunction with an equity investment generated through the sale of 4% LIHTCs. Simultaneous to the execution of the HUD Loans will be the underwriting and sale of tax-exempt bonds.

The anticipated third-parties to be involved in the financing will be: (1) the HUD 221d(4) Lender, which will underwrite, process, finance, and service the HUD Loans; (2) the LIHTC Syndicator, which will price and finance the sale of LIHTCs; and (3) the municipal bond underwriter, which will underwrite and sell the municipal bonds.

The bonds will likely be issued through the Ohio Housing Finance Agency, which also acts as issuer of the LIHTCs. GDPMs may also consider issuing the bonds thorough the housing authority or other local municipal partner. Financing is anticipated to be completed on or about the second quarter 2020.

GDPM expects to be repeating this type of financing for other properties within over the next five (5) to seven (7) years.

TIME TABLE FOR 4% BOND GAP PROJECT- 163 UNITS:

September 6	Request for proposal released
September 11	Deadline for written questions from responders
September 13	Deadline for GDPM responses to questions (responses will be posted on GDPM's website)
September 20	Proposal due back to GDPM
Week of September 24	Interview if required
September 27	Consultant selection

September 30	Work begins
November 14	Final Application due to OHFA

SCOPE OF SERVICES:

Respondents must be able to demonstrate in their proposal, ability to competently, and expeditiously, underwrite, process, finance, and service a HUD 221(d)(4) Loan, while further, acting as the Government National Mortgage Association Mae (“GNMA”) issuer/servicer.

In addition to having expertise with HUD loans and acting as a GNMA issuer/servicer, respondents should have sufficient expertise and familiarity with OHFA programs, RAD converted multifamily housing properties and the workings of a Public Housing Authority, in order to best undertake the required responsibilities to meet an aggressive timeline and completion deadlines.

As the overall financing will incorporate the use of LIHTCs and municipal bonds along with the HUD 221 (d)(4) Loan, the Lender must be knowledgeable and demonstrate expertise with each financing vehicle.

RESPONSE REQUIREMENTS:

Respondents are expected to respond to all required sections of the RFP. If a Respondent discovers any mistakes or omissions in the RFP they must notify GDPM’s Contact Person via email at kpatrick@gdpm.org. Clarifications or corrections will be posted at www.gdpm.org.

Respondents must include the following in their response:

1. Professional Services Quote Form (executed with acceptance of GDPM terms and conditions)
2. Narrative including the following:
 - ☐ Identify the firm and its organizational structure along with the name(s) of the team members assigned to oversee projects.
 - ☐ Response describing specifically how your firm would approach the Southern MC project, detailing unique qualifications, technical capability, and/or characteristics which distinguish your firm from others.
 - ☐ Responses to the specific evaluation criteria listed in #1 of the Evaluation and Selection Criteria section
3. Rate Schedule as detailed in number 2 under the Evaluation and Selection Criteria Section.
4. Attachments:
 - ☐ Professional Services Quote From
 - ☐ Non-Collusive Affidavit (signed)
 - ☐ Certification of Debarment (signed)
 - ☐ MBE Good Faith
 - ☐ Section 3
 - ☐ Certificate of Insurance

EVALUATION AND SELECTION CRITERIA

1. Qualifications & Relevant Experience (40 points)

- Identify the specific individual(s) who would be assigned to this project and describe their qualifications and experience. Please include the names, resumes, and relevant experience of all professionals who will serve in the following roles: (1) Chief Underwriter; (2) Assigned Underwriter; (3) HUD and GNMA Loan Trader; (4) Client Manager; and (5) External and internal counsel to be used for this engagement. Additionally, list the location in which the referenced individual(s) will be based out of.
- Demonstrate your firm and assigned professionals’ experience with the following:

- ☐ Serving as a Lender for RAD conversions and renovation projects utilizing HUD 221(d)(4) Loans.
 - ☐ Serving as a Lenders with 4% LIHTC transactions and municipal construction bond financings.
 - ☐ Representing Public Housing Authorities (“PHAs”).
 - For each of the years 2016, 2017 and 2018:
 - ☐ Indicate the volume of GNMA loans originated, purchased and sold.
 - ☐ Indicate the volume of HUD 221(d)(4) financed.
 - ☐ Indicate any additional relevant projects financed between 2016- 2018 with the name, location, and dollar amount.
 - Ohio Experience
 - ☐ Identify your firm’s relevant experience and that of any assigned professionals in Ohio.
 - ☐ Identify all Ohio transactions your firm has closed in the last five (5) years.
 - HUD Loan Servicing Portfolio
 - ☐ Describe the size and composition of your HUD Loan Servicing Portfolio. Break out the construction and permanent loan servicing functions, while listing where and how, both the construction and permanent loan servicing is managed at your firm.
 - Identify three references, with an emphasis on transactions relating to: (1) HUD 221 (d)(4) Loans; (2) PHAs; (3) RAD conversions; (4) HUD Loans in Ohio; and (5) HUD Loans in conjunction with 4% LIHTCs and municipal bonds.
 - ☐ Provide contact information for each reference.
 - ☐ Identify the specific types of financial tools employed for each reference.
 - ☐ Identify which assigned individual(s) had hands-on experience in assisting the referenced clients.
- 2. Calculation of Fees (35%)**
- Provide your Financing & Placement Fee assuming the estimated HUD Loan for the Southern Montgomery County Project
 - Provide your all-in annual HUD Loan servicing and GNMA fee.
 - Estimate your out-of-pocket expenses including third-party reports and legal fees. Would you be amenable to a cap of these expenses?
 - Please provide a not-to-exceed level of loan premium you would propose for any HUD 221(d)(4) Loan collateralized with GNMA securities.
- 3. Availability to provide services within the required schedule (20%)**
- Please provide your commitment and ability to immediately commence the engagement should you be retained to serve as Lender.
- 4. General Quality of the Response to the RFP (5%).**
- This factor will be rated for the completeness, quality and conciseness of the Response, in addition to any interview(s) that may be conducted.