



# Request for Proposals – Financial Advisor Services

## I. Summary

The Texas State Affordable Housing Corporation (“TSAHC”) is issuing this Request for Proposals (“RFP”) to identify and contract professional Financial Advisor services under TSAHC’s Single Family and Multifamily Private Activity Bond Programs (the “Programs”). All qualified professional service providers (“Respondents”) wishing to apply must submit the materials listed in this RFP in order to be considered.

## II. Timeline

TSAHC will accept responses until **5:00 PM CST on December 20<sup>th</sup>, 2019**. TSAHC retains the right to extend the submission deadline and selection period depending on responses to the RFP.

If selected, Respondents will execute a professional services engagement letter or other agreement with TSAHC and will continue to be contracted until TSAHC determines the need to re-qualify or terminate its relationship.

## III. Communications with TSAHC

All questions and communications concerning the RFP must be submitted to Michael Wilt, TSAHC’s designated point of contact, via email at [mwilt@tsahc.org](mailto:mwilt@tsahc.org).

To protect the integrity of the RFP process, TSAHC’s staff and Board of Directors Members (“Board Members”) shall not have contact with potential Respondents regarding issues or questions pertaining to this RFP. This contact limitation period begins when the RFP is made available and continues through the selection process. If a potential Respondent contacts a staff member or Board Member with an issue or question pertaining to the RFP, that staff member or Board Member shall not discuss the RFP and shall forward the inquiry to the designated point of contact. TSAHC reserves the right to disqualify submissions from Respondents that fail to adhere to this contact limitation policy.

## IV. About TSAHC

TSAHC is a 501(c)(3) nonprofit organization created at the direction of the Texas Legislature to serve as a self-sustaining, statewide affordable housing provider.

TSAHC's mission is to serve the housing needs of moderate, low, very low and extremely low-income Texans and other underserved populations through innovative programs. TSAHC accomplishes this by helping developers build housing for working families and helping Texans achieve and sustain the dream of homeownership and improve their financial situation. TSAHC's programs and initiatives reflect our core belief that every Texan deserves the opportunity to live in safe, decent and affordable housing.

TSAHC's enabling legislation, as amended, may be found in the Texas Government Code, Chapter 2306, Subchapter Y, Sections 2306.551 et seq. A five-member Board of Directors appointed by the Texas Governor oversees the policies and business of TSAHC.

### Programs Applicable to the RFP

#### Multifamily Private Activity Bond Program

TSAHC is authorized to issue Private Activity Bonds (PABs) for the purpose of financing the creation or preservation of multifamily residential rental properties within the State of Texas. TSAHC receives ten percent of the state's set-aside of annual PABs for residential rental housing. TSAHC's multifamily PABs are awarded to qualified developers through a Request for Proposal process, which is updated annually.

#### Single-Family Home Buyer Programs

TSAHC operates the following three programs for Texas home buyers: Home Sweet Texas Home Loan Program, Homes for Texas Heroes Home Loan Program, and Mortgage Credit Certificate Program. These programs provide a 30-year fixed interest rate mortgage loan with down payment assistance and/or a mortgage credit certificate.

TSAHC is authorized to issue PABs for the purpose of financing single-family mortgages and mortgage credit certificates as it relates to these programs. TSAHC receives ten percent of the state's set-aside of annual PABs for single-family mortgage revenue programs. TSAHC also has the ability to finance these programs through a to-be-announced (TBA) mechanism.

### **V. Minimum Requirements**

Respondents must have documented experience working with single-family home buyer programs and multifamily bond programs. Respondents must have experience with swaps as they are used in conjunction with single family mortgage revenue bonds. Respondents must also be an independent municipal advisor and/or a registered broker dealer. A municipal advisor is a person or entity that provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or solicits a municipal entity, for compensation, on behalf of an unaffiliated municipal securities dealer,

municipal advisor, or investment adviser to engage such party in connection with municipal financial products, the issuance of municipal securities, or investment advisory services.

## **VI. Scope of Services**

Services to be provided by the Financial Advisor shall include but are not limited to the following:

- Surveying the financial resources of TSAHC to determine the extent of its capacity to authorize, issue and service contemplated single family mortgage revenue debt instruments.
- Recommending for each debt issuance terms that would lead to the lowest interest rate possible for TSAHC, including date of issuance, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, credit enhancement analysis, and an analysis of the market and potential debt instrument packages, including an analysis of derivatives options.
- Evaluating and recommending for each single-family bond financing contemplated the best method of sale, whether competitive, negotiated, or private placement.
- Coordinating the preparation of the notice of sale and bidding instructions, official statement, official bid form and other offering materials.
- Preparing cash flows for analysis of a particular bond issuance, single family or multifamily.
- Assisting in the annual review and update of TSAHC's Multifamily Bond Request for Proposal guidelines and policies.
- Reviewing development applications, producing a financial feasibility analysis of developments and providing support and guidance to TSAHC's staff regarding the structure, rating and/or security of proposed multifamily bond issuances.
- Assisting TSAHC and Program respondents and/or borrowers, as reasonable, to ensure the successful marketing, sale, and closing of bonds and subsequent matters which may affect bond transactions.
- Assisting TSAHC, its Bond Counsel and Issuer Counsel with the structuring of bond financings and preparing bond documents, including undergoing underwriting in accordance with TSAHC's standards.
- Providing support and comment on all calls and communications regarding bond issuance, bond structures and development planning, as required by TSAHC.
- Attending meetings of TSAHC's Board and the Texas Bond Review Board, as necessary.
- Advising TSAHC as requested on non-bond-related financial matters, such as TBA home buyer programs.
- Advising TSAHC on implementation or use of other funding sources or programs that complement single family and multifamily programs.

Any additional services that will be provided within the scope of the fee schedule proposed in the response should also be described.

## **VII. Review and Selection**

A panel of TSAHC staff will review all responses based upon the below scoring criteria and will make a recommendation to TSAHC's President. TSAHC's President will make the final selection and report the decision to TSAHC's Board Members no earlier than the January 2020 TSAHC Board Meeting.

### Scoring Criteria

- Demonstrated competence, experience, knowledge, and qualifications of Respondent's experience working with single family home ownership and multifamily bond program;
- Reasonableness of the proposed fees for the services to be performed;
- Previous experience and performance with similar organizations; and
- Certification as a Historically Underutilized Business (HUB) or Minority Owned Business (MOB).

All things being equal, preference will be given to Respondents with HUB or MOB certification, and Respondents with a Texas office.

TSAHC reserves the right to conduct interviews with Respondents or ask for clarification on a Respondent's submission. TSAHC reserves the right to negotiate with some, all, or none of the Respondents with respect to any term or terms of the responses or contracts. TSAHC reserves the right to negotiate all elements that comprise the Respondent's submission to ensure that the best possible consideration is afforded to all concerned.

## **VIII. Additional Information**

This RFP does not commit TSAHC to award a contract to any Respondent or to pay any costs incurred by a Respondent to prepare or submit a response or otherwise participate in this RFP process.

### Conflict of Interest

Although the Respondent will be an independent contractor for TSAHC and not an employee of TSAHC, to avoid all possibility of conflicts of interest, all Respondents must certify that none of the owners, officers, or stockholders of the company and none of their families are related within the third degree of consanguinity or the second degree of affinity to any TSAHC employees or Board Members.

### Release of Submissions and Proprietary Information

If a Respondent submits proprietary information that should not be publicly disclosed, the proprietary information must be clearly identified at the time of submission. If a Respondent fails to identify proprietary information, all information in the submission will be deemed non-proprietary and will be made available upon request pursuant to the Public Information Act after the review process has been completed.

### Indemnification

All Respondents must agree to indemnify, defend and hold harmless TSAHC, the State of Texas, its officers, agents and employees from any and all claims and losses accruing or resulting from the Respondent's performing professional services for TSAHC.

### Federal, State and Local Requirements

Approved Respondents are responsible for both federal and state unemployment insurance coverage and standard workers compensation insurance coverage. Respondents must comply with all federal and state tax laws and withholding requirements. TSAHC will not be liable to a Respondent or its employees for any unemployment or workers' compensation coverage or federal and state tax withholding requirements. Respondents shall indemnify TSAHC and pay to TSAHC any costs, penalties or loss whatsoever occasioned by Respondent's omission or breach of this section.

### Minor Deficiencies

TSAHC reserves the right to waive minor deficiencies and informalities if, in the judgment of TSAHC, its best interest will be served.

## **IX. Submission Directions**

Respondents must include these items:

- General Organization Information
  - a. Provide a brief description of your organization, including at least the following:
    - i. Name, telephone number, and email address of a representative of the organization authorized to discuss your proposal;
    - ii. Address of the organization's main office;
    - iii. Number of employees of the organization; and
    - iv. Names, locations and resumes of the primary team members, and/or other contacts who will be assigned to TSAHC. Provide appropriate resumes and/or background information for each such person, and identify her or his responsibilities.
- Experience
  - a. Describe your organization and its capabilities, including examples of your innovativeness in developing solutions for similar clients.
  - b. Support your ability to perform the Scope of Services.
  - c. Detail history working with similar clients.
  - d. Describe your experience working with the Texas Bond Review Board.
- References
  - a. Provide at least three client references. Include name, address, telephone number, and email address.
- Fees
  - a. Provide a detailed description or table that explains your fees (flat rate per issuance, calculated on par amount of bonds, and/or hourly rates).

- Conflict of Interest
  - a. Identify any conflict of interest that may arise as a result of business activities or ventures by your organization or employees. A conflict of interest is any direct, indirect, personal, private, commercial or business relationship that could diminish your organization's or employee's independence of judgment and performance as a service provider to TSAHC.
  - b. Describe how your organization will handle actual or potential conflicts of interest.
- Include any other information that will be helpful to TSAHC in making its decision.

Respondents must submit in this manner:

- Respondents must submit responses electronically via email.
- All responses must be signed and dated.
- Proposals that do not comply with these instructions may be rejected. TSAHC may also reject a proposal that does not include all requested information.

**ALL SUBMISSIONS MUST BE SENT TO:**

Michael Wilt  
 Manager of External Relations  
 Texas State Affordable Housing Corporation  
[mwilt@tsahc.org](mailto:mwilt@tsahc.org)

**DEADLINE TO APPLY:  
 DECEMBER 20<sup>th</sup>, 2019 at 5:00 p.m. CST**

Respondents must certify, by signing below, that they have read and understand this RFP and agree to fulfill the duties and responsibilities required by TSAHC for Financial Advisor services.

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By: (print)

Signature:

Date:

***Note: Submit this page, signed and dated, with your completed response.***