

MISSOURI HOUSING DEVELOPMENT COMMISSION



Request for Proposals to Serve as Financial Advisor

Released: January 8, 2019

Proposals Due: February 5, 2019 1:00 PM Central Time
via email to: mlappin@mhdc.com

I. INTRODUCTION

The Missouri Housing Development Commission (“MHDC” or the “Commission”) is a governmental instrumentality of the state of Missouri and a body corporate and politic. The Commission’s authority is derived from Section 215.030 RSMo.

MHDC administers, and provides financing for, the construction of affordable housing. The Commission also provides funding for home loans to qualified buyers through a network of certified, private mortgage lenders. Mortgage financing is facilitated through the sale of mortgage-backed securities and through the sale of tax-exempt bonds that the Commission is authorized to issue. The Commission administers the federal and Missouri Low-Income Housing Tax Credit (LIHTC) programs, the Affordable Housing Assistance Program Tax Credit (AHAP), federal HOME funds, and the direct funding of several housing assistance programs. Additional information, including financial information, is available on the Commission’s website at www.mhdc.com.

Purpose of Request for Proposals for Financial Advisor (RFP)

The Missouri Housing Development Commission (MHDC) is seeking proposals for financial advisory services.

Term of Service

It is expected that the firm(s) selected pursuant to this Request for Proposals will serve as Financial Advisor for a period of three years with one additional two-year renewal option, for a total of up to five years. Any transaction initiated prior to the ending date of the term of service, for which a material amount of time or expense has been incurred, will be completed by the Financial Advisor although the closing might occur following the end of the term of service. MHDC reserves the right, at its sole discretion, to terminate the agreement with any firm selected pursuant to this RFP prior to the expiration of the term of service, or to extend the agreement (with the concurrence of the firm selected) for an additional two-year period.

II. GUIDELINES AND INSTRUCTIONS

Anticipated Timetable for RFP and Proposal

Release RFP	January 8, 2019
Proposals Due	February 5, 2019 1:00 P.M. Central
Evaluation Committee Recommendation	TBD – estimated March 2019
Selection by Board of Commissioners	TBD – estimated March 2019

Form of Response

The Commission desires to consider responses to this RFP in a consistent and easily comparable format. Proposals not organized in the manner set forth in this RFP may be considered, at the Commission’s sole discretion, as unresponsive. Please do not refer to other parts of your proposal, to information that may be publicly available elsewhere, or to the submitting entity’s website or another website in lieu of answering a specific question. The proposal must be accompanied by a cover letter stating that: (a) the information submitted in and with the proposal is true and accurate, and (b) the person signing the letter is authorized to submit the proposal on behalf of the firm.

Interested qualified firms are invited to submit proposals that contain information submitted in the order of Section IV below.

Completed proposals must be submitted to the Commission electronically by the proposal due date. Respondents shall transmit completed proposals to the Commission by email to mlappin@mhdc.com in PDF file format along with the spreadsheet listing in Excel file format of the bidding firm’s owners pursuant to Section IV.B.2. The “Subject” line of the email should state “[name of firm] Financial Advisor Proposal.”

Standards of Conduct

This RFP is considered a “Competitive Matter” as that term is defined in the Commission’s “Standards of Conduct” Policy (the “Standards of Conduct”). Further, every Respondent, including, but not limited to, their respective principals, key employees and agents acting on their behalf are considered “Interested Parties” (as defined in the Standards of Conduct). As a result, every Respondent (including, but not limited to, its principals, key employees and agents) under this RFP is obligated to abide by the rules and restrictions imposed by the Standards of Conduct, including the rules governing contact with Commissioners and MHDC employees. The failure of any Respondent to abide by the rules and restrictions established by the Standards of Conduct may result in the disqualification of that Respondent’s Response. Therefore, you are strongly encouraged to review and familiarize yourself with the Standards of Conduct. The Standards of Conduct is available on MHDC’s website at www.mhdc.com.

Furthermore, pursuant to the Standards of Conduct, any Response under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent as set forth in Section IV.B.2.

Inquiries

The Commission will provide responses to inquiries submitted by firms to the Commission's contact person, Marilyn Lappin. All questions must be submitted in writing via email to Ms. Lappin at mlappin@mhdc.com and received no later than Wednesday, January 16, 2019, 1:00 p.m. CT. The "Subject" line of the email should be, "RFP for Financial Advisor Questions." Questions submitted after the deadline will not receive a response. Responses will be provided by January 23, 2019, 1:00 p.m. CT to all interested bidders that have provided an email address to Ms. Lappin prior to the above deadline for the submission of questions.

All inquiries must be submitted by email, citing the particular proposal section and paragraph number. Proposers should note that all clarifications and exceptions are to be resolved prior to submission of the proposal. A list of all substantive inquiries received with relevant responses will be provided to interested bidders.

Other than the contact person identified herein and except as provided in Sections IV.B.2 and IV.B.14 below, prospective proposers shall not approach the Commission's employees, managers or board members after the publication of this RFP and before the announcement of a selection about any matters related to the RFP or any proposal submitted pursuant thereto.

Public Records

Firms responding to this RFP should be aware that the Proposals are public records in accordance with state law, after the evaluation and selection process is completed.

Modifications to Proposals

Respondents may not modify or correct its Proposal any time after the Proposal Due Date, except in direct response to a request from the Commission for clarification.

Revisions to this RFP

In the event that it becomes necessary to revise any part of the RFP, MHDC will provide an updated RFP or an addendum to each firm receiving this RFP. Any additional information required to clarify portions of this RFP will be issued in the form of an addendum.

Expenses Relating to Proposals

All costs directly or indirectly related to the preparation of a response to this RFP shall be the sole responsibility of and shall be borne by the respondent. MHDC shall not be liable for any expenses incurred by respondents in replying to this Request.

Visits and Interviews

All firms responding to this RFP must be prepared to schedule a visit to its offices or to another location upon request by the Commission. In addition, firms responding to this RFP may be interviewed by the Commission as a part of the selection process.

Reservation of Rights

The Commission reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate; negotiate modifications to any of the items proposed in the Proposal; request additional information from any firm; reject any or all Proposals; and waive any irregularities in any Proposal. **The Commission retains the right to negotiate the fees and compensation arrangements for its Financial Advisor services.** At the Commission's sole discretion, the selection of a proposal by the Commission may be cancelled at any time prior to the complete execution of a contract or agreement. If the Commission cancels its selection of a proposal, the Commission may repost this or a similar RFP and re-seek proposals.

III. SCOPE OF SERVICES

The Financial Advisor(s) selected will be responsible for providing the following services:

1. Aggressively pursue trends and creative ideas for financing and regularly apprise MHDC of this information.
2. Submit recommendations regarding the feasibility of any financing plan, bond structure, or other idea that might further MHDC's purpose.
3. At the request of MHDC, testify before any legislative body in connection with MHDC's activities.
4. At the request of MHDC, consult with parties assisting MHDC in furthering its mission, including potential investors requesting information about MHDC's bonds, notes or other financial data.
5. In the case of a competitive sale of bonds, provide for the distribution of the "Notice of Sale" and other financing documents to interested purchasers, and in the case of a negotiated sale, represent MHDC in negotiating the terms of the sale.
6. Attend regularly scheduled meetings of the Board of Commissioners of MHDC and, as requested, other meetings relating to MHDC's financial activities. Be available to offer advice on various financing proposals, as requested.
7. Work with MHDC's Bond Counsel to review and revise, as needed, Official Statements and other documents required for all financial transactions.
8. Maintain responsibility for the cash flow analysis and yield calculations required for each bond issue, and act as primary point of contact with the bond rating agency for this information.
9. Provide periodic analyses of MHDC's financial status, including the ability of MHDC, at a point in time, to loan or grant funds from MHDC's resources to further affordable housing in the state of Missouri.

10. Assist with other housing programs, including MHDC's single family market rate TBA program and single family mortgage credit certificate (MCC) program.
11. Furnish such other financial advisory services as requested by MHDC.

IV. STRUCTURE AND CONTENT OF PROPOSAL

Respondents to this RFP should prepare clear and complete responses to each of the following questions and information requests. Brevity and clarity of responses will be appreciated. Respondents interested in responding to this RFP should submit the following information.

A. COVER LETTER (limit to 1 page)

Include a Cover Letter stating that: (i) the information included in the Proposal is true and correct to the best of its knowledge and (ii) the person signing the transmittal letter is authorized to execute the Proposal on behalf of the Respondent.

B. BACKGROUND AND EXPERIENCE

Please submit the following information.

1. **Firm Information.** Provide a description of your firm that includes the location of the firm's office(s), the length of time your firm has been in business, the number of professionals and associates, an overview of the public finance/housing group and a discussion of any substantive changes in its ownership, management and housing group, and in any other area of its public finance practice in the last three (3) years.
2. **Firm Ownership.** Pursuant to the Standards of Conduct (see Section II of this RFP), any Response under this RFP shall disclose the name of the individual, entity and/or entities having ownership interests in the Respondent. All entities identified in this disclosure shall be reduced to their human being level irrespective of the number of entity layers which may be present for any disclosed entity. Notwithstanding the previous sentence, to the extent any Respondent under this RFP is a publicly traded corporation, such a Respondent may limit this disclosure to all board members, officers (and other key employees) and any shareholders owning or controlling ten percent (10%) or more of the corporation. **For purposes of providing firm ownership information, please complete Exhibit 1 (attached) in spreadsheet format to include a listing of your firm's owners/shareholders.** Questions regarding this requirement or any other requirements or restrictions imposed by the Standards of Conduct may be directed to the Commission's General Counsel, Katherine (Katie) Jeter-Boldt, by phone at 816-759-6835 or email at kjeterboldt@mhdc.com.
3. **Contact Person and Staffing.** Provide the name, telephone number, fax number, and email address of the primary contact person regarding your firm's proposal. List personnel that would be assigned to perform the services required. Please attach relevant resumes or give brief descriptions of the tax-exempt and taxable housing finance experience of the personnel that would be responsible for this account.
4. **Housing Experience.** Include general discussion of your firm's experience in single family and multifamily housing finance work.
5. **HFA Clients.** List all state and local Housing Finance Agencies which your firm has represented as Financial Advisor, and term of service with each.

6. Bond Issues. List bond issues for which your firm has acted as Financial Advisor since January 1, 2016:
 - a. Name of Issuer;
 - b. Dollar Amount of issue and status as competitive or negotiated;
 - c. Type of housing issue (single family or multifamily, FHA-insured, etc.);
 - d. If other than housing issue, purpose of issue.
7. Computer Analytical Capability. Describe your firm's experience, analytical systems and in-house computer capability with respect to yield calculation and cash flow verification for both single family and multifamily mortgage revenue bond issues.
8. Special Strengths and/or Minority Representation. Include any additional information that will be helpful to the Commission in making a decision, including any special strengths or capabilities of your firm, which may include innovative ideas, special expertise with housing finance, the firm's status as a minority or woman-owned firm, any relationships that you have with other firms regarding proposed co-financial advisor relationships (including the involvement of any minority or woman-owned firms), the presence of offices in Missouri, the number of employees of the firm within Missouri or any other special services or assistance your firm may provide to MHDC that you believe may be relevant to or helpful to MHDC in financing or administering its housing programs.
9. Professional Liability Insurance. Describe the type and amount of professional liability insurance your firm carries.
10. Proposed Fees. State a fee schedule upon which your firm would base its charges to MHDC. Provide fee quotes for the following examples:
 - \$50 million single family mortgage revenue bond new money issue;
 - \$40 million single family mortgage revenue refunding bond issue;
 - \$5 million multifamily housing revenue bond issue; and
 - \$10 million multifamily housing revenue bond issue

Please include the hourly rate to be charged by the members of the firm for work on related matters not directly resulting in a bond issue. Please indicate if separate fees would be charged (i) for the services in connection with a note or bond issue which is not successfully sold; (ii) for services performed under "Scope of Services" not directly related to a note or bond issue; (iii) for cash flow analysis or yield calculation for a particular bond issue; or (iv) for the private placement of a bond issue arranged by the financial advisor. Also state whether any additional compensation would be paid to the financial advisor for expenses incurred in performing the services indicated. If a retainer is to be included or to be an option, so state.

Indicate your proposed fees, hourly and/or other arrangement, for services provided in conjunction with MHDC's single family TBA program. MHDC engages a third-party Single Family Market Rate Program Administrator for its TBA program. With this arrangement, MHDC anticipates utilizing the services of its Financial Advisor periodically to manage, evaluate and potentially expand the program.

State whether the firm will charge for attendance at meetings of the Board of Commissioners or other meetings relating to MHDC's bond or other housing finance programs. State whether

the proposed fees include expenses, or whether expenses will be charged separately (identify those expenses that will be charged separately, if any).

State whether the fees submitted are effective for the duration of the expected service period of three years and the additional optional two year period. In the event the proposed fees would not extend for the full duration of the contract, describe your process and expected frequency for rate changes, including maximum percentage increases.

11. Investment Management. Indicate if any members of your firm are a Registered Investment Advisor and your capabilities to provide investment management services for float funds and other funds. Indicate what fee arrangement you would propose for these services.
12. RFP Interview. Would a member of the firm, preferably the person(s) who would be responsible for the account, be willing to travel at the firm's expense, for an interview with MHDC staff?
13. Litigation and Investigations. Provide a summary of inquiries, investigations and litigations occurring during the past five years (including those in progress) regarding the conduct of your firm, your firm's management, or any employee or official associated with your firm. Describe any related actions taken against your firm or employees by any federal, state, or municipal governmental entity or court or regulatory authority, including fines, suspensions, censure, etc.
14. Federal Work Authorization Program. Pursuant to Mo.Rev.Stat. §285.530.2, institution(s) selected pursuant to this RFP shall provide MHDC with an affidavit stating that Respondent does not employ any person who is an unauthorized alien in conjunction with the contracted services, and that Respondent is enrolled in and participating in a federal work authorization program with respect to the employees working in connection with the contracted services. Prior to execution of any agreement contemplated herein, Respondent shall provide evidence of participation in a federal work authorization program. Questions regarding this requirement may be directed to the Commission's General Counsel, Katherine (Katie) Jeter-Boldt, by phone at 816-759-6835 or email at kjeterboldt@mhdc.com. **In your proposal, please indicate whether your firm is currently enrolled in and participating in a federal work authorization program such as E-Verify.**

V. RFP REVIEW AND SELECTION CRITERIA

The Financial Advisor Services Agreement will be awarded to the firm(s) which, in the opinion of MHDC, are the best qualified to provide such services.

Proposals will be evaluated on a variety of factors, including:

1. The firm's willingness to follow the guidelines in this RFP.
2. Experience and qualifications of both the firm and the staff to be assigned to these financings, as evidenced by formal training; education; appropriate professional experience.
3. Firm's ability to provide the required services on a timely basis in light of the anticipated workload, and the availability of adequate personnel, equipment and facilities of the firm.
4. The firm's experience as financial advisors on various housing and mortgage revenue bond financings or other housing transactions.
5. The firm's expertise in the areas of cash flow and yield calculations, financial modeling and analytical capabilities.
6. Involvement and accessibility of staff to be assigned to MHDC.
7. Organization, size and structure of firm. The firm's presence in Missouri. The firm should provide evidence of its authorization to conduct business in Missouri and should include a copy of relevant public documents, such as a Missouri certificate of good standing, a foreign business registration, a fictitious name filing, or a copy of filed organizational documents. If the firm is not currently authorized to conduct business in Missouri, then the firm should provide its plan to obtain such authorization.
8. The firm's inclusion of minority and women participation, including the firm's employees and/or any participation with a minority or woman-owned financial advisory firm.
9. Projected costs and proposed fee structure for services performed.
10. The Commission's prior experiences, if any, with the firm and any other factors the Commission believes would be in its best interest to consider.
11. Related investigations and regulatory proceedings involving the firm will be taken into account, depending upon the nature and significance of the proceedings.

There is no additional information requested. Thank you for reviewing this RFP. We look forward to your response.