

**REQUEST FOR PROPOSALS**  
**FOR**  
**CONSTRUCTION AND PERMANENT DEBT**  
**CANOPY@RED OAK PARK**  
**AND**  
**CANYON POINTE AND GLEN WILLOW**

<b>Issued:</b>	<b>Thursday, December 7, 2018</b>
<b>Clarifying Questions Due:</b>	<b>Thursday, December 13, 2018 at 2:00 PM</b>
<b>Clarifying Answers Posted:</b>	<b>Wednesday, December 19, 2018 by 2:00 PM</b>
<b>Term Sheets Due:</b>	<b>Thursday, January 10, 2019 by 2:00 PM</b>

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## **Request for Construction and Permanent Debt**

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## **A. Scope of Work, Process and Deadlines**

### **1. Scope of Work**

The Housing Authority of the City of Boulder dba Boulder Housing Partners (BHP) intends to procure construction and permanent financing for three BHP projects, Canopy@Red Oak Park (formerly referenced as Red Oak Park 2), Canyon Pointe, and Glen Willow. Canyon Pointe and Glen Willow are acquisition rehab projects for which we have applied for non-competitive 4% Low Income Housing Tax Credits and anticipate receiving awards by the end of 2018. They will be considered one project. Canopy@Red Oak Park is a new construction project that has been awarded 4% credits as well as State of Colorado Housing Tax Credits.

BHP is interested in reviewing proposals for the projects as individual and/or as a combination deal, combining the acquisition/rehab project and the new construction project into one financial deal with one lender and one equity investor.

BHP reserves the right to extend this contract for future tax credit finance deals.

Recent experience with State of Colorado Low Income Housing Tax Credit investments and Housing Authorities is preferred. Firm(s) should be willing to work collaboratively and in coordination with BHP, the lender, and the federal tax credit equity provider. Previous and positive experience working with BHP will be considered as a factor in our review process.

Attached are three proformas: Canopy@Red Oak Park, Canyon Pointe/Glen Willow combined model, and a combined Project model for all three sites. The attached proformas do not reflect final deal format. The models will evolve as construction pricing, debt terms, LIHTC equity pricing and other information becomes available for the deal.

### **2. Submittal Requirements / Term Sheet Response Requirements**

BHP is requesting proposals for construction and permanent debt financing. The PAB's will be issued by BHP as a conduit issuer on behalf of a LIHTC partnership to be created (the "Partnership"). The proposed debt financing facility will be tax-exempt but not "bank-qualified" due to the PAB nature of the financing. BHP will provide a legal opinion from nationally recognized bond counsel relative to the federal and state tax-exemption of the interest on the PAB debt facility. It is assumed the Partnership's construction, operating and reserve accounts will be held by the selected lending provider.

We are requesting two proposals: one if the deals are separate and need two closings and one if there is only one closing. Please provide a standard term sheet and proposal to provide construction and permanent debt financing for the proposed bundled Project of

three sites as well as separate term sheets and proposals for Canopy@Red Oak Park and Canyon Pointe/Glen Willow. Please indicate in the PAB term sheet the fixed or variable rate during the construction period as a rate indexed to a nationally recognized index, i.e. 1-month LIBOR. For the permanent period please indicate the current fixed rate and its relation to a nationally recognized index such as the 10-year U.S. Treasury constant maturity rate. Please specify all lending fees such as loan origination fees, conversion fees, if any, plus estimate the costs of appraisal, title, survey, and legal fees, etc. Please also specify any minimum amount of the initial LIHTC equity pay-in to be required of the investing partner. BHP is open to any deal structure so please submit any and all formats, including fully amortizing products.

**Requests for Clarification and/or Additional Information.** Please submit all questions and requests for clarification and/or additional information by Thursday, December 13 at 2:00 PM to Jessica Kenney and Danielle Vachon by email. BHP will compile all questions and provide all responding parties a comprehensive list of all questions and answers no later than Wednesday, December 19 at 2:00 PM.

**Proposal Due Date:** Please submit final proposals and term sheets no later than Thursday, January 10, 2019 at 2:00 PM to Jessica Kenney and Danielle Vachon by email. Only those submittals received by the specified date and time will be considered.

**Jessica Kenney, Project Manager**  
[KenneyJ@boulderhousing.org](mailto:KenneyJ@boulderhousing.org)

**Danielle Vachon, Project Manager**  
[VachonD@boulderhousing.org](mailto:VachonD@boulderhousing.org)

## **B. Additional Information**

### **Canopy@Red Oak Park 2 (Canopy)**

Canopy@Red Oak Park Community is a new construction LIHTC project. BHP intends to develop 41 affordable units for families and individuals located at 2637 and 2625 Valmont Road in Boulder. The project will include a mix of 11 one-bedroom units, 19 two-bedroom units, and 11 three-bedroom units, with income ranges between 40% and 60% AMI. In addition to the residential buildings, the project will include a leasing office, open space area for recreation, community gardens, and is walking distance from retail and grocery stores.

The total development costs are anticipated to be \$18,913,674 (\$461,309 per unit).

BHP received an initial determination letter from CHFA for 4% Federal LIHTCs (\$482,010) and State of Colorado Tax Credits (\$521,696). The City of Boulder has provided a Letter of Commitment for funding (\$3,200,000). BHP received Boulder County Worthy Cause funds (\$700,000) in November 2018.

### **Canyon Pointe/Glen Willow (CPGW)**

Canyon Pointe/Glen Willow is an acquisition/rehab 4% LIHTC project. BHP currently owns both properties and is seeking tax credits to address each site's capital needs. Deep affordability for all residents will be preserved through existing project-based Section 8 Housing Assistance Payment (HAP) contracts.

Canyon Pointe is a four-story, 82-unit apartment building that houses many of Boulder's most economically vulnerable seniors; the average median income at this property is 21%. Canyon Pointe's renovation will feature a comprehensive renovation of the community space as well as upgrades in every unit.

Glen Willow is a five building, 34-unit property that houses many of Boulder's most economically vulnerable families and individuals; the average median income at this property is 23%. Glen Willow will undergo a significant rehabilitation site-wide, including all new interior and exterior finishes, sitewide upgrades, and the new construction of a net-zero community center.

Rehabilitation will improve both properties' livability, functionality, and comfort for residents, as well as increase energy efficiency, and restore the assets' value and marketability within the community.

Both sites are occupied but we expect that approximately 20% of the units will be vacated prior to closing to allow for on-site relocation of residents. All residents will be prequalified under the LIHTC rules prior to close so that occupied units will be eligible for tax credits during construction. Sites will operate during construction and BHP will collect rental income from the occupied units. The total development costs are expected to be \$43,959,058.

Please see the Attachments for the draft deal proformas, site maps, and relevant BHP financial information.

## 1. Development Team

- **Sponsor and General Partner – Boulder Housing Partners:** The Project will be developed and managed by Boulder Housing Partners. BHP has over 50 years of experience building and managing affordable housing developments, including experience successfully managing 581 apartments financed through the tax credit program. The Development Team has combined experience with the development of more than ten LIHTC projects, construction management, stabilized lease-up, and management of these projects throughout the City. BHP recently completed Project Renovate, our \$32 million RAD conversion project for 279 units of public housing and the new construction of \$13 million Palo Park Community.
- **Tax Credit Attorney – TBD**
- **Bond Counsel – Fred Marienthal, Kutak Rock**
- **Design Teams–Coburn Architecture (Canopy), Studio Completiva (CPGW)**
- **General Contractor – Palace Construction (Canopy and CPGW)**
- **CHFA Market Study Analyst – James Real Estate Services (Canopy)**

**2. Development Ownership Structure**

The Project ownership entity will be a Colorado limited liability limited partnership with BHP through a single member LLC as the general partner and the to-be-identified tax credit investor(s) as the limited partner(s).

**3. Development Schedule**

BHP has received an initial determination letter of 4% LIHTC and State Tax Credits for Canopy@ROP. We anticipate receiving an initial determination letter of 4% LIHTC in the next month for Canyon Pointe and Glen Willow. BHP is also working through the entitlement process with the City of Boulder. Our goal is to complete a financial close no later than late May 2019 and begin construction immediately upon closing.

**C. BHP Reservation of Rights:**

1. BHP reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by BHP to be in its best interests.
2. BHP reserves the right not to award a contract pursuant to this RFP.
3. BHP reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 10 days written notice to the successful bidder.
4. BHP reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of BHP Procurement Officer.
5. BHP reserves the right to negotiate the fees proposed by the bidder if applicable to bid process.
6. BHP reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not limited to incomplete proposals and/or proposals offering alternate or non-requested services.
7. BHP shall have no obligation to compensate any bidder for any costs incurred in responding to this RFP.
8. BHP shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a bidder or reject any proposal submitted that does not conform to any of the requirements detailed herein.
9. BHP reserves the right to discontinue the RFP process at any point in time.
10. Proposals are subject to public review via open records requests. Once the award of the project has been made, proposals may also be shared with non-successful respondents.