

**REQUEST FOR PROPOSALS
FOR
CONSTRUCTION AND PERMANENT DEBT**

BOULDER HOUSING PARTNERS

**MADISON APARTMENTS AND WOODLANDS
APARTMENTS COMBINED 4% LIHTC DEAL**

Issued:	Thursday, March 5, 2020
Clarifying Questions Due:	Friday, March 13 at 2:00 PM
Clarifying Answers Posted:	Monday, March 23 by 2:00 PM
Term Sheets Due:	Monday, April 6 by 2:00 PM

**Boulder Housing Partners
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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 to purchase the 4% Low Income Housing Tax Credits for two BHP projects, the Madison Apartments and Woodlands Apartments. Madison and Woodlands are acquisition rehab projects for which we have applied for non-competitive 4% Low Income Housing Tax Credits and anticipate receiving awards by April 2020. The properties are non-contiguous and will be considered one financial deal.

Recent deal experience in Colorado, experience working with CHFA and experience working with Housing Authorities is preferred. Firm(s) should be willing to work collaboratively and in coordination with BHP 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: Madison, Woodlands and a Madison/Woodlands combined model. 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. PABs will be issued by BHP as a conduit issuer on behalf of a LIHTC partnership to be created (the “Partnership”). The proposed debt 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. It is assumed the Partnership’s construction, operating and reserve accounts will be held by the selected lender.

Please provide a standard term sheet and proposal to provide construction and permanent debt financing for the proposed projects. 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 Friday, March 13 at 2:00 PM to Jessica Kenney by email. BHP will compile all questions and provide all responding parties a comprehensive list of all questions and answers no later than Monday, March 23 at 2:00 PM.

Proposal Due Date: Please submit final proposals and term sheets no later than Monday, April 6 at 2:00 PM to Jessica Kenney by email. Only those submittals received by the specified date and time will be considered.

Jessica Kenney, Senior Project Manager
KenneyJ@boulderhousing.org

B. Additional Information

Madison/Woodlands 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 project-based vouchers.

Woodlands is a six building, 35-unit property that houses many of Boulder's most economically vulnerable families; the average median income at this property is 24%. One of the Woodlands' buildings is a community center and another is an onsite daycare facility; there are four residential buildings. Woodlands' renovation will feature comprehensive upgrades of the exteriors and site work as well as a renovation of community space.

Madison is a four building, 32-unit property that houses many of Boulder's most economically vulnerable families and individuals; the average median income at this property is 23%. Madison is currently a public housing property and has been approved for a Section 18 Disposition. BHP has been awarded tenant protection vouchers that will convert to project-based vouchers upon project closing. Madison will undergo a significant rehabilitation site-wide, including all new interior and exterior finishes, sitewide upgrades, and a new 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 at Madison will be vacated prior to closing to allow for on-site relocation of residents. The Woodlands project will not require any temporary or permanent relocation. 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 \$26,894,977.

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's staff has extensive LIHTC development experience. Most recently, we completed the following new construction tax credit projects: High Mar, Lee Hill, and Palo Park apartments. We closed four LIHTC deals in 2019 and have the following projects currently under construction: Glen Willow, Canyon Pointe, Canopy at Red Oak Park, and 30Pearl. The award-winning Project Renovate, a 279-unit scattered site 4% acquisition/rehab/RAD project that Madison is modeled after, was completed in 2016. The BHP project team, General Contractor, and project consultants also worked on Project Renovate and have significant occupied renovation experience.
- **Tax Credit Attorney** – Jon Peterson, Winthrop & Weinstine
- **Bond Counsel** – Fred Marienthal, Kutak Rock
- **Design Teams**– Caddis Architecture
- **General Contractor** – Palace Construction
- **CHFA Market Study Analyst** – Prior & Associates

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 anticipates receiving an initial determination letter of 4% LIHTC in the next month for Madison and Woodlands. Our goal is to complete a financial close no later than late September 2020 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 extend this contract for future tax credit finance deals.
4. 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.

5. 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.
6. BHP reserves the right to negotiate the fees proposed by the bidder if applicable to bid process.
7. 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.
8. BHP shall have no obligation to compensate any bidder for any costs incurred in responding to this RFP.
9. 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.
10. BHP reserves the right to discontinue the RFP process at any point in time.
11. 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.