

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
REQUEST FOR PROPOSALS FROM
MULTIFAMILY CONSTRUCTION AND ASSET
MANAGEMENT FIRMS**

SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION OF NOTICES OF INQUIRIES.



July 1, 2009

**Arkansas Development Finance Authority
423 Main Street, Suite 500
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSERS/ GENERAL INFORMATION

A. PURPOSE. The Arkansas Development Finance Authority (“ADFA”) is seeking proposals from multifamily construction and asset management firms to provide construction and asset management services for multifamily housing projects funded by the American Recovery and Reinvestment Act of 2009 (“ARRA”). The services provided by your firm will be in accordance with all applicable program rules, regulations and policies under the direction of ADFA.

ADFA intends to select a construction and asset management firm(s) who will advise and consult with ADFA staff and carry out any and all services listed in Section II: Scope of Services and Requirements.

The selection of a multifamily construction and asset manager will be for 3 years with the possibility of being extended for additional one (1) year terms, with a maximum of four (4) extensions.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal (“RFP”) should be submitted to the following:

rfp@adfa.state.ar.us

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than July 22, 2009, by 12:00 p.m., via email only. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Bruce Bokony (bbokony@adfa.state.ar.us), Multifamily Manager at 501-517-3966 or Patrick Patton (ppatton@adfa.state.ar.us), Vice President for Internal Audit at 501-682-5902. Substantive questions and answers will be documented in letter form and will be sent by electronic mail to all the proposers who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE PATRICK PATTON, AT THE EMAIL ADDRESS STATED ABOVE, OF THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Construction and Asset Management firms wishing to respond to this RFP may contact Patrick Patton, Chair of the Staff Professional Selection Committee. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND**

ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.

F. SELECTION TIMETABLE.

July 1, 2009	Request for Proposal Issued
July 22, 2009	Proposals Due @ 12:00 p.m.
TBD	Oral Interviews, if needed
August 20, 2009	Board Action (Appoint/ratify appointment of Construction and Asset Management firm(s), authorizes the President of ADFA to negotiate fees)
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. The ADFA Staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on (1) responses to specifics outlined in the Proposal Format section of this RFP and (2) the selection criteria. Proposals which omit any of these items may be rejected as non-responsive. The Board Professional Selection Committee will make its decision on a recommendation for selection which will be reported to the Board of Directors of the Authority at its August 20, 2009, regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer's cost, risk and expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

Any firm selected will be required to complete a disclosure form in compliance with Governor's Executive Order 98-04.

H. SELECTION CRITERIA. The proposals will be reviewed by the Staff Professional Selection Committee composed of selected members of ADFA staff. The committee generally will use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to ADFA Board Professional Selection Committee; however, ADFA reserves the right to evaluate the ranking of proposals based on factors beyond the listed criteria.

CRITERIA

1. Qualifications of the construction and asset management firm:
 - a. Prior experience with multifamily housing agencies
 - b. Qualifications of staff assigned to this program including the

team members' demonstrated ability, years and type of experience

- c. Response to Arkansas presence issue including relevance of presence to these services
2. Merits of the proposal
3. Pricing proposal

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The ADFA is seeking a qualified firm(s) to serve as construction and asset manager. The qualified firm(s) will have extensive experience providing the required services specifically for investors in projects funded through the Low Income Housing Tax Credit ("LIHTC") Program. ADFA will work with the selected firm for the services to be performed. These services include but are not limited to the following (all of the following services **must** be addressed in your response to be considered):

Construction Management Services

- a) Establish a schedule for construction inspections and reports with third party architects, receive and review all construction inspection reports, and advise ADFA in writing regarding such reports
- b) Review and approve in consultation with ADFA, construction change orders and modifications to the project
- c) Assist with ADFA's draw process as needed (funding draws will be administered by ADFA)
- d) Monitor construction draws from ADFA and other lenders
- e) Participate in 'draw' meetings, and other project meetings as needed
- f) Establish and maintain project reserve accounts
- g) Maintain a cooperative working relationship with ADFA's cost estimator contractor

Asset Management Services

- a) Before project funding is finalized by ADFA, analyze and provide recommendations regarding the sustainability of all proposed projects subject to this contract
- b) Manage and enforce subsidy recapture and ownership management performance requirements through liens, mortgages, partnership agreements, or by other methods deemed appropriate by ADFA
- c) Assist in preparation and/or revision of documents described in subsection (b) above
- d) Review lease-up progress reports
- e) Review and monitor lease-up reserves
- f) Receive and review monthly reports (occupancy level, reportable incidents)
- g) Review quarterly reports (income statement, balance sheet, certificates of insurance)
- h) Monitor debt service

- i) Prepare and present a quarterly portfolio performance report to ADFA using methods described by ADFA, including any online submission
- j) Manage operating reserves and replacement reserves, including any required approval of expenditures
- k) Prepare all reports necessary to keep ADFA informed of the financial status of all developments in the portfolio including but not limited to budget analysis, rent analysis, cash flow trends, operating cost analysis and all reports requested by ADFA
- l) Review audits prepared by independent auditors, ensure delivery of audits to ADFA
- m) Conduct site inspections to ensure property is being maintained in accordance with the Uniform Physical Condition Standards and any other ADFA required standards
- n) Monitor compliance with all applicable programs, including but not limited to review of tenant files, all required tenant certifications and all other compliance requirements throughout the compliance period
- o) Recommend and implement project “workouts”
- p) Provide training and technical assistance, as needed
- q) Prepare disposition and/or refinancing analyses, as needed

Please also describe how your firm has previously coordinated with tax credit compliance departments of HFA’s and how you propose to coordinate with ADFA’s compliance department to carry out the ARRA compliance and asset management objectives.

Outline the fee schedule using an assumption of 50 projects under Construction and Asset Management Services for a period of up to 3 years. Separate fee schedules for Scope of Services for Construction Management Services and Asset Management Services are required. Include in the fee schedules any and all applicable fees to perform the Asset Management services described above. ADFA anticipates entering into a 3 year contract with the possibility of four one-year extensions to be exercised by the ADFA Board.

SECTION III: STATEMENT OF QUALIFICATIONS

A statement of qualifications should be maintained on file at ADFA for all firms submitting proposals in response to this RFP.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one page transmittal letter prepared on the proposer’s business stationery should accompany the proposal.

B. PROPOSAL. The proposal should be labeled “Proposal to serve as Multifamily Construction and Asset Management Firm.” The submission must contain sufficient information to enable the Review Committee to evaluate the proposal. It should be prepared in a clear and concise manner and should address each of the following subsections:

1. **Construction and Asset Management Team and Personnel.** Describe the manner in which you would organize your firm's resources to serve as ADFA's construction and asset manager. In doing so, please address the following questions or issues:
 - a. Location and size
 - b. Number of years in operation
 - c. Organizational Structure
 - d. Number of years experience providing asset management services
 - e. List of current clients and length of service
 - f. Number of years providing construction management services
 - g. Number of tax credit units currently under construction management
 - h. Number of tax credit units currently under asset management
 - i. Number of units subjected to recapture within the past 10 years
2. **Firm References.** Attach references with particular attention to state housing finance agencies.
3. **Staff Qualifications.**
 - a. Identify the individuals who would be assigned to work with ADFA as the construction manager and as the asset manager. Describe the staffing and service that ADFA would receive and the duties that each person would perform and their housing finance agency experience.
 - b. Who would be the principal contact for the asset management services for ADFA?
 - c. Who would be the principal contact for the construction management services for ADFA?
 - d. Please provide resumes for the key individuals that would be working with ADFA.
4. **Arkansas Presence.** Please explain your firm's presence within Arkansas and describe how that presence is relevant to this proposed transaction.
5. **Rationale for Appointment and Proposal Summary.** This section of the proposal should be used by each proposer to present the case for its appointment to the position sought. It is not necessary for you to recite comprehensively your firm's qualifications and experience, which should be on file with ADFA in your current Statement of Qualifications, but it would be useful for you to describe how your qualifications and experience in construction and asset management is relevant to the proposed transaction. In particular, you may want to select, e.g., three (3) past construction and asset management projects and summarize their similarity to ADFA's request for proposal.
6. **Construction and Asset Management Fee Proposal.** The fee proposals are an important component of the evaluation process. State the basic assumptions on which

your figures are predicated and any factors that would affect the proposal. ADFA is projecting that the construction management engagement will cover approximately 50 projects for a period of up to 3 years. The asset management fee portion of the engagement should include fee schedules for all applicable fees associated with asset management for a period ranging from 15 – 30 years for associated projects. ADFA does not guarantee a specific number of projects for this selection. The numbers mentioned are just estimates for fee preparation purposes.

7. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.
8. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

**CONSTRUCTION AND ASSET MANAGEMENT FIRMS
TO RECEIVE RFP'S**

CONTACT/FIRM/EMAIL	CONTACT/FIRM/EMAIL
Bob Moss Boston Capital bmoss@bostoncapital.com	Heather Wheeler First Housing hwheeler@firsthousingfl.com
Allen Feliz Tax Credit Asset Management afeliz@taxcreditam.com	Polly Kinslowe McCormack Baron Salazar Polly.kinslowe@mccormackbaron.com
Lee Harris Cohen-Esrey Asset Management, LLC lharris@cohenesrey.com	David Urban RBC Bank David.urban@rbc.com