

City and County of San Francisco
Request for Qualifications (RFQ) for
Financial Advisors
Mayor's Office of Housing



Date issued:	February 23, 2011
Pre-proposal conference:	Thursday, March 10, 2011 @1:00 p.m.
Proposal due:	Friday, March 25, 2011 @ 5:00 p.m.

Request for Proposals for Financial Advisory Services

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Appendices:

- A. HRC Attachment 2 (separate attachment): Requirements for Architecture, Engineering and Professional Services Contracts, for contacts \$100,000 and over (separate document). Proposers must submit the following forms:

Form 2A HRC Contract Participation form
Form 2B HRC “Good Faith” Outreach Requirements form
Form 3 HRC Non-discrimination Affidavit
Form 5 HRC Employment form

The following form may be required, depending on the circumstances:

Form 4 Joint Venture Participation Schedule

- B. Standard Forms: Listing and Internet addresses of Forms related to Taxpayer Identification Number and Certification, to Business Tax Declaration, and to Chapters 12B and 12C, and 14B of the S.F. Administrative Code.
- C. Acknowledgement of RFQ Terms and Conditions (separate attachment)

I. Introduction and Schedule

A. General

The Mayor's Office of Housing (MOH) is the City's primary housing finance agency for the development and preservation of affordable housing citywide. Its mission is to coordinate the efforts of the City to maximize housing opportunities for low- to moderate-income households and individuals.

MOH administers a variety of programs for housing finance funded by federal, state, and local sources. These include housing activities funded by Community Development Block Grants, HOME entitlements, other competitive federal grants, City housing funds, housing revenue bond financed programs, including single-family and multifamily projects, and the mortgage credit certificate program for first-time homebuyers. MOH also performs a number of monitoring and enforcement responsibilities in connection with the Inclusionary Affordable Housing Program as authorized in Planning Code Section 415. MOH also functions as a primary advisor to the Mayor on housing policy issues, including those that are considered and implemented by other City departments.

In order to enhance its financial capacities, MOH is seeking proposals from financial advisory firms interested in providing their services in one (1) or more of the following areas:

- 1) general multifamily affordable housing financial advisory services;
- 2) general single family affordable housing program financial advisory services;
- 3) multi-family and/or single-family bond issuance financial advisory services; and
- 4) Inclusionary Zoning Program financial advisory services.

Through this RFQ, MOH intends to establish a separate pool of advisors for each of these areas:

- 1) A Multi-Family General Pool comprised of no more than four (4) selected proposers providing advisory services such as performing financial analyses in connection with:
 - a. particularly complex affordable and mixed-income projects with a variety of housing types, including public housing, affordable and market-rate rental housing, and affordable and market-rate ownership housing;
 - b. the structuring of the City's multifamily affordable housing development programs;
 - c. the structuring of limited equity and shared equity housing models including cooperatives and community land trusts;
 - d. the issuance of Certificates of Participation for purposes of financing multi-phased, mixed income, multifamily rental and ownership housing;
 - e. the compilation and analyses of general economic data as may be required.

The services to be provided by the selected Multi-Family General Pool advisors are more fully described in Section II A;

- 2) A Single-Family General Pool comprised of no more than three (3) selected proposers providing advisory services such as performing financial analyses in connection with:

- a. the structuring the City's single-family affordable housing lending and grant programs;
- b. the optimal use of housing assistance programs and federal, state and local funding sources;
- c. the compilation and analyses of general economic data, as may be required.

The services to be provided by the selected Single-Family General Pool advisors are more fully described in Section II B;

- 3) A Bond Pool comprised of no more than four (4) selected proposers providing advisory services such as performing financial analyses in connection with:
- a. multifamily housing revenue bond issuances related to competitive sales, negotiated sales and private placements of the bonds;
 - b. taxable or tax-exempt general obligation bonds to finance the development of affordable rental and homeownership housing;
 - c. refundings of currently outstanding bond issuances;
 - d. single family housing revenue bond issuances and the Mortgage Credit Certificate (MCC) program.

The services to be provided by the selected Bond Pool advisors are more fully described in Section II C;

- 4) An Inclusionary Zoning Pool comprised of no more than three (3) selected proposers providing advisory services such as performing financial analyses in connection with:
- a. the analysis and calculation of the Affordable Housing Fee (including annual adjustments) set forth in the Inclusionary Affordable Housing Program ordinance (San Francisco Planning Code, Section 415;
 - b. evaluating and revising analyses used in connection with the Inclusionary Affordable Housing Program.

The firms will be selected in accordance with the City's applicable equal opportunity policies . Each selected financial advisor shall be required to enter into a professional services contract with the City and shall be paid pursuant to the terms of that contract on an hourly reimbursement basis.

The contract shall have an original term of three (3) years. In addition, the MOH shall have two (2) options to extend the term for a period of one (1) year each, which the MOH may exercise in its sole, absolute discretion.

Interested and qualified firms that are authorized to perform the required services under the applicable laws and that have successfully demonstrated their ability to provide financial advisory services are invited to submit a proposal.

B. Schedule

The anticipated schedule for selecting a consultant is:

<u>Proposal Phase</u>	<u>Date</u>
RFQ is issued by the City	February 23, 2011
Pre-proposal conference	March 10, 2011 @ 1pm
Deadline for submission of written questions or requests for clarification	March 11, 2011
Proposals due	March 25, 2011 @ 5pm
Oral interview with firms	Week of April 11, 2011

II. Scope of Work

The Scope of Work is to be used as a general guide and is not intended to be a complete list of all work necessary to complete the project.

The following are work tasks assumed necessary to fulfill the requirements as outlined in this RFQ

A. Multi-Family General Pool:

The selected advisors shall assist in implementing MOH's affordable housing program by advising the City on all pertinent issues relating to affordable housing financings for multi-family development. The services to be provided by the selected Multi-Family General Pool advisors will include, without limitation, the following:

1. Written and oral analysis and recommendations on proposals for affordable housing financing under consideration by the City, including identification of funding sources and possible structuring of programs to utilize the funds.
2. Assessment of the optimal use of housing assistance programs and funding sources that may be available to achieve affordable housing goals, such as low-income housing tax credits, FHA, HCD, CDLAC programs, Section 8 and other federal, state and local programs.
3. Assistance in evaluating and performing analyses of complex mixed-income projects which may include public housing units, affordable and market-rate rental units, and affordable and market-rate ownership units.
4. Assistance in evaluation and performing analysis in connection with the issuance of Certificates of Participation for purposes of financing multi-phased, mixed income, multifamily rental and ownership housing.
5. Assistance in evaluation and performing analysis of community facilities districts such as Mello-Roos and Infrastructure Finance Districts as sources for purposes of financing multi-phased, mixed income, multifamily rental and ownership housing.
6. Assistance in structuring limited equity and shared equity housing models including cooperatives and community land trusts.
7. Assistance in the preparation of legal documentation for financing programs and specific developments, as requested by the City.
8. Assistance in preparation of presentations on multi-family affordable housing finance to the Mayor, Board of Supervisors, and other organizations. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan.
9. Assistance in compilation and analyses of general economic data, as may be required.
10. Written and oral analysis and recommendations on proposals for affordable housing financing under consideration by the City, including identification of funding sources and possible structuring of programs to utilize the funds.
11. Assessment of the optimal use of housing assistance programs and funding sources that may be available to achieve affordable housing goals, such as low-income housing tax

credits, FHA, HCD, CDLAC programs, Section 8 and other federal, state and local programs.

12. Assistance in structuring the financing plans for particular developments as requested by the City.
13. Assistance in the preparation of legal documentation for financing programs and specific developments, as requested by the City.
14. Assistance in preparation of presentations on multi-family affordable housing finance to the Mayor, Board of Supervisors, and other organizations. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan.

B. Single-Family General Pool:

The selected single family affordable housing financial advisor will assist in implementing MOH's housing programs by advising the City on all pertinent issues relating to affordable housing financings for the single-family lending and grant programs. Of particular importance is the ability of the financial advisors to provide recommendations on possible program and financing structures, which would enable the City to meet its affordable housing objectives. The services to be provided by the selected general single family affordable housing financial advisors would include, without limitation, the following:

1. Written and oral analysis and recommendations on proposals for affordable housing financing under consideration by the City, including identification of funding sources and possible structuring of programs to utilize the funds.
2. Assessment of the optimal use of housing assistance programs and federal, state and local funding sources that may be available to achieve affordable housing goals.
3. Assistance in evaluating single-family lending and grant programs, and providing guidance and innovation in single-family underwriting as well as in developing new single-family lending and grant programs.
4. Assistance in the preparation of legal documentation for financing programs, as requested by the City.
5. Assistance in preparation of presentations on single-family affordable housing finance to the Mayor, Board of Supervisors, and other organizations. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan.

C. Bond Pool:

The selected bond advisors will assist on bond financed projects by advising the City on all pertinent issues relating to particular financings. Of particular importance are (i) the ability of the bond financial advisors to ensure that the City's transactions meet all applicable standards of competence and fiscal prudence, while adhering to program requirements and affordable housing objectives, and to provide recommendations on possible program and financing structures, which would enable the City to meet its affordable housing objectives. The services to be provided by the selected bond financial advisors will include, without limitation, the following:

1. Evaluation of the economic feasibility of proposed bond issuances, refundings or restructurings. Evaluation of the financial strength of a project, including assumptions regarding income and expenses, sources of security for bonds in addition to the project itself, developer's financial situation and experience, and rights and resources of parties to the transaction in the event of default.
2. Identification, written analysis and recommendations on all substantive matters pertinent to each proposed transaction, including advice in all areas of industry-specific knowledge that may affect the financing.
3. Assessment of the optimal use of other housing assistance programs and funding sources that may be available in connection with a particular bond financing, such as low-income housing tax credits, FHA, Section 8 and other federal, state or local programs.
4. Assistance in structuring the debt financing plan, including determination of the nature of the security for the bonds through the provision of credit enhancement or, as a lower priority, through a non-enhanced bond structure resulting in the highest available credit rating for the financing.
5. Recommendations and advice regarding marketability of the bonds, including minimum bond denominations, retail/institutional sale or private placement. Recommendation on a marketing format resulting in a competitive or a negotiated sale. If a competitive sale is planned, preparation of a request for bids and notification of all qualified underwriting firms of the offering and assistance in selecting the successful bidder.
6. Although the City does not ordinarily issue unrated bonds, recommendations and advice with respect to the feasibility and desirability of undertaking negotiated private placements of unrated bonds. If consented to by the City, assistance in negotiating the private placement with acceptable holders.
7. Assistance in the preparation of legal documentation for the financing. Participation in all necessary meetings prior to bond issuance and, if necessary, in activities associated with rating agency reviews. Assistance in preparing presentations on proposed financings to the Mayor, Board of Supervisors, California Debt Limit Allocation Committee (CDLAC), and other bodies. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan and marketing and sale of the bonds. Attendance at the delivery of the bonds.
8. Assistance in evaluating the feasibility of complex development proposals involving bond financing, low-income housing tax credits, FHA, Section 8 and other federal, state or local financing as well as conventional bank debt.
9. Written and oral analysis and recommendations on proposals for affordable housing financing under consideration by the City, including identification of funding sources and possible structuring of programs to utilize the funds.
10. Assessment of the optimal use of housing assistance programs and funding sources that may be available to achieve affordable housing goals, such as low-income housing tax credits, FHA, HCD, CDLAC programs, Section 8 and other federal, state and local programs.

11. Assistance in structuring the financing plans for particular developments as requested by the City.
12. Assistance in the preparation of legal documentation for financing programs and specific developments, as requested by the City.
13. Assistance in preparation of presentations on multi-family affordable housing finance to the Mayor, Board of Supervisors, and other organizations. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan.

D. Inclusionary Zoning Pool:

The selected inclusionary zoning and general economic housing financial advisor(s) may perform the following services:

1. Preparation of the financial, economic, and real estate analysis relevant to establishing or revising an in-lieu fee calculation and/or affordability gaps for the Inclusionary Affordable Housing Program or other program.
2. Development or revision of annual adjustments to the Affordable Housing Fee for the Inclusionary Affordable Housing Program, including preparation of average area purchase price studies, and preparation of similar studies for single-family mortgage revenue bond and mortgage credit certificate programs.
3. Performance of required studies under Section 415 of the City's Planning Code, including the development of economic, real estate, workforce, and industry-specific analyses related to inclusionary zoning, including developing alternatives to onsite development.
4. Preparation of presentations on inclusionary zoning and general economic financial studies to the Mayor, Board of Supervisors, and other individuals, organizations, agencies and the general public. Assistance in other matters, as necessary, to ensure successful execution of the selected financing plan.

III. Submission Requirements

A. Time and Place for Submission of Proposals

Proposals must be received by 5:00 p.m., on **March 25, 2011**. Postmarks will not be considered in judging the timeliness of submissions. Proposals may be delivered in person and left with the MOH Receptionist or mailed to:

**Oliver Hack
Mayor's Office of Housing
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103**

Proposers shall submit six (6) copies of the proposal and two copies, separately bound, of required HRC Forms in a sealed envelope clearly marked MOH Financial Advisor to the above location. Proposals that are submitted by fax will not be accepted. Late submissions will not be considered. Proposers must provide a clear, concise statement of qualifications as it relates to the

required Scope of Services as well as to the respondents ability to comply with the requirements of this RFQ.

Each proposal **must** include the following statement:

“The undersigned certifies under penalty or perjury that all statements made in this proposal are true and correct to the best of the undersigned’s knowledge.”

B. Content

The proposal must be limited to ten (10) pages (excluding attachments) and must provide the following information in the order specified below:

I. General Information: A brief description of the responding firm, including firm’s ownership and capital structure; total number of employees in various categories (e.g. managerial, professional and clerical); principal place of business and location of other offices. Indicate the home office location of each individual being proposed to provide required services.

II. Pool –Specific Information:

For the Multi-Family General Pool:

Experience with Multifamily Housing Assistance Programs: A description of the firm’s experience working with housing assistance programs, as well as other resources available to local jurisdictions, that promote affordable housing. Describe any innovative programs the firm has successfully assisted a local or state jurisdiction in implementing. If non-bond housing finance programs have been used in conjunction with bond financing, briefly describe the structuring of such financings and the role of the firm in the structuring.

Experience with Certificates of Participation: A description of the firm’s experience working with lease-revenue financing programs. Briefly describe the structuring of such programs and the role of the firm in the structuring and implementation, particularly any that involved an “asset substitution” leasing structure.

Experience with community facilities districts such as Mello-Roos and Infrastructure Finance Districts: A description of the firm’s experience working with community facility districts as a source of financing for multi-phased, mixed income, multifamily rental and ownership housing.

Experience with cooperative housing models: A description of the firm’s experience working with jurisdictions and resident boards in creating and/or preserving cooperative housing projects, including those assisted with HUD financing programs. Describe the outreach and approval processes developed to educate and secure approval from resident boards and local jurisdictions. Describe any refinancing and recapitalization efforts undertaken to preserve the cooperative housing projects. Provide a list of cooperative developments for which your firm has served, since January 1, 2003, with information on the name and location of the development, the size of the development, a description of the role your firm played as well as the outcome.

Structuring Capabilities: A description of the firm’s structuring approaches and ability to assist in structuring complex financing plans including financing plans with affordable and market-rate rental and ownership components. Describe the firm’s capability to prepare detailed quantitative analyses of structuring options. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.

For the Single Family General Pool:

Experience with Single-Family Housing Assistance and Financing Programs: A description of the firm’s experience working with single-family housing assistance programs and public or private lending products for low-income homeowners and first-time homebuyers in urban areas. Describe any innovative programs and financing the firm has successfully assisted a local or state jurisdiction in implementing. Describe the structuring of financings and underwriting utilized for developing such products and programs, and any familiarity with tax-exempt or taxable bonds. Describe the public and private subsidies providing any leveraging for such programs. Describe target borrowers (in terms of income and demographics and any other applicable characteristic), nature of mortgage market in particular jurisdiction, and relationship (if any) of such prior experience to San Francisco’s mortgage market and low-income target borrowers.

Structuring Capabilities: A description of the firm’s structuring approaches and ability to assist in developing and structuring credit enhancement for the housing bond issues and other financing contemplated by the City, including structuring of possible non-credit enhanced issues. Describe the firm’s capability to prepare detailed quantitative analyses of alternative structuring options. Assess the relative advantages and disadvantages of each option, including related time frame requirements. Discuss the applicability of structuring options to small and medium-sized developers, nonprofit developers and governmental agencies. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.

For the Bond Pool:

Housing Bond Experience: A description of the firm’s breadth and length of experience in all aspects of single family and multifamily bond issues, including cash-flow and feasibility analyses of mortgages, underlying real estate assets and other sources to support the bonds, and assessments of capabilities of bond marketing entities. Provide a list of single family and multifamily bond issuances for which the firm has served as financial advisor since January 1, 2003, with information on the size of the issue, the name of the issuer, the firm’s role, the bond rating or (if privately placed) the purchasing entity, and the security for the bonds which was the basis for the rating,

Structuring Capabilities: A description of the firm’s structuring approaches and ability to assist in developing and structuring credit enhancement for the housing bond issues and other financing contemplated by the City, including structuring of possible non-credit enhanced issues. Describe the firm’s capability to prepare detailed quantitative analyses of alternative structuring

options. Assess the relative advantages and disadvantages of each option, including related time frame requirements. Discuss the applicability of structuring options to small and medium-sized developers, nonprofit developers and governmental agencies. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.

For the Inclusionary Zoning Pool:

Experience with Inclusionary Zoning and general economic analyses: A description of the firm's experience in providing financial, real estate, and economic analyses related to inclusionary zoning, including any experience in: 1) developing or revising in-lieu fee calculations or affordability gap analyses; 2) developing or revising in-lieu fee annual adjustments, 3) performing analyses similar to those required under Section 415.9 of the City's Planning Code, 4) performing analyses for Mortgage Revenue Bonds and Mortgage Credit Certificate Program, and 5) performing other relevant financial, real estate and economic analyses for urban areas.

III. Assigned Personnel

Identification of the contact person or persons (including email addresses, telephone and fax numbers) who would have primary responsibility for working on the financings covered by this RFQ, his or her authority to make decisions on behalf of the firm. Identify backup personnel who would be assigned in the absence of the primary representative and other key personnel who would perform specialized services with respect to the financings. Provide a brief resume for each person listing specific experience in the areas covered by this RFQ.

b. References

The name, email address and telephone number of contact persons for three to five clients for whom the firm has performed services similar to those requested under this RFQ.

c. Compliance with City's Conditions

1. Attached to this RFQ is the San Francisco Human Rights Commission Requirements for Professional Services Contracts ("Attachment 3"). Of the forms contained in Attachment 3, the following must be completed and submitted with the proposal:
 - a. HRC Form 2A, Rating Discount Application
 - b. HRC Form 2B Good Faith Outreach
 - c. HRC Form 3, Compliance Affidavit
 - d. HRC Form 4, Joint Venture Participation
 - e. HRC Form 5, Employment Information

For more information regarding HRC certification, please contact Romulus Asenloo, Contract Compliance Officer II, Human Rights Commission, at 415.252.2539.

2. Compliance with Domestic Partners Benefits Requirements: The successful firm(s) will be required to comply with the provisions of Chapter 12B of the San Francisco

Administrative Code relating to nondiscrimination in the provision of benefits to domestic partners. Attached to this RFQ are three declarations for use in demonstrating compliance with this requirement.

- a. “Declaration – San Francisco Administrative Code Chapter 12B Nondiscrimination in Contracts”: Must be completed by all respondents.
 - b. “Chapter 12B Declaration – Reasonable Measures Affidavit”: Must be completed by respondents who are unable to offer nondiscriminatory benefits and propose to offer cash equivalents to affected employees.
 - c. “Chapter 12B Declaration – Substantial Compliance Authorization Form”: Must be completed by respondents requesting authorization to delay compliance to after the beginning of the contract period.
3. Business Tax Registration: All businesses transacting business in San Francisco must maintain a current business tax registration number. A contract cannot be awarded unless business tax registration fees are paid in full by the time the contract is to be awarded. For information on business tax registration, please contact the Tax Collector’s Office at 415.554.4430.
4. Insurance: Firms engaged by the City will be required to maintain insurance in the amounts and coverages deemed necessary by the City. The City’s Risk Manager has currently identified the following coverages as required:
 - a. Workers’ Compensation, with Employer’s Liability limits not less than \$1,000,000 each accident.
 - b. Comprehensive General Liability Insurance with limits not less than \$1,000,000 each occurrence Combines Single Limit Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations.
 - c. Comprehensive Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned and Non-owned and hired auto coverage, as applicable.
 - d. Commercial General Liability and Business Automobile Liability Insurance policies must provide the following:
 - i. Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
 - ii. That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

- iii. All policies shall provide thirty days' advance written notice to City of cancellation mailed to the following address:

Oliver Hack, Mayor's Office of Housing, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103.

IV. Fee Proposal

The following information will not be a part of the selection criteria, but will be used by the City as the basis for negotiating fees for the services to be provided by the successful firm or firms. The City intends to award this contract to the firm that it considers will provide the best overall program services. The City reserves the right to accept other than the lowest priced offer and to reject any proposals that are not responsive to this request.

1. Fee for Housing Bond Issuances:

Propose a fee, conditional upon bond issuances, for each of the following hypothetical bond structures based on "typical" conditions for that type of issuance. State the fee for each issue as a lump sum plus an estimated amount for expenses. Briefly describe any assumptions that were made about the transaction in order to arrive at a fee determination.

- a. Public competitive sale of \$20 million in taxable general obligation bonds for affordable housing.
- b. Negotiated sale of \$20 million in multifamily housing refunding bonds, with credit enhancement; variable rate transaction, seven-day remarketing. Project is a 20% below-market rate project whose original financing consisted entirely of bond proceeds, with a letter of credit.
- c. Private placement of \$8 million in new multifamily housing bonds. The project is 100% affordable at 60% of median income, with 4% low-income housing tax credits and significant public financing to cover a total project budget of \$15 million.
- d. Negotiated sale of \$15 million in single-family mortgage revenue bonds. Bonds will be backed by Fannie Mae and/or Ginnie Mae mortgage-backed securities.
- e. will be backed by Fannie Mae and/or Ginnie Mae mortgage-backed securities.

2. Fee for Multi-Family and Single Family Affordable Housing Program and Inclusionary Zoning Program and General Economic Services:

Propose a fee structure for consulting on an hourly basis that is not conditional upon the securing of any particular financing. Identify the hourly fee to be charged for each category of personnel (or each individual) that is proposed to provide services, and the types of services to be provided by each category (or individual). Identify the expenses that the firm is likely to incur in the provision of services and the basis on which such expenses are charged. Briefly describe any assumptions made about the service in order to arrive at a fee determination.

V. Evaluation and Selection Criteria

All proposals responsive to the submittal requirements will be evaluated by a selection committee comprised of City staff. The committee will score each proposal based on the following evaluation criteria:

For the Multi-Family General Pool:

a. A description of the firm's experience working with housing assistance programs, as well as other resources available to local jurisdictions, that promote affordable housing. Describe any innovative programs the firm has successfully assisted a local or state jurisdiction in implementing. If non-bond housing finance programs have been used in conjunction with bond financing, briefly describe the structuring of such financings and the role of the firm in the structuring.	50 pts
b. A description of the firm's experience working with jurisdictions and resident boards in creating or preserving cooperative housing projects. Describe the outreach and approval processes developed to educate and secure approval from resident boards and local jurisdictions. Describe any refinancing and recapitalization efforts undertaken to preserve the cooperative housing projects. Provide a list of cooperative developments for which your firm has served, since January 1, 2003, with information on the name and location of the development, the size of the development, a description of the role your firm played as well as the outcome.	25 pts
c. A description of the firm's experience working with community facility districts as a source of financing for multi-phased, mixed income, multifamily rental and ownership housing.	25 pts
d. A description of the firm's structuring approaches and ability to assist in structuring complex financing plans including financing plans with affordable and market-rate rental and ownership components. Describe the firm's capability to prepare detailed quantitative analyses of structuring options. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.	100 pts

For the Single Family General Pool:

a. A description of the firm's experience working with single-family housing assistance programs and public or private lending products for low-income homeowners and first-time homebuyers in urban areas. Describe any innovative programs and financing the firm has successfully assisted a local or state jurisdiction in implementing. Describe the structuring of financings and underwriting utilized for developing such products and programs, and any familiarity with tax-exempt or taxable bonds. Describe the public and private subsidies providing any leveraging for such programs. Describe target borrowers (in terms of income and demographics and	100 pts
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any other applicable characteristic), nature of mortgage market in particular jurisdiction, and relationship (if any) of such prior experience to San Francisco's mortgage market and low-income target borrowers.	
b. A description of the firm's structuring approaches and ability to assist in developing and structuring credit enhancement for the housing bond issues and other financing contemplated by the City, including structuring of possible non-credit enhanced issues. Describe the firm's capability to prepare detailed quantitative analyses of alternative structuring options. Assess the relative advantages and disadvantages of each option, including related time frame requirements. Discuss the applicability of structuring options to small and medium-sized developers, nonprofit developers and governmental agencies. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.	100 pts

For the Bond Pool:

a. <u>Housing Bond Experience</u> : A description of the firm's breadth and length of experience in all aspects of single family and multifamily bond issues, including cash-flow and feasibility analyses of mortgages, underlying real estate assets and other sources to support the bonds, and assessments of capabilities of bond marketing entities. Provide a list of single family and multifamily bond issuances for which the firm has served as financial advisor since January 1, 2003, with information on the size of the issue, the name of the issuer, the firm's role, the bond rating or (if privately placed) the purchasing entity, and the security for the bonds which was the basis for the rating,	100 pts
b. <u>Structuring Capabilities</u> : A description of the firm's structuring approaches and ability to assist in developing and structuring credit enhancement for the housing bond issues and other financing contemplated by the City, including structuring of possible non-credit enhanced issues. Describe the firm's capability to prepare detailed quantitative analyses of alternative structuring options. Assess the relative advantages and disadvantages of each option, including related time frame requirements. Discuss the applicability of structuring options to small and medium-sized developers, nonprofit developers and governmental agencies. Identify approaches to preservation of affordable housing, including refunding of previous bond issues. Describe any distinctive qualifications, including ability to develop innovative financing approaches and structures that the firm would recommend for consideration.	100 pts

For the Inclusionary Zoning Pool:

A description of the firm's experience in providing financial, real estate, and economic analyses related to inclusionary zoning, including any experience in: 1) developing or revising in-lieu fee calculations or affordability gap analyses; 2)	200 pts
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developing or revising in-lieu fee annual adjustments, 3) performing analyses similar to those required under Section 415.9 of the City's Planning Code, 4) performing analyses for Mortgage Revenue Bonds and Mortgage Credit Certificate Program, and 5) performing other relevant financial, real estate and economic analyses for urban areas.	
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Once the evaluations of the written proposals are scored, the four (4) highest ranking proposers in each of the Pools will be invited to an oral interview. The interview will consist of standard questions asked of each proposer and specific questions regarding each individual proposal. It is requested that only principals involved in providing the services attend the interview.

Within each pool, the interview will be scored a maximum of 50 points. These points will then be added to the written scores to determine final ranking. Proposers who have achieved a total score of at least 150 points will be selected for inclusion in each pool.

VI. Pre-proposal conference and Contract award

A. Pre-Proposal Conference

Proposers are encouraged to attend a pre-proposal conference on **March 10, 2011, at 1:00 pm** to be held at **Mayor's Office of Housing, 1 S. Van Ness Avenue, 5th Floor, San Francisco, CA 94103**. All questions will be addressed at this conference and any available new information will be provided at that time. If you have further questions regarding the RFQ, please contact the individual designated in Section VII.B.

B. Contract Award

The **Mayor's Office of Housing** will select proposers with whom the **Mayor's Office of Housing** staff shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the City of all terms of the proposal, which may be subject to further negotiations and approvals before the City may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time the **Mayor's Office of Housing**, in its sole discretion, may terminate negotiations with the selected proposer.

VII. Terms and Conditions for Receipt of Proposals

A. Errors and Omissions in RFQ

Proposers are responsible for reviewing all portions of this RFQ. Proposers are to promptly notify the Department, in writing, if the proposer discovers any ambiguity, discrepancy, omission, or other error in the RFQ. Any such notification should be directed to the Department promptly after discovery, but in no event later than five working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

B. Inquiries Regarding RFQ

Inquiries regarding the RFQ and all questions or clarification of the RFQ, **must** be received by March 11, 2011 and be by email and directed to: **oliver.hack@sfgov.org**

C. Objections to RFQ Terms

Should a proposer object on any ground to any provision or legal requirement set forth in this RFQ, the proposer must, not more than ten calendar days after the RFQ is issued, provide written notice to the Department setting forth with specificity the grounds for the objection. The failure of a proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

D. Change Notices

The Department may modify the RFQ, prior to the proposal due date, by issuing Change Notices, which will be posted on the City's website (www.sfgov.org/moh click on "Jobs and Bids"). The proposer shall be responsible for ensuring that its proposal reflects any and all Change Notices issued by the Department prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that the proposer consult the website frequently, including shortly before the proposal due date, to determine if the proposer has downloaded all Change Notices.

E. Term of Proposal

Submission of a proposal signifies that the proposed services and prices are valid for 120 calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

F. Revision of Proposal

A proposer may revise a proposal on the proposer's own initiative at any time before the deadline for submission of proposals. The proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any proposer.

At any time during the proposal evaluation process, the Department may require a proposer to provide oral or written clarification of its proposal. The Department reserves the right to make an award without further clarifications of proposals received.

G. Errors and Omissions in Proposal

Failure by the Department to object to an error, omission, or deviation in the proposal will in no way modify the RFQ or excuse the vendor from full compliance with the specifications of the RFQ or any contract awarded pursuant to the RFQ.

H. Financial Responsibility

The City accepts no financial responsibility for any costs incurred by a firm in responding to this RFQ. Submissions of the RFQ will become the property of the City and may be used by the City in any way deemed appropriate.

I. Proposer's Obligations under the Campaign Reform Ordinance

Proposers must comply with Section 1.126 of the S.F. Campaign and Governmental Conduct Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

If a proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the proposer is prohibited from making contributions to:

- the officer's re-election campaign
- a candidate for that officer's office
- a committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (1) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (2) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Proposal, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. Criminal. Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. Civil. Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. Administrative. Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, proposers should contact the San Francisco Ethics Commission at (415) 581-2300.

J. Sunshine Ordinance

In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFQs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is

awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

K. Public Access to Meetings and Records

If a proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, the proposer must comply with Chapter 12L. The proposer must include in its proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to proposer's meetings and records, and (2) a summary of all complaints concerning the proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

L. Reservations of Rights by the City

The issuance of this RFQ does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue a Request for Proposals;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFQ, or the requirements for contents or format of the proposals;
5. Procure any materials, equipment or services specified in this RFQ by any other means; or
6. Determine that no project will be pursued.

M. No Waiver

No waiver by the City of any provision of this RFQ shall be implied from any failure by the City to recognize or take action on account of any failure by a proposer to observe any provision of this RFQ.

N. Local Business Enterprise Goals and Outreach

The requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance") shall apply to this RFQ.

1. **INTENTIONALLY OMITTED**
2. **LBE Participation**

The City strongly encourages proposals from qualified LBEs. Certification applications may be obtained by calling HRC at (415) 252-2500.

3. HRC Forms to be Submitted with Proposal

a. All proposals submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Attachment 2: 1) HRC Contract Participation Form, 2) HRC “Good Faith Outreach” Requirements Form, 3) HRC Non-Discrimination Affidavit, 4) HRC Joint Venture Form (if applicable), and 5) HRC Employment Form. If these forms are not returned with the proposal, the proposal may be determined to be non-responsive and may be rejected.

b. Please submit only two copies of the above forms on CD with your proposal. 1 CD should be placed in a separate, sealed envelope labeled HRC Forms.

If you have any questions concerning the HRC Forms, you may call **Romulus Asenloo**, the Human Rights Commission Contract Compliance Officer for **the Mayor’s Office of Housing**, at **415.252.2500**.

VIII. Contract Requirements

A. Standard Contract Provisions

The successful proposer will be required to enter into a contract substantially in the form of the Agreement for Professional Services, attached hereto as Appendix C. Failure to timely execute the contract, or to furnish any and all insurance certificates and policy endorsement, surety bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The City, in its sole discretion, may select another firm and may proceed against the original selectee for damages.

Proposers are urged to pay special attention to the requirements of Administrative Code Chapters 12B and 12C, Nondiscrimination in Contracts and Benefits, (§[**34. “Nondiscrimination; Penalties”**] in the Agreement); the Minimum Compensation Ordinance (§[**43. “Requiring Minimum Compensation for Covered Employee”**] in the Agreement); the Health Care Accountability Ordinance (§[**44. “Requiring Health Benefits for Covered Employees”**] in the Agreement); the First Source Hiring Program (§[**45. “First Source Hiring Program”**] in the Agreement); and applicable conflict of interest laws (§ [23. **“Conflict of Interest”**] in the Agreement), as set forth in paragraphs B, C, D, E and F below.

B. Nondiscrimination in Contracts and Benefits

The successful proposer will be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the HRC’s website at www.sfhrc.org.

C. Minimum Compensation Ordinance (MCO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in S.F. Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements. For the contractual requirements of the MCO, see §[**43. “Requiring Minimum Compensation for Covered Employee” in the Agreement.**]

For the amount of hourly gross compensation currently required under the MCO, see www.sfgov.org/olse/mco. Note that this hourly rate may increase on January 1 of each year and that contractors will be required to pay any such increases to covered employees during the term of the contract.

Additional information regarding the MCO is available on the web at www.sfgov.org/olse/mco.

D. Health Care Accountability Ordinance (HCAO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in S.F. Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at www.sfgov.org/olse/hcao.

E. First Source Hiring Program (FSHP)

If the contract is for more than \$50,000, then the First Source Hiring Program (Admin. Code Chapter 83) may apply. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry-level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at www.sfgov.org/moed/fsdp.htm and from the First Source Hiring Administrator, (415) 401-4960.

F. Conflicts of Interest

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

IX. Protest Procedures

A. Protest of Non-Responsiveness Determination

Within five working days of the City's issuance of a notice of non-responsiveness, any firm that has submitted a proposal and believes that the City has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the City on

or before the fifth working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFQ provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

B. Protest of Contract Award

Within five working days of the City's issuance of a notice of intent to award the contract, any firm that has submitted a responsive proposal and believes that the City has incorrectly selected another proposer for award may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth working day after the City's issuance of the notice of intent to award.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFQ provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

C. Delivery of Protests

All protests must be received by the due date. If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

Oliver Hack, Mayor's Office of Housing, 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 or oliver.hack@sfgov.org.

Appendix A

HRC ATTACHMENT 2

Requirements for Architecture, Engineering and Professional Services Contracts, for contacts \$100,000 and over (separate document). Proposers must submit the following forms:

- Form 2A HRC Contract Participation form
- Form 2B HRC “Good Faith” Outreach Requirements form
- Form 3 HRC Non-discrimination Affidavit
- Form 5 HRC Employment form

The following form may be required, depending on the circumstances:

- Form 4 Joint Venture Participation Schedule

Appendix B Standard Forms

The requirements described in this Appendix are separate from those described in Appendix A.

Before the City can award any contract to a contractor, that contractor must file three standard City forms (items 1-3 on the chart). Because many contractors have already completed these forms, and because some informational forms are rarely revised, the City has not included them in the RFQ package. Instead, this Appendix describes the forms, where to find them on the Internet (see bottom of page 2), and where to file them. If a contractor cannot get the documents off the Internet, the contractor should call (415) 554-6248 or e-mail Purchasing (purchasing@sfgov.org) and Purchasing will fax, mail or e-mail them to the contractor.

If a contractor has already filled out items 1-3 (see note under item 3) on the chart, **the contractor should not do so again unless the contractor's answers have changed.** To find out whether these forms have been submitted, the contractor should call Vendor File Support in the Controller's Office at (415) 554-6702.

If a contractor would like to apply to be certified as a local business enterprise, it must submit item 4. To find out about item 4 and certification, the contractor should call Human Rights Commission at (415) 252-2500.

Item	Form name and Internet location	Form	Description	Return the form to; For more info
1.	Request for Taxpayer Identification Number and Certification www.sfgov.org/oca/purchasing/forms.htm www.irs.gov/pub/irs-fill/fw9.pdf	W-9	The City needs the contractor's taxpayer ID number on this form. If a contractor has already done business with the City, this form is not necessary because the City already has the number.	Controller's Office Vendor File Support City Hall, Room 484 San Francisco, CA 94102 (415) 554-6702
2.	Business Tax Declaration www.sfgov.org/oca/purchasing/forms.htm	P-25	All contractors must sign this form to determine if they must register with the Tax Collector, even if not located in San Francisco. All businesses that qualify as "conducting business in San Francisco" must register with the Tax Collector.	Controller's Office Vendor File Support City Hall, Room 484 San Francisco, CA 94102 (415) 554-6702

Item	Form name and Internet location	Form	Description	Return the form to; For more info
3.	S.F. Administrative Code Chapters 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits www.sfgov.org/oca/purchasing/forms.htm – In Vendor Profile Application	HRC-12B-101	Contractors tell the City if their personnel policies meet the City’s requirements for nondiscrimination against protected classes of people, and in the provision of benefits between employees with spouses and employees with domestic partners. Form submission is not complete if it does not include the additional documentation asked for on the form. Other forms may be required, depending on the answers on this form. Contract-by-Contract Compliance status vendors must fill out an additional form for each contract.	Human Rights Comm. 25 Van Ness, #800 San Francisco, CA 94102-6059 (415) 252-2500
4.	HRC LBE Certification Application www.sfgov.org/oca/purchasing/forms.htm – In Vendor Profile Application		Local businesses complete this form to be certified by HRC as LBEs.	Human Rights Comm. 25 Van Ness, #800 San Francisco, CA 94102-6059 (415) 252-2500

Where the forms are on the Internet

Office of Contract Administration

Homepage: www.sfgov.org/oca/
Purchasing forms: Click on “Required Vendor Forms” under the “Information for Vendors and Contractors” banner.

Human Rights Commission

HRC’s homepage: www.sfhrc.org
Equal Benefits forms: Click on “Forms” under the “Equal Benefits” banner near the bottom.
LBE certification form: Click on “Forms” under the “LBE” banner near the bottom