

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
MULTIFAMILY HOUSING LIHTC UNDERWRITER/  
ANALYST**

**SPECIAL NOTE:** YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU MUST SEND US AN E-MAIL ADDRESS IN ORDER TO RECEIVE NOTICES OF INQUIRIES AND ANSWERS.



**DECEMBER 16, 2019**

**Arkansas Development Finance Authority  
900 West Capitol, Suite 310  
Little Rock, AR 72201  
(501) 682-5900**



## SECTION I: INSTRUCTIONS TO PROPOSERS/ GENERAL INFORMATION

**A. PURPOSE & BACKGROUND.** The Arkansas Development Finance Authority (“ADFA” or the “Authority”) is seeking proposals from qualified persons (individuals and firms) who can assist ADFA in the underwriting, evaluation, and scoring of applications for the Low Income Housing Tax Credit (“Housing Credit” or “LIHTC”) program (the person selected is referred to herein as the “Analyst”).

ADFA is charged by the Federal Government and the State of Arkansas (the “State”) with the responsibility of administering the LIHTC program and the State’s housing tax credits program. The Tax Reform Act of 1986 created the Housing Credit to encourage the private sector to invest in the construction and rehabilitation of rental housing for low and moderate-income individuals and families (IRC Section 42). The Revenue Reconciliation Act of 1989 amended IRC Section 42(m) to require allocating agencies, such as ADFA, to allocate Housing Credits according to IRC 42 and local needs and priorities. As such, the Housing Credit program is based on Federal regulations which supersede State regulations unless Federal Law provides ADFA the discretion to choose otherwise. As stated in the State’s Qualified Allocation Plan (the “QAP”), the State’s Multifamily Housing Application (MFHA) Guidelines set forth details and regulations beyond those listed in the QAP.

The 2020 QAP and MFHA Guidelines and the 2020 LIHTC Application and all attachments are or shortly will be accessible on ADFA’s website at <https://adfa.arkansas.gov/files>.

Currently, ADFA’s Multifamily Housing department, which administers the LIHTC program, processes between thirty (30) and forty (40) competitive LIHTC applications between Spring and Summer of each year. The department needs additional support for underwriting, evaluating, and scoring LIHTC applications in 2020. ADFA is seeking a qualified person who has the skill, means, and knowledge to quickly and efficiently review, comment on, respond to, and score the applications, and to assist ADFA in meeting the stated response, scoring, and notification deadlines specified in the 2020 MFHA Guidelines.

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

[rfp@adfa.arkansas.gov](mailto:rfp@adfa.arkansas.gov)

To be considered, one (1) copy of the proposal should be delivered to ADFA **not later than January 24, 2020, 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 this RFP. Questions should be directed to Matt Barker, ADFA General Counsel and Vice President for Multifamily Housing, at [matt.barker@arkansas.gov](mailto:matt.barker@arkansas.gov) or 501-682-5927. Substantive questions and answers will be documented in letter, memo, or email form and will be sent by email to all prospective proposers who have provided ADFA with an email address. **IN ORDER TO RECEIVE COPIES OF RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE ADFA, AT [rfp@adfa.arkansas.gov](mailto:rfp@adfa.arkansas.gov), OF THE EMAIL ADDRESS TO WHICH SUCH RESPONSES SHOULD BE 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 inspection and copying.

**E. RESPONSE TO REQUEST FOR PROPOSAL.** Persons interested in responding to this RFP may contact Matt Barker (see section 1C above). **NO CONTACT WITH ADFA BOARD MEMBERS IS**

**ALLOWED, AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A PROPOSAL.**

**F. SELECTION TIMETABLE.**

December 16, 2019	Request for Proposal Issued
January 24, 2020	Proposals Due @ 12:00 p.m., via email
TBD	Oral Interviews, if needed
February 20, 2020	Board Action (Appoint/ratify appointment of Analyst, authorize the President of ADFA to negotiate fees)

**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 ADFA Board of Directors at its regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of the Analyst 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 an Analyst.

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

*If, upon selection of a proposer, ADFA and the selected proposer are not successful in negotiating a fee for services, ADFA reserves the right to proceed to the next qualified proposer to negotiate a fee for services.*

**H. SELECTION CRITERIA.** 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 proposer:
  - a. Prior experience with the LIHTC program and/or underwriting and reviewing applications. Experience with state multifamily housing agencies preferred but not required.
  - b. Statement of Qualifications for individuals directly involved or to be assigned to this program including the team members' demonstrated ability, years, and type of experience.
2. Merits of Response to Scope of Services and Requirements
3. Merits of Fee Proposal

**SECTION II: SCOPE OF SERVICES AND REQUIREMENTS**

ADFA is seeking a qualified person to serve as LIHTC Analyst, as described above. Qualified persons will have extensive experience providing the required services specifically for projects funded through the LIHTC Program, either in preparing applications or reviewing and analyzing applications.

ADFA will determine a detailed work plan with the Analyst prior to initiating services that will help

to maximize efficiency for the Analyst, and for ADFA. The following describes in general the scope of services and tasks that the Analyst will be responsible for:

1. Review of Financial Feasibility and Other Application Requirements (March/April)

This stage of underwriting includes verifying market analysis and location amenities and other point criteria. It is expected that if the Analyst reaches the conclusion that an application fails financial feasibility or any other threshold criteria, ADFA staff will be notified and the Analyst will be directed on how to proceed with underwriting. The Analyst will provide feedback to ADFA on applications that contain unclear information or appear to be missing necessary information. In these cases, if communication with the applicant is necessary, ADFA staff will coordinate such communication among ADFA, the Analyst, and the applicant.

2. Review and Response Letters (May 15, 2020)

The Analyst will provide ADFA draft copies of responses to applicants requesting clarification, explanation, or additional information, or containing notice that an application has been denied. ADFA staff and the Analyst will conduct a conference call to review the draft letters and/or notifications on or before May 15, 2020.

3. Scoring of the Application and Recommendations (May/June)

At this point any remaining application deficiency will be listed with the initial score. Once reviewed by ADFA staff, scoring notification letters and any notices of failure to submit all required application materials will be sent to applicants on or before June 19, 2020. ADFA will coordinate with the Analyst any additional response or point revision prior to final points. It is anticipated that the Analyst will travel to ADFA's offices to meet with ADFA staff and review the application scores.

4. Scoring Response Period (June 19 – June 26, 2020)

The Analyst will coordinate with ADFA staff with respect to any communication submitted by an applicant in response to such applicant's score, the effect (if any) on such score of any such communication, and communication of same to the applicant.

5. Formal approval by ADFA Board of Directors (July 16, 2020)

On this day, the Analyst will make a presentation to the ADFA Board of Directors' Housing Committee with respect to recommendations for approval of tax credits. A similar presentation to the entire Board, on the same day, is not anticipated but may be required.

ADFA anticipates the Analyst will be available between June and July 2020, when final recommendations for LIHTC awards are made. *If the underwriting is shortened from the proposed process final recommendations could be made prior to posted date.* It is expected the Analyst may have billable time prior to the initial Review of Financial Feasibility period in order to prepare and have thorough understanding of the QAP/MHFA guidelines and application.

If a proposer feels it beneficial to the process, ADFA will consider responses that include more in-person discussions with ADFA staff about the applications.

Please also describe how the proposer has previously coordinated with State Housing Finance Agencies (HFA) in helping to allocate LIHTC allocations in the past. If no experience working directly with an HFA, describe the proposer's experience underwriting or evaluating LIHTC applications.

**SECTION III: STATEMENT OF QUALIFICATIONS**

A statement of qualifications should be maintained on file at ADFA for all persons 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 LIHTC Underwriter and Analyst." 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. **Team and Personnel.** Describe the manner in which you would organize your or your firm's resources to serve with ADFA's Multifamily Department in evaluating LIHTC Applications. In doing so, please address the following questions or issues:
  - a. Location and size
  - b. Number of years in operation
  - c. Number of years' experience providing financial analysis / underwriting services
2. **References.** Attach references with particular attention to state housing finance agencies, if available. If not, other professional references will suffice.
3. **Staff Qualifications and Response to Scope of Services.** Identify the individuals who would be assigned to work with ADFA directly in the scope of services. Describe the staffing and service that ADFA would receive and the duties that each person would perform and their housing finance agency experience, if applicable. Refer to Section II above in order to be as specific as possible. If possible, describe the response in each of the following scenarios, or all of those that apply for you or your firm:
  - a. On-Site Consultant Services
  - b. Off-Site Consultant Services
  - c. Combination of a.) and b.) thereof

Also, describe in context of the proposed general work plan and timeframe the following:

- a. Who would be the principal contact for the LIHTC application underwriting services for ADFA?
4. **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 or your firm's qualifications and experience, but it would be useful for you to describe how such qualifications and experience in underwriting or multifamily financial analysis is relevant to the proposed transaction. In particular, you may want to select prior work in the LIHTC program and summarize any similarity to ADFA's request for proposal.
5. **Consultant 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. Some notes on preparing the fee proposal:
  - a. Base fee proposal on best estimate for providing services outlined in Section II of this RFP.
  - b. Fee proposal should be listed as lump sum fee. Also include all hourly rates for key staff assigned. Break out per diems and any other incidental fee costs that would be anticipated, such as travel, lodging, etc. Please list all

such cost in an itemized budget with pertinent and explanatory assumptions if needed.

- c. If multiple and distinct service delivery scenarios are given that will differ in proposed fee (e.g. on-site consultant vs. remote consultant services), please price separately in your fee proposal with pertinent assumptions listed for each scenario.
6. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any entity or person responding to an RFP or submitting a proposal or statement of qualifications to provide ADFA with the entity's or person's Equal Opportunity Policy.
7. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements, and limitations described in this document.
8. **Boycotts of Israel.** Submission of a proposal in response to this RFP constitutes a certification that the proposer is not currently engaged in a boycott of Israel (within the meaning of that term as used in Arkansas Act 710 of 2017) and will not engage in such a boycott during the period in which the proposer provides to ADFA the services described herein.
9. **Acceptance.** Submission of a proposal in response to this RFP constitutes acceptance of all conditions, requirements, and limitations described herein.