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REQUEST FOR PROPOSALS

For RAD Phase II

Taney Place in Eugene, Oregon and Hayden Bridge Meadows in Springfield, Oregon
For Low Income Housing Tax Credit Investor/Limited Partner and Construction Lender

Hayden Bridge Meadows



Taney Place



SUBJECT: Request for Proposals (RFP) for a Low Income Housing Tax Credit Investor/Limited Partner and Construction Lender for 119 units of permanent affordable housing for families.

ISSUE DATE: March 21st, 2019

DUE DATE: April 11th, 2019, by 5:00pm

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DOCUMENT AVAILABILITY: Electronic copy of the RFP and all associated documents will be available on the Homes for Good web site (www.homesforgood.org) beginning Thursday, March 21st.

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EXHIBITS:

1. Site Plan, Schematic Floor Plans, Renderings – Hayden Bridge Meadows
2. Site Plan, Schematic Floor Plans, Renderings – Taney Place
3. Financial Proforma

SECTION I: EXECUTIVE SUMMARY

Homes for Good Housing Agency (formerly, The Housing and Community Services Agency of Lane County, HACSA) seeks proposals to finance the 119 unit development of RAD phase II, which will include the development of 49 units at Taney Place in Eugene and 70 units at Hayden Bridge Meadows in Springfield, from financial partners wishing to serve in one or more of the following roles:

- An investor/limited partner for \$974,819 of annual 4% Low Income Housing Tax Credits (LIHTCs)
- A construction lender for a tax-exempt construction loan of approximately \$17,000,000

Proposers may serve in one or both roles. Furthermore, an individual firm can be mentioned as a potential partner in multiple proposals for this solicitation without prejudice.

Financing is expected to close in September 2019. Construction is scheduled to occur over 14 months and conclude in December 2020.

Hayden Bridge Meadows and Taney Place will both include two and three-story buildings, a community room, a play area, and associated parking. Out of the total 119 units at both projects, 100 of them will have RAD project-based vouchers (PBVs), allowing qualified residents to pay 30% of their income as rent. The remaining 19 units will include 2 manager units and 17 1 bedroom units restricted at 60% of Area Median Income.

The property will be owned by RAD 2, LLC. Homes for Good, as the sole owner of RAD Manager, LLC, will be the Managing Member. Homes for Good will manage the design, construction, and financing for the development.

RAD Phase II will be financed with a combination of short and long-term tax-exempt bonds, 4% LIHTCs, state, and local (HOME) funding commitments, scattered site cash proceeds, and deferred developer fee. Additionally, Oregon Housing and Community Services (OHCS) will issue the tax-exempt bonds for approximately \$17,000,000. These will be short-term bonds used during construction, a portion of which that will convert into a long-term bonds to be paired with Oregon Affordable Housing Tax Credits (OAHTC). The project will qualify for approximately \$974,819 in annual 4% tax credits and should generate over \$9,064,910 in net equity.

Homes for Good applied for HOME funding from the Eugene/Springfield HOME consortium in December of 2018. A funding commitment of \$750,000 is expected in April of 2019 for these HOME funds. Furthermore, Homes for Good submitted an application for NOFA #5006, Lottery Backed Bonds for Preservation, as well as a 4% Pre-application in March of 2019. This application has been accepted and is under review by OHCS. A funding commitment of \$750,000 is expected in April of 2019 for the HOME funds and May of 2019 for the OHCS gap funds and 4% credits. The deferred developer fee and scattered site sale proceeds are tentatively committed to the project by Homes for Good.

SECTION II: PROJECT DESCRIPTION

RAD Phase II is the culmination of an ongoing preservation effort targeting the most at-risk portions of the Homes for Good public housing portfolio. In August of 2016, Homes for Good Housing Agency received a multi-phase award from Housing and Urban Development (HUD) to dispose of 112 units of public housing scattered sites and convert the subsidy to a section 8 platform. In phase 1, Homes for Good sold 12 scattered sites, and brought back the subsidy at an existing complex named Richardson Bridge. Subsequently, in August of 2018, Homes for Good received a Conditional Housing Assistance Payments (CHAP) Award to sell the remaining 100 scattered sites and bring back the subsidy at the proposed new construction at Hayden Bridge Meadows and Taney Place. This split site development and disposition of the scattered sites is RAD Phase II.

The need to preserve these rental subsidies for families in Eugene-Springfield is critical and a community priority. Over 36% of the residents in Eugene are severely rent burdened, meaning they are paying over 50% of their income in rent. The current public housing wait list for two bedrooms is 939 families with a wait time of up to 3 years; for three bedrooms units, there are 177 families on the waitlist, with a one year wait. If these subsidies are not preserved, even more families in the community will be faced with severe rent burden and even homelessness. By preserving the public housing subsidies at Taney Place and Hayden Bridge Meadows on a section 8 platform, Homes for Good ensures the longevity of these rental subsidies in our community. Specific to Hayden Bridge Meadows and Taney Place, the target population will primarily be low-income families, with a small number of units targeted towards people living with HIV/AIDS (All units will be restricted for low incomes).

A. Site Location and Characteristics

Hayden Bridge Meadows

Hayden Bridge Meadows will be located adjacent to Fred Meyer at 1975 5th St. (Map 17-03-26-24 Tax Lot 04700). Homes for Good has entered into an option agreement with the current owner and plans to purchase the property upon completion of the HUD Part 58 Environmental Review. The site is zoned a combination of medium and high density residential, and Homes for Good has confirmed with the City of Springfield that the proposed site plan of 70 units meets the minimum density of this property.

Taney Place

Taney Place is located adjacent to Bethel School district land including Malabon Elementary School, Cascade Middle School, and Willamette High School. (Map 17-04-22-24 Tax Lot 04600) Homes for Good has entered into an option agreement with the current owner and is in the process of partitioning the portion of the property targeted for development. Homes for Good plans to finalize the partition and purchase the property upon completion of the HUD part 58 Environmental Review. Additionally, Homes for Good is in the process of submitting Wetlands Cut/Fill permit the Oregon Department of State Lands (DSL) and the US Army Corps of Engineers (USACE).

B. Design and Layout

The design and layout at both Taney Place and Hayden Bridge Meadows create a welcoming atmosphere for families and children. The approach of developing multiple townhouse and flat style multifamily buildings has been a tried and true approach in previous Homes for Good developments and its success will continue with RAD phase II.

Hayden Bridge Meadows

At Hayden Bridge Meadows, the layout includes 12 residential buildings and 1 community building for a total of 13 buildings. The residential portion of the site will total approximately 72,000 square feet, with an approximate additional 8,000 square feet for bike storage, trash enclosures, patios, and second floor decks. The community room will create a gathering space for residents and include ample space for on-site resident services such as employment counseling, financial literacy classes and reading and after school classes for children. Moreover, the current layout proposes 105 parking spaces, a play area, and laundry facilities to support the overall nineteen 2-bedroom units, thirty-four 3 bedroom and seventeen 1-bedroom units at the project.

Taney Place

The layout at Taney Place includes 8 residential buildings and 1 community building for a total of 9 buildings. The residential portion of the site will total approximately 61,000 square feet, with an additional approximate 3,000 square feet for bike storage, trash enclosures, and the community room. Like Hayden Bridge Meadows, the community room will create a gathering space for residents and include ample space for on-site resident services such as employment counseling, financial literacy classes and reading and after school classes for children. Additionally, the current layout proposes 51 parking spaces, a play area, and laundry facilities to support the overall eight 2-bedroom units, thirty-three 3-bedroom units, and eight 4-bedroom units at the project.

C. Targeted Population and Need

The target population for Hayden Bridge Meadows and Taney Place will be primarily families, with a smaller number of units targeted towards people living with HIV/AIDS. In addition, Homes for Good will work closely with the school districts and other service providers to ensure the needs of low income, special needs populations are met.

In the 2015 Eugene/Springfield Consolidated plan, family households make up the largest percentage of households (62% in Springfield). Low and very low-income renters are listed as a priority need in the Consolidated Plan with over 74% of low-income renters spending more than 30% of their income on housing costs.

SECTION III: PROJECT TEAM

A. Homes for Good (Developer/General Partner/Sponsor/Housing Assistance Payment Contract Administrator)

Homes for Good will serve as the developer and manage the design, construction, and financing of RAD Phase II. A Homes for Good-controlled entity will serve as the General Partner of the LIHTC limited partnership or limited liability company. Homes for Good will also be the Housing Assistance Payment (HAP) Contract Administrator for the 100 Project-Based Vouchers (PBVs). Homes for Good will provide as necessary customary guarantees and assurances regarding completion of the construction, repayment of the construction loan, delivery of low income housing tax credits, and qualified basis.

1. Background

Homes for Good is a public corporation organized under ORS 456.005-235, Oregon housing authority law. Homes for Good serves as the Public Housing Authority for Lane County, which includes the Cities of Eugene and Springfield. Its purpose and mission are serving low-income residents of Lane County by administering the Section 8 Housing Choice Voucher and Public Housing programs and by developing additional affordable housing resources.

The Homes for Good Board of Commissioners deeply supports affordable housing development and operation as essential functions in carrying out its mission. The seven-member Board consists of the five (5) members of the Lane County Board of Commissioners and two (2) low-income residents from Homes for Good's Public Housing program. This Board has directed Homes for Good in all past real estate development as well as directed Homes for Good's daily operations which include managing and overseeing over 1,600 units of low-income housing with an annual budget of approximately \$30 million. Under the direction of the Board, Homes for Good has a proven track record of constructing and managing quality housing for very low-income and special needs households.

2. Sponsor Portfolio

Homes for Good Housing Agency is the Public Housing Authority (PHA) for Lane County and the second largest PHA in Oregon. Since its creation in 1949, Homes for Good Housing Agency has served low-income people by providing housing opportunities and social services. Since 1993, Homes for Good has used the tax credit program to bring affordable units to Lane County. The Agency owns, manages, or has developed over 1,600 units of affordable housing, including 864 units of public housing and 542 units of tax credit financed housing. With considerable in-house capacity and expertise, the Homes for Good development team is experienced in completing projects with complex financing considerations like RAD Phase II. Homes for Good has completed many affordable projects with both the General Contractor and Architect selected for this project. Projects listed below from the Homes for Good portfolio all serve low-income families and have included LIHTC in their financing. They are as follows:

Project	No. Units	Financing	Year
The Oaks at 14th	54	LIHTC, GHAP	2017
Bascom Village Phase II	48	HOME, LIHTC, OAHTC, GHAP	2016
Hawthorn Apartments	35	HOME, LIHTC, HTF	2011
Roosevelt Crossing	45	HOME, LIHTC, OAHTC, HTF	2010
Turtle Creek	27	HOME, LIHTC, OAHTC, HTF	2006

New Winds Apartments	18	HOME, LIHTC, OAHTC, HTF	2006
Sheldon Village (Phases 1 & 2)	78	HOME, LIHTC, OAHTC, HTF	2003
Munsel Park Apartments	44	USDA-RD, HOME, LIHTC, HTF	2004
Jacob's Lane	63	HOME, LIHTC, OAHTC, HTF	1998
Laurel Gardens Apartments	41	HOME, LIHTC, OAHTC, HTF	1997
Willakenzie Townhouses	25	HOME, LIHTC, OAHTC, HTF	1996
Walnut Park	32	HOME, LIHTC, OAHTC, HTF	1995
Richardson Bridge	32	CDBG, LIHTC, HTF, FHLB	1993

3. Financial Strength

Homes for Good has a long track record of prudent financial management. As of September 30, 2018, Homes for Good had a net position of \$56,622,405 and unrestricted net position of \$16,974,812. The organization also had \$16,065,290 of current assets and \$2,046,579 of current liabilities, which equals a current ratio of 7.8. For the fiscal year ending September 30, 2018, Homes for Good had operating revenues of \$32,843,209 and operating expenses of \$33,092,781 (which included \$1,886,776 of depreciation expense). Please note: FY2018 numbers are unaudited. Homes for Good's FY2017 annual audited financial statement is available at:

<https://homesforgood.org/documents/files/plans-reports-policies/audits/17-Final-Financial-Report.pdf>.

4. Homes for Good Team

Collectively, the Homes for Good staff assigned to RAD Phase II offer over a five-decade history of successful involvement in financing and developing successful multi-family projects, described as follows:

- Mr. Jacob Fox (Executive Director) lends his finance and project management expertise. Mr. Fox has been an affordable housing professional for over 20 years. In 2000, he joined the Housing Authority of Portland's development team, ultimately becoming the Assistant Director of Asset Management responsible for over 50 apartment communities (5,300 units), 7 property management company contracts, 5 Asset Managers and \$34,000,000 of annual revenue. In 2009, Jacob became the Assistant Director at the City of Portland's Housing Bureau and was responsible for structuring 45+ real estate investments, a \$300,000,000 loan portfolio, 40+ contracts, 25 employees and an \$80,000,000 annual budget. Specific to multi-family development, Mr. Fox has directed a team of underwriters, project managers, closers and attorneys. Between 2009 and 2013, this team structured over \$80,000,000 of City of Portland funds into over 1700 units of affordable housing and worked on behalf of the City of Portland to negotiate with OHCS, NOAH and numerous other investors and lenders. Jacob accepted the Executive Director position at Homes for Good in 2015.
- Mr. Spencer McCoy (Project Developer) will be the overall team coordinator and project manager, and will be the primary liaison to the investor, lender, and all other funding partners. With a background in economics, Mr. McCoy has 4 years of experience developing affordable housing in Oregon. Over this time, he has disbursed over \$24,000,000 in development funds, conducted grant-writing, tracked project budgets, and produced financial projections. He has supported 4 consecutive successful 9% LIHTC applications and assisted in the closing of three of these projects. Mr. McCoy has extensive experience working with a variety of public and private financing, including, but not limited to, LIHTC, HOME, GHAP, and private loans.

- Mr. Steve Ochs (Real Estate Development Director) will assist in providing community outreach about the project and, as needed, provide necessary support, involvement, and dedicate additional staff in project areas as necessary. Mr. Ochs has spent 14 years working in public sector in planning, community development, and project management. While working for the City of Eugene from 2000 to 2014, Mr. Ochs helped manage the approval process for multi-family, commercial and other residential development in Eugene. During that time, he managed the approval process for the University of Oregon's Matthew Knight arena, the Ninkasi Brewery expansion and over 750 multi-family dwelling units. In almost 5 years at Homes for Good, Mr. Ochs has had 4 consecutive successful 9% LIHTC applications and closed three tax credit projects.
- Mr. Kurt von der Ehe (Construction Manager) will serve as primary liaison to the architect and CM/GC during construction with direction and support from Ms. Cronin. Mr. von der Ehe has 18 years in the construction of multi-family and wood frame construction. He will participate during the design development process to ensure that the project is designed to budget and assist in the selection of materials. He will oversee sub-contract bidding and serve as Owner's representative to the Construction Manager/General Contractor during construction.
- Ms. Beth Gydé, CHAM™, AMS® (Asset Manager) will work with the team to advise on strategies to create a smooth and successful transition from the pre-development phase into project operations. Ms. Gydé currently oversees the physical and financial health of Homes for Good's portfolio of Affordable, Assisted, RD, and LIHTC projects. She has over 22 years of compliance and risk management experience. Her work with the portfolio includes Capital Reserve planning, compliance, long term portfolio performance analysis and advising and investor exit strategies and negotiations.

B. Meili Construction Company (Construction Manager/General Contractor)

Meili Construction is a third generation, family-owned General Contractor based in Eugene. Meili Construction has extensive experience building affordable housing projects in Oregon. With an annual volume between \$15 to \$25 million, Meili is responsible for on average 4 projects annually and roughly 3,000 multi-family units total since they began in 1971. Homes for Good has a long history with Meili dating back to 1971. Since that time, we have worked together on over 15 affordable housing projects together.

C. Bergsund DeLaney Architecture and Planning, P.C. (Architect of Record)

Bergsund DeLaney Architecture & Planning, P.C. is a Eugene-based, women-owned firm and has been a recognized leader in the design of multi-family affordable housing since the firm's inception in 1997. The firm's dedication to affordable housing is evident, as it forms the bedrock of their business. Of the projects they undertake, 99% are housing developments for mission-forward clients and most go through Oregon Housing and Community Services (OHCS) funding programs. To date, the firm is responsible for over 1,300 units of affordable multi-family housing throughout Oregon. In the past 5 years alone, Bergsund DeLaney has designed and seen constructed over 11 new affordable housing projects throughout Oregon, totaling 399 units. Homes for Good has used Bergsund DeLaney for many new affordable housing developments.

Bergsund DeLaney will lead the design/engineering team that includes: Dougherty Landscape Architects (landscape), Hohbach-Lewin (structural engineering), Poage Engineering (civil engineering), Black Oak Engineering (mechanical & plumbing engineering), and Paradigm Engineering (electrical engineering).

D. Legal Partners

Doug Blomgren with Batemen Seidel will provide legal services with the real estate transactions, low income housing tax credits, and other regulatory compliance related to the development and financing. Michael Schrader with Orrick will provide bond counsel.

E. Property Management

Homes for Good currently works with two experienced property managers in our affordable housing portfolio, Quantum Real Estate Management and Evolve Property Management. Homes for Good is in the process of evaluating which property manager will be a better fit for RAD phase II.

SECTION IV: DEVELOPMENT STRUCTURE

A. Construction Cost Estimates

Homes for Good has worked closely with the design team on the design of this building. Cost estimates have been provided by Meili Construction and include hard construction costs, overhead & profit, general conditions, performance bonds and all necessary insurance. The current development budget is based on a cost estimate produced at the end of the Design Development phase in February of 2019. The estimate will be updated to reflect a 90% Construction Documents phase status in June of 2019. The contractor's estimate does not include the Owner's construction contingency, which is budgeted separately at 5% of the construction cost estimate.

B. Project Schedule

Homes for Good has established the following development milestones. The financial partners are expected to commit to and maintain this schedule. While not currently anticipated, all dates are subject to change. Financing is targeted to close in September 2019.

Activity	Done	Date
Receive 4% Preapplication Acceptance Letter	X	01/22/2018
Issue RFP Solicitation for Debt & Equity Partners	X	03/22/2019
Submit 4% Tax Credit Full Application		04/15/2019
Receive Reservation of 4% Tax Credits		05/15/2019
HUD Environmental Review Complete – Taney Place		05/25/2019
Record Final Partition Plat		05/26/2019
Permits Issued		07/15/2019
HUD Environmental Review Complete – Hayden Bridge Meadows		07/30/2019
Finance Plan Submission		07/30/2019
Receive RCC from HUD		08/31/2019
Close Project Financing		9/31/2019
Start Construction		10/01/2019
Substantial Completion		12/01/2020
Final Application Submitted to OHCS		03/31/2021
100% Initial Occupancy		03/31/2021
Receive 8609s		04/01/2021
Stabilization Achieved		06/01/2021

C. Capital Structure

The current financing proforma is attached (see **Attachment 3**). Please note that the proforma and information summarized below represent current estimates and are subject to change.

1. Permanent Funding

The primary sources of permanent funding are listed in the table below:

Source	Amount
4% LIHTC (Equity)	\$9,064,920

Housing Preservation Funds	\$2,650,000
Long term Bonds w/ OAHTC	\$6,600,000
HOME Loan	\$750,000
Scattered site sale proceeds (cash)	\$12,636,984
HFG Deferred Developer Fee	\$950,000
Total	\$32,651,894

For tax credit equity, we have assumed pricing of \$0.93 per Low-Income Housing Tax Credit. Respondents are encouraged to propose the highest pricing they can offer, since pricing is a major factor in Homes for Good's evaluation process. To the extent you propose different pricing than \$0.93, please assume that if it represents an increase in LIHTC proceeds, the excess will be used to decrease the Homes for Good scattered site sale proceeds contribution.

The City of Eugene HOME funds as well as the Oregon Housing and Community Services Federal Preservation Gap Funds will be a subordinate cash flow-contingent loan. Homes for Good is flexible in structuring the terms and rates on soft loans to ensure project feasibility and to optimize losses.

2. Construction Funding

Homes for Good anticipates obtaining a construction loan of approximately \$17 million. We assume the construction loan term to be 24 months. The construction loan will need to be structured as tax-exempt private activity bonds to trigger eligibility for tax credits. The bonds will be issued by the state of Oregon. The size of the construction loan is based on meeting the 50% test. We have estimated the loan to be approximately 52% of the total eligible project costs.

Homes for Good expects that the construction loan will be supported and re-paid in part by the sale of scattered site units. Sale of these units will begin once the Deeds of Trust are released at time of finance closing.

D. Operating Budget

1. Revenues

RAD phase II will have a total of 119 rental units, 70 at Hayden Bridge Meadows, and 49 at Taney Place. 48 of the units at Taney place, and 52 of the units at Hayden Bridge Meadows will have PBVs under a HAP contract with Homes for Good. The HAP contract term will be 20 years, with an automatic extension option of an additional 5 years.

2. Expenses

RAD Phase II is expected to have operating expenses of \$4,690 per unit per year. This includes \$400 per unit per year for replacement reserves. The property management fee is based on a current percentage of gross rents collected by the property management company of similar sized projects in the Homes for Good portfolio.

SECTION V: SCOPE OF INVESTOR AND LENDER PARTICIPATION

A. Tax Credit Investor

A tax credit investor will be required to do the following:

- Develop documents including a partnership agreement, purchase option and right of first refusal, and other ancillary agreements to govern the operation of the proposed partnership and investment of the investor's capital contributions.
- Work in conjunction with Homes for Good and its legal and financial advisors and assist in providing review and comment on other aspects of the overall financing.
- Coordinate with its own counsel in preparing the tax opinion for the transaction, which will be paid for by the tax credit investor.
- Share third-party reports with the lender(s) to streamline due diligence and minimize related costs.

B. Construction Lender

A lender providing construction financing will have the following responsibilities:

- Working with Homes for Good to advise and assist in formulating and executing a debt financing plan that best accomplishes the purposes of the financing at the lowest possible upfront and ongoing cost and most favorable terms for the borrower.
- Assist lender's counsel in preparing documentation for the financing.
- Share third-party reports with the tax credit investor to streamline due diligence and minimize related costs.

SECTION VI: PROPOSAL CONTENT FOR LIHTC INVESTORS

Proposals from tax credit investors must address each of the items listed below. Please follow the order shown below or provide an index cross-referencing the order below so it is easily located. Respondents should describe any assumptions that differ from those included in this RFP.

A. Pay-in Amount, Schedule, and Credit Delivery Assumptions

1. State your total proposed capital contribution, quoted as both a total dollar amount and a price per tax credit assuming \$974,819 total annual 4% tax credit allocation.
2. Please provide your proposed pay-in schedule by stating the percentage of total equity that each payment represents, the calendar date you have assumed for each pay-in, and all conditions (including any administrative ones) precedent to each pay-in. Describe also the purposes to which you would restrict the spending of each pay-in, if any (e.g. construction costs, reserves, developer fee, etc.).
3. State your assumptions for the amounts of credits delivered to the limited partner each year prior to full annual credit delivery. Construction is anticipated to end by December 1, 2020, with all the units leased by the end of March 2021. Please discuss any potential early credit delivery adjusters, upward timing adjusters, and equity caps.
4. Please state your assumptions and requirements for soft loan terms.

B. Adjusters and Repurchase Options

1. Describe any capital contribution adjustment provisions if there is an increase or reduction in credits and/or acceleration or delay in credit delivery. Note whether there are limits on any adjustments.
2. State in detail the circumstances under which Homes for Good or the Partnership/LLC would be required to repurchase the investor's interest.

C. Fees, Expenses, and Cash Flow

1. Describe the amount and character of all limited partner expenses during development (e.g., legal fees, third party construction review) for which you would require reimbursement. Assume that your legal counsel will provide the tax opinion.
2. Describe the amount and type of any upfront or ongoing fees to the investor such as an annual asset management fee, noting:
 - a) Which, if any, fees escalate over time and, if so, by what amount;
 - b) Whether these fees accrue.

3. State the order and terms of your cash flow waterfall. Please identify the names and all amounts of fees you would allow the general partner to receive, whether above the line or as part of the cash flow. Please elaborate on this proposed split of the remaining cash flow between Homes for Good and the investor, both during the compliance period and upon sale or refinancing. Do you place an absolute limit (as a percentage of gross revenue or otherwise) on the amount of fees that may be paid to Homes for Good? Do you require that some percentage of the net cash flow be paid to the investor? If so, how is that calculated?
4. Will you charge any fees in conjunction with the general partner or sponsor's exercise of any purchase option or right of first refusal? If yes, please describe these fees.

D. Guarantees and Net Worth Requirements

1. Describe the terms of each guarantee that you will require. State the name of the guarantor, guarantee amount (including any cap), timing and conditions for reduction and/or termination of the guarantee, and any reimbursement provisions for payments mad on the guarantee.
2. Please state any net worth requirement for the Guarantor in order to close and/or as an ongoing post-construction obligation.

E. Reserves

1. Name and describe the terms of each reserve that you will require.
2. Please confirm that all reserves required by the permanent lender would also count towards or satisfy your reserve requirements.
3. Homes for Good's pro forma includes Replacement Reserve contributions of \$350 per unit per year. Will this amount satisfy your requirement for annual Replacement Reserve contributions?
 - a) Given the amount of the Replacement Reserve contributions, will you require an initial capitalization of the Replacement Reserve? If so, state the amount.
 - b) Is there a minimum balance that is required to be maintained in the Replacement Reserve?
4. What are the terms governing sponsor access to the Replacement Reserve (including, but not limited to, withdrawal limits, allowable uses and timing restrictions)?
5. Please specify your DCSR and Operating Reserve minimum balance for termination of the Operating Deficit Guarantee.
6. Homes for Good prefers to work with investors and lenders that allow the spending down of all reserves between years 12 and 15 to either pay down project indebtedness or make capital improvements to the project. No such payment would be made in violation of a loan agreement.
 - a) Is such a provision acceptable to you?
 - b) If yes, please share your standard language on reserve spend downs.

F. Operating Expenses

1. Do you allow Managing Member Asset Management and Resident Services fees above the line?
2. Please note any requirements needed to establish per unit per year operating expenses.

G. Puts, Capital Accounts, and Purchase Options

1. Will your partnership agreement contain a put option? If yes, what are its terms?
2. In years 10 and 15, what do your projections show as the value of the limited partner's capital account?
3. State the terms of all purchase rights available to Homes for Good during the term of the partnership. Please tell us if the Right of First Refusal you will grant Homes for Good will be at the standard IRC 42§(i) minimum purchase price and if the RFR is only triggered by a bona fide third-party offer.

H. Back-End Tax Projection

State the amount of your projected back-end tax liability, if any, and indicate the depreciation assumptions you used. Please note that Homes for Good desires to have no back-end tax liability and is open to alternative structures to maximize yield while still having no liability.

I. Insurance Requirements

Describe your insurance requirements and whether any special insurance coverage (e.g. earthquake, mold, etc.) will be required.

J. Property Management Requirements

Please indicate any requirements related to the property management firm.

K. Due Diligence and Closing Requirements

1. Please provide a copy of your due diligence checklist.
2. Please list all required third-party reports and at what point they will be required (including, but not limited to, appraisal, market study, Phase I Environmental, seismic assessment, geo-tech report, etc.).
3. Will you hire a third-party firm to review the project's scope of work and specifications? If yes, what is the event that enables them to begin their review (e.g. completion of bid documents, submission of plans for building permits, etc.)? Once started, how long does this review typically take?
4. Under what conditions does a change order require advance approval? What is your change order approval process and timeline? Homes for Good would like to demonstrate in the bid package a pre-priced list of add-alternates that could be added to the construction if funds allow. Please confirm that this list could be added without going through the change order review process.

L. Funding Benchmarks, Conversion, Qualified Occupancy

1. Name all operational benchmarks the project must achieve to obtain post-completion capital contributions.

2. Will Homes for Good need to hire outside entities to verify achievement of these operational benchmarks?
3. Will Homes for Good need to hire outside consultants to verify tenant file compliance with LIHTC program requirements?

M. Outside Counsel

1. Name the law firm that will represent your organization and the attorney(s) within that firm who would work on this transaction.
2. What is the estimated cost of your counsel?
3. If selected, will you require the project to pay the cost of your counsel?

N. Experience

Please provide a list of the 4% tax credit/bond projects in Oregon in which your organization has invested since 2013 (limit to the five most recent, if applicable). Include the name of the sponsoring organization for each project.

O. Investor Type

Please tell us if you propose to have the investor entity be a multi-investor fund or a proprietary fund. If a multi investor fund, is the fund closed and if not when you expect it to close? If a single investor fund, please identify the investor you used for this offer. Do you anticipate closing first into a warehouse fund and then transfer it? If so, please confirm that all of Homes for Good's project-related expenses, and those of the LLC or Partnership project owner, will be paid by the initial investor.

P. No DRO for Managing Member

Homes for Good prefers working with investors that would not require that Homes for Good restore a deficit capital account (if it had one) upon sale of the Company's/Partnership's assets or its dissolution. Would you agree to such a provision?

SECTION VII: PROPOSAL CONTENT FOR CONSTRUCTION LENDER

Proposals from lenders must address each of the items listed below. Please follow the order shown below or provide an index cross-referencing the order below so it is easily located. Respondents should describe any assumptions that differ from those included in this RFP.

A. Firm Experience

Describe your firm's recent experience making construction loans specifically using bond proceeds as part of a 4% LIHTC tax-exempt bond deal in Oregon. In 2017 and 2018, what was the number and dollar volume of construction loans made for similar projects? Indicate the individual who would serve as loan officer and describe his or her relevant experience.

B. Financing Structure and Fees and Costs

Please provide a term sheet including, but not limited to:

- Description of the proposed loan.
- Loan amount proposed and maximum potential loan amount that could be underwritten.
- Rate and description of the index and spread used for the rate.
- Term, extension provisions, and related fees.
- Fees and expenses, including the fees of your legal counsel.
- All applicable underwriting ratios and requirements for the project and borrower. Please provide a description on how the Homes for Good scattered site sale contribution would be underwritten. Note: Scattered site sales will begin at the time of finance closing. The approximate value of the total sales is estimated at 22 million with Homes for Good contributing \$12,636,984 to finance this project.
- A description of the underwriting process, including approximate amount of time needed to complete the financing and key approvals required.

C. Insurance Requirements

Describe your insurance requirements and whether any special insurance coverage (e.g. earthquake, mold, etc.) will be required.

D. References

Please list three clients for whom your firm has recently served as lender on a 4% LIHTC/Bond-financed deal. Provide contact information including name, title, phone number, and e-mail address. Include any Oregon references in particular.

SECTION VIII: PROPOSAL SUBMITTAL DETAILS

A. Proposal Instructions and Format

Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's capabilities and offer. Submission of technical literature, charts or other supplemental materials is at the option of the Proposer as long as they address Homes for Good's evaluation criteria.

Please organize your materials as follows:

1. Introductory Letter: This letter identifies who you are and verifies that your proposal will be valid for a minimum of 60 days.
2. Letter of Intent (Investors) or Term Sheet (Lenders): The Letter of Intent should fully respond to the Proposal Content items described in Sections VI or VII, depending on which portion of the RFP you are responding to. Please follow the order set forth in these sections or provide an index that identifies where the requested information appears in your letter of intent.

B. Submission of Proposals

Proposals shall be submitted by the date and time listed on the cover page of this Request for Proposals. Please submit three (3) complete copies of the proposal and one (1) electronic copy via email to the RFP contact. A confirmation reply email will be sent to the email address that submitted the proposal.

Please mark your proposal with the RFP title and contact, the date and hour due, and the name and e-mail address of the Respondent.

No late proposals will be accepted.

C. Changes to the RFP/Questions

Homes for Good reserves the right to make changes to this RFP. Any changes to the RFP shall be made by written addendum.

A prospective proposer may request clarification to this RFP at any time before the deadline for written questions on April 2nd, 2019. Please direct all questions to the RFP contact. Answers will be provided to all interested respondents via email in a timely manner. If any query results in an addendum to this RFP, the addendum will be issued to interested respondents by April 5th, 2019.

Do not contact any other Homes for Good board member, team member, or staff to discuss this project in any way during the RFP selection process.

D. Cost of the Proposals

Costs incurred by any proposer in the preparation of its response to the Solicitation are the responsibility of the proposer and will not be reimbursed by Homes for Good. Proposers shall not include any such expenses as part of their proposals.

E. Homes for Good Options

Homes for Good reserves the right at any time without liability, in its sole discretion and for any reason, to:

- Cancel and/or reissue the Solicitation, in whole or part, and/or reject all proposals;
- Reject, in whole or in part, any or all proposals received in response to this Solicitation that are incomplete and/or non-responsive;
- Waive or correct any immaterial defect or technical error in any response, proposal or proposal procedure, as part of the Solicitation or any subsequent negotiation process;
- Request that certain or all respondents to this Solicitation clarify, supplement or modify certain aspects of the information or proposals submitted; and/or
- Extend deadlines for accepting proposals, request amendments to proposals after expiration deadlines, or negotiate or approve final agreements.

F. Proposals Are Public Record/Confidentiality

All information submitted by proposers shall be public record and subject to disclosure pursuant to the Oregon Public Records Act, except such portions of the proposals for which proposer requests exception from disclosure consistent with Oregon law. All requests shall be in writing, noting specifically which portion of the proposal the proposer requests exception from disclosure. Proposer shall not copyright, or cause to be copyrighted, any portion of any said document submitted to Homes for Good as a result of this RFP.

G. Evaluation Process

Homes for Good will appoint an Evaluation Committee to evaluate proposals. The Committee will apply the evaluation criteria and scoring set forth in the following sections. The Committee will determine which are the most competitive proposals received.

After determination of the competitive range, only those firms that scored within the competitive range will advance. Interviews (in person or over phone) may be held at the discretion of Homes for Good. During the interviews, if necessary, each firm may be asked to clarify specific aspects of its proposal and to answer any questions on the proposal's content. Homes for Good may, in their sole discretion, provide a set of questions in advance of the interview to be answered by each firm at the interview.

Following interviews, should they occur, the Committee will re-score the interviewed firms' proposals based on both the written proposal and the interview. Prior to re-scoring, the Committee may request that Proposers submit written statements amending their proposals in the form of a best and final offer. Following re-scoring, the Committee will identify the highest scoring proposal and make a recommendation to enter negotiations with the Selected Investor and Selected Lender.

Homes for Good's Executive Director shall have full authority over Homes for Good's selection and decision to award, subject to applicable law and Homes for Good policy.

H. Evaluation Criteria for Tax Credit Investor Proposals

Each tax credit investor proposal will be evaluated using the following criteria:

Tax Credit Investor Criteria	Points
1. Price and Pricing Considerations Amount of equity to be invested, anticipated pay-in schedule, credit amounts assumed, adjusters, and fees and expenses.	50
2. Non-pricing Considerations Terms and conditions of the investment including guarantee provisions, operating and other reserve requirements, insurance requirements, back-end taxes, and terms of purchase option and right of first refusal.	20
3. Closing Considerations Reasonability of due diligence requirements, process for getting approvals to close, demonstrated track record of the Respondent and its team members in closing in a timely and effective manner, and comprehensiveness of proposal.	15
4. Relevant Experience Experience in syndication or placement of low-income housing tax credits.	15

I. Evaluation Criteria for Lender Proposals

Each lender proposal will be evaluated using the following criteria:

Lender Criteria	Points
1. Upfront and Ongoing Borrowing Costs Application, origination, commitment, extension, and any other fees; expenses including legal costs, third-party reports, and credit enhancement and rating costs; loan interest rate and corresponding ongoing borrowing cost.	50
2. Loan Amount and Terms Loan amount, loan sizing parameters such as LTV and coverage ratios, underwriting requirements, security provisions, guarantee provisions, operating and other reserve requirements, and insurance requirements.	15
3. Closing Considerations Reasonability of due diligence requirements, process for getting approvals to close, demonstrated track record of the Respondent and its team members in closing in a timely and effective manner, and comprehensiveness of proposal.	20
4. Relevant Experience Experience making affordable multi-family housing loans involving public housing authorities including, without limitation, experience with OHCS tax-exempt bonds and with Homes for Good.	15

J. Proposal Acceptance

Acceptance of the Selected Investor's and Lenders' proposals for the investment and loan specified herein will be initially evidenced by Letters of Intent ("LOI") to be finalized within 30 days of the date that the Selected Investor and Lenders are notified of their selection.

Upon execution of the LOIs, the parties will work in good faith to finalize the partnership agreement and other documents effecting the terms of the investment, and loan documentation, in form and content satisfactory to Homes for Good and the Selected Investor and Lender.

K. RFP Schedule

The schedule for this RFP is as follows.

Task	Date
RFP Issue Date	03/21/2019
Deadline for Questions	04/02/19, 5:00 PM
Issue Final Addendum (if necessary)	04/05/19
Proposals Due	04/11/19, 5:00 PM
Committee Evaluation	04/15/19-04/19/19
If Homes for Good desires additional review, then the schedule expands for the following activities and dates: Best and final proposals due from short-listed firms	04/24/19, 5:00 PM
Committee Final Evaluation	04/25/2019
Notice of Intent to Award	04/26/2019
Sign LOI / Term Sheets	04/29/2019

All above dates are subject to change at Homes for Good's discretion.