

NEW YORK CITY
HOUSING DEVELOPMENT CORPORATION

2021 REQUEST FOR QUALIFICATIONS FOR
SPECIAL SERVICER IN HISTORIC TAX CREDIT TRANSACTIONS

Release Date: September 21, 2021

Due Date: October 4, 2021

Purpose of RFQ

The New York City Housing Development Corporation (HDC) is soliciting interest and qualifications to assist HDC as a Special Servicer in several sophisticated transactions where HDC is the mortgage loan originator for projects utilizing federal and/or state Historic Tax Credits (HTCs). HDC expects to close multiple such transactions over the next several years, including two in 2021 and three in 2022.

HDC seeks responses from Community Development Financial Institutions (CDFIs), banking or lending institutions, credit unions, and real estate entities with lending capacity. Respondents may be private (for-profit) or non-profit organizations. A successful Respondent must be able to form a for-profit single-purpose entity to act as Special Servicer that is not a “Disqualified Transferee” (defined below) under the Historic Tax Credit regulations.

Description of HDC

HDC is a public benefit corporation created pursuant to Article XII of the New York State Private Housing Finance Law for the purpose of financing affordable multi-family housing in the City of New York. HDC has the authority to issue obligations for the purpose of financing the construction or rehabilitation of affordable housing located within the City of New York. HDC has a multifamily mortgage portfolio of over 600 properties containing over 150,000 units.

Description of Services

Qualified Special Servicers must have the technical expertise and capacity to perform the scope of services described below, including, but not limited to, consulting with and receiving direction from HDC to further (i) compliance with HTC laws and regulations, specifically, Section 47 of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law (the “Code”), (ii) administration of Tax Credit Master Leases, (iii) navigation of New York State foreclosure law and auctions as a lender, and (iv) acting as a Lender Temporary Custodian under Section 8 Housing Assistance Payments Contracts between a mortgage borrower and the U.S Department of Housing and Urban Development (“HAP Contracts”).

Special Servicer Possible Functions

Upon the direction of HDC, the Special Servicer shall:

1. Duly form a New York special-purpose entity (SPE) to assume the HDC mortgage note. Such SPE must not be a “Disqualified Transferee” under the Code, meaning any the following:

- (a) a tax-exempt organization described in Section 50(b)(3) of the Code unless the property is used by such organization predominantly in an unrelated trade or business the income of which is subject to tax under Section 511 of the Code; or

(b) the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing, excluding in all events Fannie Mae or the Federal Home Loan Mortgage Corporation; or

(c) a foreign person or entity (as defined in Section 168(h)(2)(C) of the Code) unless more than 50 percent of the gross income derived by the foreign person or entity is subject to U.S. tax or included under Section 951 of the Code in the gross income of a United States shareholder for the taxable year with or within which ends the taxable year of the controlled foreign corporation in which such income was derived; or

(d) a mutual savings bank, a cooperative bank, or domestic building and loan association to which Section 593 of the Code applies; or

(e) a regulated investment company or real estate investment trust subject to taxation under subchapter M, Chapter 1 of the Code (but not including a “taxable REIT subsidiary,” as defined in Section 856(1) of the Code; or

(f) a cooperative organization described in Section 1381(a) of the Code; or

(g) a partnership or other pass-thru entity in which any Disqualified Transferee described in subparts (a) through (f), above, owns a direct or indirect partner or member interest.

2. Assume an HDC mortgage note, upon a default declared by HDC under HDC’s Mortgage or Regulatory Agreement, and

3. Participate in the NY state foreclosure process, including consulting with HDC to participate at any related auction or proceeding, as necessary.

[Submissions Requirement and Guidelines](#)

The deadline to submit the RFQ to HDC is October 4, 2021. Questions and submission packages should be directed and sent by electronic mail to Moira Skeados, mskeados@nychdc.com and Hannah Blitzer, hblitzer@nychdc.com. The subject line of the email should reference “Special Servicer RFQ”. A complete package shall include a cover letter, references, a statement of qualification and experience, and additional documentation, as further described below:

Please provide a response of no more than 10 pages total (not including the Audited Financial Statement and attachments requested in Appendix A).

I. Cover Letter

Please provide a one-page letter on company letterhead that:

- Provides organizational data in the order set forth below:
 - i. Legal Name of Organization

- ii. Primary Contact (Respondent's primary staff's contact for this RFQ).
- iii. Contact's Title
- iv. Contact's Telephone and Email Address
- v. Physical Address (specify headquarters, relevant satellite offices, and geographic scope of services for each)
- vi. Web Address
- vii. Legal Counsel Contact Information:
 - Firm Name
 - Firm Address
 - Attorney Name
 - Email
 - Telephone

II. Statement of Qualifications and Experience

Respondents to this RFQ for Special Servicer must provide the following information:

1. A summary of the Respondent's ability to perform all services as described in the RFQ.
2. Personnel Qualifications and Resumes: Provide an organizational chart listing all personnel who will be performing and overseeing each component of the scope of services.
3. Statement of Good Standing: State whether your firm is in good standing with all divisions of City, State and Federal Government. And, if not, describe any outstanding issues in detail, including any unpaid taxes or fees owed to any governmental authority. State whether the firm, or any of its employees, or anyone acting on its behalf, has ever been convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or if any of the firm's officers, directors or persons exercising substantial policy discretion have ever been convicted of any crime or offense involving financial misconduct or fraud. If so, please describe any such convictions and surrounding circumstances in detail.
4. Please indicate any conditions to your response, including any covenants, limitations of liability, representation or warranties required of HDC.
5. Please indicate whether Respondent has all the necessary internal approvals. If not, please provide your timeline for approval.
6. Please include a list of three transactions closed within the last two years for which the Respondent has acted as a Special Servicer or on its' own behalf as a lender or a participant in a tax credit transaction. In lieu of a list of three past transactions, a list of references that include at least three client references for similar projects is acceptable. If the United States Department of Housing and Urban Development (HUD) or the Federal Housing Administration (FHA) is involved in any prior transactions on the list, please note that in your response.

7. Please provide an Audited Financial Statement for the most recent year available, or an electronic link to access the same.

III. Additional Documentation

The Respondent must include the following additional documentation:

1. Disclosure and Conflict of Interest
 - The proposal must disclose any other employment or situation that may create a conflict of interest if your firm were to be selected, including any relationship that the firm or any of its employees may have with HDC. Please describe any such relationship in your proposal, or affirmatively state that no such relationship exists.
2. Fee Proposal:
 - Fee schedule.
 - Please itemize legal fees and expenses separately, and state the fee calculation type (flat fee, hourly, etc.). Note: A range for fees is acceptable. However, please include an explanation for the range.

Evaluation Criteria

HDC plans to evaluate the quality of submissions as well as Respondents' experience and ability to perform all required services. In addition, HDC reserves the right to request interviews with Respondents and additional documentation to aid in the evaluation process, and reject any or all submissions in its sole and absolute discretion.

Legal Disclaimer

The issuance of the RFQ and the submission of qualifications by the Respondent or the acceptance of such submission by HDC does not obligate HDC in any manner whatsoever. HDC reserves the right to amend, modify or withdraw this RFQ; to waive or revise any requirements of this RFQ; to require supplemental statements or information from any responding party; to accept or reject any or all submissions received in response hereto; to extend the deadline for submission of qualification; to hold discussions with any responding party; and to cancel, in whole or in part, the RFQ if HDC deems it to be in its best interest to do so. HDC may exercise the foregoing rights at any time without notice and without liability to any responding party or other parties for their expenses incurred in the preparation of submissions or otherwise. Submissions in response hereto will be prepared at the sole cost and expense of the responding party.

General Conditions, Terms and Limitations

In addition to those stated elsewhere, this Request for Qualification ("RFQ") is subject to the specific conditions, terms and limitations stated below and those annexed hereto on Appendix A:

1. The information set forth in this RFQ is believed to be accurate. However, HDC, its officers, agents, and employees assume no responsibility for errors or omissions contained herein.
2. Any contract entered into pursuant to this RFQ process and all services performed thereunder shall conform to, and be subject to all applicable laws, regulations, executive orders, policies, procedures, and ordinances of all Federal, State and City authorities, as the same may be amended from time to time, including without limitation, equal employment laws without limitations.
3. HDC is not obligated to pay and shall not pay any cost incurred by any Respondent at any time for the preparation of its submission.
4. Notwithstanding anything to the contrary contained herein, HDC reserves the right to waive any conditions or modify any provision of the RFQ with respect to one or more Respondents, to establish additional terms and conditions, to encourage Respondents to work together, or reject any or all proposals if in its judgment it is in the best interest of HDC to do so. In all cases, HDC shall be the sole judge of the acceptability of the submission.
5. HDC reserves the right to reissue, amend, modify, or withdraw this RFQ at any time without cause if it is deemed to be in the best interest of HDC, or if, in the judgment of HDC, all the submissions are unacceptable.
6. All submissions to HDC in response to this RFQ may be disclosed in accordance with the standards specified in the Freedom of Information Law, Article 6 of the Public Officers Law of the State of New York.

APPENDIX A

1. Equal Employment

If any, provide a copy of the firm's most recent Employer Information Report EEO-1 as Attachment to the Proposal. Please state how many women and minorities work in your firm.

2. Minority and Women-Owned Business Enterprise (MWBE)

HDC is dedicated to furthering the participation of minority and women-owned businesses in its work. All respondents are urged to include in their proposals methods for facilitating the participation in the project of businesses that have been certified by the New York City Department of Small Business Services ("SBS") as women or minority-owned. This can take any form a Respondent considers appropriate, including, but not limited to, proposals intended to ensure the utilization of certified minority and women-owned businesses as subcontractors or as joint-venture partners. In addition, proposals from minority and women-owned respondents are encouraged.

3. New York City Location

- a) State whether the firm maintains its headquarters, or other offices, in New York City, and the number of the firm's employees who are employed in New York City. Describe the firm's commitment to its location in New York City. Since January 1, 2017, has the firm relocated any employees from offices in New York City to locations outside New York City? Does the firm have any plans to relocate any employees or offices outside of New York City in the next two years?
- b) Describe the firm's corporate citizenship and commitment to The City of New York, including local procurement of goods and services, development or participation in internship programs or scholarships, corporate philanthropy, specifically in the areas of housing and community development, and policies with regards to the use of women-owned, minority-owned and small business enterprises.

4. Credit Ratings

If any, provide a copy of the Respondent's most recent credit agency analyses. Include in your response the firm's current ratings. If these ratings have changed in the last three years, please explain in detail the reason for such change.

5. Local Law 34 Compliance

Pursuant to Local Law 34 of 2007, amending the City's Campaign Finance Law, the City is required to establish a computerized database containing the names of any "Person" that has business dealings with the "City" as such terms are defined in the Local Law. In order for the City to obtain necessary information to establish the required database, your response to this RFQ is required to include a completed Doing Business Data Form (the "Data Form"), which is attached hereto. The Data Form should be sealed in a separate envelope marked "Doing Business Data Form". The Data Form will be submitted to the Mayor's Office of the City of New York (the "City"). If the City determines that your Data Form is not complete, you will be notified by the City and given four (4) calendar days to cure the specified deficiencies. Failure to do so will result in your proposal being deemed incomplete and, therefore, non-responsive.