



**New York City Housing Development Corporation
Request for Proposals for Liquidity Facility and/or other Variable rate structures
March 31, 2023**

The New York City Housing Development Corporation (“HDC”) is soliciting responses to this Request for Proposals (“RFP”) for one or more standby bond purchase agreements or similar liquidity facilities (“Facility”) to support variable rate demand obligations (“VRDOs”) issued under HDC’s Multi-Family Housing Revenue Bond Resolution (“Open Resolution”) and/or HDC’s Housing Impact Bond Resolution (“Impact Resolution”). In addition, HDC encourages proposals for a public offering or direct purchase of Floating Rate Bonds based on the SIFMA index or a SOFR index, as well as the use of other alternative variable rate structures (please provide details and case study on how this alternative variable rate structure would work under the Open Resolution and/or Impact Resolution).

In the Open Resolution, HDC expects to structure variable rate bonds in the 25-40-year range to reduce the long-term costs of borrowing. Given current market conditions, we may explore using variable rate bonds to finance a portion of HDC’s shorter term “tax-credit” bonds.

In the Impact Resolution, HDC may structure variable rate bonds in the 15-30-year range to reduce the long-term costs of borrowing. Given current market conditions, we may explore using variable rate taxable bonds in the 5-10-year range.

This RFP is being sent to select firms which have worked with HDC, and will also be posted on HDC’s website, constituting a public dissemination of this RFP.

HDC expects to issue \$250-300 million in several tax-exempt or taxable VRDO issuances under the Open Resolution and/or the Impact Resolution in June 2023 through October 31, 2023. HDC asks your firm to indicate interest in providing a Facility of \$250-300 million in principal plus 34 days’ interest to be issued in June 2023 through October 31, 2023. The VRDO is expected to have weekly interest rate resets and pay interest monthly. Maximum interest rate on the VRDO is expected to be 10%. Maximum Bank Bond rate is expected to be 15%. HDC is seeking the following key terms:

- The Facility provider (“Facility Provider”) should maintain a long-term and short-term rating of at least A/A-1 from Standard & Poor’s Ratings Services and a long-term and short-term rating of at least A2/P-1 from Moody’s Investors Service, Inc. Equivalent ratings from other rating agencies may be considered.
- Term of 3-5 years.
- Term-out amortization of bank bonds beginning at least 1 year after a draw.
- Please indicate willingness to support dailies if necessary.

Due to the potential amount of liquidity HDC may require during the second half of 2023, we expect to select more than one Facility Provider. Therefore, bids for lesser amounts will be considered. Please provide a completed Facility Provider Solicitation Form (Appendix 1), as well as responses to the additional information requests (Appendix 2). Responses and proposed terms should remain current **through October 31, 2023 or indicate the date that the terms and pricing can be held to.**

HDC will be evaluating bids based on a variety of criteria, which may include: proposed fees, flexibility of terms to HDC, renewal options, impact on lowering long term costs, Facility Provider ratings, relative trading valuations in the market, proposed term of the Facility, Facility diversification, demonstrated



experience of the Facility Provider, impact on rating agency stress runs, extent of credit approval at the time of submissions, and remaining steps and time for final credit approval. HDC may award bid(s) based on proposal(s) HDC deems best in its sole discretion, which may not be the lowest bid. HDC may waive discrepancies and award no bid in its sole discretion.

See the most recent Official Statements for financial information relating to the Open Resolution Multi-Family Housing Revenue Bonds, and the Impact Resolution Housing Impact Bonds, available on HDC's website: <https://www.nychdc.com/debt-issuance>.

Any questions and all responses should be emailed to Ellen Duffy, Executive Vice President for Capital Markets and Investments (eduffy@nychdc.com).

Responses to this RFP are due by **close of business on Friday April 21, 2023**.

APPENDIX 1: FACILITY PROVIDER SOLICITATION FORM

Please complete the information requested in the form below, adding pages for long-form answers if necessary. If unable to meet the terms requested by HDC, please flag and indicate the proposed alternative.

1. Facility Provider Information

Name of Facility Provider:

Facility Provider Address:

Contact Person (Name, Title, Telephone, Email):

2. Facility Provider's Ratings (Moody's/S&P)

	<u>Short-Term</u>	<u>Long-Term</u>	<u>Rating Agency Outlook</u>
Current:			

- A. Please indicate if these ratings are based on any form of support (such as a guaranty or insurance) provided by a different entity and describe the relationship of that entity to the Facility Provider.
- B. Are there any relevant events that may cause or have recently caused any rating agency to review or change its rating of the Facility Provider?

3. Facility Terms

Maximum principal amount of bonds supported by Facility:

Proposed Fees for each Facility

Fees should be based on the principal commitment for each Facility plus 34 days' interest at the Maximum Rate. Fees should be stated as a single basis points per annum fee, payable quarterly in arrears, based on actual days.



3 years:

4 years:

5 years:

Other maximum term:

Additions to Annual Fee based upon rating changes, if any:

Additional fees, if applicable (upfront fees, commitment fees, etc.):

Bank Bond Repayment Terms

Repayment Schedule, including term-out delay:

Repayment Amounts:

Repayment Frequency:

Bank Bond Interest Rates

Bank Rates:

Default Rates:

Maximum Rates:

4. Legal

Provider's Counsel

Firm Name:

Firm Address:

Attorney Name:

Email:

Telephone:

Fax:

Legal Fees & Expenses

Fee Calculation type (flat fee, hourly, etc.), per facility:

Initial Facility - Dollar cap on all legal fees and expenses:

Renewals - Dollar cap on all legal fees and expenses:

6. Other

- A. Please indicate any conditions to your bid, including any covenants, limitations of liability, representation or warranties required of HDC.
- B. Does the Facility have all the necessary internal approvals? If not, please provide your timeline for approval.



- C. Please include a list of three transactions closed within the last two years for which the Facility Provider has furnished liquidity support for parity bond issuers similar to HDC.
- D. Please provide an electronic link to your most recent financial statements.
- E. Please confirm that credit approval and pricing proposed herein will remain in effect until **October 31, 2023 or, indicate the date that the Terms and Pricing can be held to.**
- F. **Please include a copy of your form SBPA documents.**

APPENDIX 2: ADDITIONAL INFORMATION REQUESTED

General

The issuance of this Request for Proposal (“RFP”), and the submission of a proposal by the firm or the acceptance of such proposal by HDC, does not obligate HDC in any manner whatsoever. Legal obligations will only arise upon the execution of formal agreements by HDC and the firm selected to render services described herein.

HDC reserves the right to amend, modify, postpone or withdraw this RFP; to waive any requirement of this RFP; to require supplemental statements and information from proposing entities, to accept or reject any or all proposals received as a result of this RFP; to extend the deadline for submission of proposals; to negotiate with any proposing entity which responds to this RFP; to hold discussions with any proposing entity; and to correct deficient proposals which do not completely conform to the instructions given in this RFP. HDC may exercise such rights at any time without notice and without liability to any proposing entity or other parties for their expenses incurred in preparation of the proposal. In its review, HDC may accept a proposal but require modification or negotiation of scope. Although discussions may be conducted with proposing entities submitting acceptable proposals, awards may be made without discussion.

The scope of services described in this RFP provide the most current and accurate descriptions of services sought by HDC. However, at the time contracts are executed, programmatic changes may result in changes to the scope of services.

All documents presented in response to this RFP will become the property of HDC. The Corporation is subject to the New York State Freedom of Information Laws (“FOIL”) and as such HDC shall release all records subject to FOIL without notice or consent of responder.

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. For the City to obtain necessary information to establish the required database, your response to this RFP is required to include a



completed Doing Business Data Form (the “Data Form”), even if your firms had submitted one in recent years. Use this link if needed:

<https://www.nychdc.com/sites/default/files/2020-10/Doing%20Business%20Data%20Form%20-%20Standard%202018.pdf>

HDC will submit the Data Form to the Mayor’s Office of the City of New York. If the Mayor’s Office determines that your Data Form is not complete, you will be notified by the Mayor’s Office 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.

Conflicts of Interest

The proposal must disclose any other employment or situation which 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.

Equal Employment

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

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.