

**Request for Proposal
Executive Search Consultant
California Housing Finance Agency**

I. Overview

The California Housing Finance Agency (“CalHFA”) is seeking bid proposals from executive search consultants to assist CalHFA in advertising for and recruiting an Executive Director, conducting initial evaluation and screening services, and providing counsel for the CalHFA Executive Director Search Committee (“Search Committee”). This Search Committee will interview the top candidates and perform other evaluative functions in order to recommend the top candidates to the Office of the Governor for the State of California for discussion and consideration for selection.

CalHFA was created to assure that all residents of the state shall have access to decent, safe, and sanitary affordable housing. The primary operations of the Agency are (i) making mortgage loans to finance homes for first time homebuyers; (ii) making mortgage loans to finance multi-family apartment projects with affordable housing restrictions; (iii) operating a mortgage insurance fund insuring homeownership loans; (iv) creating special programs and products to finance specialized types of affordable housing in challenging markets; (v) actively managing the Agency’s large portfolio of both single family and multi-family mortgage loans; (vi) issuing both tax-exempt and taxable bonds to provide capital to finance its mortgage lending; (vii) managing the real estate and financial risks associated with the Agency’s lending operations, mortgage insurance policies and capital structure; (viii) servicing the multi-family loan portfolio and a portion of the single family portfolio; and (ix) administering certain state housing programs on a contract basis.

CalHFA was created in 1975 and now has 323 staff positions. CalHFA had total assets exceeding \$10 billion. The Agency’s outstanding bond liabilities exceed \$8 billion. The Agency has annual operating expenses exceeding \$500 million, which includes an annual operating budget of approximately \$46 million.

Based on the Agency’s strategic financial plan the business activity, services and volumes of the Agency will substantially increase over the next five years. The plan projects that over the next 5 years CalHFA will provide approximately \$2 billion of multifamily financing. The plan also projects that the homeownership program will have annual volume exceeding \$1 billion for each of the next 5 years. The plan contemplates \$2.3 billion of mortgage insurance activity over that period.

II. Nature of the Position

The position of Executive Director is a critical, visible position requiring strong business management experience, exceptional leadership ability and a successful track record of working with or for government or quasi-public agencies. The successful respondent to this RFP will assist the Board of Directors and/or its designated subcommittee in developing and assessing a highly qualified and diverse pool of candidates, including women and minorities, from which to select a new Executive Director.

The Executive Director is appointed by the Governor and confirmed by the Senate for a term of five years (Health and Safety Code Section 50908). The Executive Director administers and directs the day-to-day operations of CalHFA and is subject to supervision by CalHFA's 14 member Board of Directors.

A description of the Executive Director's responsibilities and qualifications for the position is attached hereto as Exhibit A.

III. Summary of the Requested Services from the Executive Search Consultant

CalHFA intends to engage an executive search consultant to provide the above recruitment, screening, and consulting services beginning as early as **August 11, 2008**. The Board of Directors intends to refer its recommendations (s) for appointment to the Governor's Office by **November 24, 2008**.

CalHFA is seeking the assistance of a retained executive search firm to provide the following services:

- Review and finalize the position description, qualifications and performance standards;
- Develop key competency areas for evaluating candidates;
- Design interview questions;
- Identify organizations that represent likely targets for prospective candidates;
- Identify names of prospective candidates within those organizations that appear to fit the criteria;
- Contact prospects to determine their qualifications for and interest in this position;
- Conduct telephone interviews with and actively recruit individuals meeting the minimum requirements as described in the position description;
- Prepare and submit a resume for each candidate that has the appropriate qualifications and interest.
- Identify their current compensation;
- Based on feedback from the Board of Directors search committee, conduct in-person interviews with select candidates;
- Prepare and submit detailed written comments for each interviewee including an informed assessment of their suitability and enthusiasm for the position;
- Recommend finalists by preparing a slate including comparative remarks;

- ❑ Provide support in scheduling and conducting interviews with finalists to ensure that comparable information is obtained from each candidate interviewed and the Board of Directors has a common set of criteria for evaluating finalists;
- ❑ Complete thorough reference checks and verify academic and business credentials of finalists;
- ❑ Communicate with all candidates regarding the process and outcome of the search.

CalHFA seeks an executive search consultant who will work on a fixed-price contract. All services provided shall be performed in accordance with the rules and policies covering CalHFA, and within all state and federal laws.

IV. Proposal Requirements

Proposals for executive search consultant services must include the following:

- An overview of your firm's experience in providing nationwide executive search services;
- Your qualifications, including specific experience with Housing Finance Agencies, financial institutions, (such as investment banks, ratings agencies, government sponsored enterprises, mortgage bankers and real estate developers) governmental agencies and not-for-profit entities;
- Biographical sketches of the principal(s) and staff who would be assigned to this activity;
- The proposed fee schedule, payment provisions requested and estimated expenses;
- A list of client references;
- Proof of liability insurance and amount;
- A statement attesting that all information provided in your proposal to the CalHFA is true and accurate to the best of your knowledge;
- Any guarantees offered by your firm.

V. Successful Proposal - Selection Criteria

The criteria for selection of the successful executive search consultant will include general experience, qualifications, experience with similar organizations, the review and analysis of the services proposed, and the amount of the services fee and any other anticipated fees or costs. Applicants must possess a strong ethical and professional approach to providing search services.

Although the cost of the service will be an important factor, it is not be the only factor considered.

VI. Reservations

All costs for developing and submitting proposals pursuant to this solicitation are solely the responsibility of the proposing party and shall not be reimbursable by the CalHFA. Although the CalHFA has chosen at this time to seek proposals for the services of an executive search consultant, it is not required to procure any of its contracts by way of competitive bidding and is generally not subject to many of the restrictions or requirements typically associated with State contracting practices. Accordingly, the CalHFA reserves its right to select one or reject all proposals submitted pursuant to this solicitation. In addition, the Agency reserves the right to:

- A. Request an oral or telephonic interview with, and to require additional information from, any firm prior to its selection.
- B. Select for contract negotiation the firm that, in the Agency's judgment, best will meet the Agency's needs, regardless of any differences in estimated costs between the firms.
- C. Consider information about a firm in addition to information submitted in their proposal or obtained through oral or telephonic interviews.
- D. Select one or more responding firms, or a firm other than a responding firm.
- E. Require additional information from any responding firm.
- F. Terminate this process at any time without selecting a firm.
- G. Change any deadline or date provided for herein without notice; or
- H. Otherwise amend or modify any of the terms or provisions of this solicitation.

VII. Due Date and Delivery of Proposal

Proposals will be received **until 5:00 PM (PDT) on July 31, 2008**. Four copies of the response should be submitted to the attention of:

Mailing Address: **Search Committee
c/o Victor James, Esq.
Office of the General Counsel
California Housing Finance Agency
P.O. Box 4034
Sacramento, CA 95812-4034**

Physical Address: **Search Committee**
 (For Overnight Delivery) **c/o Victor James, Esq.**
Office of the General Counsel
California Housing Finance Agency
1415 L Street, Suite 500
Sacramento, CA 95814

All materials submitted in accordance with this solicitation become the property of the California Housing Finance Agency and will not be returned. The material will be a public record subject to the disclosure provisions of the Public Records Act (Government Code Section 6250 et seq.) Questions concerning this solicitation should be directed to Victor James, Assistant General Counsel, at (916) 445-0159; vjames@calhfa.ca.gov.

VIII. Notification of Successful Proposal and Questions

The CalHFA expects to notify the executive search consultant submitting the successful proposal no later than **August 11, 2008**. Selection will be made by the Search Committee.

IX. Schedule of Events

The following is the schedule of events for the RFP process and execution of the Executive Search Consultant Agreement.

Event	Date
Board of Directors approval of RFP and potential search firms	July 17
Distribution of RFP	July 18
Deadline for receipt of RFP's	July 31
Selection of search firm	August 11
Search firm meetings in Sacramento	week of August 18
Search committee meeting to review first round of candidates	week of October 6
Search committee meeting to review second round of candidates	week of November 3
Search committee meeting	November 13
Special Board meeting to interview finalist candidates	November 20
Submit Board's recommendations to Governor's Office	week of November 24

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Exhibit A
(Responsibilities and Qualifications of Executive Director)

Nature of Position

The Executive Director is the chief executive officer of the CalHFA and a state officer appointed by the Governor and confirmed by the Senate for a term of five years.

The Executive Director is an *ex officio* non-voting member of the CalHFA Board of Directors.

The Executive Director is responsible for the administration, management and direction of the affairs and business of the CalHFA subject to the supervision of the Board of Directors. The Executive Director becomes involved with transactions and partnering with private industry. The Executive Director also interacts with other governmental agencies, as well as the Executive and Legislative branches of the State of California.

Specific Responsibilities

The Executive Director reports to the Board of Directors. Responsibilities include:

- Implementation and management of CalHFA's programs, including the single family loan program, the multi-family lending program, several special lending programs, and the mortgage insurance program.
- Management of all CalHFA staff
- Service as an non-voting member of the 14 member CalHFA Board of Directors, and attendance at all Board meetings,
- Reporting to the Board at such times and with respect to such matters as the Board may request.
- Oversight of the preparation of the annual CalHFA budget and submission to the Board for approval.
- Coordination of CalHFA's programs with other California state agencies, and service on various statutory committees upon which the CalHFA Executive Director sits in an *ex officio* position.
- Development and maintenance of strong relationships with the Governor's office and State legislature.

- Development and maintenance of strong relationships with the investment banking, real estate lending and development industries, Government Sponsored Enterprises such as Fannie Mae and Freddie Mac, and ratings agencies.
- Representation of CalHFA at public meetings and the National Council of State Housing Agencies' meetings.
- Participation in bond issues with investment bankers and legal advisors, and development of financial strategies to access the national capital markets.
- Consultation with the Board on the development and implementation of the CalHFA's investment policy.

Qualifications

The Executive Director of the CalHFA should have experience or qualifications in several of these areas:

- Knowledge of principles and practices related to business management and administration of budgeting, financing, marketing, reporting, policy implementation and program administration.
- A strong, market-oriented approach to business.
- Strong familiarity with the real estate development and mortgage banking industries.
- Financial markets and bond issuance experience, including private activity bond cap allocation.
- Familiarity with the federal Low-Income Housing Tax Credit program in connection with affordable rental housing finance.
- Demonstrated experience in building a successful management team.
- Excellent communication skills in presenting financial and business concepts to diverse audiences.
- Ability to gain the confidence of, and bring into consensus, people from diverse backgrounds, specifically public officials and private executives.
- A natural leader with vision, integrity and ingenuity.
- Working knowledge of the legislative process and governmental organizations.