

California Housing Finance Agency
Request for Qualifications – Multifamily Lending Services
(October 2018)

I. Background

The California Housing Finance Agency (the "**Agency**" or "**CalHFA**") is a public instrumentality and a political subdivision of the State of California created in 1975 for the primary purpose of meeting the housing needs of persons and families of low or moderate income. The Agency provides financing and programs to create affordable single family and multifamily housing. CalHFA's governing statutes can be found in the California Health & Safety Code, Division 31, commencing at Section 50900. Additional information about the Agency is available at <http://www.calhfa.ca.gov>.

Governor Edmund G. Brown Jr. signed Senate Bill 2, the Building Homes and Jobs Act (the "**Act**"), into law in late 2017 and it became effective in 2018. The purpose of the Act is to establish a permanent, ongoing source of funding for the development of affordable housing.

Beginning on January 1, 2018, a recording fee of \$75 per instrument, up to a maximum of \$225, is paid on many real estate transactions. The estimated \$200-\$250 million that will be generated annually from this fee will be placed into the Building Homes and Jobs Trust Fund, then appropriated by the legislature to be allocated in various ways toward the development of affordable housing across the state.

Beginning in 2019, and continuing on an annual basis, the proceeds will be divided between local and state government entities, including 15%—approximately \$30-\$35 million—to be allocated to CalHFA, for the purpose of providing residential housing with unit restrictions between 30% and 120% of the area median income. In furtherance of the legislation, CalHFA has developed the Mixed-Income Loan Program to distribute these funds. The program is structured as a long-term subordinate loan and requires CalHFA to be the conduit bond issuer. It requires project sponsors/developers to select a CalHFA Preferred Construction Lender and also allows the selection of a CalHFA Preferred Permanent Lender if CalHFA is not selected as the permanent lender. Please see the attached Term Sheet for the Mixed-Income Loan Program.

II. Purpose

The purpose of this Request for Qualifications is to pre-qualify preferred lenders to partner with CalHFA on the Mixed-Income Loan Program. In order to determine qualifications, we are requesting evidence of your ability to make loans in California and a list of relevant completed projects. CalHFA will then use these qualifications to approve companies and organizations to serve as Preferred Construction and Permanent Lenders for CalHFA's Mixed-Income Loan Program. Pursuant to their qualifications, the Preferred Lenders will be able to provide construction, permanent or construction and permanent lending services for projects that use the Agency's Mixed-Income Loan Program.

III. Qualifications

All respondents must provide appropriate documentation showing that respondent is authorized and licensed to make loans in California, and that respondent is duly organized, validly existing and in good standing under the laws of the state of its organization.

Respondents qualifying as preferred construction lenders must have closed construction financing associated with at least eight bond and 4% tax credit projects nationally or five bond and 4% tax credit deals in California.

Respondents qualifying as preferred permanent lenders must have closed permanent financing associated with at least eight bond and 4% tax credit projects nationally or five bond and 4% tax credit deals in California.

IV. Scope of Services

Qualified respondents will provide construction, permanent, or construction and permanent lending services to CalHFA's Mixed-Income Loan Program transactions, pursuant to and depending on a developer's request for said lending services. Please see the sample "CalHFA Mixed-Income Preferred Lender Agreement," (Preferred Lender Agreement) and "Mixed-Income Program Regulatory Agreement" attached.

V. Delivery of Statement of Qualifications

Respondents must submit two items:

1. List of qualifying completed projects using the form, "Mixed-Income Loan Program List of Previous Projects"
2. Documentation demonstrating respondent is authorized and licensed to make loans in California

Required documents listed above must be submitted electronically, in PDF format, no later than **5:00 PM (PST) on December 3, 2018** to: JGlasser@calhfa.ca.gov

All materials submitted in accordance with this solicitation become the property of the California Housing Finance Agency and will not be returned. The materials will be a public record subject to the disclosure provisions of the Public Records Act (Government Code Section 6250 *et seq.*)

Questions concerning this Request for Qualifications should be directed via email to Jeree Glasser-Hedrick, at JGlasser@calhfa.ca.gov. When sending questions, please provide contact information and the best times for a telephone call to discuss.

VI. Approval

Respondent qualifications will initially be considered by staff of CalHFA. As part of the evaluation process, the Agency may request oral or telephonic interviews with the firms and individuals being considered. We anticipate approval of respondents by December 21, 2018, and pre-qualified lenders can execute the final Preferred Lender Agreement between January 14, 2019 and January 31, 2019. CalHFA will seek approval from its Board of Directors for the Mixed-Income Loan Program on January 10, 2019. On February 4, 2019, CalHFA will disseminate the final list of CalHFA Mixed-Income Preferred Lenders.

All respondents desiring to be preferred lenders must enter into a Preferred Lender Agreement with CalHFA. This agreement will document a respondent's preferred status and facilitate its work on projects that benefit from the Mixed-Income Loan Program. Please see the sample "CalHFA Mixed-Income Preferred Lender Agreement," attached.

Neither approval pursuant to this Request for Qualifications, nor entering into the CalHFA Mixed-Income Preferred Lender Agreement obligates CalHFA to provide Mixed-Income Loan Program financing for any development the approved lender is or may be financing. Any Mixed-Income Loan Program financing shall solely be subject to a final commitment issued by CalHFA.

VII. Reservations

All costs for developing and submitting proposals pursuant to this solicitation are solely the responsibility of the respondent and shall not be reimbursable by the Agency.

Although the Agency has chosen at this time to seek request for qualification for lending services, 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 Agency reserves its right to approve one or more, or reject all, respondents responding 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 or individual prior to its approval.
- B. Approve the firms and/or individuals that, in the Agency's judgment, best meet the Agency's needs, regardless of any differences in estimated costs.
- C. Consider information about a respondent in addition to information submitted in or obtained in-person or through telephonic interviews.
- D. Approve one or more responding firms or individuals, and/or a firms or individuals other than those responding.
- E. Require additional information from any respondent.
- F. Terminate this process at any time without approving any firm or individual.
- G. Change any deadline or date provided herein without notice.
- H. Otherwise amend or modify any of the terms or provisions of this solicitation.

Attachments:

Terms Sheet for Mixed Income Loan Program

Mixed-Income Loan Program List of Previous Projects

CalHFA Mixed-Income Preferred Lender Agreement (Preferred Lender Agreement)

Mixed-Income Program Regulatory Agreement