



Request for Proposals

Senior Managing Underwriter and/or Co-Managing Underwriter

INTRODUCTION

Through this Request for Proposals (“RFP”), Rhode Island Housing seeks proposals from qualified firms to serve as senior managing underwriter and/or co-managing underwriter for Rhode Island Housing’s bond issues for the fiscal years 2017 through 2019.

INSTRUCTIONS

Twelve (12) copies of the proposal should be submitted to Rhode Island Housing, 44 Washington Street, Providence, Rhode Island 02903-1721, Attn: Kara Lachapelle, CFO. Please also direct a courtesy copy by email to: klachapelle@rhodeislandhousing.org. Keep your proposal (excluding exhibits) within a limit of 10 pages. A brief (2 page) executive letter should accompany each proposal. Specifically indicate in your executive letter and in the cover page of the proposal whether your firm is proposing to be considered for Senior Managing Underwriter, Co-Managing Underwriter or both. Proposals should be concise and include all attachments and work samples.

Proposals must be received no later than 5:00 EST p.m. on May 6, 2016.

Respondents are advised that all submissions (including those not selected for engagement) may be made available to the public on request upon completion of the process. Accordingly, any information included in the proposal that the respondent believes to be proprietary or confidential should be clearly identified as such.

SCOPE OF WORK

Please see the Scope of Work provided at Attachment A.

ITEMS TO BE INCLUDED WITH YOUR PROPOSAL

A. General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - a. Name of the principal(s) of the firm
 - b. Name, telephone number and email address of a representative of the firm authorized to discuss your proposal.

- c. Address of all offices of the firm.
- d. Number of employees of the firm.

B. Experience and Resources

1. Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work.
2. Describe the number of staff your firm delegates solely to housing issues and any changes in staffing levels for your housing and public finance activity over the past three years.
3. Indicate which principals and associates from your firm would be involved in providing services to Rhode Island Housing. Provide appropriate background information and a resume for each such person, identify what his or her responsibilities would be in serving Rhode Island Housing, discuss his or her experience in housing bond work, and explain his or her other responsibilities.
4. Describe your firm's housing finance division, including its experience and ability to handle tax-exempt and taxable financings for both single family and multifamily offerings. Describe your firm's experience providing similar services for other state housing finance agency clients.
5. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with Rhode Island Housing.
6. Describe how your firm will handle actual and or potential conflicts of interest.
7. Identify any material litigation, administrative proceedings or investigations in which your firm is currently involved. Describe the circumstances and provide assurance to Rhode Island Housing that these investigations or proceedings will not affect your ability to provide bond underwriting services. Do any of these activities involve your housing finance professionals? Please summarize any reporting that your firm has made to the SEC over the past three years in connection with your public finance activities.
8. List all state housing finance agency bond issues in which your firm or senior personnel served as senior managing underwriter or co-managing underwriter in the past three years. Note: This information should be presented as an exhibit to your proposal.
9. Provide a listing of your state housing agency clients, noting whether you provide senior or co-manager services.

10. Provide three state housing finance agency references that may be contacted during this RFP process, and applicable contact information.
11. Please discuss your recommended structure for the financing team, i.e., senior managers, co-managers, syndicate, selling group, etc. and the advantages and disadvantages of various size and type of structures. Also discuss your thoughts about including local and regional firms and women and minority-owned firms in the financing team.
12. What procedures would you recommend to optimize the distribution of bonds? In particular, how can the Senior Manager use the Co-Managers and selling group to improve the pricing on and expand the distribution of Rhode Island Housing's bonds? What mechanisms would you recommend to provide reporting and monitoring of the sales performance of all participants?
13. Describe your presence in Rhode Island, your ability to market Rhode Island Housing paper and your performance during the past three years in the Rhode Island market. Please discuss the capacity of your trading desk area and your experience and success with both retail and institutional clients.
14. How does your firm commit capital to public finance activities? How much capital is committed to the municipal area? How might the absolute level of capital and the procedures that you use to allocate it affect your performance on Rhode Island Housing bond issues?

C. Financing Recommendations

1. List your firm's experience in structuring programs with unique features that target low income homebuyers, tenants and the elderly that achieve the lowest rates, the lowest bond issuance costs, the least negative arbitrage and the maximum bond yield to mortgage rate spread.
2. What alternative investor channels are being explored for HFA eligible customers?
3. Discuss the impact the credit environment is likely to have on Rhode Island Housing during the next few years.
4. What new products are emerging to finance mixed-use and mixed-income housing that include affordable housing components?
5. Discuss your outlook for the MBS/TBA markets and housing bonds, including (but not limited to) taxable, tax exempt, and pass through bonds.

Which financing model or structure would you recommend given your views of the current market and understanding of Rhode Island Housing?

6. Describe the costs and benefits of issuing fixed or floating rate bonds hedged with an interest rate swap.
7. What do you believe to be the most significant issues facing Rhode Island Housing in managing its financial activities during the next three years? What strategies do you recommend in dealing with those issues and what role do you envision for your firm in supporting these strategies?

D. Technology Resources

1. Describe your firm's technology capabilities including a description of your computer software. Indicate whether you rely upon external sources for cash flow analyses for rating agency presentations. What type of computer cash flow system do you utilize?
2. Rhode Island Housing utilizes the services of cfX, Inc. as its quantitative consultant. Describe any efficiencies and cost reductions you could incorporate because of our relationship with cfX, Inc.

E. Fee Structure

The cost of services is one of the factors that will be considered in awarding this contract. The information requested in this section is required to support the reasonableness of your fees.

1. Describe your firm's underwriter discount (management fee, takedown and other expenses) for the following possible transactions: a) \$75 million single family with \$50 million refunding component and \$25 million hedged variable rate bond; and b) \$40 million fixed rate, multi-family. Please be as specific as possible and provide details of the expense categories.
2. Describe any relationships that you have with other parties, e.g. brokers or fiscal advisory firms, regarding fee splitting or consulting/soliciting of businesses.
3. Please provide any other fee information applicable to the engagement that has not been previously covered that you wish to bring to the attention of Rhode Island Housing, e.g. a fixed annual fee.

F. Miscellaneous

1. Rhode Island Housing encourages the participation of persons of color, women, persons with disabilities and members of other federally and State-protected

classes. Describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either principals or senior managers in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on Rhode Island Housing's engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.

2. Discuss any topics not covered in this Request for Proposals that you would like to bring to Rhode Island Housing's attention.

G. Certifications

1. Rhode Island Housing insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as Rhode Island Housing, for the aggregate sum of \$5,000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a calendar year to any general officer, any candidate for general office, or any political party.
2. Does any Rhode Island "Major State Decision-maker," as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in this business?

For purposes of this question, "Major State Decision-maker" means:

(i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is “Yes,” please identify the Major State Decision-maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §§36-14-16, 17 and 18.

3. Please include a letter from your president, chairman or CEO certifying that (i) no member of your firm has made inquiries or contacts with respect to this Request for Proposals other than in an email or written communication to Kara Lachapelle, CFO, klachapelle@rhodeislandhousing.org seeking clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until after July 1, 2016, (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a Rhode Island Housing employee or Commissioner, or a relative of the same, based on any understanding that such person’s action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

EVALUATION AND SELECTION

A selection committee consisting of Rhode Island Housing employees (the “Committee”) will review all proposals and make a determination based on the following factors:

- Professional capacity to undertake the Scope of Work
- Proposed fee structure
- Ability to perform within time and budget constraints
- Evaluation of potential work plans
- Previous work experience and performance with Rhode Island Housing and/or similar organizations
- Recommendations by references
- Firm minority status and affirmative action program or activities
- Other pertinent information submitted.

Rhode Island Housing may invite one or more finalists to make presentations.

In its sole discretion, Rhode Island Housing may negotiate with one or more firms who have submitted qualifications to submit more detailed proposals on specific projects as they arise.

By this Request for Proposals, Rhode Island Housing has not committed itself to undertake the work set forth. Rhode Island Housing reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter into negotiations with one or more respondents. Rhode Island Housing reserves the right to make those decisions after receipt of responses. Rhode Island Housing's decision on these matters is final.

For additional information contact: klachapelle@rhodeislandhousing.org.

Attachment A

Scope of Work

Rhode Island Housing seeks to engage one or more qualified investment banking firms to serve as senior managing underwriter and/or co-managing underwriter for Rhode Island Housing's bond issues for the fiscal years 2017 through 2019.

Services to be provided by the senior underwriter will include, but are not limited to: 1) the development of competitive and creative bond financing structures and mortgage products for eligible borrowers that result in the lowest interest rates, the lowest issuance costs, the lowest negative arbitrage, the greatest amount of financing flexibility, and the maximum bond yield to mortgage rate spread; 2) the underwriting, marketing and management of bond issues in a timely manner, including the coordination of the sale and closing of bonds; 3) the solicitation and compilation of bids from insurance providers and printers; 4) serving as the point of contact with the rating agencies and insurance providers; 5) the ability to provide ongoing qualitative and quantitative maintenance and support services prior to and following a transaction, including official statement preparation; 6) review and comment on bond trust indentures, program agreements, insurance agreements, disclosure related documents and other legal documents associated with Rhode Island Housing's programs; 7) assistance with disclosure related requirements; and 8) providing additional services as requested by Rhode Island Housing.

Services to be provided by the co-managing underwriters include, but are not limited to: 1) general support of Rhode Island Housing's bond offerings in the secondary market; and 2) participation in new bond offering activities directed by the senior underwriters.