

**DELAWARE STATE HOUSING AUTHORITY
REQUEST FOR PROPOSALS
FOR
FINANCIAL ADVISORY SERVICES**

I. Overview

The Delaware State Housing Authority (DSHA) seeks firms interested in providing independent financial advisory services to DSHA (the ‘Issuer’) under a multi-year contract. This Request for Proposals (“RFP”) is issued pursuant to 31 DeL.C. 4014, 4004(b)(1).

The proposed schedule of events subject to the RFP is outlined below:

| | <u>Anticipated Date</u> |
|-----------------------------------|-----------------------------------|
| Deadline for Receipt of Proposals | 3:00 p.m. EDT, September 17, 2015 |
| Notification of Award | October 9, 2015 |

II. Proposal Procedure

A. Proposals

Proposals should not exceed 15 pages in length, including the cover letter. One (1) copy and One (1) in electronic format should be delivered to the address shown below.

Mail: Brian K. Rossello, Housing Finance Manager
Delaware State Housing Authority
820 N. French Street, 10th Floor
Carvel State Building
Wilmington, Delaware 19801

Proposals must be received by 3:00 p.m. EDT on September 17, 2015. Questions about the RFP should be directed to Brian K. Rossello at (302) 577-5001 or brian@destatehousing.com. A compilation of questions and answers will be made available for interested parties online at www.destatehousing.com.

III. Scope of Services

DSHA seeks independent financial advisory services to serve the sole interests of the Authority. The selected firm or firms will be precluded from acting as an underwriter or agent on any financing arranged by the Authority. The firms will also agree that the contract may be terminated at any time with or without cause. DSHA’s financial advisors will be expected to assist the Authority in planning an appropriately-diverse debt portfolio, structuring future debt transactions, and providing support for ongoing debt management. Assistance and support includes, but is not limited to the following:

General Advisory Service

Proposer shall provide the following general, non-transaction related financial advisory services ("General Advisory Services") as may be requested by DSHA from time to time:

1. Assist in the development of long-term strategic plans including strategies to effectively utilize, leverage and enhance DSHA operating reserves, State appropriations, federal funds, and other resources available to DSHA.
2. Apprise DSHA of new and creative financing techniques or concepts and advise DSHA generally on strategy options and alternatives relating to the development of proposed programs, project finance activities, and other affordable housing initiatives.
3. Conduct independent and objective reviews and evaluations of economic feasibility and cost-effectiveness of programs, project finance transactions or other initiatives proposed to DSHA by third parties including governmental entities, non-profit sponsors, for-profit developers, investment banking firms and others.
4. Assist in preparing for and making presentations (relating to DSHA in general, rather than to a particular transaction) to bond rating agencies that issue or maintain ratings on DSHA securities.
5. Assist DSHA in making submissions and presentations relating to DSHA's past, current and proposed financing activities to governmental entities, including the State Legislature, as well as to private entities, such as financial institutions and foundations.
6. Evaluate and formulate recommendations regarding financial management practices of DSHA, including matters relating to investment policies and strategies.
7. Evaluate the financial integrity of existing DSHA programs or projects and advise DSHA regarding strategies to preserve or enhance the credit ratings of bonds relating to such programs or projects.
8. Be available for consultation with any person or group interested in assisting DSHA in the development of low or moderate income housing
9. Attend meetings of DSHA relating to financing activities or other activities.
10. Such other reasonably related services as may be requested by DSHA.

Transaction Advisory Services

Proposer shall provide the following financial advisory services relating to new issues, MBS Sales, TBA Financing, Multi Family transactions, Tax Credit issuance remarketing, restructuring or refunding's of tax-exempt or taxable note or bond transactions ("Transactions Advisory Services") as may be requested by DSHA from time to time.

1. Generally advise and consult with DSHA in structuring their transactions under the single-family programs or multi-family program.
2. Assist DSHA by analyzing the merits of negotiated sales vs. competitive sales vs. private placements of authority notes or bonds and offer recommendations on same.
3. Coordinate the activities of DSHA's financing team in effecting the issuance of notes or bonds by DSHA.
4. Advise and assist DSHA in preparing Requests for Proposals from and in selecting services providers (underwriters, bond counsels, tax counsel, financial printers, cash flow verifiers, etc.) required to assist in effecting the financing structure.
5. With respect to proposed single-family mortgage lending programs, advise and assist in establishing appropriate program parameters and requirements including mortgage loan rates/terms, servicing arrangements, insurance coverages, participation by lenders/builders/realtors, loan origination periods, etc. and advise DSHA generally as to the financial integrity of the proposed programs.
6. Assist in the preparation of, and/or review and comment on (i) authorizing Resolutions, bond trust indentures, notices of sale and disclosure documents of DSHA relating to the financing structure, (ii) loan origination and servicing agreements relating to Home Ownership loan programs, and (iii) loan agreements and regulatory agreements relating to multi-family project finance transactions.
7. Review the maturities, redemption provisions, call premiums, interest rates, reserve requirements, system of funds and accounts, flow of funds and other structural characteristics or securities features of proposed note or bond issues and advise DSHA as to the financial integrity of such issues.
8. Review cash flow analyses or other financial projections prepared by parties other than source, budgeted expenditures, debt services requirements, application of bond proceeds, investment of funds and other program parameters to assess the reasonableness of the cash flow projections based on such assumptions.
9. Currently, DSHA relies on Senior Underwriter to run cash flows for Single Family bond transactions. Firm should describe and demonstrate their capacity to provide such services, upon special request. Cash flow services are not expected to be customary. However upon request of DSHA, proposer may be asked to prepare detailed cash flow projections and analyses of specific bond issues and related mortgage loan programs. Firms will be expected to provide cash flow analysis for multi-family projects, such projections and analyses to be accompanied by a listing of all significant underlying assumptions. (for reliance upon rating agencies, bond trustee, bond counsel, bondholders, underwriters, municipal analysts or other third parties)
10. Assist DSHA in making information available to bidding syndicates, individual securities dealers, municipal analysts, institutional investors, credit enhancers.

11. Advise DSHA and perform calculations necessary to demonstrate compliance with certain provisions of the federal tax law.

IV. Requested Information

1. Describe briefly your firm's organizational structure, primary business(es) engaged in, ownership, business affiliations, number and location of offices, and number of professional staff at each location.
2. Identify the individual who will be responsible for the Authority's account, including title, resume, area of specialization, expertise on federal and state law specific to Delaware, the Authority and its bonds, other clients currently served, client references, and location of primary office. Provide the same information for any individuals who will serve the Authority's account.
3. In addition to financial advisory services, describe any other services your firm can make available to the Authority during an engagement. Provide the approximate contribution to the firm's total revenue.
4. Provide a list of major clients actively served and those on a retainer basis, with a description of the services provided (noting whether on-going or transaction-specific), dates, and contract names and numbers for reference purposes. Provide a list of underwriters or agents with which your firm has collaborated with on behalf of your clients and provide contact information for reference purposes.
5. Describe the frequency, variety, and size of recent housing issues or transactions for which your firm acted as advisor. Describe the complexity of structures recommended.
6. For each of the transactions (Single Family & Multi-Family) for which you wish to provide financial advisory services:
 - Describe your firm's knowledge of and expertise in the issuance of tax-exempt housing bonds and notes.
 - Describe resources you can provide to ensure the Authority receives the highest and best consideration for its issuance.
 - Describe how you would consider structuring the Authority's offerings, any credit-rating strategy you may consider, and any investor-marketing strategy you may consider.
 - Describe any policy considerations you might recommend.
7. Describe any contractual relationships you may have with other firms that may be working on the Authority's accounts and/or describe any contractual relationships you may have with other State agencies.
8. Consider a multi-year contract.
 - Provide a per transaction total compensation structure along with a sliding scale fee structure based on per bond issued.
 - Provide a non-transactional hourly cost structure.

Note that invoices will be subject to review and payment will be made upon approval by DSHA.

9. Identify and describe any litigation, mediation, arbitration, administrative proceedings, or any investigation in which your firm is or was involved.
10. Discuss any other considerations or factors that impact upon your ability to perform the tasks relevant to or associated with this proposal.
11. Provide proof that you are currently authorized to do business in Delaware (i.e., copy of valid Delaware business license), or indicate that you will provide such proof if selected as the successful bidder prior to the commencement of the contract.
12. Execute and attach to the proposal a completed Statement of Commitment and Non-Collusion (see attached sample for format).

V. Proposal Selection Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria will be used to evaluate proposals:

| Evaluation Item | Maximum Points |
|--|----------------|
| Expertise in the housing industry | 35 |
| Capacity to meet Authority requirements including size, operational capability, and location | 25 |
| Demonstrated ability with respect to complexity, frequency, variety, and size of public financial issues | 25 |
| Demonstrated ability with respect to analysis, policy issues, communication | 10 |
| Overall cost of services | 5 |

Terms and Conditions

1. The Authority reserves the right to reject any or all proposals; the right, in its sole discretion, to accept the proposal it considers most closely aligned with its interests; and the right to waive minor irregularities in the procedures. The Authority also reserves the right to reject all proposals and seek new proposals.
2. The Authority reserves the right to request clarification of information submitted and to request additional information from one or more respondents.
3. The Authority will not be liable for any costs incurred in the preparation of this proposal.
4. The Authority reserves the right to conduct oral interviews of any or all bidders prior to selection, and will not be liable for costs incurred by the bidders in connection with such interview.

Commitment and Non-Collusion Statement

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the Delaware State Housing Authority.

This is to further certify that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions. This statement is signed by an official of the financial advisory firm who is authorized to enter the firm into a legal agreement with the Delaware State Housing Authority.

Please type the following information.

NAME OF FIRM _____

ADDRESS OF FIRM _____

AUTHORIZED OFFICIAL _____

TITLE OF OFFICIAL _____

PHONE NUMBER _____ FAX _____

SIGNATURE OF OFFICIAL _____

FEDERAL EMPLOYER
IDENTIFICATION NUMBER _____

DELAWARE BUSINESS
License NUMBER _____
(If available at bidding)

THIS PAGE MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDERED

| | |
|---|--------------------------------|
| SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 2010 | |
| Notary Public _____ | My Commission expires, _____ |
| City of _____ | County of _____ State of _____ |
| Seal of Notary Public _____ | Signature _____ |