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www.kcdc.org

Request for Proposals

CITC LENDING

Solicitation Number	C18005
Due Date	October 27, 2017
Due Time	11:00 a.m. eastern standard time
Deliver Responses to:	Knoxville's Community Development Corporation Procurement Division 901 N. Broadway Knoxville, TN 37917  Note: Procurement is in a separate building behind the main office building
Electronic Copies:	Proposers are encouraged to use the Adobe fillable or MS Word version to provide a typed response to this solicitation.
May responses be emailed to KCDC	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Questions About This Solicitation	Submit questions to purchasinginfo@kcdc.org

Check KCDC's webpage for addenda before submitting your proposal



1. **BACKGROUND AND INTENT**

- a. Knoxville's Community Development Corporation (KCDC) is the public housing and redevelopment agency for the City of Knoxville and for the County of Knox in Tennessee. In recent years, KCDC created several subsidiary corporations to own and manage low-income properties through the Low Income Housing Tax Credit (LIHTC) program. KCDC controlled General Partners currently have almost 1,000 units either currently operating or under rehab/construction within the LIHTC program. KCDC and its subsidiaries have a total property portfolio including 20 sites with over 3,700 dwelling units. KCDC also administers approximately 3,958 Section 8 vouchers and 82 moderate rehabilitation units through our Section 8 department.
- b. In 1936, the State of Tennessee chartered KCDC as the public housing authority for the City of Knoxville. In 2012, KCDC assumed the duties of the former Knox County Housing Authority. KCDC operates as a municipality under Tennessee law.
- c. KCDC's mission is to create, provide and increase high quality housing opportunities for Knoxville and Knox County residents through effective and responsive management and responsible stewardship of public and private funds.
- d. This RFP is to accomplish two goals. First, is to award to a qualified CITC Lender for the specified project. The second purpose is to establish a pool of pre-qualified potential CITC Lenders for up to five years. As KCDC has needs, KCDC may request proposals from the qualified pool without further formal solicitations. Such opportunities will typically have a very quick turnaround requirement.
- e. KCDC has been allocated 9% Low Income Housing Tax Credits (LIHTC) for the third phase of its Five Points redevelopment project through the Tennessee Housing Development Agency (THDA). KCDC desires to find a CITC Lender to do a construction to permanent loan. See <https://thda.org/business-partners/community-investment-tax-credit> for more details. KCDC intends to pair our LIHTC credits with a CITC loan.
- f. KCDC's 2017 Final Audit is available at www.kdc.org/https://www.kcdc.org/about/financials/.

2. **CONTACT POLICY**

The proposer may not contact anyone about this solicitation, other than the KCDC's Procurement Division from the issuance of this RFP until award. Additionally, such contact can disqualify the proposer from participation in the solicitation process.

3. **EVALUATION**

All responses are subject to a determination of “responsive” and “responsible” prior to award. KCDC is the sole judge as to proposer “responsiveness” and “responsibility.” KCDC reserves the right to request additional information to assist in the evaluation process. This includes references and business capacity information.

- a. KCDC will review all proposals and reserves the right to request necessary modifications, waive minor technicalities, reject all proposals, reject any proposal that does not meet mandatory requirement; reject incomplete proposals, proposals offering alternate or non-requested services or cancel this RFP, according to KCDC’s best interests.
- b. KCDC’s Evaluation Team may elect to interview one or more proposers before making an award.
- c. Proposers shall submit a letter of intent addressing the following factors, which also serve as the basis for the evaluation of this proposal:
 - General:
 - State if this response is intended to respond to the RFQ for the Five Points 3 project and to be added to the pool of pre-qualified lenders, or if you are only responding to this RFQ because you would like to be considered to be added to the pool of pre-qualified lenders.
 - CITC Minimum Standards for the 5 Points Project:
 - Anticipated sizing (subject to adjustment based on equity proposal): \$12 million construction/\$2.6 million permanent. The current operating proforma shows 1.2 DSCR throughout the loan term.
 - Interest only construction period to permanent loan with a minimum total term of 18 years.
 - Post construction amortization minimum of 35 years.
 - Interest at Prime-4% (floor of zero) with rate caps for construction and permanent terms (please describe cap levels).
 - Willingness to subordinate loan to HUD’s RAD Use Agreement (which restricts the property to affordable use).
 - Please Include Description of Following:
 - A description of any loan fees and due diligence fees (and any associated fee caps to those fees).
 - A description of any prepayment penalties.
 - A description of any KCDC guaranties.
 - Experience with CITC lending, including any experience with combining tax credits and CITC.

4. **GENERAL INSTRUCTIONS**

KCDC does not insert “General Instructions to Suppliers” in the solicitation document. These instructions are at www.kcdc.org. Click on “Procurement” and follow the link. By submitting a response to this solicitation, the proposer accepts the responsibility for downloading, reading and abiding by the terms and conditions set forth in KCDC’s “General Instructions to Suppliers.” Not every item listed in the General Instructions will apply to this solicitation.

5. **INSURANCE**

The proposer agrees to maintain at its sole expense during the term of this agreement insurance coverages and limits in accordance with the proposer’s standard business practices and acceptable to KCDC. Proposer shall provide KCDC with Certificates of Insurance evidencing such insurance prior to contract execution.

6. **LICENSES**

The proposers shall maintain all licenses necessary to conduct business in the State of Tennessee.

7. **QUESTIONS**

Direct questions pertaining to this document to purchasinginfo@KCDC.org with “CITC” in the subject line, at least five days prior to the due date.

8. **RESERVATION OF RIGHTS**

- a. KCDC reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience, upon 10 days’ written notice to the successful proposer.
- b. KCDC reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of KCDC’s Procurement Director.
- c. KCDC reserves the right to negotiate the fees proposed by the firm if it so desires.
- d. KCDC has no obligation to compensate proposers for costs incurred in responding to this RFP.

9. **SUBMITTALS**

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documents provided by companies will become KCDC’s property of when received.

All documents submitted are subject to Tennessee’s broad public records laws. Upon award, KCDC must make all documents available to Tennessee residents upon request.

10. **SUBMITTAL STRUCTURE INSTRUCTIONS**

- a. Order your proposal in this sequence:
- Introductory cover letter
 - Response to the evaluation criteria listed above
 - Solicitation Document A General Information
 - Solicitation Document B Affidavits
- b. Submit one original (with all pages marked “original”), three printed copies and one electronic copy (email or flash drive) of your submittal).

General Information about the Proposer

Sign Your Name to the Right of the Arrow 

Your signature indicates that you have read and agree to "KCDC's General Instructions to Suppliers" on www.kcdc.org.

Printed Name and Title 

Company Name 

Street Address 

City/State/Zip 

Contact Person (Please Print Clearly) 

Telephone Number 

Cell Number 

Proposer's e-mail address (Please Print Clearly) 

Addenda

Addenda are at www.kcdc.org. Click on "Procurement" and then on "Open Solicitations" to find addenda. Please check for addenda prior to submitting a proposer.

Acknowledge addenda have been issued by checking below as appropriate:

None Addendum 1 Addendum 2 Addendum 3 Addendum 4 Addendum 5

Statistical Information

This business is owned & operated by persons at least 51% of the following ethnic background:

Asian/Pacific Black Hasidic Jew Hispanic Native Americans White

As defined on KCDC's webpage (see the "General Instructions to Suppliers"), this business qualifies as:

Section 3 Small Business Woman Owned

Proposer: _____

Conflict of Interest:

1. No commissioner or officer of KCDC or other person whose duty it is to vote for, let out, overlook or in any manner superintend any of the work for KCDC has a direct interest in the award or the proposer providing goods or services.
2. No employee, officer or agent of the grantee or sub-grantee will participate in selection, or in the award or administration of an award supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, his or her partner, or an organization, which employs, or is about to employ, any of the above, has a financial or other interest in the proposer selected for award.
3. The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from proposers, potential proposers, or parties to sub-agreements.
4. By submission of this form, the proposer is certifying that no conflicts of interest exist.

Eligibility:

5. The proposer is eligible for employment on public contracts because no convictions or guilty pleas or pleas of nolo contendere to violations of the Sherman Anti-Trust Act, mail fraud or state criminal violations with an award from the State of Tennessee or any political subdivision thereof have occurred.

General:

6. Proposer fully understands the preparation and contents of the attached offer and of all pertinent circumstances respecting such offer.
7. Such offer is genuine and is not a sham offer.

Iran Divestment Act:

8. Concerning the Iran Divestment Act (TCA 12-12-101 et seq.), by submission of this bid/quote/quote, each proposer and each person signing on behalf of any proposer certifies, and in the case of a joint bid/quote/quote, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each proposer is not on the list created pursuant to § 12-12-106.

Non-Collusion:

9. Neither the said proposer nor any of its officers, partners, owners, agents, representatives, employees or parties interest, including this affiant, has in any way colluded conspired, connived or agreed, directly or indirectly, with any other responder, proposer, or person to submit a collusive or sham offer in connection with the award or agreement for which the attached offer has been submitted or to refrain from making an offer in connection with such award or agreement, or collusion or communication or conference with any other proposer, or, to fix any overhead, profit, or cost element of the offer price or the offer price of any other proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against KCDC or any person interested in the proposed award or agreement.

10. The price or prices quoted in the attached offer are fair, proper and not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

The undersigned hereby acknowledges receipt of this Solicitation Document B and certifies that the submittal in response to this solicitation is in full compliance with the listed requirements.

Signed by _____	
Printed Name _____	
Title _____	
Subscribed and sworn to before me this date	
By (Notary Public) _____	
My Commission Expires on _____	
Notary Stamp	

CITC Debt Services C18005

Appendix A Pro-Forma Attachment

Five Points Phase 3

THDA Tax Credit Line Item	LIHTC Application	Basis
Site Work	1,700,000	1,700,000
Off Site Work	0	0
Building Demolition	0	0
Interior Demolition	0	0
New Building Hard Cost	8,067,900	8,067,900
Rehabilitation Hard Cost	0	0
Accessory Building (Appliances)	80,000	80,000
General Requirements	365,907	365,907
Building Permits	31,000	31,000
Bonding	80,000	80,000
Contractor Insurance	75,000	75,000
Tap Fees	0	0
Contractor's Overhead	138,277	138,277
Contractor's Profit	322,646	322,646
Total Construction Contract Cost	10,860,730	10,860,730
Construction Contingency	543,037	543,037
Total Construction Cost	11,403,767	11,403,767
Architect & Engineering Fee Design	511,410	511,410
Architect Fee-Supervision	178,090	178,090
Soils Boring	8,000	8,000
Survey	8,350	8,350
Engineering	120,000	120,000
Total For All Improvements	12,229,617	12,229,617
Soft Costs and Fees	762,980	246,451
Developer Fee	1,871,410	1,871,410
Total Estimated Development Costs	14,864,007	14,347,478

SOURCES

Perm Loan	\$ 2,600,000
Gap coverage	TBD
Equity	TBD
	<hr/> \$ 14,864,007

Construction Sources:

Construction Loan	\$ 12,000,000
Gap coverage	TBD
Equity	TBD
	<hr/> \$ 14,864,007



FIVE POINTS - MASTER PLAN