Vermont Housing Finance Agency Request for Proposals

BOND COUNSEL ON SINGLE FAMILY, MULTIFAMILY, NONPROFIT FACILITY PROGRAMS SPECIAL COUNSEL ON SINGLE FAMILY PROGRAMS LOW-INCOME HOUSING TAX CREDIT COUNSEL

Section 1 – Guidelines for Request for Proposals

1.1 Introduction

The Vermont Housing Finance Agency (VHFA) was created as a body politic and corporate of the State of Vermont by an act of the General Assembly in 1974. VHFA is self-supporting and receives no funding from the State other than intermittent program specific appropriations which are not available for general operations.

VHFA is requesting proposals from qualified municipal housing bond counsel to serve as Bond Counsel and Special Counsel in connection with the issuance or placement of various single family and multifamily bonds and notes, both taxable and tax-exempt, single family mortgage loan financing, mortgage credit certificates, low income housing tax credits, and such other matters as may arise from time to time.

VHFA may at its option, issue or place bonds or notes under its existing bond indentures or programs or under new programs or indentures. VHFA also acts as a conduit issuer from time to time.

The intent of this selection process is to select a single firm to provide the services described in Section 2 below.

VHFA works with Piper Sandler as its financial advisor, and BNY Mellon and Wilmington Trust as bond trustees. VHFA bonds are currently underwritten by Raymond James, Morgan Stanley, and JP Morgan. These various relationships are subject to change.

For more information about VHFA, please visit our website (<u>www.vhfa.org</u>) for a link to our latest official statements and a link to our audit for fiscal year ended June 30, 2024.

1.2 Eligible Counsel

Only those Offerors who meet the following minimum criteria are eligible to submit a proposal pursuant to this RFP:

- 1. Offeror must be a law firm with a national reputation, experienced in municipal bond finance transactions with both taxable and tax-exempt single family and multifamily housing bonds and governmental bonds.
- 2. Offeror must have a working knowledge of VHFA's single family and multifamily bond programs and be able to provide sophisticated legal advice on federal tax matters, including without limitation, arbitrage.



- 3. Offeror must have experience in a range of tax-exempt and taxable debt financings, including without limitation, bond issues for bank financings, private placements, credit-enhanced financings, financings incorporating derivative structures and other forms of debt financing.
- 4. Offeror must be experienced in other aspects of affordable housing financing, including without limitation federal low income housing tax credits, new markets tax credits, third-party insurance such as FHA Risk-Share, mortgage-backed securities or other related components.

1.3 **RFP Schedule**

VHFA has established the following schedule for selection of Counsel:

<u>Event</u> <u>Date</u>

RFP issuance date August 1, 2025

Written questions due from potential offerors August 22, 2025 5:00 pm

(eastern)

VHFA responses to questions August 29, 2025

Proposals due September 19, 2025 5:00 pm

(eastern)

Completion of evaluations October 3, 2025

Confirmed selection by VHFA Board October 15, 2025

The above schedule is subject to change upon written notice from VHFA to all firms to which VHFA has provided these materials.

1.4 Questions or Requests for Additional Information

VHFA will accept questions and inquiries from all potential offerors. All inquiries must be submitted by email to the address below, citing the particular proposal section. All questions and requests for additional information must be submitted to VHFA on or before the date and time set forth above.

Email: LegalRFP@vhfa.org (Subject: Bond Counsel RFP)

VHFA reserves the right to decline to respond to any question or inquiry that will cause an undue burden or expense for VHFA. Questions submitted after the deadline will not receive a response. VHFA will post all questions or inquiries with answers on its Web site at: https://vhfa.org/partners/legal/RFP/questions-answers by August 29, 2025



1.5 **Submission of Proposals**

To be considered, written proposals responding to the questions and requests for information in the manner specified in this Request for Proposal ("RFP"), should be delivered electronically to VHFA at <u>LegalRFP@vhfa.org</u> no later than September 19, 2025, 5:00 pm (eastern).

Proposals received after the specified date and time will not be eligible for consideration. Any offeror wishing to confirm receipt of its proposal may contact LegalRFP@vhfa.org

1.6 Right to Request Additional Information

VHFA reserves the right to request any additional information to assist in the review process, including requiring oral presentations of proposals to VHFA staff members, VHFA's selection committee, and/or the VHFA Board of Commissioners.

1.7 Right to Reject Proposals and Cancel RFP

VHFA reserves the right to reject any and all proposals at any time. VHFA reserves the right to cancel, withdraw, modify or reissue this RFP at any time for any reason.

1.8 Award

VHFA will engage with the firm that gives it the most effective combination of qualifications, services to be provided, understanding of the legal services needed, demonstration of the ability to identify and analyze key issues, experience with similar issuers, assurances and availability of key personnel, and costs. VHFA shall provide written notice of the award to all Offerors within ten (10) days of the date of the award by the Agency's Board. The award shall be contingent upon successful negotiations of any final terms between VHFA and the Offeror whose proposal is accepted by VHFA. VHFA will post on its website the firm selected after formal approval by the VHFA Board on October 15, 2025.

1.9 <u>Incurred Expenses</u>

VHFA shall not be responsible for any expenses incurred by an Offeror in responding to this RFP. All costs incurred by Offerors in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Offerors.

1.10 Proposal Confidentiality

Offerors or their representatives shall not communicate with VHFA's Board of Directors or staff members regarding any proposal under consideration or that will be submitted for consideration, except in response to an inquiry initiated by the Internal Review Committee, or a request from the Board of Directors for a presentation and interview. A proposal will be deemed ineligible if the Offeror or any person or entity acting on behalf of Offeror attempts to influence members of the Board of Directors or staff during any portion of the RFP review process, including any period immediately following release of the RFP.

Until the award is made and notice given to all Offerors, VHFA will not disclose the contents of any proposal or discuss the contents of any proposal with an Offeror or potential Offeror.

Section 2 – Scope of Services



VHFA is seeking qualified counsel to work with our general counsel, chief financial officer, financial advisor and others in connection with bond issuances and other matters relating to financing for affordable single family and multifamily housing including, but are not limited to, the following:

General

Advise VHFA regarding:

- 1. Federal tax law, regulations and procedures as related to taxable and tax-exempt housing bonds and governmental bonds;
- 2. Bond financing structures;
- 3. Federal Low Income Housing Tax Credit issues as they arise;
- 4. Mortgage Credit Certificate programs;
- 5. Securitization and sale of mortgages in the TBA market;
- 6. Transactions involving New Markets Tax Credits;
- 7. Such other legal matters as requested by VHFA.

Bond Counsel on Single-family, Multifamily, Governmental and Nonprofit Facility Programs

- 1. Advise VHFA concerning federal legal requirements applicable to the issuance and sale of bonds;
- 2. Prepare the necessary proceedings, notices and other documents for the issuance and sale of bonds as requested;
- 3. Advise VHFA concerning the requirements of federal securities laws relating to the necessary disclosure of factual and legal information with respect to such sales;
- 4. Prepare all necessary bond closing documents including related indentures, indenture supplements and IRS forms;
- 5. Consult with underwriters and financial advisors in the preparation of official statements in connection with the sale of bonds;
- 6. Assemble transcripts concerning all proceedings and actions taken in connection with the issuance and sale of bonds;
- 7. Provide the bond purchasers with legal opinions concerning the nature of the bonds;
- 8. Advise on current regulations and legal tax code requirements;
- 9. Advise on legislation, federal rule-making, and federal policies that may affect VHFA policies, programs, or processes regarding bond issuance and post-bond issuance;
- 11. Provide support and advice on cost efficiencies that may be achieved by less complex institutionally placed bond issues;
- 12. Maintain expert knowledge on nonprofit housing bond issues in regard to 501(c)(3) bond financings for mobile home parks and senior living facilities;



13. Provide other legal services as requested by VHFA.

Low-income Housing Tax Credits

- 1. Advise VHFA concerning the legal and tax code requirements for the allocation of low- income housing tax credits including advising on policy and other programmatic recommendations as needed;
- 2. Advise VHFA concerning the legal and tax code requirements for VHFA's compliance program for the recipients of tax credits;
- 3. Advise on IRS code rulings that may affect Compliance policies, programs, or processes including research and advise on technical compliance issues;
- 4. Provide such other legal services as requested by VHFA.

In addition to providing the above-described services and expertise, the selected firm must offer (i) the ability to anticipate regulatory and policy issues facing single-family and multi-family mortgage revenue bond programs, mortgage credit certificate programs, low income housing tax credits, and new markets tax credits, (ii) the ability to provide ongoing program compliance guidance, (iii) the capacity to respond expeditiously to VHFA's legal and compliance inquiries, and (iv) expertise and capacity sufficient to represent VHFA in the context of inquiries, audits, and investigations by the Internal Revenue Service or Securities and Exchange Commission.



Section 3 - Evaluation Information

3.1 Evaluation Criteria

VHFA shall choose the Offeror whose proposal is most advantageous to VHFA. Proposals shall be evaluated primarily on experience and fees.

- Professional capacity to undertake the Scope of Services
- Proposed fee structure
- Ability to perform within time and budget constraints
- Previous work experience and performance with VHFA and/or similar organizations
- Legal team qualifications and availability of key members
- Conflicts or potential conflicts
- Recommendations by references
- Commitment to equity in the deployment of affordable housing resources
- Other pertinent information submitted

3.2 Evaluation of Proposals, Selection and Negotiation

Proposals will be evaluated by an Internal Review Committee of VHFA staff using the criteria listed in Section 3.1 above.

VHFA may provide Offerors whose proposals are reasonably likely, in VHFA's discretion, to be selected, an opportunity to discuss and revise their proposals prior to award, for the purpose of obtaining final and best offers. VHFA may invite one or more finalists to make presentations.

VHFA Management and Board shall select the Offeror(s) whose proposal(s) is/are deemed to be most advantageous to VHFA and its mission. If a final engagement cannot be negotiated, then VHFA will enter into negotiations with the other Offeror(s). The final engagement will then be recommended to the VHFA Board, with final approval to be determined by the Board.



Section 4 - Proposal Format and Instructions to Offeror

Proposals submitted to VHFA must, at a minimum, contain the following information.

4.1 Offeror Qualifications

The Offeror must clearly and concisely demonstrate its capability to perform all work included under the Scope of Services heading above. Please keep this portion of your response to 10 pages or less.

4.2 Offeror References

Please provide at least 3 references from other clients (preferably housing finance agency clients) that the Agency may contact to discuss Offeror's qualifications, capabilities and performance performing similar work to that outlined in the Scope of Services.

4.3 <u>Fee Proposal</u>

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 fees. Although proposed fees will be taken into account, VHFA reserves the right to negotiate a lower or different fee structure with any firm selected or decline to engage a firm if no agreement with respect to fees can be reached.

- i. Please provide an estimate of the firm's fees and expenses under an hourly rate structure and a "per transaction" structure for each of the following types of transactions, both taxable and tax exempt: a \$30,000,000 single family new money issue, a \$60,000,000 single family new money issue, a \$5,000,000 note issue under an existing construction line of credit, a \$10,000,000 multifamily conduit issue, a \$25,000,000 multi-family new money issue and a \$60,000,000 combined single family and multi-family new money issue.
- ii. Provide an itemized breakdown of billing rates and hourly costs, list of key personnel and their hourly rates, reimbursable expenses, etc. for any services that may be billed on an hourly, as opposed to "per transaction" basis.
- iii. Where appropriate, please provide an alternative fee structure or proposal such as a fixed or flat fee pricing. Please be as specific as possible. VHFA is open to alternative and creative cost models and schedules.
- iv. 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 VHFA.

4.4 Submitting the Proposal

By submitting a proposal, the offeror agrees to the following:

- All materials submitted become the property of VHFA and shall be public information unless a statutory
 exception exists which would thereby determine that such information cannot be released to the public.
 If you have information in your proposal that you believe is an exemption to the Vermont Public
 Records Laws, you must identify each and every occurrence of the information in the proposal on a
 separate page titled "Exemptions to the Public Records Law".
- Proposals received after the deadline will not be reviewed. It is the sole responsibility of the offeror to
 ensure its proposal is complete, accurate, responsive to the requirements, and received on time.
 Proposals not complying with the requirements of the RFP may not be further evaluated or considered.

