Request for Proposals
Recycled Bonds for Affordable Housing
Washington State Housing Finance Commission
Submission Deadline: 12:00pm, Monday, August 28, 2023

The Multifamily Housing and Community Facilities Division, on behalf of the Washington State Housing Finance Commission (the “Commission”), is issuing a Request for Proposals from qualified affordable housing developers to use recycled bond cap issued by the Commission.

Recycled Bonds
Recycled bonds are generated upon repayment of construction period financing (resulting in redemption of bonds) from bond-financed projects. The new Recycled Cap bond issue must close within six months of the date of the repayment of the original bond issue. Recycled cap bonds are tax-exempt and may provide the property with an exemption from state property taxes. Recycled Bonds do not bring low-income housing tax credits (LIHTC).

Parameters
We are requesting proposals that can use financing for eligible new construction and/or acquisition/rehabilitation projects located in Washington State that will provide affordable multifamily rental housing. Proposals will be accepted from for-profit, nonprofit, or public agency sponsors.

The Commission has a series of Recycled Cap expirations beginning in late October going to late December, currently totaling over $65 million. A successful proposal will demonstrate an ability to close on a timeline which can use one or more of the Recycled Cap installments available. The final closing deadline for the project’s financing must be no later than December 27, 2023.

To meet federal and state requirements either: A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income (AMI) as determined by HUD with adjustments for household size, or B) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size.
How to submit a proposal:
Please complete Exhibit A (attached). Please write a brief description, no more than one page, of the proposed project’s financial structure. Attach this description, along with a completed Exhibit A, to an email, and address the email to: Jason Hennigan Jason.Hennigan@wshfc.org with a cc to Dan Schilling Dan.Schilling@wshfc.org, Claire Petersky Claire.Petersky@wshfc.org and Lisa Vatske Lisa.Vatske@wshfc.org. Proposals must be received by 12:00 PM Pacific Time on Monday, August 28, 2023. The Commission is not requiring a full application until selection.

Evaluation Process
The Selection Committee, appointed by the MHCF Division Director, will review all proposals. After reviewing the proposals, members of the Committee and/or the MHCF Director may conduct oral interviews with some or all the respondents, or request further written information. The Committee will make recommendations to the MHCF Division Director, who will make the final selection(s).

The Committee will evaluate proposals primarily based on:

- Ability to use the Recycled Bonds before expiration
- Financial feasibility
- Demonstrated ability to bring projects from application to closing in a timely manner

The Committee will secondarily employ its Bond Policy Values and Outcomes, as outlined in its 2023 Bond / Tax Credit Program Policies, section 1.2 in evaluating proposals. This policy document is available on the Commission’s website at https://wshfc.org/mhcf/4percent/2023BondPolicies.pdf

The Commission reserves the right to seek clarification of each proposal and the right to negotiate a transaction in its best interest, and in the best interests of the people of Washington State.

Award Notice
After completing the evaluation of all proposals, the Selection Committee will tentatively select recycled cap award recipients. After successful negotiations with the developer of the winning proposals, the Commission will then notify all other developers who submitted proposals. The tentative date of award is September 6, 2023. The Commission reserves the right to accept a proposal or proposals in whole or in part. The Commission reserves the right to reject any and all proposals as a result of this RFP without liability, and, if doing so would be in the public interest, to cancel this solicitation.