

**DEPARTMENTAL INPUT**  
**CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

Rev 1

<input checked="" type="checkbox"/> <b>New contract</b>	<input type="checkbox"/> <b>OTR</b>	<input type="checkbox"/> <b>CO</b>	<input type="checkbox"/> <b>SS</b>	<input type="checkbox"/> <b>BW</b>	<input type="checkbox"/> <b>Emergency</b>	Previous Contract/Project No. RFP-00989
<input checked="" type="checkbox"/> <b>Re-Bid</b>	<input type="checkbox"/> <b>Other</b>	LIVING WAGE APPLIES: __ YES <input checked="" type="checkbox"/> NO				

Requisition/Project No: RFP-01235

TERM OF CONTRACT: 3 YEAR(S) WITH Two (2), one YEAR(S) OTR

Requisition/Project Title: Revolving Loan Fund Administrator

Description: It is the intention of this solicitation to obtain proposals to establish a Loan Fund Administrator to be responsible for the funds currently in the Revolving Loan Fund, as well as future funds that the BCC allocates.

User Department(s): Public Housing and Community Development (PHCD)

Issuing Department: ISD Procurement      Contact Person: Manny Jimenez      Phone: 305-375-4425

Estimated Cost: \$300,000,000 Plus Funding Source: General Funds      REVENUE GENERATING: Yes

**ANALYSIS**

Commodity/Service No: 946-60; 946-64 SIC:			
<b>Trade/Commodity/Service Opportunities</b>			
Contract/Project History of Previous Purchases For Previous Three (3) Years Check Here <input checked="" type="checkbox"/> if this is a New Contract/Purchase with no Previous History			
<b>EXISTING                      2<sup>ND</sup> YEAR                      3<sup>RD</sup> YEAR</b>			
Contractor:	N/A		
Small Business Enterprise:			
Contract Value:			
Comments:			
Continued on another page (s): ____ Yes <input checked="" type="checkbox"/> No			

**RECOMMENDATIONS**

SBE	Set-Aside	Sub-Contractor Goal	Bid Preference	Selection Factor
		%		
		%		
		%		
		%		

Basis of Recommendation:

Signed: Manny Jimenez

Date to SBD: 03-25-2018

Date Returned to PM: \_\_\_\_\_

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**Miami-Dade County, Florida**

**RFP No. 01235**

**SCOPE OF SERVICES**

**2.1 Introduction/Background**

Miami-Dade County (the "County"), as represented by the Internal Services Department, Strategic Procurement Division on behalf of the Miami-Dade County Affordable Housing Trust Fund Board (the "AHTFB"), is soliciting proposals for a Loan Fund Administrator to operate and manage its Revolving Loan Fund, and any other future funds that the Board of County Commissioners (the "BCC" or "Board") may authorize in order to complete the financing needed for desirable affordable housing projects in the County. The selected Proposer shall design and develop a Revolving Loan Fund business plan with input from the County, including the AHTFB.

The BCC created the AHTF via Ordinance No. 07-15 (codified in Sections 17-129 through 17-137 of the Code), to serve as a permanent renewable source of revenue to assist with the housing needs for Miami-Dade County residents who meet the target income of up to 140% of Area Median Income ("AMI") and possess at least one of the following:

- (a) pay more than 30% of their gross income for housing costs;
- (b) live in overcrowded conditions; or
- (c) live in substandard housing units.

In November 2016, the BCC, via Ordinance No. 16-127 (codified in Section 17-132.1 of the Code), established a revolving loan fund from general fund revenues defined as, fifty percent of actual carryover funds in excess of the adopted budget, up to \$10,000,000, to be placed into the AHTF, subject to appropriation each year (the "Revolving Loan Fund"), and to be used for a Revolving Loan Fund in order to make short term loans to developers for the construction, rehabilitation, or acquisition of land or housing (single-family or multi-family housing) for sale or rental to homebuyers or renters whose household annual income does not exceed 140% of the AMI adjusted for family size. Section 17-132(2) of the Code established the AHTF "shall be administered by a board of trustees, which shall have the authority to govern the Trust Fund consistent with this article and to prescribe procedures for said purpose, subject to necessary approvals by the Board".

It is the County's intent, through this Solicitation, to obtain proposals and procure, select and contract with a Loan Fund Administrator to: (i) assist the AHTFB to create the Revolving Loan Fund operating guidelines, subject to BCC approval (the "Revolving Loan Fund Guidelines"); (ii) manage the Revolving Loan Fund, as well as such other future funds that the BCC allocates in accordance with Section 17-132.1 of the Code; and (iii) report to the AHTFB and BCC on the status of the Revolving Loan Fund and outstanding loans.

Subject to approval by the BCC, the County anticipates awarding a contract for a three (3) year period, with two (2) one-year options to renew, at the County's sole discretion.

**2.2 Preferred Qualifications**

The preferred qualifications for this Solicitation are:

- a) Proposer should have a minimum five (5) years of experience managing a loan fund or financing facility that is of similar size and type to the loan fund as listed in this Solicitation and that includes loans or equity investments.

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- b) Proposer should have experience structuring mixed financing, which include significant affordable housing components and involve multiple investors or funders to include, but which are not limited to, public agencies, foundations, and commercial sector investors.
- c) Documentation of proven financial capacity of sufficient strength to provide management of the Revolving Loan Fund for the term of the contract, to be demonstrated by audited financial statements and balance sheets for a minimum of three years.
- d) Proposer should provide funds to leverage the County's funds in the Revolving Loan Fund.

**2.3 Required Services**

The selected Proposer shall:

1. Design and develop a Revolving Loan Fund business plan and documents required for fundraising, including a prospectus or private placement memorandum, that outlines the following:
  - a) A proposed investment strategy for the Revolving Loan Fund, including the identification of sources of investments to be secured to serve as the core component of the Revolving Loan Fund.
  - b) Types of capital to be raised.
  - c) Proposed credit underwriting guidelines.
  - d) Types of projects to be financed.
  - e) Financing Term Sheets (Debt and Equity).
  - f) Potential range of financing structures to be utilized by the Revolving Loan Fund.
  - g) Plan to address non-performing loans and investments.
  - h) Marketing and Outreach Plan to engage with local developers.
  - i) Plan to work with other lenders to structure appropriate and adequate financing.
  - j) Practices that will ensure transparency in Revolving Loan Fund policy and public review of Revolving Loan Fund performance.
  - k) Investment in communities where some conditions discourage development.
  - l) Plans for the Revolving Loan Fund to be financially viable and provide a return to the investors.
  - m) Compliance with Chapter 280, Florida Statutes regarding the deposit and control of the County funds, including but not limited to, depositing and maintaining all county trust funds with a "qualified public depository", as the term is defined.
2. Develop a detailed organizational structure and set of Revolving Loan Fund Guidelines, that will enable the Revolving Loan Fund to invest capital in keeping with the mission of the AHTF for the Revolving Loan Fund. These guidelines are subject to approval by the BCC.
3. Provide detailed operating and investment guidelines that are consistent with the structural principles of the Revolving Loan Fund and necessary for the Revolving Loan Fund's effective performance. These guidelines are subject to approval by the BCC.
4. Raise capital and invest at risk along with the AHTF in the Revolving Loan Fund.
5. Develop a detailed capital raising plan and strategy, with specific timelines of capital raised, and produce, at least quarterly, reports highlighting the performance of the Revolving Loan Fund.
6. Co-Invest Risk Capital at its own risk into the Revolving Loan Fund, to fund development projects in accordance with the approved Revolving Loan Fund Guidelines.

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7. Design and manage fund operations to achieve projected outcomes with input from the AHTFB, investors, developers, and Public Housing and Community Development Department ("PHCD") to assist with the development and implementation of the Revolving Loan Fund's structure and operating procedures.
8. The selected Proposer shall design and manage a system by which proposals for investments or loans from the Revolving Loan Fund will conform to a standard project plan so that the proposals may readily be evaluated in terms of their community impact and financial soundness to include at a minimum, the following:
  - a. Precise terms defining risk, return on investment and other issues for the capital of different classes of investors in the Revolving Loan Fund's structured fund.
  - b. Term sheets for different types of financial products available through the Revolving Loan Fund.
  - c. A structure of revenues from fees, interest, and earnings from investments that will ensure that Revolving Loan Fund operations can become self-supporting and sustainable over time.
9. Create a process that accomplishes the multi-faceted goals of raising capital and deploying capital in a way that is responsive to the local development community, investors, County residents, and the AHTFB.
10. The selected Proposer shall provide gap financing capital injections via the Revolving Loan Fund to complete the financing needed for desirable affordable housing developments in the County. Sources of financing that may be paired with gap financing include, but may not be limited to:
  - a. Low income housing, new markets, tax credits and other types of equity.
  - b. Direct loans from financial lenders.
  - c. Tax Increment Financing provided by any community redevelopment agency within which the proposed project may lie or any other funding provided via municipal bonds.
11. The selected Proposer shall assume management responsibilities for the Revolving Loan Fund which include, but are not limited to the following:
  - a. Provide reporting in accordance with Section 2.6 (Reports) below.
  - b. Analyze the Revolving Loan Fund portfolio and recommend strategic and policy actions to improve fund performance.
  - c. Hire and supervise any workers or Subcontractors engaged in the Revolving Loan Fund. All Subcontractors must be approved by AHTFB before any potential engagement.
  - d. Conduct strategic planning to continuously improve the performance and sustainability of the Revolving Loan Fund.
  - e. Provide for transparency in the Revolving Loan Fund's operations and for regular public review and input in regards to the Revolving Loan Fund policies.
  - f. Invest the Revolving Loan Fund's capital flexibly and prudently to fulfill the AHTF's mission, particularly in regard to projects that are complex.
  - g. Review and evaluate projects for gap financing with use of Revolving Loan Funds.
  - h. Attend additional meetings as the Revolving Loan Fund program progresses into the implementation phase. Any additional requests for on-site meetings and presentations from the County during the implementation phase shall be considered implementation and support services.

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- i. Provide on-going support throughout the life of the program, including customer support and technical assistance to County staff, AHTFB, and applicants, as needed.
- j. Utilize loan documents that have been (i) prepared and approved by the PCHD, and the County Attorney's Office ("CAO"), or (ii) reviewed and approved by the CAO where the loan documents have been prepared by the selected Proposer.
- k. Develop and manage the process to keep all funds invested into the Revolving Loan Fund by the selected Proposer and any other sources separate from any funds contributed by the County which shall include holding County invested funds in a separate account from all other invested funds. This process shall also include the timeline to return County funds and the assignment of loans back to the County upon expiration of the contract term.
- l. Conduct contract closeouts to ensure all requirements of the loan have been met and completed in accordance with AHTFB guidelines.

**2.4 Investment Consortium**

The selected Proposer may be requested to establish an investment consortium to invest capital in an account separate from the Revolving Loan Fund:

- a. The consortium may serve a critical role of leveraging investments to the Revolving Loan Fund, and additional funds invested outside of the Revolving Loan Fund may be used to make investments that fall outside of the specific guidelines of the Revolving Loan Fund, however, such additional funds and investments must be used to develop affordable housing.
- b. The consortium may be comprised of private investors, foundations, and institutions that wish to allocate capital into and along with the Revolving Loan Fund. The guidelines on such process will be established by the selected Proposer and the AHTFB and are subject to be approved by the BCC.

**2.5 Additional Services**

AHTFB may utilize the selected Proposer to perform additional services for the administration of the Revolving Loan Fund which are not mentioned in this Solicitation or subsequent contract. In the event the AHTFB wishes to include additional services as it is related to the administration of the Revolving Loan Fund, the County will execute a supplemental contract with the selected Proposer.

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**2.6 Reports**

The selected Proposer shall provide:

1. monthly reports to the AHTFB, no later than the 10th day of each month, containing, at a minimum, information on the Revolving Loan Fund's balance and the number of applicants for funds; on loan applications, outstanding program-related loans and investment portfolios in a form and detail approved by AHTFB, including, without limitation, aggregate data on loans, total value of loans, interest rates, loan denials, loan terms, loan default rates and amounts; and
2. semi-annual reports to the AHTFB and BCC, on the status of the Revolving Loan Fund and each of the outstanding loans.

The selected Proposer will be required to attend BCC meetings to present such reports, as applicable.