



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2008-7-15 (1)

DATE: July 10, 2008  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Tax Credit Investor Selection for Salishan Six

### **Background**

On May 19, 2008, THA issued a Request for Proposals for a Tax Credit Investor Partner for the financing of Salishan Six. THA mailed thirty (30) RFP packages to prospective Tax Credit Investors and Syndicators. The Authority received four (4) proposals; all were responsive.

A committee consisting of THA staff (Duane Strom, Janet Rice and Roberta Schur) reviewed the proposals over several meetings. THA's HOPE VI Financial Advisor (CSG Advisors, Inc.) advised the committee. The committee evaluated the written proposals based upon the evaluation criteria in the RFP. Subsequently, the committee invited Best and Final Offers from the three firms scoring a minimum of 75 cumulative points. The committee determined that the offer from Apollo Equity Partners is the most advantageous to the project and to THA.

Evaluation factors were as follows:

<b>Criteria</b>	<b>Points</b>
1. Financial terms and structure, including proposed equity pay-in amount and timing;	45
2. Terms of guarantees, if any, required of any entity, and amount and terms of operating or other reserves required;	20
3. Qualifications, experience, and capacity of the Respondent, its assigned personnel, and third party professionals, with special emphasis on experience involving public housing authorities and HUD Mixed-Finance closings;	20
4. Reasonableness of due diligence requirements and conditions to closing, with close attention paid to past experience of the Respondent and its team members in closing in a timely and effective manner.	15
Total	100

The results of the evaluations were as follows:

<b>Offerors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Total</b>
<b>Maximum Points</b>	<b>45</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>100</b>
Alliant	35	12.33	16.67	11	<b>75</b>
Apollo Equity Partners	38.33	16	18.33	12.33	<b>84.99</b>
MMA	18.33	12.67	16	11	<b>58</b>
PNC	23.33	6.67	11.67	9.33	<b>51</b>

The proposal from Apollo offers a purchase price of \$ .88 per \$1 of tax credits, for a total equity contribution to Salishan Six LLC of \$12,508,011.

**Recommendation**

Approve resolution 2008-07X(1) authorizing the Executive Director to (a) negotiate and execute the commitment letter from Apollo for the purchase of the low-income housing tax credits to be allocated to Salishan Six, and (b) negotiate the Amended and Restated Operating Agreement between THA as Managing Member and Apollo as Investor Member. The Amended and Restated Operating Agreement will be presented to the Board for its consideration and approval prior to execution.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2008-07-15(1)

### TAX CREDIT INVESTOR SELECTION FOR SALISHAN SIX

**Whereas**, The Housing Authority of the City of Tacoma (THA) issued an RFP on May 19, 2008 soliciting offers for the purchase of the Low Income Housing Tax Credits to be allocated to Salishan Six;

**Whereas**, Thirty (30) RFP packages were mailed out to prospective investors and syndicators;

**Whereas**, Four proposals deemed responsive were evaluated by a review selection committee;

**Whereas**, Each firm was rated against the following evaluation criteria:

1. Financial terms and structure, including proposed equity pay-in amount and timing (45 points);
2. Terms of guarantees, if any, required of any entity, and amount and terms of operating or other reserves required (20 points);
3. Qualifications, experience, and capacity of the Respondent, its assigned personnel, and third party professionals, with special emphasis on experience involving public housing authorities and HUD Mixed-Finance closings (20 points);
4. Reasonableness of due diligence requirements and conditions to closing, with close attention paid to past experience of the Respondent and its team members in closing in a timely and effective manner (15 points);

**Whereas**, Two firms were invited to submit best and final offers;

**Whereas**, The cumulative results of the evaluations were as follows;

<b>Offerors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Total</b>
<b>Maximum Points</b>	<b>45</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>100</b>
Alliant	35	12.33	16.67	11	<b>75</b>
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PNC	23.33	6.67	11.67	9.33	<b>51</b>


**Whereas**, The offer from Apollo Equity Partners was determined to be the most advantageous to the project and to THA; and

**Whereas**, The Contract Officer, Michael Mirra, has reviewed the results of the evaluation committee and concurs that the evaluation committee's recommendation be accepted for Apollo

***Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington, that***

1. The Executive Director has the authority to negotiate and execute the commitment letter from Apollo Equity Partners for the purchase of the low-income housing tax credits to be allocated to Salishan Six;
2. The Executive Director has the authority to negotiate the Amended and Restated Operating Agreement between THA and Apollo.
3. If those negotiations are not successful, the Executive Director has the authority to negotiate and execute a commitment letter from the next highest of the bidders in turn.

**Approved:** July \_\_\_ 2008

  
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Greg Mowat, Chairman