

Affordable Homeownership Revolving Construction Catalyst Fund
Administrator RFP (NO. 202609 ADM)

Q&A

Q: May respondents use partnerships or subcontractors to perform portions of the work, and may those partners' qualifications be considered in the evaluation? Additionally, may a program partner that provides affordable homeownership or CLT expertise also be an eligible borrower?

A: Yes. Respondents may propose partnerships, subcontracting arrangements, or other team structures, provided roles and responsibilities are clearly defined. The qualifications and experience of partners will be considered as part of the overall proposal. Whether a program partner may also serve as a borrower will be determined through negotiation of the final agreement. Any approved structure would need to address potential conflicts of interest and establish appropriate safeguards.

Q. When the RFP refers to "Habitat for Humanity affiliates and other mission-driven organizations," does "other" include for-profit organizations that intend to develop deed-restricted affordable homeownership housing, or is the fund intended only for nonprofits?

A. Intended only for nonprofits

Q: Regarding predevelopment, site preparation, infrastructure improvements, acquisition, development costs, and construction, are these alternative eligible uses, or must all activities be included within a single loan?

A: These are eligible uses. Borrowers may use funds for one or more of these activities and are not required to include all listed activities within a single loan.

Q: How should respondents address the expectation to leverage additional capital and develop partnerships, and are specific leverage ratios required?

A: Respondents should describe both their experience successfully attracting and combining traditional funds with public, private, and philanthropic capital and their proposed strategy for attracting additional investment. Although no specific leverage ratio has been established, the Commission expects respondents to demonstrate an ability to maximize the impact of its funds through capital partnerships and leveraging opportunities.

Q: Has the Commission previously engaged an administrator for this type of program?

A: Yes. The Commission has previously engaged third-party administrators for other affordable housing financing programs. However, each procurement has been uniquely designed to address a specific financing gap and program objective. As a result, the structure, responsibilities, funding sources, and program requirements have varied from program to program.

Q: What experiences informed the design of this RFP, and what would define a successful administrator?

A: The Commission has experience using third-party administrators for unique financing programs, with each program tailored to address a specific market need and funding gap. Consistent with that approach, this RFP is intended to define the program objectives while providing respondents flexibility to propose structures, partnerships, and implementation strategies. A successful administrator, together with any partners or subcontractors identified in the proposal, will demonstrate expertise in loan fund management, affordable homeownership development, relationship management, compliance, reporting, capital deployment, and leveraging additional resources to advance the Commission's goals.

Q: Can the Commission clarify its ongoing role after a Fund Administrator is selected, including whether Fund assets will remain on the Commission's balance sheet and the extent to which the Commission will retain responsibility for underwriting, loan approvals, implementation, and key program decisions?

A: Funds will remain on the Washington State Housing Finance Commission's balance sheet and will be disbursed by the Commission as loans are originated. Upon repayment, funds will return to the Commission and be recycled for future lending. The specific framework for underwriting, credit decisions, and related program operations will be negotiated as part of the final agreement with the selected Fund Administrator. However, the Commission does not anticipate having an ongoing role in individual loan-level underwriting, approval, or credit decisions.

Q: How should respondents account for the upfront costs of marketing, outreach, pipeline development, partnership building, and capital-raising activities that may occur before sufficient fee income is generated by the Fund?

A: The Commission recognizes that building a pipeline of projects and attracting additional capital may require meaningful work before loans are originated and fees are generated. Respondents are encouraged to identify anticipated startup costs in their proposals. Some appropriate upfront compensation may be negotiated with the selected Fund Administrator to support effective program implementation.

Q: Will the Commission provide funding for administrative and servicing expenses, or is the Fund Administrator expected to recover all such costs through fees?

A: The Fund Administrator will be permitted to charge fees to support program administration, servicing, and related operational costs. The specific fee structure and allowable fees will be negotiated as part of the final agreement between the Commission and the selected Fund Administrator, however, the Commission expects this program to be self-sustaining.

Q: How should respondents approach projects involving out-of-state manufacturers given the goal of supporting growth in Washington's off-site housing manufacturing sector?

A: The Fund's objective is to expand the use of off-site construction and strengthen the overall ecosystem supporting affordable homeownership production. Although Washington-based manufacturers may provide additional local economic benefits, qualified manufacturers located outside the state can also advance these goals by increasing capacity, competition, innovation, and access to off-site construction solutions for Washington projects.

Q: For the Diverse Business Inclusion Plan, should respondents focus on the diversity status of organizations receiving capital, or only on the administrator and its subcontractors?

A: Respondents should follow the requirements identified in Exhibit B and describe their approach to diversity, equity, and inclusion within their organizational structure, procurement practices, and subcontracting plans. Exhibit B does not apply to the organizations receiving capital for development activities.

Q: If a borrower defaults and the loan cannot be cured or recovered, is the Fund Administrator required to reimburse or replace the Commission's capital?

A: The Fund Administrator is expected to make all efforts to cure or recover funds and return the money to the Commission.