



**Massachusetts Housing Finance Agency**

**One Beacon Street  
Boston, MA 02108**

**REQUEST FOR PROPOSALS  
FOR  
AFFORDABILITY MONITORING SERVICES**

## TABLE OF CONTENTS

### Section

- I. INTRODUCTION
- II. BACKGROUND
- III. SCOPE OF WORK
- IV. CONTENT OF PROPOSAL
  - A. Transmittal Letter/Firm Description/Executive Summary
  - B. Experience and Qualifications
  - C. References
  - D. Project Plan
  - E. Support
  - F. Pricing
  - G. Additional Information
- V. METHOD OF SELECTION/AWARD
  - A. Contract Award
  - B. Evaluation of Proposals
- VI. SCHEDULE AND INSTRUCTIONS
  - A. Number of Proposals and Due Dates
  - B. Summary Project Timetable
  - C. Single Point of Contact
  - D. Bidder's Conference
- VII. ADDITIONAL PROVISIONS
  - A. Rights of MassHousing
  - B. Use of Respondent's Proposal
  - C. Respondent's Proposal's Cost

## I. STATEMENT OF PURPOSE

MassHousing is requesting proposals pursuant to this Request for Proposals (“RFP”) for a consultant to enter into a 5-year contract with the option of 5 one-year extensions for a total of 10 years. The services for which MassHousing is requesting proposals consist of administration, monitoring and enforcement services regarding compliance of homeownership developments with Massachusetts General Laws Chapter 40B, and the regulations at 760 CMR 56.00 and the Comprehensive Permit Guidelines issued pursuant thereto (the “Comprehensive Permit Rules”).

In its role as Subsidizing Agency for projects receiving comprehensive permits and subsidized under the New England Fund (NEF) program of the Federal Home Loan Bank of Boston, MassHousing enforces certain affordable homeownership restrictions as set forth in the Affordable Housing Restriction attached to the Regulatory Agreement (the “Affordability Requirement”) and each affordable unit deed. MassHousing has in the past partnered with third-party affordability monitoring agents to perform certain affordability monitoring services on the Agency’s behalf.

The integrity of the Comprehensive Permit Rules is of paramount importance to MassHousing. Through this RFP, MassHousing seeks to retain third-party affordability monitoring agents to perform certain administration, monitoring and enforcement services regarding compliance of the projects with the Comprehensive Permit Rules during the term of affordability of the Affordable Units, including initial sales monitoring of newly constructed deed-restricted units, proactive annual monitoring and resales to eligible purchasers.

Additionally, MassHousing may seek for awarded firms to provide similar affordability monitoring services for two new homeownership programs being implemented at the Agency: its Commonwealth Builder Program and its Capital Magnet Fund Homeownership Program. Similar to the Comprehensive Permit Rules, single-family homes receiving financial support under the Capital Magnet Fund Homeownership Program are required to comply with certain income-eligibility requirements, including the requirements of 12 C.F.R. § 1807.402. MassHousing may, at its option, seek for awarded firms to expand the scope of affordability monitoring services to encompass these homeownership programs. Any such expanded scope and related compensation would be subject to negotiation at that time.

Awarded firms will perform initial and ongoing affordability monitoring services for newly constructed deed-restricted homeownership units. Awarded firms will achieve positive compliance outcomes through proactive and consistent outreach to the owners of deed-restricted homes. Responses to this RFP may also inform MassHousing’s administration of existing homeownership units restricted under the Comprehensive Permit Rules. Respondents may have current monitoring services agreements with MassHousing; MassHousing anticipates converting the legacy portfolios of selected respondents to the new annual monitoring payment standard described in Attachment B.

## II. BACKGROUND

MassHousing provides mortgage financing and related services targeting the affordable housing market in Massachusetts. Created in 1966 by an act of the Massachusetts Legislature, MassHousing operates as a self-supporting, independent authority of state government. MassHousing raises mortgage capital through the issuance of taxable and tax-exempt revenue bonds and is organized around six primary business lines: Rental Lending, Rental Management, Rental Operations, Home Ownership Lending, Home Ownership Servicing and Operations and the Mortgage Insurance Fund. Support services such as accounting and financial reporting, legal, and information technology are provided by a group of corporate offices.

MassHousing's Planning and Programs Department is responsible for administering development under the Commonwealth's regional planning law, MGL c. 40B. MassHousing oversees projects financed by the Agency, as well as projects financed by the [Federal Home Loan Bank of Boston](#), under the New England Fund (NEF) program through its private member banks. MassHousing's oversight includes issuing determinations of project eligibility and regulatory compliance with subsidy requirements.

MassHousing's Rental Management business line oversees a portfolio comprised of mortgage loans originated by MassHousing's Rental Lending business line, and this entire portfolio is serviced in-house. MassHousing's servicing of this portfolio includes regulatory oversight and compliance with requirements stemming from various housing subsidy contracts. Rental Management also provides regulatory and subsidy contract administration services to other entities, principally the United States Department of Housing and Urban Development ("HUD").

MassHousing's Home Ownership Servicing and Operations business line oversees a portfolio of single-family mortgage loans to first time homebuyers and other qualified borrowers. These loans were originated by MassHousing-approved lenders across the state under MassHousing's auspices and then subsequently purchased and serviced by MassHousing.

The Mortgage Insurance Fund ("MIF") was established to provide an additional source of primary mortgage insurance for certain borrowers. MIF is the primary insurer for single-family loans made by MassHousing and is also an insurer approved by the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae) and Massachusetts community banks and credit unions.

For additional information about MassHousing, please visit our web site at [www.MassHousing.com](http://www.MassHousing.com)

## III. SCOPE OF WORK

**MassHousing seeks the services outlined in the Scope of Work, attached hereto as Attachment A (the "Scope of Work").**

#### **IV. CONTENT OF PROPOSALS**

This RFP is designed to elicit all information considered essential to evaluating each proposal. There is no intent to limit the content of the proposals. Respondents may include such additional information as may be appropriate, or offer alternate solutions, but should not exclude any information requested in this RFP. All proposals should contain the following information:

##### **A. Transmittal Letter/Firm Description/Executive Summary**

Proposals must be accompanied with a transmittal letter on company stationery or letterhead and signed by an individual legally authorized to bind the company. The transmittal letter should identify the individual(s) involved in preparing the proposal, as well as a single point of contact for the company. The transmittal should contain or be accompanied by a detailed description of the firm (including background on the firm's financial stability) as well as a summary of the contents of the proposal.

MassHousing is an equal opportunity employer, and encourages responses from entities which are certified as minority and women-owned business enterprises (MBEs and WBEs), veteran-owned business enterprises (VBEs), disability-owned business enterprises (DBEs), and lesbian/gay/bisexual/transgender-owned business enterprises (LGBTBEs). If your entity is certified as one or more of the above, please include evidence of such certification(s) or the basis for such designation(s). Describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either partners or associates in your firm, the number and percentages of members of federally and State-protected classes in your firm who will work on MassHousing's transactions.

##### **B. Experience and Qualifications**

Proposals should describe the relevant experience of the firm and of the key personnel that will be providing the services. Relevant experience includes not only services similar to those being sought by MassHousing but also any past experience with entities similar to MassHousing.

MassHousing is seeking well-qualified and experienced Monitoring Agents. Monitoring Agents selected by MassHousing for this Program **must have the following qualifications:**

- 1) Working knowledge of eligible state and federal subsidy programs, particularly Massachusetts General Laws Chapter 40B, and the regulations at 760 CMR 56.00 and the Comprehensive Permit Guidelines issued pursuant thereto;
- 2) Excellent verbal and written communication skills;
- 3) Experience reviewing income, asset, and age certifications to determine eligibility under applicable subsidy programs and/or qualifying buyers with mortgage lenders;
- 4) Experience working with developers, lottery agents, and closing attorneys in the sale and resale of units subject to Affordable Housing Restrictions;

- 5) Experience responding to requests for refinancing, approval of capital improvements, further encumbrances and leasing units subject to an Affordable Housing Restriction;
- 6) Ability to resolve issues of non-compliance with Regulatory Agreements and/or Affordable Housing Restriction;
- 7) Demonstrated capacity to sustain and scale up monitoring services over time, as needed.

Respondents are **not** required to have current monitoring services agreements with MassHousing. If applicable, respondents should describe their experience delivering the solicited services as described in Attachment A.

### **C. References**

Please provide a list of at least three (3) companies that MassHousing can contact as references for which the respondent has provided similar services within the past three years, including:

1. Name, address, e-mail address and phone number of each company;
2. General description of the engagement; and
3. Contact name, e-mail address and telephone number(s) of those who can talk knowledgeably about their experience with the respondent and any system issues that arose during the implementation of their project.

### **D. Project Plan**

Provide a step-by-step project plan for performing and completing the solicited services as described in Attachment A. Your project plan should include:

1. Key personnel and their roles in providing the service, including resumes detailing relevant experience.
2. Your general approach and methodology in providing the services. You may provide suggestions or alternatives to any approach described in Attachment A as long you also respond to the described approach.
  - a. Describe your relevant experience working with development professionals, municipal officials, lottery agents, closing attorneys, and subsidizing agencies.
  - b. Designate the geographic areas where proposed services would, or would not, if any, be available.
3. Details about project phases, including a list of deliverables, sign-off points, timelines, milestones, software components (if any), subcontractors, and training.

4. Expectations of MassHousing's staff to assist with the process.

**E. Support**

Please describe whether there is typically an on-going relationship with respondent and its clients after implementation. Please describe the way respondent communicates with clients after implementation, whether through industry-related newsletters published by respondent, continuing educational workshops, etc.

**G. Adverse Actions**

Please include a description of any insurance claim, criminal investigation or material litigation against your firm or members of your firm in the last ten (10) years, any instances in which your firm has been debarred by state or federal government and the circumstances for the debarment, as well as a summary of any formal complaints filed against your firm or members of your firm containing allegations of discrimination in the last ten (10) years.

**H. Conflicts of Interest**

Please describe any facts you are aware of that would result in a conflict of interest with MassHousing if a contract was awarded to your firm.

**I. Pricing**

Monitoring Agents will be compensated in accordance with the Fee Schedule, attached hereto as Attachment B.

**V. METHOD OF SELECTION/AWARD**

**A. Contract Award**

Contract will be awarded to the respondent whose proposal is determined to be the most advantageous to MassHousing, in its sole discretion, taking into account price and other evaluation criteria as set forth in this RFP.

MassHousing reserves the right to negotiate the terms of the contract(s), including the contract amount(s), with the selected respondent prior to entering into a contract. The contents of the respondent's proposal and this RFP, and any amendments thereto, shall become contractual obligations if an engagement of services ensues. Contract selections should be distinguished from a contract award. Contracts will not be considered awarded until negotiation of terms is final. Failure of a successful respondent to accept these obligations in contractual agreement may result in cancellation of a respondent's selection. If contract negotiations cannot be concluded successfully with any selected respondent(s), MassHousing may, in its sole discretion, negotiate a contract with the next ranked respondent.

One or more contracts may be awarded as a result of proposals submitted in response to this RFP. MassHousing reserves the right to award contracts for individual deliverables if that is advantageous to MassHousing. By submitting a proposal pursuant to this RFP, the selected respondent agrees to enter into an agreement with MassHousing in substantially the same form as MassHousing's Standard Affordability Monitoring Services Agreement attached hereto as Attachment C-1 and Attachment C-2.



## **B. Evaluation of Proposals**

Proposals submitted in accordance with this RFP will be evaluated by a selection committee composed of MassHousing staff. All respondents will be notified of the outcome of the review of their proposal. Proposals will be evaluated pursuant to the following criteria:

- Responsiveness to requirements of RFP;
- Financial and organizational stability of respondent;
- Understanding of proposed scope of services and approach in addressing MassHousing's specific needs and objectives;
- Quality and timeliness of proposed work plan;
- Technical capabilities (in terms of personnel, equipment and materials) and management plan (including staffing of key positions, method of assigning work, and procedures for maintaining level of service);
- Demonstrated experience and qualifications of respondent and respondent's staff assigned to perform the solicited services;
- Ability to provide a cost effective solution to meet the needs of MassHousing; and
- Demonstrated successful past performance based on references.

## **VI. SCHEDULE AND INSTRUCTIONS**

### **A. Number of Proposals and Due Dates**

Please submit proposals by 5:00 p.m. Eastern Standard Time, via email, to Jessica Malcolm at [jmalcolm@masshousing.com](mailto:jmalcolm@masshousing.com). Proposals received after the response deadline will, at MassHousing's discretion, be returned unopened to sender.

### **B. Summary Project Timetable**

Following initial review of the proposals, MassHousing will identify those respondents it elects to interview. Interviews will be scheduled within the two (2) weeks after the response deadline and MassHousing will attempt to provide respondent's with at least one week's notice before scheduling an interview.

The anticipated timetable for the evaluation process and subsequent project activities are summarized below:

<u>Date</u>	<u>Task</u>
May 13, 2020	Distribute RFP
May 27, 2020	Q&A Session
June 15, 2020	RFP Response Deadline

June 26, 2020

RFP Evaluation and Selection of  
Candidates for Further Review

July 3, 2020

Complete Follow-up and Reference Calls

July 10, 2020

Final Selection

This anticipated timetable is for reference purposes only and is subject to change at MassHousing's sole discretion. A copy of this RFP, as well as any addenda thereto, will be posted on [www.masshousing.com/rfp](http://www.masshousing.com/rfp). Schedule changes and/or other RFP revisions, including date, time and place changes, if any, will be posted on the website on a weekly basis. In addition, after the RFP Response Deadline, changes may be sent directly to Respondents at the contact information provided.

### **C. Single Point of Contact**

All inquiries regarding this RFP should be directed to:

Jessica Malcolm  
Acting Manager, Planning and Programs  
MassHousing  
One Beacon Street  
Boston, MA 02108  
(617) 854-1201  
Email: [jmalcolm@masshousing.com](mailto:jmalcolm@masshousing.com)

**In order to maintain a fair and impartial competitive process, MassHousing will only answer questions or comments regarding the RFP that are submitted in accordance with the terms of this section.** MassHousing will determine, in its sole discretion, whether any inquiry requires a formal response which, if required, may take the form of an addendum to this RFP. **Respondents who initiate private communications with other MassHousing personnel regarding material issues involving this RFP may be disqualified.**

### **D. Bidder's Conference**

A Question & Answer session will be hosted by MassHousing via Zoom on May 27, 2020. Respondents will receive detailed information to participate after their submission is received.

## **VII. ADDITIONAL PROVISIONS**

### **A. Confidentiality**

By accepting to respond to this RFP, respondent expressly acknowledges that MassHousing's business procedures, ideas, inventions, plans, financial data, contents of this RFP, and other MassHousing information are the sole and exclusive property of MassHousing. The

Respondent also agrees that it will safeguard such information to the same extent it safeguards its own confidential material or data relating to its own business information that is of a confidential or proprietary nature. Federal and state laws require that MassHousing maintain an information security program to protect certain personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing. This information includes the following: (1) nonpublic personal information protected by the Safeguards Rule of the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 et. seq.) and implementing regulations (16 C.F.R. Part 314); consumer reports protected under the federal Fair Credit Reporting Act, as amended by the 2004 FACT Act (15 U.S.C. § 1681 et. seq.); and any other information pertaining to individuals subject to data security, data security breach notification, and identity theft prevention laws. If MassHousing grants respondent access to its networks or otherwise allows respondent to view personal information related to individuals who are customers, business partners, vendors, or employees of MassHousing, respondent shall comply with all federal and state laws protecting such information while working at MassHousing's facility, while using MassHousing's protected information, and while connected to MassHousing's network. It is MassHousing's policy to employ the services of outside investigative agencies to conduct background checks on individuals with access to its networks. In submitting its proposal, respondent acknowledges that it will be required to submit to such background checks of its impacted employees at MassHousing's request. If awarded the contract, respondent shall comply with MassHousing's information security program by (1) implementing and maintaining measures designed to meet the information security objectives of federal and state laws; (2) using and disclosing customer information solely for the purposes of performing the contract; and (3) providing MassHousing with copies of the results of any internal and external audits or tests of the effectiveness of MassHousing's information security measures.

## **B. Non-Discrimination**

In connection with the performance of work under this contract, the respondent agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, disability, sex, marital status, sexual orientation or national origin. This provision shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Except with respect to sexual orientation, the respondent further agrees to take affirmative action to ensure equal employment opportunities for those applicants of protected groups referred to above. The respondent agrees to post in conspicuous places, available for employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause.

## **C. Rights of MassHousing**

MassHousing is soliciting competitive proposals pursuant to a determination that such a process best serves the interests of MassHousing and not because of any legal requirement to do so. MassHousing accordingly reserves the right to accept any proposal; to withdraw or cancel this RFP; to modify or amend, with the consent of the proponent, any proposal prior to acceptance;

to reject any or all proposals or waive any informality and otherwise to effect any agreement that MassHousing in its sole judgment, deems to be in its best interest.

**D. Use of Respondent Proposal**

All material submitted becomes the property of MassHousing and will not be returned. If the respondent intends to submit confidential or proprietary information as part of the proposal, any limits on the use or distribution of that material should be clearly delineated in writing.

Respondent should be aware that MassHousing is a quasi-public governmental agency subject to Massachusetts General Laws, Chapter 66, sections 1-18, therefore, any information submitted to MassHousing (even if marked as confidential or proprietary) may be subject to disclosure under the Massachusetts Public Records Law.

MassHousing reserves the unrestricted right to copy and disseminate the respondent bids for internal review.

**E. Respondent Proposal Costs**

All respondent proposal related costs, including but not limited to, proposal preparation and presentation, system demonstrations, documentation, site visits, in-depth briefing for MassHousing, and negotiation meetings are entirely the responsibility of the respondent and shall not be chargeable in any manner to MassHousing. MassHousing will bear the costs of sending its own staff to respondent headquarters and respondent client sites if such meetings are required.

## Attachment A – Scope of Work

For deed-restricted homeownership units assigned to the monitoring agent by MassHousing:

- 1) Review Affirmative Fair Housing Marketing and Resident Selection Plans (AFHMP) – Identify necessary revisions and/or corrections. Recommend approval or disapproval to MassHousing;
- 2) Monitor Initial Sales – Work closely with Developer, Lottery Agent, and Closing Attorney to ensure that affordable units are sold to Income Eligible Households and are subject to the Affordable Housing Restriction, in compliance with the AFHMP and program affordability requirements;
- 3) Monitor Resales – Ensure that all resales and resale pricing (including those resulting from foreclosure) comply with the AFHMP and the Affordable Housing Restriction.
- 4) Annual Monitoring and Reporting – Prepare and submit an Annual Compliance Report to MassHousing and the Municipality regarding compliance of the project with program affordability requirements. It is expected that annual land registry monitoring be conducted to in connection with Annual Monitoring and Reporting responsibilities;
- 5) Supplemental Monitoring – Provide oversight and act as a regular point of contact for affordable unit owners to ensure compliance with the Affordable Housing Restriction. Respond to requests for refinancing, capital improvements, and/or leasing in compliance with Affordable Housing Restriction. Monitor units at risk of foreclosure and guide affordable unit owners to resources for prevention.
- 6) Enforcement – Work with MassHousing to implement enforcement procedures in response to violations of Regulatory Agreement and Affordable Housing Restriction.
- 7) Assumption of monitoring services – As needed, assume responsibility for annual monitoring and reporting for homeownership units already in MassHousing’s monitoring portfolio.

In carrying out this scope of work, monitoring agents will act as the primary point of contact for homeowners, and will achieve positive compliance outcomes through proactive and consistent outreach to the owners of monitored units.

## **Attachment B – Fee Schedule**

For initial monitoring services, including AFHMP review and initial sales monitoring, Monitoring Agent will be paid by MassHousing for Services at an initial fee of \$1,200 per affordable unit. MassHousing will adjust this initial fee for annual inflation, at a rate of 2% per year, beginning July 1, 2021.

For ongoing monitoring services, including annual compliance reporting, the collection of annual homeowner certifications, and supplemental monitoring services, Monitoring Agent will be paid an annual fee of \$130 per affordable unit. MassHousing will adjust this initial fee for annual inflation, at a rate of 2% per year, beginning July 1, 2021.

Monitoring agents will also collect resale fees for resale monitoring services, as provided in the Affordable Housing Restriction. Monitoring agents will continue to collect resale transaction fees directly.

Monitoring agents may, at their discretion, directly collect nominal fees for supplemental monitoring services, such as requests for refinancing and capital improvements.

**Attachment C-1 – Affordability Monitoring Services Agreement**

**Initial Agreement**

**[attached]**

**Attachment C- 2 – Affordability Monitoring Services Agreement  
Established Project Agreement  
[attached]**