

Solicitation No. RFP-PAB-001



**NOTICE TO APPLICANTS
REQUEST FOR PROPOSALS (RFP)
ACQUISITION/REHABILITATION MULTIFAMILY RENTAL HOUSING**

Description Allocation of Private Activity Bond Cap

Requesting Agency: Department of Housing and Land Management,
City & County of Honolulu, Hawai'i

Questions relating to this solicitation shall be emailed to dhlmfinance@honolulu.gov.

Potential Applicants must not contact individuals at the Department of Housing and Land Management directly.

Proposals submitted via email shall not be accepted.

REQUEST FOR PROPOSALS

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PRIVATE ACTIVITY BONDS

I. INTRODUCTION AND PURPOSE OF PRIVATE ACTIVITY BONDS

The City and County of Honolulu (City), Department of Housing and Land Management (DHLM), administers the City's Private Activity Bond (PAB) Cap Allocation Program. Through this targeted solicitation, the City intends to select eligible acquisition and rehabilitation multifamily rental housing projects located within the City and County of Honolulu for a conditional reservation of the City's PAB volume cap and further consideration for financing through the issuance of tax-exempt revenue bonds. Each selected Project must be capable of completing Bond issuance, acquisition closing, and the related financing closing no later than December 31, 2027.

The Program is administered pursuant to Sections 6-34.6 and 6-34.7, Revised Ordinances of Honolulu; Sections 46-15.1 and 46-15.2 and Part III of Chapter 201H, Hawai'i Revised Statutes; Title 20, Chapter 27, City and County of Honolulu Administrative Rules ("Program Rules"); and applicable provisions of the Internal Revenue Code and Treasury Regulations.

The City may periodically open one or more solicitation rounds based on the availability of PAB volume cap, City funding, or other resources that may support eligible projects. For each solicitation round, the City will issue a notice identifying the anticipated amount of PAB volume cap and any other funding or resources available through that round, together with the applicable application period and submission requirements.

All amounts identified in a solicitation notice are estimates and remain subject to availability, appropriation where applicable, adjustment, reallocation, and final City approval. Unless expressly stated otherwise, identification of a potential funding source does not constitute a commitment or guarantee that the City will provide such funding to any Applicant or Project.

Highlights of the tax-exempt PAB process, and some potential benefits of financing multifamily projects:

Tax-exempt bond financing may provide a lower borrowing cost than comparable taxable financing, depending on market conditions, project credit, financing structure, fees, security, and investor or lender requirements. A multifamily rental housing project financed with tax-exempt bonds may qualify for federal low-income housing tax credits under Section 42 of the Internal Revenue Code if the project satisfies the applicable bond-financing threshold and all other federal and State requirements. Eligibility for, and the amount of, any low-income housing tax credits will be determined by the Hawai'i Housing Finance and Development Corporation ("HHFDC") and other applicable authorities and is not guaranteed by the City. All tax-exempt bond-financed projects must satisfy the applicable income, occupancy, and minimum set-aside requirements

under Section 142(d) of the Internal Revenue Code, as amended, and the Treasury Regulations and other guidance promulgated thereunder.

This RFP is limited to acquisition and rehabilitation of existing multifamily rental housing projects. New-construction projects, including projects involving demolition and replacement of substantially all existing residential improvements, are not eligible. Because the applicable PAB capacity must be used within a limited period, documented ability to close no later than December 31, 2027, is a threshold requirement and the principal selection consideration.

For the purposes of this RFP:

- Project must be a multifamily residential rental housing project with four (4) or more similarly constructed units that are not designated for transient or dormitory use, and each include a full kitchen and bathroom.
- Project must involve acquisition and rehabilitation of an existing multifamily residential rental property located within the City and County of Honolulu. The proposed rehabilitation must be material to the preservation, health, safety, habitability, accessibility, energy efficiency, or long-term operation of the Project and must be eligible for financing under applicable federal tax law, State law, Program Rules, and Bond documents.
- Project must complete Bond issuance, acquisition closing, and the related financing closing on or before December 31, 2027. The City may determine a Project ineligible if the submitted schedule, due-diligence status, financing status, governmental approvals, relocation requirements, or other facts do not reasonably support that deadline.
- Applicant must acknowledge that a reservation will automatically expire without further City action if the Bonds and related Project financing have not closed by December 31, 2027, unless the City establishes an earlier expiration date in the reservation letter.
- Project must qualify, or be expected to qualify at bond issuance, as a qualified residential rental project under Section 142(d) of the Internal Revenue Code, including satisfaction of the applicable income occupancy election made at bond issuance, such as the 20-50 test or the 40-60 test, and related requirements determined by the City's bond counsel ("Bond Counsel").
- The Applicant must qualify or demonstrate its ability to qualify before issuance of the Bonds, as a "Qualified Sponsor" under the Program Rules and Part III of HRS Chapter 201H.
- The proposed financing must constitute an "Eligible Project Loan" under the Program Rules and applicable State law.
- The Project must qualify as a low- and moderate-income housing project under

HRS § 46-15.1(g), as determined by the City and Bond Counsel.

- Applicant must agree that the project will be subject to a Regulatory Agreement with the City, in form and substance acceptable to the City and Bond Counsel, and must agree to execute, accept, comply with, and cause the Regulatory Agreement or memorandum thereof to be recorded against the lease or fee simple title at or before bond closing, or at such other time required by the City.
- Applicant must provide a development schedule demonstrating that the project is reasonably expected to satisfy applicable bond financing, expenditure, construction completion, and loan financing timing requirements.
- The Applicant must demonstrate that the Project can comply with applicable limitations on rents, profits, dividends, distributions, annual returns, refinancings, sales, and dispositions established through the Program documents.
- Eligibility remains subject to federal tax review, Bond Counsel confirmation, City approval and final bond documents.
- AMI is established by the United States Department of Housing and Urban Development (HUD);
- Amounts shown for Low-Income Housing Tax Credit (LIHTC) equity, Rental Housing Revolving Fund (RHRF), State funding, City Affordable Housing Fund (AHF), City Capital Improvement Funds, or other gap financing are planning estimates only unless supported by an executed agreement, award letter, budget appropriation, or other written commitment from the applicable funding source.
- An identified funding gap does not constitute a commitment by the City to provide gap financing (e.g. City AHF, City Capital Improvement Funds), land subsidy, credit enhancement or any other financial assistance.
- Any PAB reservation or recommendation remains subject to availability of volume cap, satisfaction of program requirements, Council approval where applicable, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) approval where applicable, federal tax requirements, Bond Counsel review, final bond documentation, and project readiness.

II. AVAILABLE RESOURCES and SELECTION PROCESS TIMELINE

For this solicitation round, the City anticipates that the following resources may be available:

PAB volume cap: Up to \$127,000,000

The amounts identified above are estimates and remain subject to availability, appropriation where applicable, adjustment, reallocation, and final City approval.

The City may make one or more conditional reservations and is not required to reserve the entire amount identified. The City may reduce a requested amount based on eligible costs, financing needs, PAB efficiency, readiness, or the need to allocate capacity among multiple Projects.

This RFP will be subject to the following selection process deadlines:

Request for Proposals (RFP) Released	See Release Date in the Hawaii Awards & Notice Data System (“HANDS”)
Deadline for Requests for Clarifications The City is not obligated to respond to requests for clarifications received after the deadline. All questions must be made in writing and transmitted to dhlfinance@honolulu.gov .	Monday, November 9, 2026
Deadline to Issue Addenda All modifications to the RFP and any responses to clarification requests shall be provided in writing and provided on the following website: https://hands.ehawaii.gov/hands/ , click on “Bidding Opportunities” Oral interpretations, clarifications, and changes will be without legal effect. Only interpretations, clarifications, and changes provided by the City as formal written addenda to the RFP shall be binding. Each Applicant is solely responsible to check the HANDS website for any updates and addenda issued by the City. There will be no email notification when an addendum is posted. Prior to	Friday, November 20, 2026

<p>submitting a proposal, the Applicant should double check HANDS to ensure no further addenda have been posted.</p>	
<p>Deadline for Proposal and Application Fee Submission</p> <p>Proposals shall be received <u>ONLY</u> at: Department of Housing and Land Management 650 South King Street, 3rd Floor Honolulu, HI 96813 ATTN: Housing Finance Division</p> <p>Non-refundable application fees must be paid via check and either included with proposal submissions or mailed to:</p> <p>Department of Housing and Land Management 650 South King Street, 3rd Floor Honolulu, HI 96813 ATTN: Housing Finance Division</p>	<p>Monday, December 21, 2026, at 10:00 am HST</p> <p>Mailed Application Fees must be postmarked no later than the proposal submission deadline. Failure to timely submit the Application Fee may result in the disqualification of the proposal.</p>

III. APPLICANT AND PROJECT ELIGIBILITY

ELIGIBLE APPLICANTS: An Applicant must be an owner or developer that qualifies, or demonstrates its ability to qualify before Bond issuance, as a “Qualified Sponsor” under Title 20, Chapter 27 of the City and County of Honolulu Administrative Rules and Part III of HRS Chapter 201H. Nonprofit and for-profit entities may apply, provided they satisfy all applicable Qualified Sponsor requirements and demonstrate the legal, organizational, financial, and administrative capacity to develop, own, finance, and operate the proposed Project.

ELIGIBLE PROJECTS: Eligible projects must be a multifamily residential rental housing project with four (4) or more similarly constructed units that are not designated for transient or dormitory use and include full kitchens and bathrooms.

This solicitation is open only to acquisition and rehabilitation Projects located within the City and County of Honolulu. Each Project must consist of existing multifamily residential rental improvements and must preserve, rehabilitate, or reposition the property as affordable rental housing. New construction is ineligible, except for incidental additions or replacement improvements that are subordinate to and integrated with the acquisition and rehabilitation of the existing Project, as determined by the City and Bond Counsel.

An eligible Project must also:

- Be financed by an Eligible Project Loan approved by the City;
- Qualify as a low- and moderate-income housing project under HRS § 46-15.1(g);
- Be maintained as a residential rental housing project continuously throughout the Qualified Project Period and any additional affordability period imposed by the City;
- Be subject to a Regulatory Agreement with the City;
- Be subject to an Agreement Concerning Costs with the City; and
- Demonstrate a schedule reasonably capable of satisfying the thirty-month construction-completion and thirty-six-month loan-funding requirements established in the Program Rules.

SITE CONTROL. At the time of application, the Applicant must demonstrate a legally sufficient and reasonably achievable path to acquire or retain control of the Project through fee ownership, a long-term leasehold interest, an executed purchase and sale agreement, or an enforceable option to purchase. The controlling document must remain in effect long enough to support a financing closing by December 31, 2027. A nonbinding letter of intent, expression of interest, or ongoing negotiation, without additional evidence acceptable to the City, will not satisfy this threshold requirement. The Applicant must disclose all material conditions, extensions, deposits, outside dates, seller approvals, lender consents, and other matters that could affect acquisition or closing.

The City may require updated title, survey, purchase-contract, lease, option, or ownership documentation at any time during evaluation and before issuance of a reservation. Any material change in site control must be reported promptly to DHLM.

CAPITAL NEEDS ASSESSMENT AND REHABILITATION SCOPE. To demonstrate that the proposed rehabilitation is adequate and that the Project will have a useful life extending through the applicable Qualified Project Period and any additional affordability period imposed by the City, the Applicant shall submit with its application a Capital Needs Assessment prepared by an independent, qualified third-party professional.

The Capital Needs Assessment shall describe the property's current physical condition and identify deferred maintenance, physical deficiencies, material building-code violations, immediate repair needs, and anticipated capital needs affecting the Project's use, habitability, accessibility, structural and mechanical integrity, and future physical and financial needs. The assessment shall also include, or be accompanied by, a proposed rehabilitation scope, schedule, and cost estimate that address the identified needs.

The Capital Needs Assessment must be dated no earlier than six (6) months before the application date. The City may, in its sole discretion, accept an older assessment if it is accompanied by an update or certification from the preparing professional confirming that it continues to accurately reflect the condition and needs of the property.

TENANT INCOME AND OCCUPANCY REQUIREMENTS. Each Project must satisfy the applicable income, occupancy, minimum set-aside, and continuing-compliance requirements under Section 142(d) of the Internal Revenue Code, as amended, the Treasury Regulations and other guidance promulgated thereunder, and the Program Rules. The applicable requirements will be incorporated into the Regulatory Agreement and final Bond documents.

If multiple income or occupancy requirements apply to a Project, the Project must comply with each applicable requirement and, where the requirements differ, the most restrictive applicable requirement.

RENT LIMITS. Rents for Regulated Units must comply with the maximum gross-rent limitations applicable to the Project under the Internal Revenue Code, the Program Rules, the Regulatory Agreement, and any other applicable funding or regulatory program. The City will approve the initial rental schedule, and subsequent rent increases will be subject to the Regulatory Agreement and applicable law.

<https://dbedt.hawaii.gov/hhfdc/2022/04/21/2022-hud-income-guidelines/>

Maximum gross rent includes the applicable utility allowance for tenant-paid utilities. The utility allowance methodology and schedule applicable to the Project will be identified in the Regulatory Agreement or other final financing documents and may be updated periodically. If more than one rent or utility-allowance requirement applies, the Project must comply with the most restrictive applicable requirement.

<https://www.honolulu.gov/dcs/wp-content/uploads/sites/24/2026/01/2026-Utility-Allowances-Schedule.pdf>

RELOCATION: Relocation occurs when any project displaces a household or business. The Applicant must identify all anticipated temporary or permanent displacement of households or businesses and include all reasonably anticipated relocation costs in the development budget. Bond proceeds may be used for relocation costs only to the extent permitted by applicable federal tax law, the approved financing structure, and Bond Counsel. Selection under this solicitation does not constitute a City commitment to provide separate relocation funding.

For an occupied acquisition/rehabilitation Project, the Applicant must provide a current rent roll, occupancy summary, preliminary relocation and tenant-protection analysis, and

a schedule and budget addressing temporary and permanent displacement. Failure to demonstrate a feasible relocation strategy consistent with the December 31, 2027, closing deadline may result in disqualification.

RESTRICTIVE COVENANT. Each selected Applicant must execute and cause to be recorded a Regulatory Agreement and Declaration of Restrictive Covenants in a form acceptable to the City and Bond Counsel. The Project must comply with the applicable Qualified Project Period established under the Program Rules and federal tax law.

In addition, the City may require an extended affordability period as a condition of the PAB volume-cap reservation or other City assistance. The applicable period, commencement date, units subject to the extended affordability requirement, income and rent restrictions, and treatment following foreclosure or other transfer will be established in the Regulatory Agreement.

- i. The Regulatory Agreement will have priority, subordination, survival, and enforcement provisions required by the City and Bond Counsel. The Applicant must obtain all lender consents, subordination agreements, or other documentation required by the City before Bond closing.
- ii. The Regulatory Agreement and Declaration of Restrictive Covenants shall require the Project to be operated as a qualified residential rental project throughout the applicable Qualified Project Period and shall impose any additional affordability requirements established by the City in connection with the PAB award or other City assistance.
- iii. It shall further specify:
 - The total Units in the Project;
 - The number of resident manager units (if applicable); and
 - The number of units designated for households serving low- and moderate- income eligibility requirements.

The residential units in the entire Project shall be always maintained in a safe, clean, and sanitary condition and shall meet the housing quality standards specified in 24 Code of Federal Regulations (CFR) § 982.401, or successor regulations, as well as all other applicable laws, regulations, ordinances, and codes.

IV. EVALUATION CRITERIA AND SCORING

EVALUATION AND SELECTION OF PROJECTS. Because the purpose of this solicitation is to identify projects capable of utilizing the City's available PAB allocation before its expiration, demonstrated readiness to complete Bond issuance, acquisition

closing, and all related financing closings on or before December 31, 2027, is the City's primary consideration in evaluating and ranking eligible proposals. Among proposals that pass the Closing Readiness Threshold, DHLM will rank proposals primarily by the Category 3 score and DHLM's documented assessment of comparative closing certainty. Remaining evaluation criteria will guide secondary ranking. A higher total score in other categories does not entitle a proposal to selection over a proposal that DHLM determines is materially more likely to close timely. If proposals have substantially equivalent readiness, the City may consider the earliest supportable closing date, the fewest unresolved acquisition or financing contingencies, and PAB efficiency. If a proposal does not conform to this RFP, the City may disqualify it.

The City will evaluate each eligible proposal in the primary areas identified in Section 20-27-13 of the Program Rules, including:

1. Qualifications of the Applicant and development team;
2. Site evaluation and land-use characteristics;
3. Environmental impacts;
4. Zoning, subdivision, and permitting requirements;
5. Cultural and historic impacts;
6. Financial, operational, and regulatory compliance;
7. Project design;
8. Unit variety and family types served;
9. Tenant displacement and relocation;
10. Energy conservation and efficiency;
11. Target population and market conditions; and
12. Overall competitive position, merit, and feasibility.

Scores will be based solely on the written proposal, permitted clarifications, and supporting documentation submitted by the Applicant. Unless otherwise stated, only the highest applicable point value within each criterion will be awarded, and the score for a category may not exceed the stated category maximum.

The City will evaluate proposals against the following evaluation criteria and their relative weight based on written information, required documents and attachments provided by the Applicant:

Each Applicant must complete and submit the Self-Scoring Worksheet included as Attachment E. The Applicant must identify the proposal page or attachment supporting each point claimed.

Category 1: Public Land / Public Control / City Participation (maximum 10 points)

Criteria	Points
Project is located on City-owned land subject to an executed or pending City ground lease, City disposition agreement, Exclusive Negotiation	10

Criteria	Points
Agreement, development agreement, Council-approved disposition, or other written City selection/authorization.	
Project is on State-owned land, or State agency land subject to an executed or pending ground lease or disposition agreement and documented State support.	8
Project is located on privately owned land and has committed City financial assistance, City acquisition support, City infrastructure support, or other documented City participation.	6
Project is on nonprofit-owned or public-purpose land subject to long-term affordability restrictions.	4
Project is located on privately owned land with no City financial assistance, no public land control, or documented City participation.	0

Category 2: TOD / Location Priority (maximum 10 points)

Criteria	Points
Project parcel is located within a City-designated TOD special district, adopted rail station area plan boundary, or adopted neighborhood TOD plan area.	10
Project parcel is located within a one-half (1/2) mile of a Skyline rail station entrance but outside an adopted TOD plan or special district boundary.	8
Project parcel is located within a City-identified urban infill, redevelopment, preservation, or infrastructure priority area.	7
Project parcel is located within a one-half (1/2) mile of a bus stop or a major transit center.	5
None of the above.	0

Category 3: Acquisition, Bond, and Closing Readiness (maximum 30 points)

Category 3 is the highest-weighted category and will be the primary basis for comparative ranking. Scoring does not waive the December 31, 2027, closing requirement. Regardless of score, the City may determine a Project ineligible if it is not reasonably capable of completing Bond issuance, acquisition closing, and all related

financing closings by that date, or of completing rehabilitation and funding the Project loan within the periods required by the Program Rules and federal tax law.

Criteria	Points
Applicant has qualifying site control that remains effective through the proposed closing date, with all material conditions and outside dates disclosed.	4
Acquisition due diligence is materially advanced, including title review and survey status, and no unresolved issue is identified that is reasonably likely to prevent closing by December 31, 2027.	2
A property-condition assessment or capital-needs assessment and a defined rehabilitation scope have been completed.	4
Environmental review status is documented, including a Phase I Environmental Site Assessment or a schedule demonstrating completion in time for closing.	2
Applicant provides a detailed critical-path schedule demonstrating that Bond issuance, acquisition closing, and all related financing closings can occur by December 31, 2027.	7
A current rent roll, occupancy analysis, and preliminary relocation/tenant-protection plan and budget are provided.	3
Rehabilitation schedule demonstrates compliance with applicable Bond and Program expenditure, loan-funding, and completion requirements.	2
Development budget, sources and uses, operating pro forma, acquisition price, rehabilitation costs, and material financing assumptions are complete and internally consistent.	3
Applicant/development team has completed at least one comparable affordable rental acquisition/rehabilitation, LIHTC, or bond-financed multifamily project within the past 10 years.	3
Total	30

Category 4: Financing Plan / Bond Feasibility (maximum 14 points)

Criteria	Points
Complete calculation of requested PAB amount, eligible basis, expected amount of Bond proceeds outstanding at the applicable testing date, and PAB efficiency metric provided	1
Requested PAB amount is calculated and identified as construction-period, permanent, or both.	2
Preliminary LIHTC equity estimate is documented.	2
Preliminary permanent debt sizing is documented.	2

Criteria	Points
Estimated RHRF / State / other non-City gap need is illustrated, if applicable.	2
Estimated City AHF / CIP / other City gap need is illustrated and clearly labeled “not committed.”	1
Operating pro forma supports feasibility.	2
Applicant provides written evidence that a proposed lender, Bond purchaser, underwriter, investor, or other material financing participant has reviewed or engaged in preliminary discussions regarding the Project and proposed financing. Evidence may include a preliminary term sheet, lender expression of interest, financing proposal, lender sizing analysis, written financing correspondence, or comparable documentation acceptable to DHLM. A final financing commitment is not required at the application stage.	2
Total	14

Category 5: PAB Efficiency Metric (maximum 2 points)
 Requested PAB Amount ÷ Number of Regulated Units

Requested PAB per regulated unit	Points
\$400,000 or less per affordable unit	2
\$400,001 to \$600,000 per affordable unit	1
Over \$600,000 per affordable unit	0

Category 6: Affordability / Housing Impact (maximum 5 points)

Criteria	Points
Project creates or preserves 100 or more affordable rental units.	2
Project creates or preserves 35 to 99 affordable rental units.	1
Affordability period is at least 60 years or longer if required by City agreement.	1

Criteria	Points
Project includes deeper affordability, family-sized units, kupuna housing, supportive housing, preservation of existing affordable units, or documented anti-displacement benefits.	1
Project replaces obsolete public housing, redevelops underutilized public land, or advances another documented City housing priority.	1
Maximum	5

Bonus Points: Based on the following criteria evaluated as a whole (maximum 5 points)

Requirement	Deliverable
Environmental impacts	Required disclosure / Phase I status / known issues.
Historic or cultural impacts	Required disclosure / mitigation status.
Tenant displacement and relocation	Required relocation/displacement statement.
Energy conservation and efficiency	Required narrative or checklist.
Project design	Required plans or design status.
Market conditions	Required market study status or rent comparability support.
Site evaluation and land use characteristics	Required parcel and zoning information
Unit variety and family types served	Required unit mix and target demographic

MINIMUM SCORE AND READINESS REQUIREMENTS. Before submitting a proposal, an Applicant must complete the Self-Scoring Worksheet and reasonably determine that the proposal will receive at least 54 of the 76 available points including bonus points, including at least 23 of the 30 available points in Category 3: Acquisition, Bond, and Closing Readiness. The completed Self-Scoring Worksheet must be submitted with the proposal and must identify the proposal page or attachment supporting each point claimed.

In addition to the minimum score, each Applicant must receive a pass determination from DHLM on the December 31, 2027, Closing Readiness Threshold. DHLM will consider, at minimum, site control, acquisition agreement outside dates, due diligence,

title and survey status, environmental review, Capital Needs Assessment, rehabilitation scope, relocation planning, lender and Bond purchaser engagement, LIHTC status if applicable, governmental approvals, Bond Counsel review, Council and TEFRA scheduling, and the critical-path closing schedule.

Points may not be claimed based solely on anticipated future actions, approvals, financing commitments, site control, or other conditions that are not reasonably supported by the documentation submitted with the proposal.

DHLM will independently evaluate and score each proposal. DHLM's final score will control and may differ from the Applicant's self-score. A proposal receiving fewer than 54 total points or fewer than 23 Category 3: Acquisition, Bond, and Closing Readiness points will not be eligible for selection. In addition, DHLM must determine that the proposal satisfies each mandatory readiness element identified in the Closing Readiness Threshold. Meeting the minimum requirements does not guarantee selection or a reservation of PAB volume cap.

The City may bypass a proposal with a higher total numerical score when DHLM documents that another eligible proposal has materially greater closing certainty and is more likely to complete the required closings by December 31, 2027.

V. APPLICANT OBLIGATIONS AND PROPOSAL REQUIREMENTS

CLOSING MILESTONES AND AUTOMATIC EXPIRATION. A selected Applicant must comply with the milestone schedule stated in the conditional reservation letter, which may include deadlines for engagement of Bond Counsel and financing professionals, inducement and TEFRA actions, Council authorization, lender or purchaser commitment, LIHTC and other financing commitments, substantially final due diligence, substantially final Bond documents, and scheduled closing. The Applicant must submit written progress reports at least monthly, and more frequently if required by DHLM, through Bond issuance and acquisition and financing closing.

Failure to meet a milestone, material adverse change in Project readiness, inability to demonstrate sufficient financing, or failure to close by December 31, 2027, may result in reduction, withdrawal, or reallocation of the reservation. Unless otherwise expressly provided by the City in writing, any unissued reservation expires automatically at 11:59 p.m. Hawai'i Standard Time on December 31, 2027, without liability to the City.

1. Applicants' Responsibilities.

Applicants shall have the following obligations ("Obligations"):

A. To review and fully understand all:

- i. Provisions of this RFP, including all exhibits and attachments;
 - ii. Amendments, clarifications, interpretations, and exceptions to this RFP;
 - iii. Federal, State, and City laws, rules, regulations, and guidelines applicable to this RFP; and
 - iv. Other published standards and requirements applicable to the project;
- B. To request the necessary and appropriate clarifications, interpretations, and exceptions applicable to this RFP;
- C. To understand that the submission of a proposal by any Applicant is an acknowledgment of an Applicant's understanding, acceptance, and fulfillment of its Obligations;
- D. To submit a **non-refundable initial application fee of \$5,000.00** on or before the Deadline for Proposal and Application Fee Submission identified in the Selection Process Timeline.
 - i. The initial application fee must be paid via check with the following details:
 - 1. Make check payable to: "City and County of Honolulu";
 - 2. Memo line: "PAB Application – [PROJECT NAME]";
 - ii. Checks must be mailed to DHL. See the Deadline for Proposal and Application Fee Submission identified in the Selection Process Timeline for mailing instructions.
- E. To understand that an Applicant's failure to fully comprehend or fulfill the Obligations shall not relieve an Applicant from completing the project in accordance with its proposal. An Applicant may not claim any additional compensation or accommodation based upon its failure to fulfill the Obligation(s);
- F. To review, understand, and have the ability to comply with all applicable laws, rules, regulations, and guidelines of any entity, governmental or otherwise, having jurisdiction over the project, or any part of it, as they are passed, adopted, amended, and promulgated from time to time, including, but not limited to, the HRS, HAR, Revised Charter of Honolulu, and ROH;
- G. To demonstrate that they can and will fulfill the insurance requirements of the City prior to execution of a written contract; and
- H. To respond fully and adequately and in a timely manner to all reasonable requests for information by the City.

2. Modifications to Proposals.

Any modifications to a proposal must be in written form in the same format as the initial proposal and must be executed on behalf of the Applicant by an authorized person. It must also be received by DHLHM no later than the final Deadline for Proposal and Application Fee Submission. The date and time of any proposal modification shall be evidenced by the date and time stamp furnished by DHLHM on the submitted proposal modification. No other form of communication modifying a Proposal shall be accepted.

If the City requests further clarification on a submitted proposal prior to an award of Private Activity Bond volume cap, the City may formally issue a written request to the Applicant to clarify or modify its proposal. If the City requests this clarification prior to an award, but after the applicable Deadline for Proposal and Application Fee Submission, the written response from the Applicant shall be acceptable, provided the initial proposal was submitted in accordance with all the terms of this RFP. Such clarifications requested by the City shall not be considered major modifications requiring additional fee payment.

3. Withdrawals.

Prior to the award of a contract, an Applicant may request withdrawal of its proposal by submitting a written request to DHLHM that identifies the Project, the Applicant's name, the date and time the proposal was stamped as received by DHLHM and includes a signed attestation confirming the Applicant's request to withdraw its proposal.

The withdrawal request shall be accepted, and the proposal shall be deemed withdrawn, provided that the request is received by DHLHM no later than the date of the contract award. The date and time of the receipt of the withdrawal request shall be evidenced by the date and time stamp affixed by DHLHM upon receipt of the request. The City will not return the Application fee.

An Applicant may submit a new proposal prior to the applicable submission deadline. However, if an Applicant demonstrates a pattern of withdrawing proposals submitted under this RFP, the City reserves the right not to award any subsequent proposals submitted by that Applicant in response to this RFP.

4. Responsibility for Expenses in Preparing Proposals.

Applicants shall be solely responsible for all costs and expenses incurred in response to this RFP, including any proposals and responses thereto.

5. Opening of Proposals.

Proposals will not be opened publicly, and the contents of the proposals shall not be disclosed to any unauthorized person by any party. Each opened proposal shall be listed in a Register of Proposals that includes a description of each proposal, the name of each Applicant, and the quantity of proposals provided.

The contents of all proposals and their evaluations shall be kept confidential during the evaluation process. Only City officers and employees having a legitimate reason to review the proposals shall have access to them during the evaluation process. The proposals (except for materials marked confidential), Register of Proposals, and the results of the proposal evaluations shall be made public after award has been made.

6. Rejection of Individual Proposals.

If circumstances become known to the City by which the City may reasonably conclude that two (2) or more Applicants are in collusion to restrict competition or have otherwise engaged in anti-competitive practices pertaining to this RFP, the proposals submitted by each Applicant involved shall be rejected, and each Applicant shall be barred from submitting proposals or receiving any award in connection with this RFP.

The City shall reject any proposal that is:

- (i) Not date and time-stamped by the date, time and in the manner stated above;
- (ii) Date and time-stamped after the applicable deadline, unless failure to timely submit the proposal is due to the action or inaction of a City officer or employee directly involved in this RFP; or
- (iii) Submitted by an Applicant which is confirmed by the City to have acted in collusion with another Applicant to restrict competition or to have participated in anti-competitive practices.

The City may reject any proposal that:

- (i) Fails to comply with the proposal format;
- (ii) Fails to otherwise comply with the instructions stated in this RFP;
- (iii) Modifies, adds, or deletes any material required as stated in this RFP;
- (iv) Contains any omissions, erasures, alterations, additions, or irregularities which are not crossed out and corrected by insertions either printed in ink or typewritten, and initialed in ink by the person signing the proposal; or
- (v) Contains any conditions not contemplated in this RFP.

A proposal that is rejected shall be retained on file by the City for a minimum of two (2) years from the date it was submitted. The City reserves the right to:

- (i) Reject any or all proposals;
- (ii) Undertake discussion with one (1) or more Applicants;
- (iii) Accept a proposal, as amended in accordance with Section 2 above, Modifications to Proposals, which, in the City's sole and absolute judgment, will be advantageous to the City; and
- (iv) Consider any specific proposal that is conditional or not prepared in accordance with the instructions and requirements of this RFP.

7. Errors in Proposals.

If the City discovers an error in a proposal, but prior to an award, the proposal may be rejected by the City or the City may request clarification or modification to the Applicant's proposal in accordance with Section 2 above, Modifications to Proposals.

8. City's Right to Amend or Supplement the RFP.

The City may amend any provision stated in this RFP at any time prior to the applicable deadline. Addenda shall be posted on the DHLM website containing the original RFP.

9. Waiver of Irregularities.

The City may waive any irregularity, deviation, or defect in a proposal or in the requirements stated in this RFP if the City determines that the waiver will be in the best interest of the City.

10. Evaluation.

During the evaluation period, Applicants may be required to make oral presentations or submit additional information as required to clarify its respective proposal. If additional clarification is needed, it shall be formally requested and submitted in accordance with Section 2 above, Modifications to Proposals.

11. Award of the Project.

A conditional reservation of PAB volume cap may be awarded to Applicant(s) determined to be responsible and whose proposal is determined to be advantageous to the City based on the Evaluation Criteria above.

12. Cancellation of Selection.

The City reserves the right to cancel the selection of a successful Applicant any time before the issuance of the Bonds and execution of the final Bond and Program documents of the contract committing project funds to a successful Applicant.

13. Cancellation of Request for Proposals.

The City may cancel this RFP at any time if, in the City's sole judgment, such cancellation would be in the best interest of the City. If this RFP is canceled prior to the applicable deadline, the notice of cancellation shall be publicly posted on the DHLM website as a written Addendum for all prospective Applicants. If this RFP is cancelled after the applicable deadline, notice of the cancellation shall be sent to all Applicants that submitted a Proposal. Proposals which have been opened shall be retained in the procurement file. Proposals which have not been opened shall be returned to the Applicants upon request or otherwise disposed of. After cancellation, the City may issue a new Request for Proposals at its own discretion.

14. Unauthorized Communication.

Except as otherwise authorized in this RFP, Applicants and their agents shall not make any contact or have communication with any City officer, employee, or agent regarding this RFP. Prospective Applicants may continue to interact with City officers, employees or agents for all matters **not** related to this RFP.

15. Costs.

Under no circumstances, including the rejection of proposals, will the City reimburse any costs incurred in connection with this RFP, by any Applicant or any other person during this procurement process, including without limitation in the preparation of a proposal.

16. Disclaimers.

The City makes no warranty, guaranty, or representation whatsoever, expressed or implied, that the City will exercise its power of eminent domain to acquire any real property by the initiation of a condemnation action in furtherance of any project awarded PAB volume cap under this RFP.

17. Confidential Materials.

Applicants are discouraged from submitting information considered proprietary unless it is deemed essential for the proper evaluation of its proposal. The City does not guarantee or agree to protect the confidentiality of any information submitted.

If the proposal contains information that the Applicant constitutes technical, financial, or other data the public disclosure of which would cause substantial competitive injury to an Applicant's organization, or which would significantly impact the privacy interest of an individual, it is the Applicant's responsibility to:

- Specifically identify those pages of the proposal that contain such data by properly marking the applicable pages "CONFIDENTIAL" on every copy submitted; and

The City will take the Applicant's designation as to what is "CONFIDENTIAL" into consideration when disclosure is requested or required but will not be bound by such designation. All other parts of the proposal and any information derived therefrom are considered not to be confidential and will be subject to disclosure in response to requests made under the Uniform Information Practices Act, HRS Chapter 92F.

The City assumes no liability for disclosure or use of marked or unmarked data for any purpose.

VI. PROPOSAL SUBMISSION GUIDELINES

WHEN AND HOW TO SUBMIT. Applicants may submit and the City may accept proposals at any time commencing upon the issuance of this RFP until the final Deadline for Proposal and Application Fee Submission. The City reserves the right at its sole discretion to award private activity bonds to those proposals that best meet the City's needs. Applicants must submit their completed proposals to DHLM by the applicable deadline in the Selection Process Timeline at the following address:

Department of Housing and Land Management
650 South King Street, 3rd Floor
Honolulu, HI 96813
ATTN: Housing Finance Division

Electronic submissions via email are prohibited and will not be accepted.

COMPLETED APPLICATION. Completed application shall include:

- Completed fillable Application Form (Attachment A);
- Disclosure of Principals (Attachment B);
- Unit Rents and Mix (Attachment C);
- PAB Project Resources and Summary (Attachment D);
- Self-Scoring Form (Attachment E);
- Capital Needs Assessment and proposed rehabilitation scope, schedule, and cost estimate meeting the requirements of Section III; and
- Non-refundable Application Fee of \$5,000.

Applicants shall not submit proposals to any other City agency or office.

Proposals that are not received by the submission deadline, as evidenced by a valid date and time stamp, will not be considered for funding under this RFP.

The proposal shall remain valid and available for a period of at least one hundred fifty (150) days after the submission of the proposal as evidenced by the date and time stamp.

PROPOSAL PACKET COPIES. Each project requires its own proposal. For each proposal, all Applicants must submit:

1. Hard Copies of Proposal (3 total)

Two (2) original proposals, including an original signature by a person authorized to act on behalf of the Applicant, all required attachments, and marked "ORIGINAL"; and

One (1) copy including all required attachments.

The hard copies should be in a 3-ring letter sized binder.

Proposals must be typewritten or computer generated, minimum 11-point font, and single-sided for narrative responses. Narratives should be straightforward and succinct.

2. Electronic Version of Proposal (include with original proposal)

One (1) flash (thumb) drive that contains a copy of the proposal in Adobe PDF.

Additional materials, such as attachments, should be scanned onto the flash drive as PDF files. Submit each attachment as a separate file. Do **not** combine and submit all attachments as one large PDF file.

NUMBER OF DIFFERENT PROPOSALS. There is no limit on the number of proposals that an Applicant may submit. Applicants may submit multiple proposals for different projects or multiple proposals for one project, if each proposal addresses a different activity within the one project.

DISQUALIFICATION OF PROPOSALS. Proposals must be complete in themselves and provide all the information necessary for the City to make informed decisions about the project.

In its sole discretion, and without consulting an Applicant, the City will disqualify:

- A proposal submitted to a location other than DHLM.
- A proposal that lacks the required attachment.
- A project that does not comply with applicable City regulations, plans, guidelines, or policies, with applicable law or regulation, or with Private Activity Bond requirements.

- An Applicant that misrepresents information about the project or the Applicant. In addition, the Applicant may be barred from submitting future Private Activity Bond proposals.

In its sole discretion, and without consulting an Applicant, the City may disqualify a proposal:

- Based solely upon the information that is provided in it.
- That does not provide sufficient information necessary for the City to make an informed decision about a project.
- For any other reason related to the proposals' completeness or incompleteness.
- If the City determines that the proposed project or program as presented in the proposal cannot be implemented within a reasonable period of time due to lack of site control or financing commitments or other factors as determined by the City.

The phrase "disqualify a proposal" means that the City will remove a proposal from the RFP process and consideration for an award. Depending on the reason for disqualification, an Applicant may or may not be able to resubmit the proposal for future consideration by a subsequent deadline.

MODIFICATIONS TO PROPOSALS AFTER THE SUBMISSION DEADLINE. After the submission deadline, only modifications to proposals that are specifically requested by the City in writing and submitted by the Applicant in writing to DHLM shall be accepted. All other modifications shall be returned to the Applicant.

REQUESTS FOR TECHNICAL ASSISTANCE. Applicants may ask questions about this RFP and the Private Activity Bond Program by emailing dhlmfinance@honolulu.gov.

Questions must be submitted no later than the deadline date and time indicated in the Selection Process Timeline. The City is not obligated to acknowledge any inquiries received after this deadline.

PROPOSAL REVIEW AND AWARD NOTICE. Proposals will be processed and reviewed for eligibility and feasibility by City staff. The City's selection committee will evaluate all proposals received by the deadline stated in the "Selection Process Timeline" above.

CLARIFICATION, INTERPRETATIONS, AND EXCEPTIONS. A prospective Applicant may submit a request to the City for clarification or interpretation of any provision stated in this RFP. If there is an apparent conflict or inconsistency between provisions stated in this RFP or if this RFP is inconsistent with any Federal, State, or City law, statute, ordinance, rule, regulation, or other requirement, a prospective Applicant should submit a request for clarification or interpretation of that apparent conflict or inconsistency.

A prospective Applicant may request an exception to any provision stated in this RFP. Technical data and other pertinent information shall be provided, by and at the expense of the prospective Applicant, with the request to support the conclusion that a condition equal to or better than that required by the provisions stated in the RFP will result if the exception is granted. The City may request additional information from the prospective Applicant.

Any request for clarification, interpretation, or an exception must be submitted in writing no later than the date listed in the Selection Process Timeline to dhlmfinance@honolulu.gov.

The City will respond to requests for clarification or interpretation and determine whether to grant an exception. Clarifications, interpretations, and exceptions will be issued in writing by the City as an Addendum to this RFP.

Written and published addenda constitute the only official communication between an Applicant and the City. No other communications, oral or otherwise, shall bind the City in any way. Prospective Applicants should refrain from contacting any employee or agent of the City directly and shall transmit all communications to DHLM.

VII. DISCLAIMERS

All awards for funds are subject to:

- Decisions made by the City or any selection committee, in their sole and absolute discretion, whether to select a project for an award;
- Decisions made by the City or any selection committee, in their sole and absolute discretion, as to the amount of any award to any specific project, regardless of the amount of funds that an Applicant applied for;
- Honolulu City Council for the issuance of Private Activity Bond volume cap and allocation for the proposed projects; and
- The execution of individual agreements between the City and the agencies that have been issued Private Activity Bond volume cap.

The City may require additional information or documentation or require amendments to proposals during its review process.

All PAB volume-cap reservations and awards of funding or other resources are contingent upon continued availability, appropriation where applicable, satisfaction of applicable legal and program requirements, and receipt of all required City approvals.

The City may increase, reduce, withdraw, reallocate, or decline to award any PAB volume cap, funding, or other resources identified in a solicitation notice. No Applicant

acquires any right or entitlement to PAB volume cap, funding, or other City assistance by submitting a proposal, receiving a score, or being selected under this RFP. A binding City commitment arises only upon completion of all required approvals and execution of the applicable final agreements.

The City may contact any Applicant to request clarification of any proposal.

THE CITY RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS, IN WHOLE OR IN PART, OR REQUIRE AMENDMENTS TO THE GUIDELINES, REQUIREMENTS, AND/OR ELIGIBILITY CRITERIA SET FORTH IN THIS REQUEST FOR PROPOSALS (RFP). THE CITY ALSO RESERVES THE RIGHT TO AMEND OR SUPPLEMENT REQUIREMENTS AND MATERIALS, AND WILL INFORM APPLICANTS OF SUCH CHANGES PRIOR TO THE SUBMISSION DUE DATE.

BY SUBMITTING A PROPOSAL, APPLICANTS EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE CITY SHALL BEAR NO LIABILITY OR OBLIGATION BASED ON THIS RFP, AND THE CITY MAY EXERCISE ANY OF THE FOREGOING RIGHTS IN ITS SOLE AND ABSOLUTE DISCRETION.