



State of California

Request for Proposals

By Respondents Pre-Qualified via RFQ

Affordable Housing Development

Under Executive Order N-06-19

Location:

244 George Hensel Drive
Montebello, CA 90640

Released: November 8, 2021

Due: 5:00 pm PST on January 17, 2022



STATE CONTACT

Terry Todd
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PROJECT WEBSITE

Page: [Executive Order N-06-19 Affordable Housing](#)

URL: <https://www.dgs.ca.gov/RES/Projects/Page-Content/Projects-List-Folder/Executive-Order-N-06-19-Affordable-Housing-Development>

RFP TIMELINE AND SUBMISSION INSTRUCTIONS

The following Request for Proposals (RFP) timeline is provided for scheduling information but is subject to change at the State’s discretion.

Activity	Date
Pre-Qualified Developers Notified of Eligibility to Submit and Request for Proposals Released	November 8, 2021
RFP Final Questions and Requests for Clarification Due	December 8, 2021
State Response to RFP Questions/Clarifications	December 15, 2021
RFP Submittal Deadline (5:00 pm PST)	January 17, 2022
Interviews Conducted (approximate)	February 21, 2022
Respondent Selection (approximate)	March 21, 2022

Submission Instructions

Parties responding to this RFP (“Respondent(s)” or “Respondent Team(s)”) must submit their response precisely as follows:

- 1) Via box.com or similar, create two separate folders:
 - a. One containing solely the audited financial statements required in Section 4 of the EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS of this RFP, Demonstration of Financial Capacity, and

- b. One containing all other components of the Proposal.
- 2) Send an email to the address listed above which:
- a. Contains two links corresponding to each of the folders listed above.
 - b. Clearly identifies the contents of the folder associated with each link within the body of the email.
 - c. Has the subject line: “Excess Sites – Montebello – Proposal Links – [Name of Respondent Team]”

RFP Questions and Requests for Clarifications

All questions and/or requests for clarification should be sent with the subject line “Excess Sites – Montebello – Question” to the State contact’s email above. The State will respond to questions and/or requests for clarification by emailing one attachment containing all questions and requests for clarification received by the deadline along with an answer for each (the “Q&A Document”) via bcc to a) the email address(es) which submitted the questions and/or requests for clarification to the State by the applicable deadline, and b) the addresses of pre-qualified developers eligible to respond to the RFP. The State will also post the Q&A Document to the website listed above. Please see Exhibit 5, Frequently Asked Questions, prior to submission.

RFP Submittal Deadline

The State must receive responses to the RFP no later than the deadline listed above.

It is the Respondent's sole responsibility to ensure that their response to the RFP is received by the State before the deadline listed above. All emails sent by a Respondent will be time-stamped based on the time of receipt of such email.

Respondent Interviews

The State reserves the option of interviewing zero, one or all Respondents prior to selecting a Respondent to enter into negotiations regarding the Site. The State will notify Respondents to request an interview, if applicable, subsequent to receiving and reviewing responses to the RFP.

DISCLAIMERS

This RFP is open only to Respondents which successfully qualified for this opportunity via the EO N-06-19 Request for Qualifications (RFQ) number 1-21 which closed on June 14, 2021. Respondents that successfully qualified for this opportunity via that RFQ have been notified of their eligibility to submit a proposal.



The State obtained the information contained in this RFP from sources deemed reliable; however, the State makes no guarantees, warranties, or representations, nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to interested parties. Interested parties are responsible for undertaking all necessary investigation on and off the State's property to determine the suitability of the State's property for selected Respondent's intended use.

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the material submitted may be made available to the public.

The State reserves the right to assign and/or subdivide the parcel amongst multiple entities which represent the members of a Respondent Team.

INTRODUCTION

Executive Order N-06-19 (EO) (see Exhibit A) was signed by Governor Gavin Newsom on January 15, 2019 to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the "State"), to identify and prioritize excess state-owned property and aggressively pursue the goals of affordable, sustainable, innovative, feasible, and cost-effective housing projects.

The State issued RFQ 1-21 on May 10, 2021 to create an affordable housing development on an excess state-owned property including one such property (the "Site") located in the City of Montebello (the "City"). At the conclusion of that RFQ solicitation period, statements of qualifications (SOQ) were received from Respondents. Selected Respondents are now invited to submit a Proposal consistent with this RFP.

The State is pleased to issue this RFP for respondents capable of developing affordable housing on an excess state-owned property located in Montebello.

It is the intention of the State to collaborate with the City in the State's selection of a development team and creation of a development program.

At the conclusion of the RFP process, the State intends to enter into a Lease Option Agreement (LOA) with a selected Respondent or Respondent Team whose qualifications

and development proposal the State at its sole discretion deems best suited to achieve the Principles and Objectives described in this RFP. Successful completion of negotiations will lead to the execution of a low-cost, long-term ground lease and regulatory agreement with a maximum term of 99 years. These are further described, below.

DEVELOPMENT OPPORTUNITY OVERVIEW

Please see Exhibit 3.

PROGRAM PRINCIPLES AND OBJECTIVES

The lack of affordable housing across California is a matter of vital statewide importance and the State is working to expand housing opportunities through a new level of innovation and cooperation between the public and private sectors. While housing affordability is paramount, the State recognizes that this program presents an opportunity to leverage development for multi-benefit outcomes.

To help solve the affordable housing crisis in alignment with other priorities, the State is seeking Proposals from Respondents who can demonstrate the capacity, creativity and commitment needed to support the Principles and Objectives listed below.

- 1) **Affordability:** Maximize depth and breadth of affordability while maintaining financial feasibility.
- 2) **Financing Innovation:** Implement innovative financing models which reduce the necessity of scarce public resources. Examples of scarce public resources include Low Income Housing Tax Credits, tax-exempt bonds, and state/local housing programs.
- 3) **Timing Efficiency and Financial Feasibility:** Strategically deliver on the timing goals of the EO by maximizing financial feasibility and accelerating delivery.
- 4) **Accessibility:** Provide accessible housing for all Californians by meeting or exceeding the requirements of the California Building Code and local requirements by maximizing universal design principles.
- 5) **Sustainability and Resiliency:** Incorporate State and/or local emphasis on sustainable construction, energy consumption and ecological resilience, as

well as other means of reducing the carbon footprint of the building and residents.

- 6) **Construction Innovation and Cost Efficiency:** Explore the extent to which innovative construction technology and/or other cost-saving measures can be incorporated at this location resulting in reduced total project costs, reduced construction duration, and/or improved building performance while maintaining quality of construction.
- 7) **Outreach, Partnership, and Collaboration:** Integrate diverse groups of local stakeholder, government and community input using a meaningful public participation process and conversation so that the proposed development addresses local housing needs.
- 8) **Utilize framework of State Sovereignty to achieve better outcomes:** Leverage the framework of State Sovereignty as further described in Exhibit 4 to maximize both the Principles and Objectives of this RFP as well as state planning priorities regarding land use and density.
- 9) **Equity:** Incorporate meaningful measures into the project that will achieve measurable racial equity outcomes. Examples include but are not limited to construction-related programs, commercial tenant programming, and/or ownership partners.
- 10) **Respondent Capacity:** Demonstrate the Respondent's financial capacity and experience necessary to successfully implement the envisioned plans, and to overcome possible setbacks in the development process.
- 11) **Quality Architecture and Contextual Design:** Deliver a project that meets generally accepted principles of quality architectural design, and that takes nearby services, transportation, amenities, and planned improvements into consideration.

ROLES AND RESPONSIBILITIES OF THE SELECTED RESPONDENT

Upon approval and execution of a Lease Option Agreement (LOA) with the State, the selected Respondent shall be responsible for all on-site and off-site costs and expenses associated with the development, site security and maintenance, construction, ownership, management, and operation of the proposed project, including but not limited

to, planning, design, environmental clearance, permit fees, utility charges, as more specifically set forth in the LOA and in accordance with the following requirements:

- A. The selected Respondent shall accept the Site in its present state and condition, as-is, without any express or implied warranties;
- B. The selected Respondent shall enter into a low-cost, long-term ground lease and regulatory agreement (described further, below);
- C. The selected Respondent shall be responsible for obtaining any and all approvals and all necessary building, grading, and construction permits required for the proposed project from the City or any other agency;
- D. The selected Respondent shall agree to follow Chapter 11a and 11b of the California Building Code (accessibility) and to implement the state's new solar initiatives on multi-family structures per California Building Code;
- E. The selected Respondent shall ensure payment of state prevailing wage regarding construction where applicable;
- F. The selected Respondent shall be responsible for assisting DGS with compliance with the California Environmental Quality Act (CEQA), including exploring the applicability of streamlining and exemption provisions, and the preparation of any necessary environmental documents. DGS shall serve as the lead agency under CEQA. The cost of all required environmental review and compliance shall be the responsibility of the selected Respondent. Please note further that a) the State has determined that Senate Bill 35 does not apply to state-owned land, and b) if selected Respondent seeks any federal subsidy or funding, they shall also be responsible for facilitating compliance with the National Environmental Policy Act, (NEPA);
- G. The selected Respondent shall be responsible for payment of the applicable local agency development mitigation fees and off-site facilities and services fees (the selected Respondent should pursue fee deferments and other streamlining opportunities where appropriate);
- H. The selected Respondent will be responsible for meeting all milestones identified in the LOA;
- I. On an ongoing basis, the selected Respondent must employ a variety of outreach methods to ensure all segments of the community are included in all stages of the development process. Respondents are encouraged to reach out and involve various local community organizations to gain support for the proposed affordable housing project and respond to community/neighborhood concerns where appropriate throughout the project construction and property management. Respondents also must conduct affirmative marketing to qualified households least likely to apply; and

- J. The selected Respondent shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this subchapter. The selected Respondent shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 100, 24 C.F.R. Part 8, and 28 C.F.R. Part 35, in all of the Sponsor's activities. See Exhibit 8.

GROUND LEASE, REGULATORY AGREEMENT AND APPLICABLE GOVERNMENT CODE

The Site is owned by the State and will remain under State ownership. The selected Respondent (or Respondent Team) will enter into a ground lease and regulatory agreement for a low-cost, long-term ground lease transaction (e.g., \$1 annually, 99-year term).

DGS's leasing authority for affordable housing developments can be found in Section 14671.2 of California Government Code (the "Code"). Absent alternative leasing authority, any lease for housing development under the EO must conform to the parameters found within this section of statute (see also Exhibit 2).

All projects must conform with Section 14671.2 as written at the time of the lease(s).

SURROUNDING AREA CONTEXT

The property is located in the southwestern portion of Montebello within close proximity to several amenities including Montebello City Park, area schools, the Montebello /

Commerce Metrolink Station and the Whittier and Montebello Boulevard commercial corridors. The subject site is located approximately 10 miles east of downtown Los Angeles and adjacent to public transit stations. This area has been identified as a catalytic corridor targeted for residential uses.

The City is in the process of updating its Housing Element and General Plan. Respondents should consider these plans in their development concepts. Materials relating to the General Plan and Housing Element updates are available at www.planmontebello.com.

THE IDEAL RESPONSE TO THIS RFP

The State seeks responses that:

- Are clear, concise, and to-the-point. Respondents are requested to avoid inclusion of extraneous marketing materials, overly detailed specifications, and other materials that increase the size of the submittal without providing meaningful additional information about Respondent's vision and implementation of the project objectives.
- Include all the elements listed below.
- Stay within the page limit without exhibits of 15 pages; there is no page limit for exhibits.

EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS

The proposal must be sufficiently detailed and descriptive in the State's sole discretion to assess the viability of the proposal. The submitted proposals must meet all requirements outlined in this RFP. The State reserves the right to make its selection based on its sole and absolute discretion. In addition, the State reserves the right to reject any or all proposals at any time for any reason. No representation is made hereby that any contract will be awarded pursuant to this RFP or otherwise.

Respondents are directed to Exhibit 6, Due Diligence Documents, and are expected to consider these findings in their Proposal as applicable.

The scoring criteria which will be applied to the submissions is located in Exhibit 7.

An evaluation panel will identify the most qualified responses to this RFP.

Proposal Format:

- 1) Respondent Team Introduction
 - a) Evaluation Criteria: Incomplete Proposals may be disqualified.
 - b) Submission Requirements:
 - i) Include information about the Respondent, name, and contact information of the person designated to act as the primary contact. Identify the Respondent team principals and those authorized to execute and bind the team to an agreement. Include a statement of acceptance of all the requirements and conditions in this RFP, and that the signer has full authority to bind the Respondent.
 - ii) Provide an introduction to the Respondent Team that clearly identifies the Team's form of organization (LLC, partnership, etc.) and business headquarters, all equity partners or participants, and any involvement in the control over the Developer entity by such parties and any non-equity members. The complete Respondent team should be established as an integrated group prior to submitting the Proposal.
 - iii) Include an organizational chart displaying reporting relationships and lines of accountability. The State reserves the right to request further documentation.
 - iv) If there is more than one proposed developer entity/sponsor, identify the nature of the affiliation between the proposed developer entities. Provide clarity on the roles and responsibilities between the sponsors and summary points on any agreements between the parties in pursuing the Site.
 - v) Include a brief biography for each principal member of the Respondent Team.
 - vi) Identify the contractors, architects and development partners (i.e., joint-venture partners or co-General Partners) who are members of the Respondent Team.
- 2) Demonstration of Experience
 - a) Evaluation Criteria: The overall track record of the Respondent Team (including the development company/ies, its proposed project lead and any proposed general contractors and architects) in planning, financing, developing, managing, and maintaining applicable development projects, including experience developing affordable housing and/or market-rate

housing in California as applicable to the proposed development program.

b) Submission Requirements:

- i) Provide any new or changed information not included in your SOQ.
- ii) Include information demonstrating the experience of the contractors, consultants and development partners your Proposal identifies in response to item (1)(b)(vi), above (if not already included in SOQ).
- iii) If supportive services are to be provided to residents, provide information which clearly establishes the experience of the supportive services provider with the specific population envisioned in the Proposal.
- iv) Provide a statement that all material changes to the submission requirements of the RFQ have been included in this Proposal.
- v) Describe the four most recent and/or relevant development projects undertaken by Respondent Team to date, with information that includes the project name, project location, year completed, project value at completion, development program, and other relevant information such as whether any project was developed pursuant to a ground lease. If Respondent is a group of developers, the history and qualifications of each should be provided. Highlight developer qualifications that are adherent to the Low-Income Housing Tax Credit program or other state or federal funding programs and experience in the locality or region in which the site(s) you selected is located. These examples may be the same as provided in your SOQ provided that they are still relevant.
- vi) Provide three project references that the State can contact. The project references should be for projects that are similar to the project envisioned in the SOQ. Project references should be able to confirm the Respondent's claims of past success in the entitlement and discretionary approval process, participation in public-private joint development partnerships, financing of affordable housing projects, community engagement, use of innovative design or modular construction, and/or continued management of developments. These references may be the same as provided in your SOQ provided that they are still relevant.

3) Equity and Community Outreach

a) Evaluation Criteria: Respondent Team's detailed approach to achieve the Principles and Objectives listed below, given their criticality to the overall success of the Site.

b) Submission Requirements:

- i) Provide a high-level plan to achieve the Principle and Objective of

- Community Outreach, Partnership and Collaboration. Address the means and methods by which the public will participate in the development process and the process by which you will incorporate that feedback into the design and execution of the project. Describe the sequence of community feedback with other components of the predevelopment process. Explain how the proposed approach will address the needs and concerns of the community and stakeholders including the City. Describe how the general public will be informed of development progress and how public comments will be collected and addressed during all phases of development.
- ii) Provide a detailed plan to achieve the Principle and Objective of Equity. Detail the near- and long-term strategies you will implement to achieve measurable outcomes fostering inclusive communities and achieving racial equity, providing fair housing choice, and creating opportunities for all Californians.
- 4) Demonstration of Financial Capacity
- a) Evaluation Criteria: The financial capacity of Respondent Team to complete and manage the Site, including demonstrated abilities in financial innovation, adaptability, and command of emerging opportunities.
 - b) Submission Requirements:
 - i) Provide a statement describing the Respondent's experience and track record in securing funding for affordable projects.
 - ii) Include most recent audited financial statements in an exhibit (one year) for each developer (or joint-venture or co-General Partner, as applicable) of the Respondent Team.
- 5) Development Concept
- a) Evaluation Criteria: The development program and the ability of that program to meet the applicable Principles and Objectives as described in this RFP.
 - b) Submission Requirements:
 - i) Describe the development program and detail the uses you envision for the Site. Provide information, preferably in table format, which clearly quantifies relevant metrics (i.e., number of lower-income, moderate-income, and market rate housing units, square feet of commercial space, square feet of open space, building height, number of stories, total parking space, etc.).
 - ii) Provide a narrative description of the approach to the architectural, urban

- and landscape design of the Site, including architectural character, building densities, massing, amenities, relationship to the immediate neighborhood, character of parks and other public spaces, and other design elements. Describe how the envisioned improvements and amenities relate to and support adjacent or nearby uses and/or neighborhoods.
- iii) Describe in brief detail how the development concept considers current and proposed city and regional planning efforts, including the ability to further the City of Montebello's vision for the corridor consistent with the Housing Element and on-going General Plan Update. Similarly, briefly discuss coordination with business improvement districts as applicable and related fees, if any.
 - iv) Address how and the extent to which the Site will support the Principle and Objective of Accessibility.
 - v) Address how and the extent to which the Site will support the Principle and Objective of Sustainability.
 - vi) Describe your approach to the Site specifically regarding leveraging State Sovereignty and the opportunities and challenges it may provide. See Exhibit 4.
 - vii) Timing Efficiency and Financial Feasibility is of critical importance to this site in particular.
 - (1) Please describe how you would seek to accomplish this objective through innovative financing and/or other techniques.
 - (2) Please provide a development schedule in an exhibit to your Proposal which shows your expectations under the plan you describe per the item immediately above. This schedule may be in any format (Word, Excel, Project, etc.), yet must include all milestones commencing with execution of the LOA and including entitlement, design benchmarks, ground-breaking, financing applications and awards, certificate of occupancy and conversion. Assume March 15, 2022, for the execution of LOA, and if proposing the use of Low-Income Housing Tax Credits, further assume that the 2022 and/or 2023 CTCAC calendar(s) mimics the 2021 CTCAC calendar.
 - viii) Provide the following in an exhibit to the Proposal:
 - (1) Site plan, floor plans, building elevations, and rendering of the proposed development.
 - (2) The site plan should illustrate the proposed development concept for the Site, including proposed building(s) footprint, proposed open spaces and landscape design concept(s), parking, and vehicular and

pedestrian access.

(3) A ground floor plan should show proposed ground floor usage (e.g., common areas, management office space, apartment units, etc.). Additionally, a roof plan should illustrate any rooftop amenities, or illustrate pertinent features or anticipated screening of equipment. Other floor plans should show how the units are configured on the floor; greater detail is not required.

(4) Respondents must at least submit the front elevation (e.g., street view) of the Site. Other views are welcome but not required.

6) Financial Feasibility

a) Evaluation Criteria: the financial underwriting of the component parts of the development plan, the coordination of those components, and the extent to which the underwriting achieves the applicable Principles and Objectives.

b) Submission Requirements:

i) Summarize your financing plan with the Proposal.

ii) In an exhibit(s) to the Proposal, include a working electronic copy(ies) of the financial model(s) for the project in Microsoft Excel format. The State reserves the right to request additional calculations and/or tables should the submitted model be deemed incomplete.

iii) If the Proposal includes both income-restricted and unrestricted market-rate units, submit one financial model for each housing type.

iv) If proposing "income averaging" including income-restricted units at 80% AMI and/or unrestricted market-rate units, be certain to include market-rate rent comparables and include a comparison between proposed rents and market rents across each unit type (studio, one-bedroom, etc.).

7) Additional Requirements and Representations

a) Evaluation Criteria: Failure to satisfy submission requirements may result in disqualification.

b) Submission Requirements:

i) In their Proposal, Respondents must include an exhibit which identifies all of the following, as applicable, if any of them occurred within five years of the submission of the Proposal: defaults, any judgments, court orders, pending litigation, contractual disputes, violation notices, or other matters reflecting a violation of applicable regulations related to the operations or projects undertaken by the Developer entity or any of its individual members or affiliates exercising direct or indirect control over the development entity, including all key persons on the Respondent team.



- ii) Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.
- iii) Provide a signed copy of the Attestation and Checklist found in Exhibit 8.

EXHIBIT LIST

- EXHIBIT 1. EO N-06-19
- EXHIBIT 2. Government Code Section 14671.2
- EXHIBIT 3. Site Information
- EXHIBIT 4. State Sovereignty and Entitlements Under EO N-06-19
- EXHIBIT 5. Frequently Asked Questions
- EXHIBIT 6. Links to Due Diligence and Template Legal Documents
- EXHIBIT 7. RFP Scoring
- EXHIBIT 8. Attestation and Checklist



EXHIBIT 1 - EO N-06-19

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EXHIBIT 2. – GOVERNMENT CODE SECTION 14671.2

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=14671.2

EXHIBIT 3 – SITE INFORMATION

- 244 George Hensel Dr., Montebello, CA 90640
- Building: 10,664 s.f.
- Parcel: 6350-011-901
- Size: 0.758 acres
- The State expects adequate utilities to be available to the site, the selected Respondent will need to confirm as part of their customary due diligence process.

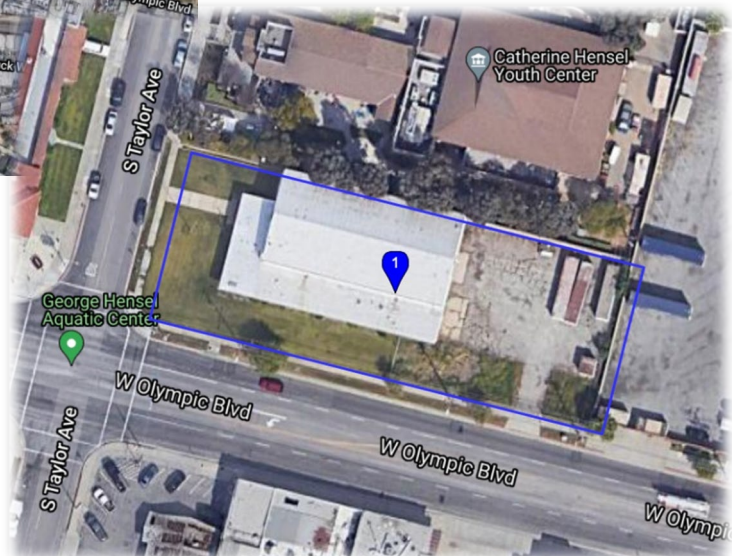
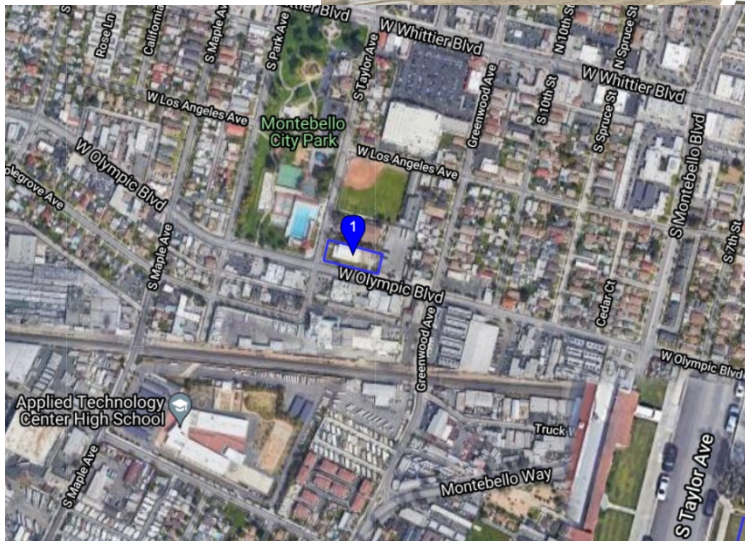


EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19

Introduction of Exhibit Topics

- State Sovereignty
- Comparison Table
- Additional Information

State Sovereignty

This discussion is offered as a practitioner’s understating of preemption of local land use authority under State Sovereignty and how exercising State Sovereignty can be beneficial for delivering affordable housing and other uses by developers on land provided by the State subject to a long-term ground lease or ground leases.

The intention of this guidance is to give potential Respondents an initial understanding of this framework; however, the precise roles and responsibilities among the State and the local jurisdiction for this project will be arrived at via an iterative process and tri-party conversations with the selected Respondent.

The concept of sovereignty suggests a hierarchy of governmental authority that has the federal government at its apex, then moves downward to State government, and follows to local governments, such as cities and counties. While land use regulation in California historically has been a function of local government under the grant of police power contained in Article XI, Section 7 of the California Constitution, a State agency is immune from local regulation unless the Legislature expressly waives immunity in a statute or the California Constitution.

Identifying and adapting a State Sovereignty framework early in the project delivery process under the authority of E.O. N-06-19 is helpful to the overall success of the project because it affects many aspects of entitlement. As an overview:

- Land Use: For purposes under E.O. N-06-19, the project is not subject to local zoning or the Subdivision Map Act when developing a property for State use. Under the auspices of HCD, which has control and possession of the land that will be subject to the long-term ground lease(s), the development of improvements on this land does not have to conform to existing local zoning.
- Per Executive Order N-06-19: “local zoning ordinances do not govern the use of State property, and the State possesses legal authority to enter into low-cost, long-term leasing agreements with housing developers and accelerate housing

development on state-owned land as a public use.” Furthermore, the State has statutory authority to enter into leasing agreements per Government Code Section 14671.2.

- Project design: use of State Sovereignty can facilitate greater density.
- Streamline Processing: SB35 is not currently available for State use; DGS is always lead CEQA agency.
- Construction: The State itself provides certain approvals (see Permitting under Comparison Table below) yet leverages local resources.

Respondents are encouraged to:

- Think creatively regarding how the framework of State Sovereignty can be adapted to further the Program Principles and Objectives.
- Be mindful that:
 - Local jurisdiction cooperation will be needed for utility access, site ingress/egress, and other matters.
 - Integrating local input remains a priority as noted in the Program Principles & Objectives.

Comparison Table

<u>Category</u>	<u>Item</u>	<u>No State Sovereignty (typical path)</u>	<u>Use of State Sovereignty</u>
Land-Use	Zoning	City/County determines	State determines
	City/County Planning Dept Approvals	Required in most cases	State’s discretion
	SB35	Can be used in some cases	Not currently available or applicable
	Project-level CEQA Approval	Local jurisdiction is lead agency	DGS is lead agency; see below
	Regional Housing Needs Assessment	Units produced apply to local jurisdiction RHNA goals	Units produced apply to local jurisdiction RHNA goals; see below
Permitting	Plan Review	Local jurisdiction	Hybrid model; see below

	Building Permit	Local jurisdiction	DGS
	Temp. Cert. of Occupancy	Local jurisdiction	DGS
	Certificate of Occupancy	Local jurisdiction	DGS
Plan Review, Inspections and Approvals	Fire and Life Safety	Local Authority	DGS primary, unless delegated. Local Authority for emergency response and access regardless of delegation.
	Structural	Local Authority	DGS primary, unless delegated.
	Accessibility	Local Authority	DGS primary, unless delegated.
Inspection Fees		Determined by local jurisdiction.	For pro forma purposes, assume the same cost as local jurisdiction. DGS fees are dependent upon project duration, staffing requirements and special conditions.
Utility Connections	Water	Coordinate with local agencies	Same
	Sewer/Stormwater	Coordinate with local agencies	Same
	Electric	Coordinate with local agencies	Same
Environmental Approvals	Air Quality	Local Air Quality Management District	Same
Emergency Services	Fire	Coordinate with local agencies.	Local Agencies to approve Emergency Services access and site requirements

<p>Real Estate Tax</p>	<p>Welfare exemption often sought and obtained for affordable housing, which eliminates or reduces property taxes. All other commercial and residential uses are taxable.</p> <p>To be determined</p>
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EXHIBIT 5 – FREQUENTLY ASKED QUESTIONS REGARDING SITES UNDER THE N-06-19 PROGRAM

Note: these are questions written and submitted by Respondents to earlier RFQ/RFP's, with answers provided by the State. These are included here for reference. Some questions and answers may not apply in the case of this RFQ/RFP.

1. In the case of a multi-site RFQ, considering that the sites have very different contexts and may have different populations, our qualifications for each site would be specific to that site and we may have different partners. If an organization is responding to more than one site, should we submit two separate sets of qualifications/proposals?

We ask that you describe your qualifications for all sites in one SOQ and stay within the page limit, yet you can use multiple exhibits to denote different sets of qualifications and/or partners. If doing so, please provide clear guidance as to which exhibit pertains to which or multiple sites.

2. Will there be an opportunity to visit the site(s) prior to the deadline?

Respondents are welcome to independently assess the site(s) from publicly accessible vantage points. No right of entry to subject properties is either given or implied through this RFQ/P. There will be no guided site visits. Please do not disturb current tenants, where applicable. We expect the existing improvements to be demolished by the developer as part of their construction of the housing.

3. Are we allowed to submit two responses for both the RFQ and RFP stages (assuming we're invited to apply for the RFP)?

Please only provide one response to the RFQ. If a proposal is requested, we will request up to one proposal per site.

4. Will the site(s) be delivered with utilities stubbed to site permit ready?

Sites will be delivered as is. Conditions will vary from site-to-site.

5. What off-sites will need to be done at whose cost?

Customary off-site improvements will be expected, with the cost included in the project's construction budget. Conditions will vary from site-to-site.

6. Will there be a process to streamline permitting with one or just a few points of contact?

There will be an assigned DGS staff person for each site who will be the single point of contact for all matters relating to DGS for all stages of development.

7. Are there any requirements for subcontractors or trades working the site?

Currently, the program includes a prevailing wage requirement. This does not preclude future contracting or labor regulations.

8. Will parking requirements be eased depending on the population?

Parking requirements will be determined via discussions with DGS, the city, and the developer.

9. Does every unit have to ADA complaint or just a percentage?

Minimum accessibility requirements are established by the California Building Code. The Excess Sites program seeks to maximize access in balance with other objectives.

10. Is any of this contingent on services being provided?

It is expected that on-site social services are provided to the levels customary and/or required for low-income housing.

11. Do we have responsibility for qualifying Residents for Section 8 or Veterans voucher or similar?

It will be the developer's responsibility to a) obtain the Section 8 vouchers they deem necessary for the project, and b) qualify residents against the requirements of all funding sources including Section 8 if applicable.

12. Who at the state will be responsible for handling all the entitlement work under the State Sovereignty act?

The Department of General Services will represent the State with regards to project approvals.

13. What is the maximum density allowed by the state?

The state does not have a maximum density limit. However, respondents are encouraged to review the program Principles and Objectives when determining density and consider local context.

14. What is the estimated closing date of these sites? Is the ability to close quickly attractive to the state?

There is no estimated closing date; however, as per Principle and Objective #3, timing efficiency is important and will be a scoring criterium at the RFP stage.

15. Is there a security deposit required to be made for each site?

No.

16. Are there any existing ALTA Surveys that can be provided?

No.

17. Do any of the sites have disadvantaged business enterprise requirements?

To be determined.

18. Will any of these sites have to be utilized for interim or permanent supportive housing?

Interim supportive housing is not currently contemplated for these sites. Permanent supportive housing is not a requirement; however, respondents are encouraged to review Principle & Objective #1 as well as the government code in Exhibit 2 regarding housing affordability.

19. Were the RFQ responses scored? If yes, will those scores contribute to the overall selection and will those scores be shared with respondents?

Yes, the RFQ responses were scored. Those scores will not contribute to the RFP selection process.

20. Does a Respondent team made up of more than one developer need to form a legal entity prior to submitting the RFP?

No.

21. Is an MOU or other formal documentation of the partnership required?

No.

22. Can the RFP submittal reference a section of the previously submitted RFQ rather than restate if the question or requirements were answered in the RFQ proposal?

To expedite Proposal review, please copy-and-paste from your SOQ into the Proposal as appropriate or necessary. We will not be referring back to the RFQ.

23. Does the State have a preferred format or template for the working electronic copy of the financial model? If not, are there specific pro forma sheets that proposers should include (i.e. Unit Mix, Development Budget, ##-Year Cash Flow, etc.)?

Please reference instructions under Section 6(b) of the Evaluation Criteria and Submission Requirements section of the RFP. Please include the pro forma sheets you feel would facilitate our understanding of your Proposal; we will request further data if needed.

24. What level of analysis is required for the rent comparison if proposing 80% AMI and/or unrestricted market-rate units? Can the analysis be included as an exhibit/attachment? Is a third-party market study required?

Per Section 6(b)(iv) of the Evaluation Criteria and Submission Requirements section of the RFP, "If proposing 'income averaging' including income-restricted units at 80% AMI and/or unrestricted market-rate units, be certain to include market rate rent comparables and include a comparison between proposed rents and market rents across each unit type (studio, one-bedroom, etc.)." The level of analysis is that which is necessary to support lease-up assumptions. An exhibit is acceptable. A third-party market study is not required.

25. Can the State share the shortlist of respondents invited to submit in the proposal phase?

No.

26. RE: Box.com folders: Is it expected the entire Demonstration of Financial Capacity be saved in a separate folder or just the audited financial statements?

Just the audited financial statements.

27. Who is on the evaluation panel?

The evaluation panel is to-be-determined. However, the Respondent selection will be made by representatives of the State.

28. Who was invited to respond to the RFP?

We do not share that information.

29. Is DGS the AHJ for the project's demolition, shoring, and/or grading permits?

The State expects that the City will be the lead in processing these permits.

30. If a project proposes to use Modular construction (which typically requires permitting by the Department of Housing and Community Development), would DGS still be the AHJ for the building permit or would HCD be permitting the entire structure including the non-modular portions?

DGS will be issuing the building permit in this case as well.

31. Will the project require plan review submittals or approvals from the State Fire Marshal?

No, the submittals will go through the local fire marshal.

32. Will the project require plan review submittals or approvals from the Division of the State Architect, or will DGS's assigned staff person handle any required coordination with DSA?

State Architect will not be involved with the project.

33. Is there a design review / entitlements process anticipated for this project?

Yes; to-be-determined and in coordination with the local jurisdiction. However, the local jurisdiction will not have approval authority.

34. Is there a specific sustainability program or benchmark this project is seeking?

No.

35. Item D, page 6, of the RFP states, the “Respondent shall agree...to implement the state’s new solar initiatives on multi-family structure.” Please clarify which specific solar incentives this requirement mandates.

Please ensure that project is complying with current California building code including any updates between Respondent selection and project permitting.

36. What assumptions should be made regarding property taxes, can we assume an exemption for units at and above 80%AMI?

Units at or below 80% AMI are eligible for the welfare tax exemption.

37. Could DGS please confirm that showing how “units are configured on the floor” means that it is not necessary to show interior layouts of units, but rather just walls between units?

Confirmed.

38. Do all teams interview or is there another selection round following RFP submission?

The State reserves the right to interview, zero, some or all RFP Respondents. There will not be another selection round. There may be follow-up meetings and questions with one or more Respondents prior to selection.

39. Under “Roles and Responsibilities of the Selected Respondent” - Are there current holding costs the State spends on the site (i.e., fencing contract, security) that should be used as an assumption for holding costs upon execution of LOA and prior to construction completion?

Carrying costs will be paid by the State until the ground lease is executed and entered into by the selected Respondent. The State expects the selected Respondent to enter into the ground-lease at close and prior to commencement of construction. The selected Respondent is responsible for both determining and paying all holding costs upon execution of the ground lease for the remainder of the project and during operations as applicable.

40. In proposals that have 2+ development partners what backup must be provided to evidence the respondent team is ‘established as an integrated group prior to submitting the Proposal’?

None.

41. How would you like the proposal organized? Do you want separate folders for each part of the proposal listed under “Proposal Format” in “Evaluation Criteria and Submission Requirements?” Or, do you just want one combined PDF for each folder: Demonstration of Financial Capacity and All other components?

We would like to have the audited financial statements in one folder, and all other components in another.



EXHIBIT 6 – LINKS TO DUE DILIGENCE AND TEMPLATE LEGAL DOCUMENTS

<https://dgscloud.box.com/s/qr8xpavy4p18kaqd23opzi6zcpdk1iew>

- 1) Phase 1 ESA
- 2) Plotted Easement
- 3) Preliminary Title Report
- 4) Form of Lease Option Agreement
- 5) Form of Ground Lease Agreement
- 6) Regulatory Agreement

Note: the Ground Lease, Regulatory Agreement, and Lease Option Agreement included in attachments are templates and may be modified by the State prior to signing.



EXHIBIT 7 – SCORING CRITERIA

(The rest of this page has intentionally been left blank).



EXHIBIT 8 – ATTESTATION AND CHECKLIST

Respondents are required to provide an attestation including the accompanying checklist.

Use the form of attestation included in this exhibit to provide a letter on the Respondent's letterhead. The letter is to be signed by the individual(s) identified in Section 1(b)(i) of the Evaluation Criteria and Submission Requirements section of this RFP. Please complete the checklist and include it as an exhibit to your attestation.

[FORM OF]

EO N-06-19 RFP No. 3-21

Attestation

- 1) If selected, our organization(s) shall adopt a written non-discrimination housing policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available to the Site. Our organization(s) shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 100, 24 C.F.R. Part 8, and 28 C.F.R. Part 35, in all of the Respondent's activities.
- 2) None of the items listed in response to Section 8 of the Evaluation Criteria and Submission Requirements of this RFQ will in any way impede their ability to execute upon the business plan inherent with the SOQ.
- 3) The information provided in this SOQ is complete. I/we acknowledge that the omission of information that the State deems material (determined in its sole discretion) will result in the SOQ being deemed non-responsive. The State will determine, in the State's sole discretion, whether to further review or evaluate SOQs that it deems non-responsive.

Checklist

Note: the following checklist is provided to ensure completeness of SOQs/Proposals from Respondent Teams. Please reference the RFQ/P for a complete description of each required item. Please print, mark off and include the checklist as an exhibit to your Attestation.

	1(b)(i) – Respondent Team information and statement of acceptance
	1(b)(ii) – Introduction
	1(b)(iii) – Organizational Chart
	1(b)(iv) – Identify nature of affiliation if applicable, roles and responsibilities
	1(b)(v) – Identify Respondent Team principals
	1(b)(vi) – Identify additional members of the Respondent Team
	2(b)(i) – Provide new or changes information not included in the SOQ
	2(b)(ii) – Experience of additional members of the Respondent Team identified in 1(b)(vi)
	2(b)(iii) – Supportive services experience
	2(b)(iv) – Provide statement regarding changes since RFQ
	2(b)(v) – Describe four recent projects; see above for full requirements
	2(b)(vi) – Provide three references; see above for full requirements
	3(b)(i) – Provide plan regarding Principle and Objective of Community Outreach, Partnership and Collaboration
	3(b)(ii) – Provide a plan to achieve the Principle and Objective of Equity
	4(b)(i) – Provide a statement describing the Respondent’s experience and track record in securing funding for affordable projects
	4(b)(ii) - Include most recent audited financial statements in an exhibit (one year) for each developer (or joint-venture or co-General Partner, as applicable) of the Respondent Team
	5(b)(i) – Describe the development program
	5(b)(ii) – Provide a narrative description of the approach to the architectural, urban and landscape design of the Site
	5(b)(iii) – Describe in brief detail how the development concept considers current and proposed city and regional planning efforts
	5(b)(iv) – Address how and the extent to which the Site will support the Principle and Objective of Accessibility
	5(b)(v) – Address how and the extent to which the Project Area will support the Principle and Objective of Sustainability.
	5(b)(vi) – Describe your approach to the Site, including leveraging State Sovereignty and the opportunities and challenges it may provide.

	5(b)(vii)(1) – Please describe how you would seek to accomplish Timing Efficiency and Financial Feasibility through innovative financing and/or other techniques
	5(b)(vii)(2) – Please provide a development schedule
	5(b)(viii)(1) through 5(b)(viii)(4) – Provide items listed in section above in an exhibit to the Proposal
	6(b)(i) – Summarize your financing plan with the SOQ
	6(b)(ii) – In an exhibit(s) to the Proposal financial models for the development program in Excel format
	6(b)(iii) – If the Proposal includes both income-restricted and unrestricted market-rate units, submit one financial model for each housing type
	6(b)(iv) – If proposing “income averaging” including income-restricted units at 80% AMI and/or unrestricted market-rate units, be certain to include market-rate rent comparables and include a comparison between proposed rents and market rents across each unit type (studio, one-bedroom, etc.)
	7(b)(i) - Include an exhibit which identifies the items listed in this section, as applicable.
	7(b)(ii) – Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.
	7(b)(iii) – Provide a signed copy of the Attestation this Checklist.
	<p>Via box.com or similar, create two separate folders:</p> <ul style="list-style-type: none"> • One containing solely the audited financial statements required in Section 5 of the EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS of this RFQ, Demonstration of Financial Capacity, and • One containing all other components of the SOQ.
	<p>Send an email to the address listed above which:</p> <ul style="list-style-type: none"> • Contains two links corresponding to each of the folders listed above. • Clearly identifies the contents of the folder associated with each link within the body of the email. • Has the subject line: “Excess Sites – Montebello – Proposal Links – [Name of Respondent Team]”