



State of California

Request for Proposals

By Respondents Pre-Qualified via RFQ

Affordable Housing Development

Under Executive Order N-06-19

Location:

1405 South Broadway/1400 South Hill Street

Los Angeles, CA

Released: September 22, 2021

Due: 5:00 pm PT on November 23, 2021



STATE CONTACT

Terry Todd
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Asset Management Branch
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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	September 22, 2021
Request for Proposals Released	September 22, 2021
RFP Final Questions and Requests for Clarification Due	October 21, 2021
State Response to RFP Questions/Clarifications	October 28, 2021
RFP Submittal Deadline	November 23, 2021
Interviews Conducted (approximate)	December 13, 2021
Respondent Selection (approximate)	December 20, 2021

The State must receive responses to this RFP in the form of a Proposal no later than the deadline listed above.

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 the audited financial statements responding to 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 – EDD LA – Proposal Links – [Name of Respondent Team]”

It is the Respondent's sole responsibility to ensure that the email referenced immediately above 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.

All questions and/or requests for clarification should be sent to the State contact's email address. 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, via bcc to the email address(es) which submitted the questions and/or requests for clarification to the State by the applicable deadline. Please see Exhibit 5, Frequently Asked Questions, prior to submission.

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 2-21 which closed on July 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 2-21 on June 8, 2021 to create an affordable housing development on an excess state-owned property (the “Site”) located in the City of Los Angeles (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 Los Angeles.

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(s) (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(s) 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 local stakeholder, government and community input through 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(s) (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(s) 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;
- E. The selected Respondent shall ensure payment of state prevailing wage regarding construction where applicable, as is required by the EO;
- 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.

GROUND LEASE(S), 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 (or ground leases) and regulatory agreement for a low-cost, long-term ground lease(s) 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).

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

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

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

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.

Please note that the State has not determined the required percentage of affordable vs. market-rate housing on this site. The State is open to development concepts which are a) 100% affordable housing, or b) an alternative income mix that results in a greater net gain of units affordable to lower income households and does not result in less than 20 percent of all units being affordable to lower income households and less than 10 percent of all units being affordable to very low-income households (see §14671.2 of California Government Code in Exhibit 2).

The Site is located in a Tier 3 Transit-Oriented Communities area as defined by the City of Los Angeles. It is expected that in addition to complying with §14671.2 of California Government Code the project will include a number of restricted on-site affordable units commensurate with those required of a Tier 3 Transit-Oriented Communities site.

Furthermore, the State understands that financial support from local agencies that is often necessary for 100% affordable projects may be limited. Therefore, the State welcomes responses which leverage market-rate housing on site (yet still within the parameters noted above and in Exhibit 2) to reduce reliance on scarce local public resources. The State will scrutinize assumptions and demand a clear pathway towards financial feasibility and speed of delivery (see Principle and Objectives #2 and #3, and corresponding scoring in Exhibit 7).

The State welcomes Proposals which represent a) one development company specializing in development of affordable housing, b) one development company with experience in both affordable and market-rate housing or c) a proposed partnership between two or more development companies with combined experience in development of affordable and market-rate housing types. The State also encourages Proposals that demonstrate proficiency in a combination of both housing types and community-serving commercial uses that maximize benefit to the community and other stakeholders. Please see further information below under Evaluation Criteria.

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

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.
- 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 detailing 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, such as general and specific plans. 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 January 31, 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: May result in disqualified Proposal.
- 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) Respondents must certify that none of the items listed in the exhibit described above will in any way impede their ability to execute upon the business plan inherent with the Proposal.
 - iii) Respondents must certify the completeness of the information provided in their Proposal. The omission of information that the State deems material (determined in its sole discretion) will result in the Proposal being deemed non-responsive. The State will determine, in the State's sole discretion, whether to a) further review or evaluate Proposals that it deems non-responsive, b) request additional information, and/or c) which information to request, if any.
 - iv) Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.



EXHIBIT LIST

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



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 AND MAPS

- 1405 S. Broadway/1400 S. Hill Street, Los Angeles, CA
- Building(s): 29,521 s.f.
- Parcel: 5133-003-902
- Size: 1.46 acres
- Note: Pursuant to Executive Order [N-23-20](#), the City of Los Angeles may propose the use of the property as a temporary shelter. The terms of any agreement for shelter use will require the City to terminate shelter operations as required to meet the schedule for construction of the affordable housing development.
- Formerly used by the California Employment Development Department (“EDD”)
- 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.
- There are two existing structures on the site. The first single story building is approximately 29,512 square feet gross building area (GBA) and the second single story building is approximately 14,880 GBA. Both buildings are reportedly in poor/fair condition. The State expects the selected Respondent to demolish the existing improvements.
- The subject property is currently zoned PF-2D-O (Public Facilities); however, the properties surrounding the subject are zoned C2-2D-O. The subject property is located within the Greater South Park Business Improvement District of Downtown Los Angeles.

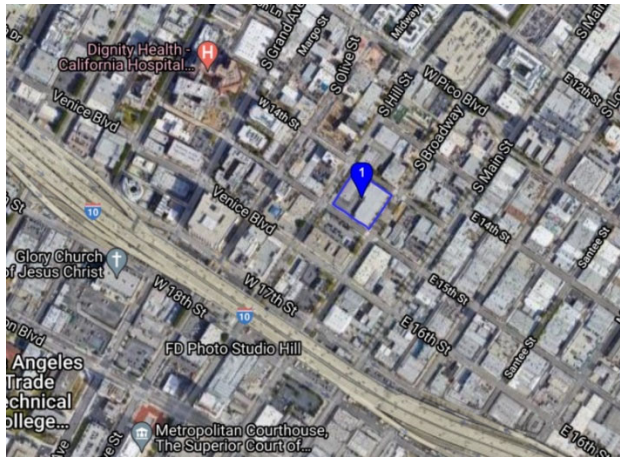


EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19

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
Real Estate Tax		Welfare exemption often sought and obtained	To be determined

	<p>for affordable housing, which eliminates or reduces property taxes. All other commercial and residential uses are taxable.</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.



EXHIBIT 6 – LINKS TO DUE DILIGENCE DOCUMENTS

<https://dgscloud.box.com/s/4wh02zpc4q5vo31f7ex5qai069y4c8zr>

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

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Scoring Criteria

Item	Principle	Objective	Scoring
1	Affordability	Maximize the depth and breadth of affordability while maintaining financial feasibility	50
Subtotal	Affordability		50
2	Financing Innovation	Implement innovative financing models which reduce the necessity of scarce public resources. Leverage the income from commercial/retail and market-rate housing components of the development to subsidize on-site low-income housing, thereby advancing the objectives of the EO and limiting the need for scarce public resources. Examples of scarce public resources include Low Income Housing Tax Credits, tax-exempt bonds, and state/local housing loan or grant programs.	130
Subtotal	Financing Innovation		130
3	Timing Efficiency and Financial Feasibility	Strategically deliver on the timing goals of the EO by maximizing financial feasibility and accelerating delivery.	150
Subtotal	Timing Efficiency and Financial Feasibility		150
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.	50
Subtotal	Accessibility		50
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.	100
Subtotal	Sustainability and Resiliency		100
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.	100
Subtotal	Construction Innovation and Cost Efficiency		100
7	Community Outreach, Partnership, and Collaboration	Integrate local stakeholder, government and community input through a meaningful public participation process and conversation so that the proposed development addresses local housing needs.	100
Subtotal	Community Outreach, Partnership, and Collaboration		100

Scoring Criteria

Item	Principle	Objective	Scoring
8	Utilize framework of State Sovereignty	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.	50
Subtotal	Utilize framework of State Sovereignty		50
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.	100
Subtotal	Equity		100
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.	120
Subtotal	Respondent Capacity		120
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.	50
Subtotal	Quality Architecture and Contextual Design		50
Total			1000