



State of California

Request for Qualifications

Master RFQ 1-23

PRE-SUBMITTAL MEETING PRESENTATION

FEBRUARY 22, 2023

EO N-06-19

Speakers

Speaker Name	Agency
Jackie Martinez Juarez	Department of Housing and Community Development
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Craig Adelman	LeSar Development Consultants
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Please send general questions and inquiries to:

- AffordableHousing@dgs.ca.gov, and/or
- PublicLands@hcd.ca.gov

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Today's Agenda

- Review Meeting Format
- Q&A Document
- RFQ Schedule
- Executive Order N-06-19
- Principles & Objectives
- Government Code Section 14671.2
- State Sovereignty
- Review Opportunity
- Submission Requirements
- Evaluation
- Next Steps
- Remaining time: open Q&A

Format for Today

- Webinar Format – all participant cameras are off and audio is muted.
- Feel free to ask questions **at any time** by using the chat function of Zoom. The chat window will be monitored separately by the presenters.
- Questions which are not answered today will be answered via the Q&A Document as described in the RFQ (described further on subsequent slides).
- There will be an open Q&A session in the chat window after the end of today's presentation.
- This meeting is not being recorded. However, the presentation will be posted to the DGS website.

Q&A Document

As noted in the RFQ, 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”).

Q&A Document will be sent to:

- The email addresses which submitted the questions and/or requests for clarification to the State by the applicable deadline, and
- The addresses to whom the State emailed the RFQ.

The State will also post the Q&A Document at the DGS EO N-06-19 website:

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

RFQ Schedule

(Subject to Change; Pacific Daylight Time)



Activity	Date
Request for Qualifications Released	January 31, 2023
Mandatory Pre-Submittal Meeting	February 22, 2023, at 12:30 pm
RFQ Questions and Requests for Clarifications Due	March 2, 2023, at 5:00 pm
State Response to RFQ Questions/Clarifications (“Q&A Document”)	March 20, 2023
RFQ Submittal Deadline	May 1, 2023, at 5:00 pm
Respondent Interviews (approximate)	Week of May 15, 2023
Award Site (approximate)	July 3, 2023

Executive Order N-06-19

- Governor Gavin Newsom issued Executive Order N-06-19 (the “E.O.”) in 2019 as part of a multi-pronged strategy to address the state’s shortage of affordable homes.
- The E.O. leverages State Sovereignty to spur ***innovative, equitable, sustainable, and cost-effective*** housing. The E.O. does not specify populations, affordability levels, minimum numbers of units, etc. This is to ensure that each project is appropriate for its site's context, regional housing needs, and financial viability.
- The E.O. concept supports demonstration projects to serve both as an example and a catalyst for future developments (public and private) in California.

Principles and Objectives

- The State recognizes that the E.O. presents an opportunity to leverage development for multi-benefit outcomes.
- The State seeks Statement of Qualifications ("SOQs") from Respondents who can demonstrate the capacity, creativity and commitment needed to support the Principles and Objectives.

Housing Mix and Affordability

Financing Innovation

Timing Efficiency and Financial Feasibility

Accessibility

Sustainability and Resiliency

Construction Innovation and Cost Efficiency

Community Outreach, Partnership, and Collaboration

Utilize framework of State Sovereignty to achieve better outcomes

Equity

Respondent Capacity

Quality Architecture and Contextual Design

GC Section 14671.2

- The State's leasing authority for affordable housing developments can be found in Section 14671.2 of California Government Code ("GC").
 - **All projects must conform with Government Code Section 14671.2 as written at the time of the lease.**
- Allows for below-market ground-lease and sale of property, with State approval.

GC Section 14671.2

Minimum Affordability:

“In all cases, at least 20 percent of the housing units developed on state property leased pursuant to this section shall be available for the term of the lease to, and occupied by, lower income households, of which at least 10 percent shall be available to, and occupied by, very low income households”

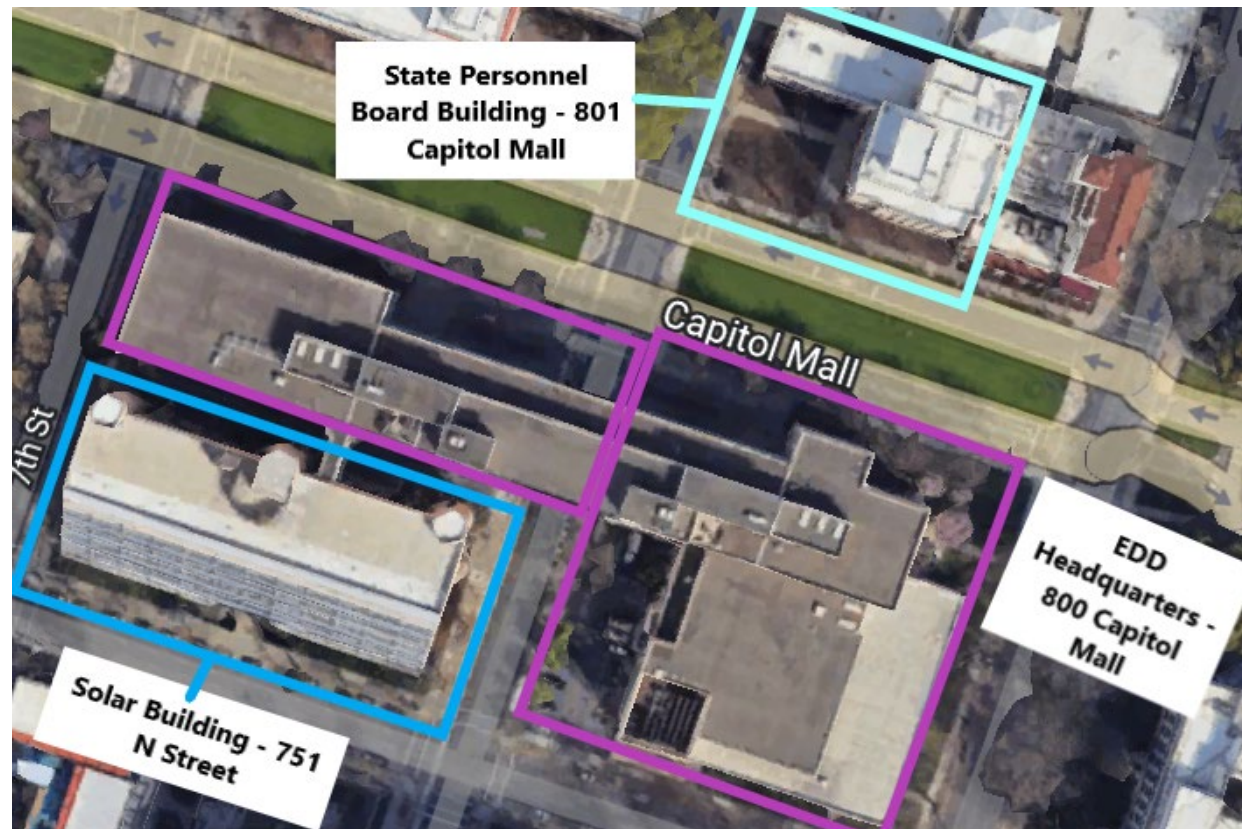
“...preference to projects that provide for either the greatest number of units affordable to lower and very low income households, or that provide for more units affordable to lower and very low income households than required by [paragraph above]”

State Sovereignty

- Per E.O. N-06-19, property developed for State use is not subject to local zoning or the Subdivision Map Act.
- SB 35 does not apply
- CEQA does apply; DGS is Lead Agency

Review Opportunity

Sacramento – Near State Capitol



Review Opportunity

- The site contains three existing office buildings in two locations.
- The State is interested in the potential for adaptive reuse of the buildings.
- Demolition of the buildings is still possible
- All three buildings are considered historic, and renovations or alterations may be subject to review by California State Office of Historic Preservation.

Review Opportunity

- Respondent Teams must adhere to the Capitol View Protection Act.
 - Section 8162.5 - 8162.9 of the Government Code
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=8162.5.&nodeTreePath=3.1.6.1&lawCode=GOV -
- Phase 1 and 2 Environmental Site Assessments have yet to be conducted due to the buildings being occupied.
- Buildings will be vacated by December 2025.
- Due diligence reports

Submission Requirements

- Respondent Teams may submit responses seeking to develop a) all three buildings, b) just the Personnel Building or c) just the EDD Headquarters/Solar Buildings.
 - State is interested in the potential for adaptive reuse of the buildings. However, these interests are not determinative, and alternative proposals will be accepted.
 - State reserves the right in making its selection(s) to determine whether to award the buildings collectively or separately.
- The Respondent Team must clearly indicate the buildings that their submission covers.
- Responses for the EDD Headquarters Building or Solar Building, individually, will not be accepted, given their connection.

Submission Requirements

- The Respondent Team must include all of the following: community engagement consultant(s), construction management consultant(s), architect(s), structural and/or other engineer(s), environmental consultant(s), legal counsel, and supportive service provider(s).
 - Additional roles and entities may be included but are not necessary.
- **Lead Respondent:** The developer entity responsible for the SOQ and other responsibilities associated to the submission of the SOQ (i.e., primary point of contact, authority to execute agreement(s) on behalf of the team).
- **Respondent Team:** The entire development team that is included in the response to the RFQ.

Evaluation

- The State will evaluate SOQs from Respondent Teams based on the scoring criteria within the RFQ. However, the State recognizes Respondent Teams may submit for one or all the Sites and will evaluate accordingly.
- The development vision is an important factor within the SOQ, but additional criteria will be evaluated to ensure the appropriate Respondent Team(s) is selected.
 - Refer to Exhibit 9 – Scoring Sheet for additional details

Evaluation

- Scoring Criteria

Evaluation Criteria		Scoring
1	Demonstration of Experience	200
2	Capacity for Achieving Program Principles and Objective	175
3	Equity and Community Outreach	75
4	Demonstration of Financial Capacity	150
5	Development Vision	200
6	Financial Feasibility	200
	Total	1,000

Next Steps

- Respondents are advised to review the "Evaluation Criteria and Submission Requirements" section to ensure that SOQs are complete.
- **Incomplete SOQs will be disqualified.**
- Respondents are advised to review Exhibit 9 to the RFQ, the Scoring Sheet, to ensure they are aware of how the State will evaluate SOQs.

Open Q&A Session

- Submit your question in the Q&A box at the bottom of your screen.
- All questions asked in the Q&A box will be recorded in the Q&A document.
- Questions not answered today will be addressed in the Q&A document published no later than March 20, 2023.

