



State of California

Request for Qualifications

Affordable Housing Development

For Excess Sites

Under Executive Order N-06-19

Locations:

- EDD Headquarters Building (800 Capitol Mall, Sacramento, CA 95814)
- Solar Building (751 N Street, Sacramento, CA 95814)
- State Personnel Board Building (801 Capitol Mall Sacramento, CA 95814)

Released: **January 31, 2023**

Due: 5:00 pm PT on **May 1, 2023**

EO N-06-19 RFQ No. 1-23



TABLE OF CONTENTS

INTRODUCTION	3
STATE CONTACT	3
PROGRAM WEBSITE	3
SITE LOCATIONS AND DESCRIPTIONS	3
DISCLAIMER.....	4
RFQ SCHEDULE, SUBMISSION INSTRUCTIONS AND RELATED INFORMATION.....	4
EXPECTED NEXT STEPS.....	7
GROUND LEASE AGREEMENT(S) AND RELATED INFORMATION.....	8
ROLES AND RESPONSIBILITIES OF THE SELECTED RESPONDENT(S).....	8
DEVELOPMENT INTENTIONS	10
PROGRAM PRINCIPLES AND OBJECTIVES	12
THE IDEAL RESPONSE TO THIS RFQ.....	14
EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS.....	14
EXHIBIT LIST	21
EXHIBIT 1 – EO N-06-19.....	22
EXHIBIT 2 – GOVERNMENT CODE.....	23
EXHIBIT 3 – SITE INFORMATION AND MAPS	24
EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19.....	27
EXHIBIT 5 – FREQUENTLY ASKED QUESTIONS.....	31
EXHIBIT 6 – ADDITIONAL RELEVANT DOCUMENTS AND RESOURCES	36
EXHIBIT 7 – ATTESTATION	38
EXHIBIT 8 – DEFINITIONS	40
EXHIBIT 9 – SCORING SHEET	41



INTRODUCTION

Executive Order N 06-19 (the “EO”) (see Exhibit 1) was signed by Governor Gavin Newsom on January 15, 2019, to address the housing affordability crisis in the State of California (State). Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD) to identify and prioritize excess State-owned property, enter into low-cost long-term ground lease agreement(s) (the “GLA”) with housing developers, and accelerate affordable housing development on State-owned land for public benefit.

The State, acting by and through DGS, with the consent of and in consultation with HCD, is pleased to issue this Request for Qualifications (“RFQ”) for Respondent Teams capable of the design, entitlement, development, and operation of excess State-owned property that supports the Principles and Objectives listed below and will be consistent with and help fulfill state, regional, and local goals under agreement and long-term GLA (or GLAs if applicable) with the State of California and under the auspices of the EO.

This RFQ is a multi-agency effort to address housing affordability throughout California. The State is coordinating with the locality as it deems needed in its selection of a development team and creation of a development program.

STATE CONTACT

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PROGRAM 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>

SITE LOCATIONS AND DESCRIPTIONS

The location and description of the excess State-owned property included in this RFQ can be found in Exhibit 3.



DISCLAIMER

The State obtained the information contained in this RFQ 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 property to determine the suitability of the State property for interested party's intended use.

Regarding the information submitted to the State by the Respondent Team, please note: The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. The State presumes documents prepared, owned, used, or retained by a state agency are public records and therefore accessible by the public. Any attempt to withhold or exempt Statement of Qualifications ("SOQ"), including subsequently submitted documentation, from disclosure shall be the sole responsibility of the Respondent Team.

RFQ SCHEDULE, SUBMISSION INSTRUCTIONS AND RELATED INFORMATION

RFQ Schedule

The following timeline is provided for scheduling information but is subject to change at the discretion of the State. All times are Pacific Daylight Time or Pacific Standard Time as is applicable on that day.

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

Submission Instructions

This RFQ provides the submission requirements for **three** nearby, but separate, opportunities: EDD Headquarters (800 Capitol Mall), Solar Building (751 N Street), and the State Personnel Board Building (801 Capitol Mall).

Prospective respondents should note that while the EDD Headquarters and Solar Buildings are technically separate buildings, they are connected via bridge. As such, this RFQ will treat them generally as a single opportunity, though the state is open to proposals that involve separating the buildings, phasing development, joint ventures that bifurcate development responsibilities, and the like.

Moreover, prospective respondents may submit responses seeking to develop a) all three buildings, b) just the State Personnel Building, or c) just the EDD Headquarters/Solar Buildings (no one may submit for just the EDD Headquarters or Solar Buildings, given their connection). In providing a response to this RFQ, the Respondent Team must clearly indicate the buildings that their submission covers.

The Respondent Team shall be under the direction of a developer entity with experience developing affordable housing in California (hereafter, the “Lead Respondent”). Other members of the Respondent Team may include other entities, such as architect(s), transportation and land use planner(s), community engagement consultant(s), environmental consultant(s), social service provider(s), and legal counsel. Respondent Teams are advised to carefully review the scoring criteria in this RFQ to determine the necessary team members/disciplines (see Exhibit 9).

- **Disclaimer:** for those entities that are subject to scoring, while the state recognizes that changes to the Respondent Team may be necessary post award, as those entities were part of the selection process, substitutions or eliminations of members will be subject to State review. **In the event of a proposed substitution or elimination of a scored entity**, the State may require written justification from the Lead Respondent justifying the change. Failure to comply could result in revoking the award of the excess State-owned property.

The Lead Respondent shall be responsible for submitting the response on behalf of the Respondent Team in the form of a Statement of Qualifications (“SOQ”) specifically as follows:

- 1) Upload SOQ as one .pdf file to box.com or similar
- 2) Send an email to the State Contact at the address above with the subject line: “RFQ 1-23 – Statement of Qualification – 800 Capitol Mall & Solar Building and/or 801 Capitol Mall [Name of Lead Respondent]”



- a) As stated above, there are a number of possibilities for Respondent Teams to submit with respect to the buildings in this RFQ.
- **Note:** The State reserves the right to request financial statements at a later date to determine general financial capacity. These statements may include but are not limited to balance sheets, income statements, statements of cash flows, and/or tax returns. Failure to provide the requested statements may subject the Respondent Team to disqualification.

SOQs must be responsive to the “Evaluation Criteria and Submission Requirements” section listed below. The page limit for the SOQ without exhibits is 20 pages; there is no page limit for exhibits.

Pre-Submittal Meeting

A pre-submittal meeting will happen at the date and time listed above. **The meeting will be mandatory.** The State will deliver a brief presentation regarding the excess State-owned properties and then questions will be answered via the chat function of the meeting. Questions and answers delivered during the meeting will be included in the Q&A Document, which is further described below. Attendees may consent to sharing their contact information with other attendees for the purposes of identifying development partners.

Register in advance for this webinar:

Registration Page: [Webinar Registration - Zoom](#)

URL: https://us02web.zoom.us/webinar/register/WN_djSMxHukRrQ8Lu6YwDGHjg

After registering, attendees will receive a confirmation email containing information about joining the webinar.

RFQ Questions and Requests for Clarifications – Q&A Document

All questions and/or requests for clarification must be sent with the subject line “RFQ 1-23 – Question” to the email above. The State will respond to questions and/or requests for clarification by posting the Q&A Document to the project website listed above by the date and time listed in the RFQ Schedule.

- **Note:** Any inquiries or questions posed or answered outside of this Q&A process shall not be considered reliable for the purposes of this RFQ.

Please see the Frequently Asked Questions in Exhibit 5 prior to question submission.

RFQ Submittal Deadline

The State must receive SOQs no later than the deadline listed above.



It is the Lead Respondent's sole responsibility to ensure that the SOQ is received by the State before the deadline listed above and that the information provided in the SOQ is complete. The omission of information may be deemed non-responsive and will subject the Respondent Team to disqualification.

All emails sent by a Lead Respondent will be time-stamped based on the time of receipt of such email.

Respondent Team Interviews

The State expects to evaluate the responding SOQs and then, provided that a) one or more SOQs are sufficient, and b) the State wishes to move forward with the excess State-owned property, the State will invite Respondent Team(s) to an interview. The State reserves the option of interviewing zero, one, all or any number of Respondent Teams prior to making selection(s). The State reserves the right to invite additional Lead Respondent(s) to form a Respondent Team to respond to the RFQ. The State will notify the Lead Respondent(s) to request an interview, if applicable, subsequent to receiving and reviewing the SOQs.

Important Note: depending upon the submissions, the State may determine that it is in the best interest of the project(s) to interview Respondent Teams based upon the buildings. In the event that there are Respondent Teams that submit for individual buildings as well as Respondent Teams that submit for all three buildings, the State reserves the right, in making its selection(s), to determine whether to award the buildings collectively or separately.

Due Diligence

The State reserves the option to request additional documentation and/or written responses to confirm statements/commitments made during the interview, follow-up questions and/or discussions, supplemental interviews, or to make other fact-finding efforts as the State determines is necessary to assess the most qualified Respondent Team.

EXPECTED NEXT STEPS

At the conclusion of the RFQ process, the State contemplates selecting zero, one, all, or any number of Respondent Teams whose qualifications the State deems best suited to achieve the Principles and Objectives described in this RFQ to enter into a Lease Option Agreement (LOA) with the applicable Lead Respondent(s) ("Selected Respondent(s)"). LOA and GLA templates are included in Exhibit 6.

Subsequently and ultimately, the State expects the execution of one or more GLAs as is further described in the next section.

- **Note:** The State further expects that the Selected Respondent(s) will at all times



be responsive to the State's requests and to the obligations as prescribed in this document, LOA and GLA. The State reserves the option at all times of rescinding a selection in its sole and absolute discretion.

GROUND LEASE AGREEMENT(S) AND RELATED INFORMATION

The State expects to enter into one or more low-cost, long-term (e.g., \$1 annually, 99-year term) GLA(s) with the Selected Respondent(s).

Please see Exhibit 6, which includes template versions of various agreements.

Applicable Government Code

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

Additionally, and separately, in some limited cases:

- 1) The State has or will work with a local jurisdiction to exchange parcel(s) in order for both parties to meet their respective goals. Section 14664 of the Code typically provides the State with the necessary authority for this to occur and is also included in Exhibit 2. In those cases, the excess State-owned property may still be subject to transfer at the time of the RFQ.
- 2) The local jurisdiction seeks to gift adjacent land to the State for inclusion in the development of the combined property. In those cases, the property may still be subject to transfer at the time of the RFQ.

Sub-Leases and Lease Assignments

Sub-leasing the GLA(s) will not be permitted. For the purposes of a phased development or multiple projects at the excess State-owned property, the State assumes that the Selected Respondent(s) may create wholly independent entities for each phase/project and will structure site control agreements accordingly via assignments.

ROLES AND RESPONSIBILITIES OF THE SELECTED RESPONDENT(S)

Upon approval and execution of the GLA(s) with the State, the Selected Respondent(s) 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 envisioned project(s), 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(s) shall accept the excess State-owned property in its present state and condition, as-is, without any express or implied warranties;
- B. The Selected Respondent(s) shall enter into a low-cost, long-term GLA(s) and regulatory agreement(s) (the “RA” or “Regulatory Agreement”) (See templates in Exhibit 6);
- C. The Selected Respondent(s) shall be responsible for obtaining any and all approvals and all necessary building, grading, and construction permits required for the envisioned project from the State, as well as any local jurisdiction or other agencies as may be applicable;
- D. The Selected Respondent(s) shall ensure payment of state prevailing wage as applicable.
- E. The Selected Respondent(s) 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(s). Please note further that a) the State has determined that Senate Bill 35 does not apply to projects on state-owned land, and b) if Selected Respondent(s) seeks any federal subsidy or funding, they shall also be responsible for facilitating compliance with the National Environmental Policy Act, (NEPA);
- F. The Selected Respondent(s) will be responsible for payment of any applicable local agency development mitigation fees and off-site facilities and services fees (the Selected Respondent(s) should pursue fee deferments and other streamlining opportunities where appropriate);
- G. The Selected Respondent(s) will be responsible for meeting all milestones identified in the LOA(s) and GLA(s);
- H. On an ongoing basis, the Selected Respondent(s) must employ a variety of outreach methods to ensure all segments of the community are included in all stages of the development process. Selected Respondent(s) are encouraged to reach out and involve various local community organizations to gain support for the envisioned affordable housing project and respond to community and stakeholder concerns where appropriate throughout project construction and property management. Selected Respondent(s) also must conduct affirmative marketing to qualified households least likely to apply for tenancy.



DEVELOPMENT INTENTIONS

As stated elsewhere in this RFQ, this site is being developed under EO N-06-19, which is concerned with the promulgation of housing, specifically affordable housing. As also stated, this excess State-owned property will be leased under GC 14671.2, which is the primary vehicle for DGS to develop such housing. Any such development must comport with these two statutes. However, the excess State-owned property – like any real property – is also located within a context. That context includes a) the surrounding properties, b) the aspirations and needs of stakeholders and the community, and c) the long-term planning of the local jurisdiction. Taken together, these five things (the EO, GC 14671.2, the surrounding properties, community and stakeholder engagement, and the local jurisdiction’s planning goals) provide the benchmarks that the ideal development will achieve.

EO N-06-19 Goals

The EO leverages State Sovereignty to spur innovative, equitable, sustainable, and cost-effective housing. The EO intentionally does not specify populations, affordability levels, minimum numbers of units, etc., which can produce a tension. This is to ensure that each project is appropriate for its site context, regional housing needs, and financial viability. However, it should be noted that the EO concept supports demonstration projects to serve both as an example and a catalyst for future developments (public and private) in California.

In some cases, there is an opportunity to either adaptively reuse existing improvements on the excess State-owned property, or to demolish them, if applicable, in favor of 100% new construction. **For this site in particular, the State is interested in the potential for adaptive reuse of the buildings.** However, these interests are not determinative, and alternative proposals will be accepted, especially if the project’s outcomes would materially benefit.

Surrounding Area Context

This information has been provided by the respective local jurisdiction and is included here in full.

The project sites are located within an area that includes a mixture of high- and mid-rise governmental, office, residential, entertainment, and visitor-serving uses on a historic grid of tree-lined streets in the core of the City of Sacramento. The area is experiencing a substantial increase in commercial and residential growth creating a distinct fusion of the old, such as the State Capitol, with the new, such as Golden 1 Center. The subject sites are highly walkable and are located within a transit priority area serviced with bus routes, light rail, and options for multiple forms of active transportation.

Community and Stakeholder Engagement

To ensure the envisioned development addresses local and regional housing needs, the



State encourages meaningful public and stakeholder engagement within the area surrounding the excess State-owned property. Understanding the needs of the community and stakeholders requires community engagement strategies that minimize the barriers to participation. These include considering the activity's location, date and time, proximity to public transit, language access, accessibility, childcare options, and any other accommodations critical to ensuring that interested parties are informed and able to participate in the engagement activity. Active and meaningful engagement ensures that all community members are afforded the opportunity to participate, especially those who have traditionally been excluded from the housing development and urban planning process.

City Planning Framework

This information has been provided by the respective local jurisdiction. Again, state projects are not subject to local requirements in general, but the information is provided for general site context.

The City of Sacramento was the first State-recognized Pro-Housing Community and supports the development of various housing types that reflect the diversity of the City. Applicable land use designations, policies, and guidelines include:

- General Plan: Central Business District (CBD)
- Specific Plan: Central City
- Zoning: Central Business District & Central City Special Planning District (C-3-SPD)
- Parking District: Central Business District (CBD)
- Design Guidelines: Central Core

The City's adopted goals, policies, and regulations support a wide variety of land uses, including affordable housing with a density up to 450 dwelling units per acre and a floor area ratio of 15.0 (before any density bonus credits). The three project sites' locations within the C-3-SPD zone allows for an intense mix of land uses with requirements to provide for commercial, personal service, and pedestrian-oriented uses for the ground-floor of buildings that abut the street.

The State Capitol building and the surrounding grounds of Capitol Park provide a unique cultural and open-space resource, and developments are subject to height, setback, and setback requirements established by the Capitol View Protection Act. Based on the sites' proximity to light rail service and location within the CBD parking district, there are no minimum vehicle parking requirements.

Active ground floor uses are required to aid in the continued development of a lively mixed-use downtown. These retail, commercial, and community uses should ensure the maximum transparency and permeability of the street façade. The ground floor, especially the area facing onto public sidewalks, shall incorporate the most public and active spaces within the building, to activate the street. Parking is not an appropriate use along a building's public frontage.

Where retail, commercial, community or other active uses occur, it is imperative that they are visible from the street to both pedestrians and motorists. The facade thus needs to have a high level of transparency for these uses to get the amount of visibility required for their healthy business operation and neighborhood character. These facades should also have a high degree of permeability (through doors and entryways). Where retail, commercial, community or other active uses occur, the facade should be 60%-75% transparent. Opaque and translucent glass do not qualify as transparent.

The street walls defining urban blocks shall be articulated to create rhythm and variety, achieving a fine-grained pattern to the urban fabric. Multi-unit residential and mixed-use structures should present a street facade that encourages interaction with the street by including entry features, windows, and landscaping along the side of the building and should encourage residents to actively engage with that street through a variety of design elements. In addition to improving the visual quality of the streetscape, design elements should allow residents to see and be seen from the street, enhancing neighborhood interaction and improving safety.

As a part of the adoption of the Central City Specific Plan and Central City Special Planning District in 2018, the City prepared an EIR which may allow for streamlined environmental review. The City also currently offers a zero-dollar rate for City-controlled impact fees for affordable housing and may have funds available to assist the developer in completing any necessary Phase 1 or 2 at the properties.

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 SOQs from Respondent Teams 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 loan or grant 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.
- 6) **Construction Innovation and Cost Efficiency:** Explore the extent to which innovative construction technology and/or other cost-saving measures can be incorporated at the excess State-owned property resulting in reduced total project costs, reduced construction duration, and/or improved building performance while maintaining quality of construction, which can include, but is not limited to, an adaptive reuse approach.
- 7) **Outreach, Partnership, and Collaboration:** Integrate local stakeholder, government, and community input through a meaningful public participation process and conversation so that the envisioned 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 RFQ as well as state planning priorities regarding land use and density.
- 9) **Racial 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, affirmative marketing or lease-up plans, and/or general partners, which are or include Emerging Developers.
- 10) **Respondent Capacity:** Demonstrate the Selected Respondent Team's 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.

THE IDEAL RESPONSE TO THIS RFQ

The State seeks responses that:

- 1) Are clear, concise, and to-the-point. Respondent Teams 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 the Respondent Team's qualifications for developing the excess State-owned property in a manner that aligns with the EO and the State's Principles and Objectives.
- 2) Articulate a clear understanding of the State's Principles and Objectives as listed above and demonstrate capacity for achieving them.
- 3) Demonstrate the Respondent Team's capabilities and prior experience in analyzing and balancing competing objectives.

EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS

- 1) Respondent Team Introduction
 - a) Evaluation Criteria: NA
 - b) Submission Requirements:
 - i) Provide an introduction to the Respondent Team. Clearly identify the Lead Respondent'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. This introduction must also include the Project Manager and key project staff.
 - ii) Include an organizational chart of the Respondent Team, including all entities included in the Lead Respondent's ownership structure (i.e., ground lessee/limited partnership, limited partner which can be changed at a later date, general partner, co-general partner, and managing general partner). To the extent applicable, clearly identify which entities are under the control of which companies that comprise the Respondent Team. The State reserves the right to request further documentation. If the development vision includes multiple phases, provide an entity organizational chart for each phase. The complete Respondent Team should be established as an integrated group prior to submitting the SOQ, yet a Limited Partnership or other entities do not need to have been formed prior to responding.
 - iii) If the Lead Respondent is a joint venture between two or more

developers, please ensure that the organizational chart in section 1(b)(ii) reflects this structure. Identify the nature of the affiliation between the proposed developer entities. Provide clarity on the roles and responsibilities between the developers and summary points on any agreements between the parties in pursuing the excess State-owned property.

- iv) Identify the Lead Respondent principals and those authorized to execute and bind the team to an agreement. Include the name and/or title of the person who will be authorized to execute the LOA(s) and GLA(s) between the Lead Respondent and the State.
- v) Identify any contractors, consultants and development partners who are a member of the Respondent Team. For the purposes of evaluation of SOQs, the following roles must be included as part of the Respondent Team (additional roles and entities may be included but are not necessary): 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).

2) Demonstration of Experience

- a) Evaluation Criteria: The overall track record of the Respondent Team in planning, financing, developing, managing, and maintaining applicable development projects, including experience developing affordable and/or market-rate housing in California as applicable to the envisioned development program.
- b) Submission Requirements:
 - i) Describe the Lead Respondent's most recent (completed within the last four years) relevant development projects **with characteristics similar to the excess State-owned property**; include the project name, location, financing sources and uses and—if competitive—award date(s) (MM/YY format), construction start date (MM/YY format), date of issuance of the certificate of occupancy (MM/YY format), unit count by AMI levels, and other relevant information. If the Lead Respondent is a joint venture or consists of more than one developer entity, the history and qualifications of each should be provided. Submissions should highlight developer qualifications that are adherent to the types of uses envisioned, state or federal funding programs, and experience in the locality or region in which the property is located.
 - ii) Regarding Submission Requirement 2(b)(i) above, if the Lead

- Respondent identifies as an Emerging Developer (“Emerging Developer”), the Lead Respondent may either a) describe their most recent (completed within the last four years) relevant development projects with characteristics similar to the excess State-owned property. and at least one (but no more than three) projects completed by the Lead Respondent’s principal while employed by another entity, or b) describe their most recent (completed within the last four years) relevant development projects with characteristics similar to the excess State-owned property and submit an SOQ as a joint venture with an experienced developer with more examples of recent, relevant and completed projects. Describe the most recent projects (completed within the last four years) of the remaining members of the Respondent Team, identified in response to item (1)(b)(v) above that demonstrate their experience in completing projects with characteristics similar to the envisioned development of the excess State-owned property identified.
- iii) Provide at least four project references for the Lead Respondent that the State can contact. The project references should be for completed projects that are similar to the project envisioned in the SOQ. Project references should be able to confirm the Lead 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, experience with an adaptive reuse approach for housing (if applicable to the proposed approach), master planning, urban design, mobility, sustainability and/or continued management of developments. **NOTE:** At least one reference should be from a community leader who is not employed in the public sector. At least one reference should be from a City Manager, County Administrator or similar whose jurisdiction covered a referenced project.

- 3) Capacity for achieving Program Principles and Objectives
- a) Evaluation Criteria: Respondent Team’s ability to demonstrate past success in specifically implementing the Program Principles and Objectives.
- b) Submission Requirements:
- i) Provide examples of Respondent Team members’ past success in implementing the Program Principles and Objectives listed in the eponymous section above. It is acceptable to cite the same example(s) for parts 2 and 3 of this section.

4) 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 in developing the excess State-owned property.
- b) Submission Requirements:
 - i) Describe the Respondent Team's approach to achieve the Principle and Objective of Community Outreach, Partnership and Collaboration for development of the excess State-owned property. As part of the submission, more qualified responses will identify examples of inclusive strategies that the Lead Respondent and Respondent Team members have successfully employed on previous projects to engage community members and key stakeholders. More qualified responses will also successfully describe the outcomes of these strategies and how public input was collected, incorporated, and addressed during all phases of development.
 - ii) Provide at least one example of a previous community engagement plan or strategy for a housing development project with characteristics similar to the excess State-owned property and prepared by either a) the Lead Respondent, b) a community engagement specialist who is a member of the Respondent Team, or c) other members of the Respondent Team responsible for this activity. More qualified responses will successfully describe the outcomes of that plan or strategy and its applicability to the excess State-owned property.
 - iii) Describe the Respondent Team's approach to achieve the Principle and Objective of Racial Equity in development of the excess State-owned property. More qualified responses will successfully detail the near- and long-term strategies the Respondent Team would implement to achieve measurable outcomes fostering inclusive communities and achieving racial equity, providing fair housing choice, and creating opportunities for all Californians.
 - iv) Provide at least one example of a completed affordable housing development executed by the Lead Respondent that demonstrates the capacity to achieve the Principle and Objective of Racial Equity. Submissions may include, but are not limited to, any of the following: MBE/WBE/DBE hiring outcomes, anti-displacement strategies, affirmative marketing or lease up plans, and/or general partners, which are or include Emerging Developers.

5) Demonstration of Financial Capacity

a) Evaluation Criteria: The financial capacity of the Lead Respondent to complete and manage the property including demonstrated abilities in financial innovation, adaptability, and command of emerging opportunities.

b) Submission Requirements:

i) Provide a statement describing the Lead Respondent's experience and track record in securing funding for affordable housing developments with characteristics similar to the envisioned development of the excess State-owned property.

(1) If the development vision includes pursuing or implementing an innovative, nontraditional, or otherwise less common financial execution, discuss the Lead Respondent's experience and qualifications for executing this path. More qualified responses will successfully discuss the outcomes of this execution, the impacts to the community and residents, why the Lead Respondent is advocating for the proposed path, any lessons learned from the innovative financing method, and references the State can contact to learn more. **NOTE:** If the Lead Respondent does not have experience innovative, nontraditional, or less common financial methods, but would like to present such an approach, the Lead Respondent may present a case study. The case study should include examples of one or more projects where the innovative method was successfully executed, a detailed description of why the financial method was successful in the case presented, an explanation of how the method functions and key decision points, a detailed description of the Lead Respondent and Respondent Team's capacity to execute the financial method successfully, why the Respondent Team is advocating for this approach (despite the lack of experience), and references the State can contact to learn more. Examples of financial innovation include, but are not limited to, Essential Function Bonds, 9%/4% hybrids, and any and all financing structures which reduce reliance on scarce public funding while providing a depth and breadth of affordability.

6) Development Vision

a) Evaluation Criteria: The development program and the Respondent Team's ability to meet the applicable Principles and Objectives as described in this RFQ.

b) Submission Requirements:

i) Provide a narrative description of the envisioned development program

- the Respondent Team envisions for the excess State-owned property. More qualified responses shall detail uses for the property and will describe how the development program is consistent with and supports applicable Program Principles and Objectives (i.e., number of lower-income, moderate-income, or market-rate housing units, square feet of commercial space, square feet of open space, etc.).
- ii) NOTE: simple renderings or sketches that demonstrate the architectural character, building densities, massing, relationship to the surrounding area context, and amenities of the envisioned development are preferred, but are not necessary and will not be scored. If provided, such renderings or sketches will be used solely to help the State understand the envisioned development.

7) Financial Feasibility

- a) Evaluation Criteria: Provide a financing plan that demonstrates the capacity of the Lead Respondent to successfully underwrite and execute the development vision and the extent to which the financing plan achieves the applicable Principles and Objectives.
- b) Submission Requirements:
 - i) Prepare a conceptual financial model for a project envisioned in Section 6 above that complies with GC 14671.2. The most qualified models will consist of a) a 15-year operating proforma which identifies rental subsidy or other operating income other than rent, b) construction and permanent sources and uses including developer fee/overhead. If the development vision includes moderate-income or market-rate projects, the most qualified responses will include separate conceptual proformas for those projects that also identify, if applicable, the value of any cross-subsidization to low-income units. The State recognizes that the proforma(s) submitted for review are conceptual in nature and are subject to change.

8) Additional Requirements and Representations

- a) Evaluation Criteria: NA
- b) Submission Requirements:
 - i) In their SOQs, Lead Respondents must include an exhibit which identifies all of the following, as applicable: any defaults, 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. **NOTE:** please only include any of the foregoing that have occurred within five years of the issuance of this RFQ.
- ii) Provide detail for any assessed and/or outstanding HCD, CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.
 - iii) Provide a signed copy of the Attestation found in Exhibit 7.



EXHIBIT LIST

- EXHIBIT 1. EO N-06-19
- EXHIBIT 2. Government Code Sections 14671.2 and 14664
- EXHIBIT 3. Site Information and Maps
- EXHIBIT 4. State Sovereignty and Entitlements Under EO N-06-19
- EXHIBIT 5. Frequently Asked Questions
- EXHIBIT 6. Additional Relevant Documents and Resources
- EXHIBIT 7. Attestation
- EXHIBIT 8. Definitions
- EXHIBIT 9. Scoring Sheet



EXHIBIT 1 - EO N-06-19

Linked here:

<https://www.dgs.ca.gov/-/media/Divisions/RESO/Images/Projects/Executive-Order-N-06-19/Executive-Order-N-06-19-v2C.pdf?la=en&hash=700D7E6C8EB702CE5BE6586B90E54EDA913A0E4F>

For further information please visit:

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



EXHIBIT 2 – GOVERNMENT CODE

SECTION 14671.2

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

SECTION 14664

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=14664



EXHIBIT 3 – SITE INFORMATION AND MAPS

LOCATION, SIZE AND DIMENSIONS

The development opportunity consists of three existing office buildings in two locations which are located immediately across the Capitol Mall in Downtown Sacramento.

800 Capitol Mall and 751 N Street

These two adjacent buildings are located within a rectangular, approximately 5.8-acre site consisting of two city blocks and is bounded by 7th Street, N Street, 9th Street and Capitol Mall. 8th Street bisects the site.

Note: while these are technically two separate buildings, they are connected via bridge. As such, this RFQ will treat them generally as a single opportunity, though the state is open to proposals that involve separating the buildings, phasing development, joint ventures that bifurcate development responsibilities, and the like.

801 Capitol Mall

This building is located within a rectangular, approximately 0.68-acre site and is bounded by 8th Street, Liestal Alley, Capitol Mall and the adjacent building.

EXISTING IMPROVEMENTS

800 Capitol Mall (also known as “EDD Headquarters”)

- Year built: 1955
- Stories: 7
- Approximate Gross Square Feet: 480,000
- Building “bridges” 8th Street
- Will be vacated by December 2025
- There is no on-site parking

751 N Street (also known as “the solar building”)

- Year Built: 1983
- Stories: 6
- Approximate Gross Square Feet: 166,000 GSF
- Will be vacated by December 2025
- There is no on-site parking

801 Capitol Mall (also known as “the SPB building”)

- Year Built: 1954
- Stories: 6
- The building is comprised of a primary building and an east-west wing.
 - The primary building, along Capitol Mall, contains six occupied floors plus an elevator penthouse and mechanical rooms on the roof.
 - The east-west wing contains five occupied floors along the adjacent alleyway.
- The occupied areas include open offices, private offices, computer rooms, storage rooms, and support spaces. A 125-seat auditorium is located on the ground floor.
- Approximate Total Gross Square Feet: 84,400 GSF
- Will be vacated by December 2025
- There is no on-site parking

ENVIRONMENTAL CONDITIONS

At present, the buildings are occupied, with tenants planned to be relocating to a building that is currently being renovated (in construction at the time of this RFQ). However, due to the occupancy of the building, the state has not yet conducted a Phase 1 or 2 assessment of the buildings.

However, as these are buildings under the jurisdiction of DGS, and as DGS has conducted alterations, improvements, and repairs to the buildings, the following represents a summary of the types of environmental conditions that DGS has encountered:

- The existence of asbestos has been confirmed in multiple building materials. The existence of lead has been confirmed in paint and is presumed in multiple building materials.

HISTORICITY

Due to their age, all three buildings are considered historic, and renovations or alterations are subject to review by the California State Office of Historic Preservation. Please be aware that demolition of the buildings is still possible, and the state is open to discussions with developers should that prove necessary for housing development.

AERIAL VIEW

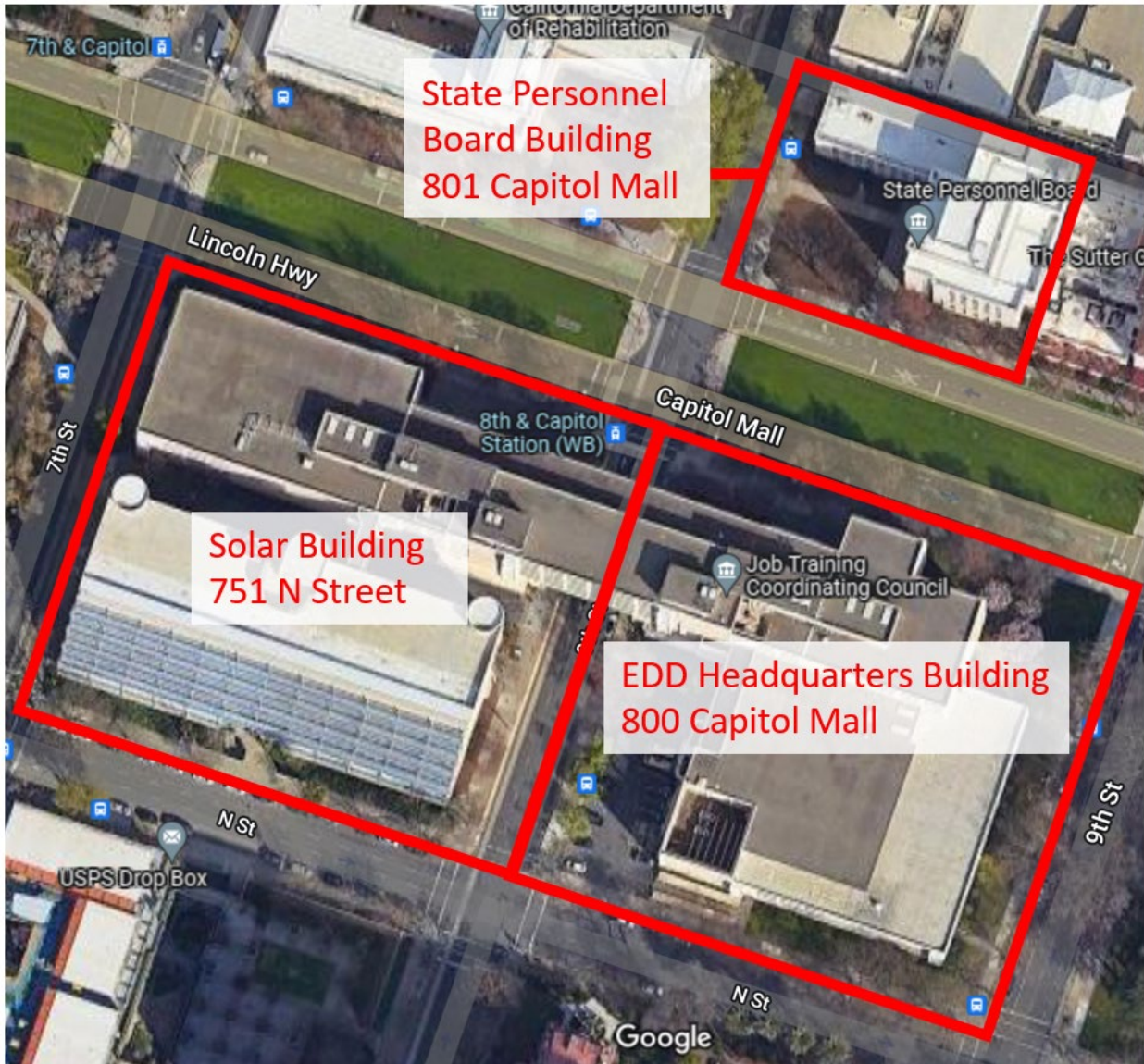


EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19

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 by developers on land provided by the State subject to a long-term GLA. 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 jurisdictions, 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 GLA, the development of affordable housing 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 in to low-cost, long-term leasing agreements with housing developers and accelerate housing development on state-owned land as a public use.”
- Project design: use of State Sovereignty can facilitate greater density.
- Streamline Processing: SB35 is not currently available for State use; DGS is typically 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	State lead, but can partner with locals
	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	Depends upon project specifics. Local Authority for



			emergency response and access regardless of delegation.
	Structural	Local Authority	DGS primary.
	Accessibility	Local Authority	DGS primary.
	All Other	Local Authority	DGS primary.
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
Taxation	For Affordable Housing	Welfare exemption often sought and obtained, which eliminates or reduces property taxes.	Same

Additional Information

CEQA and Planning

- The Initial Study, if required, will address all the issues identified in the Environmental Checklist, pursuant to Appendix G of the CEQA Guidelines. The majority of Appendix G topics (e.g., aesthetics, biological resources, cultural resources, hazards and hazardous materials, etc.) will be addressed qualitatively, while other topics (e.g., air quality and GHG emissions, noise, transportation, etc.) will be addressed quantitatively using technical studies prepared by the developer.
- Developers should consider if the envisioned housing use will generally be in conformity with the local jurisdiction's General Plan; per the Housing Accountability Act: "a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan." (Gov. Code, Section 65589.5(j)(4)).

Regional Housing Needs Assessment (RHNA)

- Although the site is located on State-owned land, completed projects may be counted toward the presiding local jurisdiction's RHNA allocation.
- For this to occur, the local jurisdiction must ensure that local land use regulations and zoning conform to the completed State project. This does not need to occur prior to project completion but does need to occur during the RHNA cycle in which the project is completed.

Plan Review

- Permitting is the responsibility of the State and may not be fully delegated to a local government. However, in certain jurisdictions, a plan review process can be developed on case-by-case basis such that the code compliance reviews are conducted by the local jurisdiction and the final permit issued by the State.
- With regards to modular construction specifically, HCD's Factory Built Housing Division will likely approve and inspect all "mods" before they leave the factory. Another inspector would be needed for on-site installation and other work. More info here: [Factory-Built Housing | California Department of Housing and Community Development](#).

EXHIBIT 5 – FREQUENTLY ASKED QUESTIONS REGARDING SITES UNDER THE N-06-19 PROGRAM

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

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

For the purposes of initial submissions to this RFQ, 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 solicitation, nor will there be guided site visits prior to the RFQ deadline as the buildings are in-use state office buildings.

However, a guided tour, prior to interviews, will be provided to shortlisted entities.

2) Are non-residential uses allowed?

Yes, non-residential uses are allowed as part of the N-06-19 program. However, projects still need to comply with affordability requirements of the program and note that the project principles consider both housing production and local planning context.

3) Does the State have a preference for selecting a single Respondent for both sites?

No, the State's selection will be based upon what is in the best interests of the project(s).

4) What are the minimum affordability requirements of the program?

GC 14671.2(d)(1) outlines that for each project 20 percent of the housing units developed shall be available to lower income households, of which at least 10 percent shall be available to, and occupied by, very low-income households. These minimums will be applied to each full 99-year term of the ground lease. For full guidance, please see GC links in Exhibit 2.

5) How will affordability requirements be considered if there are challenges with the True Debt Test over 99 years?

Projects will be required to meet minimum affordability requirements for the duration of the lease period. However, many respondents provide more affordable housing than is required. HCD will consider reducing requirements (but not below the requirements of GC 14671.2) if evidence is provided that True Debt Test cannot be



achieved at originally proposed rents.

- 6) 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.

- 7) 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.

- 8) 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.

- 9) Are there any requirements for subcontractors or trades working the site?

The project must comply with prevailing wage requirements to the extent applicable under the law.

- 10) Will parking requirements be eased depending on the population?

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

- 11) Does every unit have to ADA compliant or just a percentage?

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

- 12) 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.

- 13) 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.

- 14) 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.

15) 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.

16) What is the estimated closing date for the (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.

17) Is there a security deposit required to be made for each site?

No.

18) Are there any existing ALTA Surveys that can be provided?

Generally, no. However, if ALTA surveys have been completed, they will be made available as part of the solicitation.

19) Do any of the sites have disadvantaged business enterprise requirements?

Not explicitly through this solicitation.

20) 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.

21) Does a Respondent team made up of more than one developer need to form a legal entity prior to submitting a response to this solicitation?

No.

22) Is an MOU or other formal documentation of the partnership required?

No.

23) Can the RFQ submittal reference a section of the previously submitted SOQ rather than restate the answer?

To expedite Proposal review, please copy-and-paste from any applicable prior responses into your SOQ for this solicitation as appropriate or necessary. We will not be referring back to any prior submissions.

24) 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 for the financial model in the solicitation. Please include the pro forma sheets you feel would facilitate our understanding of your Proposal; we will request further data if needed.

25) 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.

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

Yes.

27) 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.

28) Will the project require plan review submittals or approvals from the State Fire Marshal?

In the event that adaptive reuse is proposed, the Office of the State Fire Marshal shall be involved for Fire/Life Safety aspects of the project. If demolition/new construction is proposed, the submittals will go through the local fire marshal.

29) 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.

30) Is there a design review / entitlements process anticipated for this project?

With respect to plan/design reviews, the exact process will vary from project to project, depending upon the willingness, timeliness, and availability of the local jurisdiction compared to the State. However, the State will also retain approval authority.

31) Is there a specific sustainability program or benchmark this project is seeking?

No.

32) 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.

33) Under “Roles and Responsibilities of the Selected Respondent(s)”: 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 the 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(s). The State expects the Selected Respondent(s) 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.

34) 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.



EXHIBIT 6 – ADDITIONAL RELEVANT DOCUMENTS AND RESOURCES

The documents listed below may be downloaded via the following link:

<https://app.box.com/s/oo0qwy5nrcqnb5zazh9p40f6k5zzst5>

Draft Legal Agreements

- 1) Ground Lease Agreement – Template
- 2) Regulatory Agreement – Template
- 3) Lease Option Agreement – Template
- 4) Right of Entry Agreement – Template
- 5) Assignment of Lease Option Agreement – Template

Notes: These documents are subject to change.

Due Diligence Reports

- 800 Capitol Mall and 751 N Street
 - Housing Study (adaptive re-use “proof of concept”); Perkins & Will, March 19, 2021
 - Facility Condition Assessment; EMG, June 2015
 - Preliminary Title Report
 - Plotted Easement Map
 - Asbestos Notification, EDD, 2021
- 800 Capitol Mall and 801 Capitol Mall
 - Historic Resources Technical Report; ICF, December 2017
 - Appendix to Historic Resources Technical Report
- 801 Capitol Mall
 - Facility Condition Assessment; EMG, June 2015
 - Preliminary Title Report
 - Plotted Easement Map
 - Asbestos Notification, SPB, 2021
- Capitol Mall Parcel Identification (all buildings)

Note: as-built building plans will be provided to the Selected Respondent(s).

Capitol View Protection Act

Respondent Teams must adhere to the Capitol View Protection Act, which can be found in California Government Code ("GC" or the "Code") Sections 8162.5, 8162.6, 8162.7, 8162.8, and 8162.9. The Capitol View Protection Act was established to preserve and enhance the visual prominence of the State Capitol and the character and scale of Capitol Park by providing guidance on future development. This Act sets specific height limits and setbacks for future development which varies based on proximity to the stated sites.



View the GC mentioned here:

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=8162.5.&nodeTreePath=3.1.6.1&lawCode=GOV



EXHIBIT 7 – ATTESTATION

Respondents are required to provide an attestation.

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)(iv) of the Evaluation Criteria and Submission Requirements section of this RFQ.



[FORM OF]

EO N-06-19 RFQ No. 1-23

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.
- 4) I have read and understand the requirements and responsibilities of the Selected Respondent explained herein, including the terms presented in the template documents included in the exhibits to this RFQ.

[Signature of individual(s)
identified in Section 1(b)(iv)]

EXHIBIT 8 – DEFINITIONS

- (a) “Emerging Developer” means an entity, including a Tribal Entity, that has developed, owned, or operated within the last four years at least one (1) but not more than three (3) Affordable Housing Developments with characteristics that are similar to the envisioned development.
- (b) “Executive Order N-06-19” or “EO” means the Executive Order N-06-19 signed by Governor Gavin Newsom on January 15, 2019, to address California’s housing affordability crisis.
- (c) “Ground Lease Agreement” or “GLA” means a legal agreement between the State and the Selected Respondent to accelerate affordable housing development on State-owned land for public benefit.
- (d) “Lead Respondent” means the developer entity responsible for the SOQ and other responsibilities associated to the submission of the SOQ.
- (e) “Regulatory Agreement” or “RA” means a legal agreement between the State and Selected Respondent that establishes the terms and conditions that will apply to the property during the term of the agreement.
- (f) “Respondent Team” means the entire development team that is included in the response to the RFQ. This includes but is not limited to the developer(s), general contractors, civil engineers, legal counsel, consultant(s), lenders, equity investor, supportive service providers, and landscape architect(s) and or/ urban designer(s).
- (g) “RFQ” means a Request for Qualifications.
- (h) “Selected Respondent” means a developer entity selected in accordance with the Principles and Objectives described in this RFQ to enter into a LOA to create affordable housing on excess state-owned property.
- (i) “State” refers to DGS and HCD as a collective partnership or individual entity.
- (j) “SOQ” means Statement of Qualifications.

EXHIBIT 9 – SCORING SHEET

EVALUATION CRITERIA AND SCORESHEET

Solicitation #:

DGS Reviewer:

Date Reviewed:

HCD Reviewer:

Respondent:

Demonstration of Experience

1 Evaluation Concept

The overall track record of the Respondent Team in planning, financing, developing, managing, and maintaining relevant development projects, including experience developing affordable and/or market-rate housing in California as applicable to the envisioned development program.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Lead Respondent's Recent Experience	Recent, successful projects that are of a similar size, scope, and scale of the project as envisioned should receive higher scores. Projects that are completed should receive higher scores than projects in progress. Responses that explain positive outcomes post-construction should also be awarded higher scores.	60		
b Respondent Team's Recent Experience	Recent, successful projects that are of a similar size, scope, and scale of the project as envisioned should receive higher scores. Projects that are completed should receive higher scores than projects in progress. Responses that explain positive outcomes post-construction should also be awarded higher scores.	40		
c Project References	For the purposes of shortlisting, references are not scored (the shortlist is determined assuming that all Respondent Teams score zero). For shortlisted entities, scoring is based upon feedback from references. References from relevant, knowledgeable sources that favorably describe the Respondent Team's ability to plan, finance, develop, manage, and maintain housing projects as described in the Project Vision should receive higher scores.	40		
d Portfolio of Completed Projects	As this submission requirement is portfolio-specific, non-analogous projects will be included. Respondents with larger, more robust portfolios of completed projects, particularly those that align with the PP&Os, should be awarded higher scores. This evaluation criterion is seeking to ensure that the Respondent Team has substantial development experience.	60		
Section Total		200		

Capacity for Achieving Program Principles and Objectives

2 Evaluation Concept

Respondent Team's ability to demonstrate past success in specifically implementing the Program Principles and Objectives.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Examples of Successes re: Program Principles and Objectives	Scoring is based upon each of the Project Principles and Objectives (PP&O). Responses that should be awarded higher points are those that: a) address each PP&O, b) clearly articulate a demonstrable, meaningful example of successfully meeting those objectives, and c) ensure that examples provided are analogous to the project vision for the excess site.	175		

Equity and Community Outreach

3 Evaluation Concept

Respondent Team's detailed approach to achieve the Principles and Objectives listed below, given their criticality to the overall success in developing the excess State-owned property.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Approach to Community Outreach, Partnership, and Collaboration	Higher scored responses would be those that a) identify meaningful examples of inclusive strategies employed on previous projects to engage community members and key stakeholders, b) demonstrate that those strategies were successfully implemented, including listing outcomes, and c) describe how public/stakeholder input re: those projects were collected, incorporated, and addressed.	15		
b Example of a Prior Community Engagement Plan/Strategy	The difference between 3.a and 3.b is that the 3.a is the narrative describing the firm's general approach and outcomes . 3.b is focused on specific example(s) of community engagement plans/strategies for projects that are analogous to the excess site. Higher scored responses will demonstrate that the plan/strategy was successful and provide the specific outcomes.	20		
c Approach to Racial Equity	Higher scored responses should detail the near- and long-term strategies the Respondent Team would implement and the measurable outcomes the team would hope to achieve. The goals of the strategies should aim at a) fostering inclusive communities, b) achieving racial equity, c) providing fair housing choice, and d) creating opportunities for all Californians. Responses that aim at only some of those should be deducted points.	20		
d Completed Project Showing Capacity to Achieve Racial Equity P&O	This criterion is specific to the Racial Equity category in the PP&O. The example must be of a completed project, and the scoring will be based upon the robustness of the strategies employed. Points should also be awarded for those responses that evidences the outcomes of said strategies (note: outcomes may be derived from 3.b if the examples overlap).	20		



Section Total		75		
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Demonstration of Financial Capacity

4 Evaluation Concept

The financial capacity of the Lead Respondent to complete and manage the property including demonstrated abilities in financial innovation, adaptability, and command of emerging opportunities.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Experience/Track Record in Securing Affordable Funding	Higher scored responses are those that demonstrate a successful track record of securing financing and applying/being granted subsidy/tax credit allocations for projects/approaches analogous to the excess site (the more analogous the proposed project financials and prior projects to the excess site and proposed project financials, the higher the points). Responses that detail the successful execution of a proposed financing stack (rather than needing to multiply subsidies due to a failure to be awarded) should also be granted additional points. In the event that an innovating, nontraditional, or less common financial approach is pursued, please see the RFQ's Evaluation Criteria and Submission Requirements section, where criteria for more qualified responses (and thus, higher scored responses) is listed.	125		
b Most Recent Financial Statements	Scoring for the financial statements shall be based upon the degree of financial stability, ability to support the project in pre-development, and support the operating costs of the project post-completion. Evidence of being over leveraged or unable to advance the project due to cashflow issues should result in fewer points.	25		
Section Total		150		

Development Vision

5 Evaluation Concept

The Respondent Team's program and proposed vision for the project site, as that program/vision compares to the Principles and Objectives as described in this RFQ.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Narrative Describing Development Vision	The submitted vision shall be evaluated in light of the PP&O. Response that show meaningful alignment with all of the categories of the PP&O, and thus the state's priorities, shall be awarded more points over responses that align with few categories, or align less fully with them all. In evaluating this section, the evaluation team should also consider the background, skillsets, and capacity of the Respondent Team (individuals and firms) as it relates to their ability to achieve the proposed vision. Note: in the event that other portions of a Respondent Team's submission does not accord with their vision (ex: the envisioned financing strategy is not conducive to the proposed AMI targets), points should be not be deducted in this category, and should be deducted in the applicable category (in the example given, in 6.a).	200		

Financial Feasibility

6 Evaluation Concept

Provide a financing plan that demonstrates the capacity of the Lead Respondent to successfully underwrite and execute the development vision and the extent to which the financing plan achieves the applicable Principles and Objectives.

Submission Requirement	Basis for Scoring	Max Pts	Score	Comments
a Conceptual Financial Model(s) for the Project	The evaluation will consider the validity/reliability of the financial model, the relevance of the model to the proposed vision, and the comprehensiveness of the model. Higher scores shall be awarded to robust, proformas of reasonable length (15 years), that demonstrate compliance with GC 14671.2, include delineation of both construction and permanent sources/uses, note the developer's fee/overhead, and (if applicable) the cross-subsidization of moderate or market rate units (or commercial uses) of affordable units. Note: responses to Evaluation Criteria and Submission Requirements, Section 8, Additional Requirements and Representations reflects violations, deficiencies, negative points, those disclosures (unless sufficiently justified) can be considered in the deduction of points.	200		

GRAND TOTALS

Total Pts	Total Score	Comments
1000	0	