



State of California
Request for Qualifications
Mixed Use Development
including Affordable Housing
For Excess Sites
Under Executive Order N-06-19

Location:
1350 Front Street
San Diego, CA 92101

Released: November 15, 2021
Due: 5:00 pm PT on February 3, 2022

EO N-06-19 RFQ No. 4-21



OPPORTUNITY

For the design, entitlement, development, and operation of a mixed-use project area that supports the Principles and Objectives listed below under agreement and long-term ground-lease (or ground-leases if applicable) with the State of California and under the auspices of Executive Order N-06-19 (the “EO”). The project area consists of two city blocks and is bounded by West Ash Street, Front Street, West A Street and State Street in Downtown San Diego, California (the “Project Area” or “Site”). The current address of the Site is 1350 Front Street, San Diego, California 92101. The current use of the Site is described in Exhibit 3.

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>

RFQ SCHEDULE, SUBMISSION INSTRUCTIONS AND RELATED INFORMATION

RFQ Schedule

The following Request for Qualifications (RFQ) timeline is provided for scheduling information but is subject to change at the discretion of the State of California Departments of General Services and Housing and Community Development (individually or collectively, the “State”).

Activity	Date
Request for Qualifications Released	November 15, 2021
Mandatory Pre-Submittal Meeting	December 7, 2021, 9:00 am to 10:30 am
RFQ Questions and Requests for Clarifications Due	January 3, 2022 5:00PM Pacific Time
State Response to RFQ Questions/Clarifications	January 10, 2022



Activity	Date
RFQ Submittal Deadline	February 3, 2022 5:00PM Pacific Time
Respondent Interviews (approximate)	Week of March 21, 2022
Award Site (approximate)	May, 2022

Submission Instructions

Parties responding to this RFQ (“Respondent(s)” or “Respondent Team(s)”) must submit their response in the form of a Statement of Qualifications (“SOQ”) precisely as follows:

- 1) Via box.com or similar, create two separate folders:
 - a. One containing *solely* the audited financial statements responding to Section 5 of the EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS of this RFQ, Demonstration of Financial Capacity, and
 - b. One containing all other components of the SOQ.

Please note that the State shall not download or otherwise reproduce copies of these audited financial statements. Please also note that a failure to submit the required statements may subject the Respondent or Respondent Team to disqualification.

- 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 – 1350 Front Street – Proposal Links – [Name of Respondent Team]”

Mandatory 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 Site 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 have the option – but not the obligation – to submit questions ahead of time per the instructions immediately below. Attendees may consent to sharing their contact information with other attendees for the purposes of identifying development partners.

Register: https://us02web.zoom.us/webinar/register/WN_jh9heC53TPutKOLDU6RuVQ

RFQ Questions and Requests for Clarifications

All questions and/or requests for clarification should be sent with the subject line “1350 Front Street – Question” to the State contact’s email above. The State will respond to questions and/or requests for clarification by emailing one attachment containing all questions and requests for clarification received by the deadline along with an answer for



each (the “Q&A Document”) via bcc to a) the email address(es) which submitted the questions and/or requests for clarification to the State by the applicable deadline, and b) the addresses to whom the State emailed the RFQ. The State will also post the Q&A Document to the website listed above and – to the extent possible – answer questions during the Pre-Submittal Meeting which are sent in ahead of time.

RFQ Submittal Deadline

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

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

Respondent Interviews

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

Post-Interview Discussions and Due Diligence

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

Exclusive Negotiating Agreement and Lease Option Agreement

Upon selection of a Respondent or Respondent Team, the State contemplates entering into a time-limited Exclusive Negotiating Agreement (the “ENA”) with the selected entity. The intent of the Agreement would be to work collaboratively to flesh out project assumptions, vision, and financials sufficiently to mutually agree that a viable project, subject to additional vetting, community and stakeholder engagement, etc., exists. At such time, the State and the Respondent or Respondent Team would enter into a Lease Option Agreement (the “LOA” or “LOAs”).

Request for Information

The State had previously issued a Request for Information (EO N-06-19 RFI 3-20) for the Site (the “RFI”). This RFQ is informed by the responses to the RFI. Responding to the RFI is not a requirement of responding to this RFQ.

DISCLAIMERS

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.

Note: 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.

INTRODUCTION

The EO was signed by Governor Gavin Newsom on January 15, 2019 to address the housing affordability crisis that is facing the State of California (see Exhibit 1). 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 agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit.

The State is pleased to issue this RFQ for Respondents capable of developing the excess state-owned property listed in this RFQ that will be consistent with and help fulfill state, regional, and local goals, including, but not limited to, housing affordability, community development, sustainability, equity, innovation, and feasibility.

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

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 Site, the State intends to enter into an ENA with the Respondent whose qualifications and development proposal the State deems best suited to achieve the Principles and Objectives described in this RFQ. The State will not make a separate Request for Proposals. As described further below, successful completion of negotiations will lead to the execution of a low-cost, long-term ground lease(s) and regulatory agreement(s) with a maximum term of 99 years (the "Lease").

ROLES AND RESPONSIBILITIES OF THE SELECTED RESPONDENT

Upon approval and execution of the Lease(s) 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(s);
 - 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 to the extent such chapters are applicable;
 - E. The selected Respondent shall ensure payment of state prevailing wage regarding construction where applicable;
 - F. The selected Respondent shall be responsible for assisting DGS with compliance with the California Environmental Quality Act (CEQA), including exploring the applicability of streamlining and exemption provisions, and the preparation of any necessary environmental documents. DGS shall serve as the lead agency under CEQA. The cost of all required environmental review and compliance shall be the responsibility of the selected Respondent. Please note further that a) the State has determined that Senate Bill 35 does not apply to state-owned land, and b) if selected Respondent seeks any federal subsidy or funding, they shall also be responsible for facilitating compliance with the National Environmental Policy Act, (NEPA);
 - G. The selected Respondent shall be responsible for payment of any 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(s);
 - 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.

GROUND LEASE(S), REGULATORY AGREEMENT AND APPLICABLE GOVERNMENT CODE

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

DEVELOPMENT INTENTIONS

As stated elsewhere in this RFQ, this site is being developed under EO N-6-19, which is concerned with the promulgation of housing, specifically affordable housing. As also stated, this site 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 guideposts. However, the site – like any real property – is also located within a context. That context includes the surrounding properties, the aspirations and needs of stakeholders and the community, and the long-term planning of the local government. Taken together, these four things (the EO, GC 14671.2, the site context, and the city’s planning goals) provide the benchmarks that the ideal development will achieve.

EO N-6-19 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 often be in tension. This is to ensure that each project is appropriate for its site context, area housing production 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 the State.

For this San Diego project, there is an opportunity to either adaptively reuse the existing office building and construct new housing on the largely vacant, adjacent lot, or demolish the office building and construct new on both lots. The State is interested in the adaptive reuse concept: however, this interest is not determinative. If materially more housing could be more feasibly developed under one scenario over the other, that would be preferable.

GC 14671.2 and Amendments

In July 2021, the State’s leasing authority was amended to provide a broader range of authority for more complicated developments. Whereas before the amendment, the code was heavily prescriptive on the affordability levels and mix, the code now allows a site-by-site determination to be made. Whereas the prior code did not contemplate the potential for ownership, GC 14671.2 now provides that option. And whereas the code was previously silent on the ability to develop non-housing (ex: commercial) spaces, the State can now include such elements.

However, the undergirding ethic of these changes is that they are subservient to the development of housing. While HCD can permit a site-specific mix of affordability levels,



with a minimum of 20 percent, the intention is to increase the number of affordable units.¹ While the sale of property is permitted, it is only permitted “reasonably necessary to facilitate the development of affordable housing.” Further, commercial spaces are contemplated only when the commercial development is “necessary for the successful delivery of housing to lower income households” and when it provides “community benefits, including community-serving retail and amenities.” The intention is not to deliver a project that includes housing, but a housing project that is appropriate for the area and includes those elements that are necessary either to support the housing or for the housing to pencil.

Surrounding Area Context

As the 8th largest city in the country, the City of San Diego (the “City”) has over 11,000 employees. Approximately 3,000 employees who work from a traditional office are focused in the downtown core in what is commonly referred to as the Civic Center (located between A and C Streets and 1st and 3rd Streets) where the City owns approximately 400,000 square feet of office space. The City also leases and owns ancillary office space in nearby downtown buildings and throughout the City.

As the City considers what its “Office of the Future” may look like, the opportunity to consolidate more of its workforce into downtown presents itself, especially in what will likely be a more collaborative workspace environment post-covid.

In addition to the City locating many of its office-based staff in the Civic Center, Fire Station 1 is located on the ground level of the City’s Operation Building at 1222 First Avenue and is approximately 30,000 square feet. 54 firefighters call this station home with 18 on-site daily, over three 24-hour shifts, along with a fleet of 11 specialized vehicles.

There may be an opportunity for this project to include some degree of commercial office space (importantly, subject to the limitations previously noted) and/or a new fire station. The City would not necessarily provide funding for the initial costs for the spaces, but would serve as a long-term tenant at market rates. Any such revenue could be utilized to pay Project Area financing costs.

City Planning Framework

Respondents are encouraged to consider San Diego Mayor Todd Gloria’s recently announced “Homes For All of Us” housing platform in their SOQs. Homes For All of Us is a major package of initiatives aimed at producing more homes across the City that residents of all income levels can afford. See Exhibit 6 and Principle and Objective #1.

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

¹ The number of units, not the percentage, is what matters. An 80/20 deal that generates 400 affordable units would generally be preferable to a 100 percent affordable project that only generates 250 units.



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 Respondents who can demonstrate the capacity, creativity and commitment needed to support the Principles and Objectives listed below.

- 1) **Housing Mix and Affordability:** Provide housing at a range of income levels that is consistent with the EO, maximizes the depth and breadth of affordability and maintains financial feasibility. Consider the Development Intentions as described above.
- 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.
- 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 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 development and future occupants.
- 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) **Community Outreach, Partnership, and Collaboration:** Integrate diverse groups of local stakeholder, government and community input using a meaningful public participation process and conversation by designing targeted and culturally responsive outreach so that the proposed development addresses local housing and community 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) **Equity:** The objective is two-fold:

- a. Incorporate meaningful measures into planning, design, and development of the Project Area that will combat housing discrimination, eliminate racial bias, undo historic patterns of segregation and displacement, and lift barriers that restrict access. Utilize an environmental justice lens to foster inclusive communities and achieve racial equity, fair housing choice, and transform racially and ethnically concentrated areas of poverty into areas of opportunity, and adopt place-based strategies that facilitate housing mobility. Near-term examples include but are not limited to construction-related programs, Project Labor Agreements, Local Hiring Preference, diversity and inclusion procurement programs, social services, workforce development programs, commercial tenant programming, and/or joint-venture ownership partners.
- b. In the long-term, provide equitable access to high-quality housing at low- and middle-income levels. Provide retail, open space and other publicly available privately owned resources that are responsive to the needs of the immediate community.

10) **Respondent Capacity:** Demonstrate the Respondent's financial capacity and experience necessary to successfully implement the envisioned Project Area, and to overcome possible setbacks in the development process.

11) **Quality Architecture and Contextual Design:** Deliver a Project Area that meets generally accepted principles of quality architectural and urban design, and that takes nearby *external* services, transportation, amenities, and planned improvements into consideration. Consider uses *internal* to the Project Area which enhance community and connectedness in the service of developing area-appropriate housing.

THE IDEAL RESPONSE TO THIS RFQ

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 principles and objectives.
- Articulate a clear understanding of the State's Principles and Objectives as listed above and demonstrate capacity for achieving them.
- Demonstrate the Respondent's capabilities and prior experience in analyzing



- and balancing competing objectives.
- Include all the elements listed below.
- Stay within the page limit without exhibits of 20 pages; there is no page limit for exhibits.

EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS

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

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

The State welcomes responses from one entity responding as “master developer” or a partnership among multiple entities each with a specialization in a different real estate asset class.

1) Respondent Team Introduction

a) Evaluation Criteria: NA

b) Submission Requirements:

- i) 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 SOQ.
- ii) Include an organizational chart displaying reporting relationships and lines of accountability. The State reserves the right to request further documentation.
- iii) 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 Project Area.
- iv) Identify the Respondent Team 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), ground lease(s), and/or regulatory agreement(s) between the Respondent and the State. Include a brief biography for each principal member of the Respondent Team.
- v) Identify the contractors, consultants and development partners who are a member of the Respondent Team, e.g.: general contractors, architects, transportation and land use planners, civil engineers, environmental consultants, landscape architect(s) and/or urban designer(s).

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 contractors, consultants, and development partners) 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 proposed development program.

b) Submission Requirements:

- i) Describe the four most recent relevant development projects **which are similar to the project being proposed** and have been completed by the Respondent Team to date, with information that includes the project name, project location, year completed, project value at completion, development program, and other relevant information. If Respondent is a group of developers, the history and qualifications of each should be provided. Highlight developer qualifications that are adherent to the types of uses proposed, state or federal funding programs, and experience in the locality or region in which the Site is located.
- ii) Include information demonstrating the experience of the contractors, consultants and development partners your SOQ identifies in response to item (1)(b)(v), above.
- iii) Provide at least four project references that the State can contact. The project references should be for projects that are similar to the project envisioned in the SOQ. Project references should be able to confirm the Respondent's claims of past success in the entitlement and discretionary approval process, participation in public-private joint development partnerships, financing of affordable housing projects, community engagement, use of innovative design or modular construction, master planning, urban design, mobility, sustainability and/or continued management of developments. **NOTE:** At least one reference should be to 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.
- iv) Provide a portfolio of similar projects that are now complete and stabilized, including projects with similar financing requirements that were completed within the past four years, to illustrate Respondent's ability to obtain equity and debt financing (including "soft debt") for the Project.

3) Capacity for achieving Program Principles and Objectives

- a) Evaluation Criteria: Respondent Team's ability to demonstrate past success in specifically implementing one or more of the Program Principles and Objectives.
- b) Submission Requirements:
 - i) Provide examples of past success in implementing one or more of the Program Principles and Objectives. 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 of the Project Area.
- b) Submission Requirements:
 - i) Provide a **plan** to achieve the Principle and Objective of Community Outreach, Partnership and Collaboration. This should include a detailed **approach** to community engagement that will serve as a foundation for the later development of an inclusive set of strategies in concert with community

- members and stakeholders. Explain the timeline, engagement strategy, and potential partners (including discussions had with potential partners as part of responding to this RFQ). 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. Describe the extent to which you see the general public being engaged in development progress and how public comments will be collected and addressed during all phases of development.
- ii) Provide a 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.
- 5) Demonstration of Financial Capacity
- a) Evaluation Criteria: The financial capacity of Respondent Team to complete and manage the Project Area, 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, market-rate and mixed-use projects.
 - ii) Include most recent audited financial statements in an exhibit to SOQ (one year). See "Submission Instructions" for details.
- 6) Development Vision
- a) Evaluation Criteria: The development program and the ability of that program to meet the applicable Principles and Objectives as described in this RFQ.
 - b) Submission Requirements:
 - i) Describe the development program and detail uses you envision for the Project Area. Provide information, preferably in table format, which clearly quantifies the size of each use and relevant metric (i.e., number of lower-income, moderate-income, and market rate housing units, square feet of commercial space, square feet of open space, etc.).
 - ii) Provide a narrative description of the approach to the architectural, urban and landscape design in the Project Area, including architectural character, building densities, massing, relationship to the surrounding area context and city planning framework, character of parks and other public spaces, climate adaptation and resiliency, concepts for street design and the mobility network, and other design elements. Describe how the envisioned improvements and amenities relate to and support adjacent or nearby uses and/or neighborhoods.
 - iii) Address how and the extent to which the Project Area will support the Principle and Objective of Accessibility.
 - iv) Address how and the extent to which the Project Area will support the Principle and Objective of Construction Innovation and Cost Efficiency.
 - v) Address how and the extent to which the Project Area will support the Principle and Objective of Sustainability.

- vi) A Transportation Demand Management Plan is not currently required. However, please describe your approach to sustainable and resilient land use and transportation planning, including active transportation modes, transit and limiting vehicle miles travelled to, from and within the Project Area and how this relates to climate change, heat vulnerability, air quality, health equity and access to opportunity.
 - vii) Describe your approach to the Project Area, including leveraging State Sovereignty and the opportunities and challenges it may provide. See Exhibit 4.
 - viii) To the extent that you are willing to produce them to demonstrate your site concept, include renderings and/or architectural work in an exhibit to your SOQ.
- 7) 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 proposed financing plan with the SOQ.
 - ii) In an exhibit(s) to the SOQ, submit high-level financial models for the development program. Each model should be mutually exclusive, aggregating components by type of real estate (for example, one model for all market-rate housing, one model for all retail uses, etc.). Each model should include a *simple* sources & uses table and 20-year pro forma.
 - iii) Submit a separate model which summarizes the development program. The purpose of this model is to quantify and clearly display the one-time and/or on-going subsidization of affordable housing and/or fair operations, the budgeting of open space maintenance and other support for community-serving uses on site.
- 8) Additional Requirements and Representations
- a) Evaluation Criteria: NA
 - b) Submission Requirements:
 - i) In their SOQs, 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 SOQ: defaults, any judgments, court orders, pending litigation, contractual disputes, violation notices, or other matters reflecting a violation of applicable regulations related to the operations or projects undertaken by the Developer entity or any of its individual members or affiliates exercising direct or indirect control over the development entity, including all key persons on the Respondent team.
 - ii) Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.
 - iii) Provide a signed copy of the Attestation and Checklist found in Exhibit 8.



EXHIBIT LIST

- EXHIBIT 1. EO N-06-19
- EXHIBIT 2. Government Code Section 14671.2 and Trailer Bill Language
- 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. Scoring Criteria
- EXHIBIT 8. Attestation and Checklist



EXHIBIT 1 - EO N-06-19

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EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

EXECUTIVE ORDER N-06-19

WHEREAS California is experiencing an acute affordable housing crisis that stifles economic growth, contributes to the homelessness epidemic, consumes an ever-growing share of the paychecks of working families, and holds millions of households back from realizing the California Dream; and

WHEREAS nearly 50 percent of California's households cannot afford the cost of housing in their local market; and

WHEREAS for decades, California has failed to build enough homes for its growing population at all income levels, ranking 49th in the country in housing production per capita in 2016; and

WHEREAS restrictive zoning and land-use policies at the local level are a major cause of the shortfall between California's housing needs and the available supply of housing; and

WHEREAS when communities do not build their fair share of housing, the surrounding region must absorb new residents who, as a consequence of a lack of access to affordable housing, suffer from higher rents and longer commutes; and

WHEREAS the high cost of land also significantly limits the development of affordable housing in areas with the greatest demand for new housing; and

WHEREAS state agencies own thousands of parcels of land throughout the state, some of which exceed those agencies' foreseeable needs; and

WHEREAS excess state land is often located in or near urban areas where the need for new housing is acute; and

WHEREAS the lack of affordable housing across California is a matter of vital statewide importance; and

WHEREAS expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation between the public and private sectors; and

WHEREAS fostering housing innovation will catalyze new construction industries and spur job growth in the state; and

WHEREAS 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.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The Department of General Services shall create a digitized inventory of all state-owned parcels that are in excess of state agencies' foreseeable needs by, among other things, conducting a comprehensive survey of all state-owned land. This inventory shall be completed by no later than April 30, 2019. To meet this deadline, all agencies under my direct executive authority shall support this effort by responding to all inquiries made by the Department of General Services.
2. The Department of General Services, the Department of Housing and Community Development, and the Housing Finance Agency shall collaborate to develop two new screening tools for prioritizing affordable housing development on excess state land. The tools shall be designed to identify and evaluate parcels of excess state land:
 - a. Where housing development is most likely to be economically feasible, accounting for, among other factors, a parcel's size, shape, grading, adjacencies, potential for consolidation, lack of site constraints, and proximity to job centers, education, high-frequency public transportation networks, utilities, and other services and amenities; and
 - b. Where underproduction is impacting housing affordability, accounting for, among other factors, availability of affordable housing in the job and commute sheds, the gap between supply and demand, and the rate of increase in rent.

Both tools shall be developed by no later than March 29, 2019.

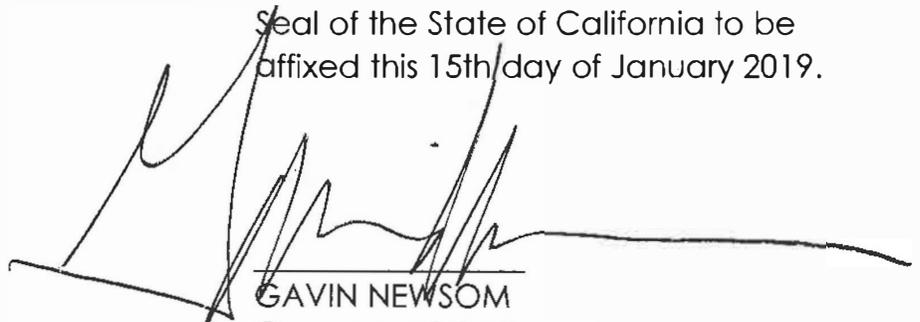
3. The Department of General Services, in consultation with the Department of Housing and Community Development, shall apply the new screening tools to the State's inventory of excess state real property. The Department of General Services shall generate a comprehensive map of excess state real estate parcels where development of affordable housing (a) is feasible and (b) will help address regional underproduction. The map shall overlay a graphical representation (*i.e.*, a heat map) of where affordable housing development is most feasible and impactful. By April 30, 2019, the Department shall provide an interim progress report.
4. Where appropriate, state agencies shall consider exchanging excess state land with local governments for other parcels for purposes of affordable housing development and preservation. Parcels shall be exchanged with the goal of maximizing regional capacity to build and preserve affordable housing units.
5. The Department of General Services, in consultation with the Department of Housing and Community Development, shall issue Requests for Proposals on individual parcels and accept proposals from developers of affordable housing interested in entering into low-cost, long-term ground leases of parcels on the priority map.

- a. Requests for Proposals shall address, among other considerations: the number of housing units to be built and preserved; maximization of land resources and level of affordability; feasibility of breaking ground within two years of entering the lease and completing units within three years; the individual cost per unit of construction; the use of renewable construction materials, such as cross-laminated timber; and the developer's demonstrated capacity to complete affordable housing projects.
 - b. Selection of projects shall catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development.
 - c. Bidding requirements shall include commitments to pay prevailing wages as required under the law.
6. The Department of General Services, in consultation with the Department of Housing and Community Development, shall begin to implement the above selection process no later than September 30, 2019.
 7. The Department of General Services, the Department of Housing and Community Development, and other state agencies and departments shall use all existing legal and financial authority to expedite and prioritize these developments, including by giving them preference in the award of state funding, pursuant to my further direction. Agencies not under my direct executive authority are requested to do the same.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of January 2019.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



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

LOCATION, SIZE AND DIMENSIONS

The rectangular, approximately 2.7-acre site consists of two city blocks and is bounded by West Ash Street, Front Street, West A Street and State Street. Union Street bisects the Project Area.

EXISTING IMPROVEMENTS

1350 Front Street Office Building

- Year Built: 1963
- Stories: 7
- Gross Square Feet: 171,700
- Will be vacated by 12/31/22
- Not historically significant
- On-site parking lot

Additional Structures

- There are two additional existing structures:
 - Southwest corner of West Ash Street and State Street: one-story office building
 - Northwest corner of West A Street and State Street: one-story storage building
- Neither structure is historically significant
- On-site parking lot

ENVIRONMENTAL CONDITIONS

Recognized Environmental Concerns

- Former Aircraft Parts Factory, Automotive Repair, Auto Greasing, Tire Service, and Badge Manufacturing
- Former Auto Repair Garage
- In-Ground Hydraulic Lifts
- Possible Remaining Underground Storage Tanks
- Possible Remaining Oil/Water Separator

Other Environmental Features

- Petroleum Oil Lubricant Staining
- Possible asbestos containing materials
- Possible lead-based paint
- Impacted fill commonly found in San Diego, such as burn pits.
- Possible Vapor Intrusions

See Exhibit 6.

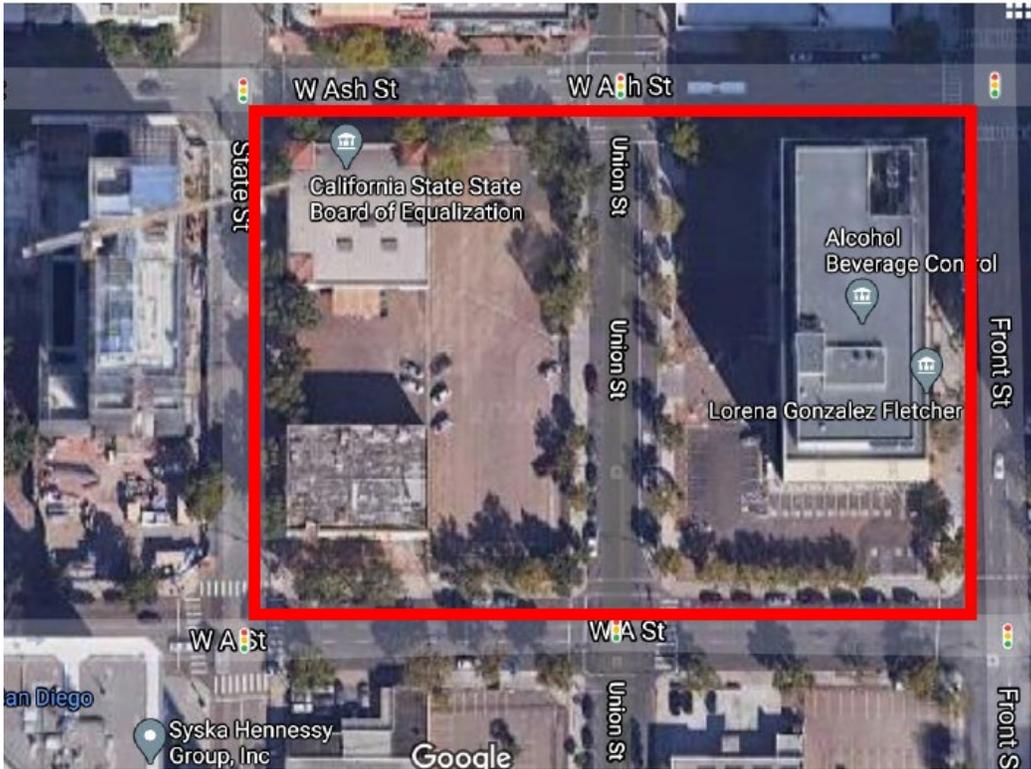


EXHIBIT 4 – STATE SOVEREIGNTY AND ENTITLEMENTS UNDER E.O. N-06-19

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.

<u>Category</u>	<u>Item</u>	<u>No State Sovereignty (typical path)</u>	<u>Use of State Sovereignty</u>
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 for affordable housing, which eliminates or reduces property taxes. All other commercial and residential uses are taxable.	To be determined

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 proposed 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.
- The Construction and Inspection Management Branch (CIMB) of the Department of General Services will act as a "central receiver" to coordinate non-State inspectors (e.g., local fire marshal).
- 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: [HCD Factory-Built Housing \(ca.gov\)](https://www.hcd.ca.gov/factory-built-housing).



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 compliant 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 criterion at the RFP stage.

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



No.

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

No.

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

To be determined.

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

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

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

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

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

No.

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

No.

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

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

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

Please reference instructions under the Evaluation Criteria and Submission



Requirements section of the RFP. Please include the pro forma sheets you feel would facilitate our understanding of your Proposal; we will request further data if needed.

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

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

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

No.

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

Just the audited financial statements.

27. Who is on the evaluation panel?

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

28. Who was invited to respond to the RFP?

We do not share that information.

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

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

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

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



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

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

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

State Architect will not be involved with the project.

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

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

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

No.

35. The RFP states, the "Respondent shall agree...to implement the state's new solar initiatives on multi-family structure." Please clarify which specific solar incentives this requirement mandates.

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

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

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

37. How high will an emphasis on City involvement and future [neighborhood] plan alignment be considered against the state's other priorities and scoring criteria?

Please refer to Exhibit 7, Scoring Criteria, for appropriate guidance.

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

Confirmed.

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

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



or more Respondents prior to selection.

40. Under “Roles and Responsibilities of the Selected Respondent”: Are there current holding costs the State spends on the site (i.e. fencing contract, security) that should be used as an assumption for holding costs upon execution of 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. The State expects the selected Respondent to enter into the ground-lease at close and prior to commencement of construction. The selected Respondent is responsible for both determining and paying all holding costs upon execution of the ground lease for the remainder of the project and during operations as applicable.

41. 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.

42. Exhibit 3 – Please confirm that if the City were to take on shelter operations at this site no liability or cost of such operation will be assumed by the Respondent Team.

Confirmed.

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

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



EXHIBIT 6 – ADDITIONAL RELEVANT DOCUMENTS AND RESOURCES

City Planning Framework – “Homes For All of Us”

<https://www.sandiego.gov/mayor/mayor-gloria-announces-%E2%80%98homes-all-us%E2%80%99-housing-package>

San Diego Forward: SANDAG 2021 Regional Plan

https://www.sandag.org/uploads/publicationid/publicationid_1811_16978.pdf

Due Diligence Reports Collected to Date and Draft Legal Agreements

<https://dgscloud.box.com/s/e237zqvsve9ljchi3hn7or9whwf5jww7>

- 1) Phase 1 Environmental Site Assessment
- 2) Facility Condition Assessment report
- 3) Initial Civil Utility Infrastructure Evaluation
 - a. Appendix A – City-Provided As-Builts
 - b. Appendix B – FEMA Flood Insurance Map
- 4) Preliminary Geotechnical Engineering and Geologic Hazards Evaluation
- 5) Ground Lease template
- 6) Draft Regulatory Agreement
- 7) Draft Lease Option Agreement

Notes:

- 1) *As of the date of this RFQ, the State has procured a Phase 2 Environmental Site Assessment (“ESA”) which is not yet complete. Once completed, the State will upload the report to the web address above and distribute copies as appropriate. A copy of the Phase II ESA is available by request by emailing the State contact listed above. The Phase II ESA is expected to be available in early March.*
- 2) *Respondents should be aware of the possibility of a fault line very near to the edge of the property.*
- 3) *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	Provide housing at a range of income levels that is consistent with the EO, maximizes the depth and breadth of affordability and maintains financial feasibility. Consider the Development Intentions as described above.	50
	Sub-Total,	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
	Sub-Total,	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
	Sub-Total,	Timing Efficiency and Financial Feasibility	150
4	Accessibility	Provide accessible housing for all Californians by exceeding the requirements of the California Building Code and local requirements by maximizing universal design principles	50
	Sub-Total,	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 development and future occupants.	100
	Sub-Total,	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

Scoring Criteria

Item	Principle	Objective	Scoring
	Sub-Total,	Construction Innovation and Cost Efficiency	100
7	Community Outreach, Partnership, and Collaboration	Integrate diverse groups of local stakeholder, government and community input using a meaningful public participation process and conversation by designing targeted and culturally responsive outreach so that the proposed development addresses local housing and community needs.	100
	Sub-Total,	Community Outreach,	100
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
9	Equity	Incorporate meaningful measures into planning, design, and development of the Project Area that will combat housing discrimination, eliminate racial bias, undo historic patterns of segregation and displacement, and lift barriers that restrict access. Utilize an environmental justice lens to foster inclusive communities and achieve racial equity, fair housing choice, and transform racially and ethnically concentrated areas of poverty into areas of opportunity, and adopt place-based strategies that facilitate housing mobility. Near-term examples include but are not limited to construction-related programs, Project Labor Agreements, Local Hiring Preference, diversity and inclusion procurement programs, social services, workforce development programs, commercial tenant programming, and/or joint-venture ownership partners.	50
		In the long-term, provide equitable access to high-quality housing at low- and middle-income levels. Provide retail, open space and other publicly available privately owned resources that are responsive to the needs of the immediate community.	50
	Sub-Total,	Equity	100

Scoring Criteria

Item	Principle	Objective	Scoring
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
	Sub-Total,	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
	Sub-Total,	Quality Architecture and Contextual Design	50
		Total	1,000



EXHIBIT 8 – ATTESTATION AND CHECKLIST

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

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



[FORM OF]

E0 N-06-19 RFQ No. 4-21

Attestation

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

Checklist

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

- 1(b)(i) – Introduction
- 1(b)(ii) – Organizational Chart
- 1(b)(iii) – Identify nature of affiliation if applicable, roles and responsibilities
- 1(b)(iv) – Identify Respondent Team principals
- 1(b)(v) – Identify additional members of the Respondent Team
- 2(b)(i) – Describe the four most recent relevant development projects which are similar to the project being proposed
- 2(b)(ii) – Experience of additional members of the Respondent Team identified in 1(b)(v)
- 2(b)(iii) – At least four project references, including a) one reference who is a community leader and who is not employed in the public sector, and b) one reference should be from a City Manager, County Administrator or similar whose jurisdiction covered a referenced project.
- 2(b)(iv) – Provide a portfolio of similar projects
- 3(b)(i) – Provide examples of past success in implementing one or more of the Program Principles and Objectives
- 4(b)(i) – Provide a plan to achieve the Principle and Objective of Community Outreach, Partnership and Collaboration.
- 4(b)(ii) – Provide a detailed plan to achieve the Principle and Objective of Equity.
- 5(b)(i) – Provide a statement describing the Respondent's experience and track record in securing funding for affordable, market-rate and mixed-use projects.
- 5(b)(ii) – Include most recent audited financial statements in an exhibit to SOQ (one year). See important instructions, below.
- 6(b)(i) – Describe the development program. Provide information in table format.
- 6(b)(ii) – Provide a narrative description of the approach to the architectural, urban and landscape design in the Project Area.
- 6(b)(iii) – Address how and the extent to which the Project Area will support the Principle and Objective of Accessibility.
- 6(b)(iv) – Address how and the extent to which the Project Area will support the Principle and Objective of Construction Innovation and Cost Efficiency.
- 6(b)(v) – Address how and the extent to which the Project Area will support the Principle and Objective of Sustainability.
- 6(b)(vi) – Please describe your approach to sustainable and resilient land use and transportation planning.
- 6(b)(vii) – Describe your approach to the Project Area, including leveraging State Sovereignty and the opportunities and challenges it may provide.
- 6(b)(viii) – Include renderings and/or architectural work in an exhibit to your SOQ.



- 7(b)(i) – Summarize your financing plan with the SOQ.
- 7(b)(ii) – In an exhibit(s) to the SOQ, submit high-level financial models for the development program.
- 7(b)(iii) – Submit a separate model which summarizes the development program.
- 8(b)(i) - Include an exhibit which identifies the items listed in this section, as applicable.
- 8(b)(ii) – Provide detail for any assessed and/or outstanding CDLAC and/or CTCAC Negative Points and/or outstanding HCD compliance issues.

- 8(b)(iii) – Provide a signed copy of the Attestation this Checklist.

Detailed instructions for 5(b)(ii):

Via box.com or similar, create two separate folders:

- One containing the audited financial statements responding to Section 5 of the EVALUATION CRITERIA AND SUBMISSION REQUIREMENTS of this RFQ, Demonstration of Financial Capacity, and
- One containing all other components of the SOQ.

Send an email to the address listed above which:

- Contains two links corresponding to each of the folders listed above.
- Clearly identifies the contents of the folder associated with each link within the body of the email.
- Has the subject line: “Excess Sites – 1350 Front Street – Proposal Links – [Name of Respondent Team]”