



Request for Qualifications (RFQ)

for

Planning, Development, Construction, and Operational Management of Permanent Supportive Housing

QUALIFICATIONS AND PROJECT CONCEPTS DUE NO LATER THAN:

5:00 P.M. PDT

FRIDAY, March 30, 2018

(via e-mail and hard copy)

Address Submissions to:

Housing & Community Development Division, City of Vallejo

ATTN: Will Morat

555 Santa Clara Street, 3rd Floor

Vallejo, CA 94590

Will.Morat@cityofvallejo.net

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I. Introduction

The issue of homelessness remains a high priority for the City of Vallejo (hereinafter “City”). The City Council established top priority affordable housing and community development needs in its [5-Year Consolidated Plan](#) beginning July 1, 2015.

Various programs have been established in the City to address homelessness, including a day center at First Baptist Church, the Tenant-Based Rental Assistance Program, and scattered-site housing units administered by the Vallejo Housing Collaborative. On July 27, 2017, the City and Community Action Partnership of Solano Joint Powers Authority (CAP Solano), entered into an MOU for a Coordinated Entry System in the City to provide a standardized approach to comprehensively assess, screen and process the housing and service needs of homeless individuals and families in Vallejo, and to refer them to appropriate available resources.

The [Solano County 2017 Point in Time Count](#) (PITC) identified at least 300 sheltered or unsheltered individuals experiencing homelessness in Vallejo, with 30-50% suffering from psychiatric conditions, substance abuse, and/or chronic health problems. Although Vallejo documented a 25% decrease in the number of homeless persons from 2015 to 2017, the City continues to seek out evidence-based programming and intervention models that can permanently and broadly address homelessness.

In December 2017, the City purchased two adjacent properties with buildings at 2118 Sacramento Street and 2134-2136 Sacramento Street to develop as Permanent Supportive Housing (PSH) units. The creation of PSH for Vallejo residents experiencing homelessness or at immediate risk of homelessness is an important goal contained in the City’s Five Year Consolidated Plan.

In addition to providing these two properties for the project site, the City has approximately \$4 million in additional one-time funds available to contribute toward the rehabilitation, construction or other hard costs associated with development of new PSH units. This funding will come from a variety of City sources, including the City’s Housing Successor Agency (Vallejo Housing Authority) Low and Moderate Income Housing Asset Fund (LMIHAF), the HOME Investment Partnerships Program, and the Community Development Block Grant (CDBG) Program.

II. Invitation

The City hereby solicits qualifications and proposed development concepts from qualified, experienced affordable housing developers and supportive services providers for the planning, development, construction, and operational management of higher-density PSH units on two adjacent City-owned parcels at 2118 and 2134-2136 Sacramento Street. Specifically, the City is seeking:

A. Qualifications & Experience

- Affordable housing development
- On-site operational management of PSH, transitional, or emergency housing
- Service provision for tenants (on-site or off-site)
- Financial Stability
- Access to existing funding sources, especially county, state and federal funds
- Similar projects in size and scope
- Familiarity with Solano County and City of Vallejo

B. Proposed Development Concepts

- Conceptual size and density of PSH development on site
- Proposed use of ~\$4 million in one-time City capital improvement/construction funds
- Funding streams for ongoing services (especially county, state and federal funds)
- Demographics of at-need population(s) to be targeted through PSH
- Community engagement strategy

At this stage, the City is seeking only rough project concepts, which may be subject to change through subsequent discussions, community feedback, City Council direction, and ongoing negotiations. The City seeks submissions that document and support the qualifications of the proposer to successfully implement their conceptual proposal. The City may enter contract negotiations with the successful proposer, at which time additional details, pro forma financial projections, and/or preliminary designs may be required.

This RFQ describes the general rules for preparing and submitting qualifications and development concepts and the City's requirements.

Proposer shall submit a written submittal, which presents the Proposer's qualifications and ability of their solution to meet the specific needs of the City. The submission should be prepared in a clear and concise manner and should provide all the information that is considered pertinent. Unnecessarily elaborate proposals are not desired. The emphasis of the proposal should be placed on accurate responses to the needs of the City as outlined in this RFQ.

Failure to comply with the requirements or to provide the requested information may result in rejection of a proposals.

III. Inquiries

To schedule a site visit, or if any proposers has any question regarding the meaning of any part of this RFQ, or finds discrepancies in or omission from this RFQ, the proposer shall submit a written request (electronic mail is sufficient) to the City contact:

Will Morat
Housing & Community Development Division, City of Vallejo
200 Georgia Street
Vallejo, CA 94590
Will.morat@cityofvallejo.net
707-648-4109

City's responses to questions will be included in an Addendum to this RFQ, if necessary, which will be issued and posted to the Bids & Proposals page on the City website:

http://www.ci.vallejo.ca.us/doing_business/bids_proposals

IV. Objectives

Based upon direction from the City Council, the Vallejo Housing Authority (VHA), and the City's 5-Year Consolidated Plan, the City has developed seven (7) key objectives for the successful proposer to meet:

- 1) Qualified and experienced affordable housing developer and on-site operational manager
- 2) Maximum number of PSH units on site for homeless individuals and families
- 3) Minimal barriers to entry through evidence-based intervention models
- 4) Leverage of City in-kind contributions (\$1.1 million) and one-time capital improvement funds (~\$3.9 million)
- 5) Sustainable, non-City funding streams for ongoing program stability
- 6) Coordination with existing non-profit organizations and service providers, especially the Coordinated Entry system
- 7) Community and neighborhood support for the program

V. Site Information

2118 Sacramento Street

Current Zoning:	Linear Commercial
Adopted General Plan 2040 Zoning:	Business/Limited Residential
Parcel:	A.P. No. 0051-190-390
Lot Size:	16,988 square feet
Building Size:	2,676 square feet
Building Construction Date:	1940

2134-2136 Sacramento Street

Current Zoning:	Linear Commercial
Adopted General Plan 2040 Zoning:	Business/Limited Residential
Parcel:	A.P. No. 0051-080-540
Lot Size:	39,892 square feet
Building Size:	6,000 square feet
Building Construction Date:	1970

VI. City of Vallejo and Vallejo Housing Authority Financial Participation

The criteria for selecting a preferred developer emphasizes the qualifications of the developer, and leveraging of the City and VHA’s contribution of additional one-time funding, while obtaining the maximum number of quality PSH units.

Proposals should not propose future, ongoing funding streams directly from the City, but should identify county, state, federal or private funding streams for ongoing supportive services of tenants.

In-kind contribution

Real Property at 2118 and 2134-2136 Sacramento Street	\$ 1,124,000
<i>(Participatory Budgeting/Measure B - \$632,000; HOME - \$469,000; CDBG - \$23,000)</i>	

One-time construction/capital improvement funding

Housing Successor Agency Low and Moderate Income	
Housing Asset Fund (LMIHAF)	\$ 1,277,452
HOME Investment Partnerships Program Funds	\$ 1,784,846
Fiscal Year 2018-19 HOME Funds	\$ 350,000 <i>(estimated)</i>
Fiscal Year 2018-19 CDBG Funds	\$ 500,000 <i>(estimated)</i>

TOTAL ESTIMATED ONE-TIME FUNDS \$ 3,912,298

The City and VHA’s financial participation will be specified in a Financing Plan for a project, to be approved by the City and VHA, and the developer, and developed as part of the approval process.

Rehabilitation Conditions

- A rehabilitation project will be subject to City and federal program affordability requirements, depending upon the funding source provided.
- The developer shall pay all construction costs, including all off-site and on-site improvements including but not limited to gas, water, electric, sanitary sewer services, storm drainage, access, grading, flood mitigation measures, and related fees unless the City or VHA agrees to finance a portion of the costs to subsidize the project in addition to its approximately \$4 million investment.
- The City may assist the developer in obtaining funding from other sources, as needed.
- The developer will be responsible for obtaining all approvals and permits from the City and other agencies, as needed.

Future site modifications, development plans, and development costs would be brought to the City Council and VHA for future action as required, including such things as establishing funding, identifying California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) impacts, and contract awards.

VII. Requirements

A submission must include, but is not limited to, the following:

A. Qualifications & Experience

1) Development Entity¹

- a) Organization name, address, telephone numbers, email address, and website address
- b) Contact name, title, email address, and phone number
- c) Legal form of the organization
- d) A list of officers, directors, partners or owners by name and title

2) Development Team

- a) Architects:
Residential project experience should include project location, type of units, number of units, density, percentage of below-market rate units, date of completion, and client. Please provide photos of projects similar to this project.
- b) Management Company:
Provide a list of housing projects that are currently under the company's management. Include each property's location, number of units, and number of affordable units.
- c) Other Team Members:
Include a description of relevant residential experience for each team member. This should include project location, type of units, number of units, percentage of affordable units, dates of contract, and client.

3) Past Experience

- a) Describe experience in developing, rehabilitating, and managing at least three comparable housing projects in California, with an emphasis on the precise role that the entity and team members played in the development. No project placed in service earlier than January 1, 2013 should be included. The description should focus on projects that show experience in terms of:
 - Successfully designing, developing, and rehabilitating housing
 - Utilizing public financing mechanisms
 - Creating affordable and/or permanent supportive housing
 - Providing ongoing operational management
 - Providing supportive services to at-need tenants

¹ The City will not consider responses that identify an interest between the developer and the general contractor. The general contractor and its principals must be an entirely separate business entity from the developer and its principals. The City reserves the right to approve the general contractor separately and is not seeking to identify the project general contractor in this RFQ.

- b) Evidence that proposer is a qualified affordable housing developer (either non-profit or for-profit) that can clearly demonstrate the experience and background of successfully undertaking similar projects in size and scope.
- c) Include details on completed projects, including dates and locations. Provide pictures and detail on the projects. Please include number and type of units, total project valuation, all funding sources for construction/development, and funding sources for ongoing operational management.

4) Financial Qualifications

- a) Describe the organization's experience utilizing ongoing county, state and federal funding streams for supportive services. Include the amounts and jurisdictions where operational funding has been secured from non-City sources, including the qualifications met to secure funding.
- b) Responses shall include audited financial statements for 2015 and 2016 for the developer (all partners) and all proposed affiliated organizations, and a statement of financial condition (unaudited, if audited statement is not available) for 2017 for the developer (all partners) and all proposed affiliated organizations. This statement should show current obligations, guarantees, contingent liabilities, or other financial commitments which restrict the entity from providing completion guarantees, net worth requirements for syndication, operating deficit and tax credit recapture guarantees of limited partner investors, and guarantees which may be reasonably required by the City. If an individual person or persons is or are proposed to offer financial guarantees, audited financial statements or personally signed financial statements are required in addition to that of the developer.
- c) If lead is a subsidiary, please provide financial statements of the parent company.
- d) Is lead entity or any named individual in the project involved in any litigation or disputes that could result in a financial settlement having a materially adverse effect on the ability to execute the project? If yes, list dates and circumstances.
- e) Has entity or individual in the proposed project team ever filed for bankruptcy or had projects that have been foreclosed? If yes, list dates and circumstances.

5) References

- a) Developer candidates must provide **three** references from **each** of the following groups for each partner. Do not provide more than one reference from the same organization for any member of the proposed development team (i. e., *do* provide three references from three different banks, etc.) In providing references, please provide name, title, organization, phone number, email address, and the name of the development with which the reference is familiar. Make sure to provide references for each group listed below:
 - Lender (construction or permanent)
 - Local public agency which provided financial support for an affordable housing or PSH development led by the developer
 - Non-profit joint venture development partner, as applicable
- b) Architects should provide **two** references, with name, title, organization, phone number and email address, for each type of reference below:
 - Owner or developers, other than the proposing entity for the Vallejo development

- General contractors who have built or rehabilitated projects from the architect's drawings
- Public agencies that have provided funding for affordable family rental developments or acquisition and rehabilitation projects designed by the architect

6) Additional Considerations

- a) Describe the organization's familiarity with Solano County and the City of Vallejo, including any and all projects (of any size/scope) within the county or City.
- b) Identify any additional or unique resources, capabilities or assets which the Proposer would bring to this project.
- c) A letter from the Executive Director or Development Director of the developer confirming interest in completing this project and outlining any major conditions to that interest. Include identification of a single contact person of the responder for future correspondence.

B. Proposed Development Concepts²

- 1) Conceptual size & density of potential on-site PSH development
- 2) Proposed use(s) of ~\$4 million one-time City funding for capital improvements and construction, including leveraging City funds or match funding/grants
- 3) Anticipated non-City funding streams for ongoing supportive services, particularly county, state and federal funds
- 4) Demographics of at-need population(s) to be targeted with PSH
- 5) A community engagement strategy designed to foster community and neighborhood support for the project
- 6) Preliminary schedule for development of a construction/rehabilitation project, including:
 - Preparation of rehabilitation/construction design plans and obtaining City approvals
 - Obtaining additional financing needed
 - Commencement and completion of construction/rehabilitation

VIII. Submission of Proposals

DUE: Friday, March 30, 2018 @ 5:00 p.m. PDT

Proposer shall prepare and submit one (1) electronic copy and one (1) identical, sealed hard copy to:

Will Morat
Housing & Community Development Division, City of Vallejo
200 Georgia Street
Vallejo, CA 94590
Will.Morat@cityofvallejo.net
707-648-4109

Time is of the essence, and any proposal received after the announced time and date for submittal, whether by mail or otherwise will not be considered. However, nothing in this RFQ precludes the City from requesting additional information at any time during the proposal evaluation.

² Proposed development concepts, uses of one-time funding, conceptual size and density of PSH, and preliminary schedules should only be rough estimates and concepts. Detailed designs or line item construction budgets are not required at this time, but will be subject to ongoing discussion and negotiation.

IX. Review and Evaluation Criteria

A panel of City staff and any additional development staff from other local jurisdictions selected by the City will review the qualifications submitted. The City may request feedback from planning and housing officials regarding their experience with selected development teams. Depending upon the number of responses, a short list may be developed for more extensive review and analysis and possible candidate interviews. City staff will then select a preferred developer to recommend to City Council.

Developer Criteria

The developer candidates participating in this RFQ process will be judged against the following standards:

- Development team's depth of experience in rehabilitating, developing, and managing high quality affordable housing or PSH, particularly for the homeless.
- Team's successful experience with structuring innovative financing for affordable housing.
- Team's experience with public and private financing sources, including but not limited to: nine percent, four percent, and State Low Income Housing Tax Credits; private activity tax exempt bonds; Whole Person Care grant(s); County of Solano Health and Social Services; Mental Health Services Act funding; and the Multifamily Housing (MHP), Federal Home Loan Bank, and Affordable Housing (AHP) Programs.
- Team's financial capacity to provide required financial guarantees and complete the project on time and on budget.
- Team's experience in the Vallejo market area with affordable housing development.
- Team's ability to complete and manage projects satisfactorily.

The selection of a developer pursuant to this RFQ will be conducted in a two-step process:

1. Screening of applications for consistency with minimum developer qualifications.
2. Ranking of qualified applicants against selected scoring criteria.

Minimum Developer Qualifications

Developers must have successfully developed and rehabilitated at least one project comparable to the proposed development. The judgment as to whether respondents satisfactorily meet the minimum qualifications will be at the sole and absolute discretion of the City.

Scoring of Qualified Applications

Respondents meeting minimum developer qualifications will be scored according to the criteria below. Top-scoring candidates may be selected for an interview with a Selection Committee. The City, at its sole discretion, may select a developer based on submissions only, without conducting respondent interviews.

Responses must contain all required elements. Failure to submit any of the required information will be grounds for rejection of any RFQ response. The City reserves the right to reject incomplete responses.

Applicants will be judged using a sliding scale, with a maximum 100 points possible.

Development Track Record	<ul style="list-style-type: none"> • Track record in designing, developing and rehabilitating affordable housing and/or PSH, and completing rehabilitation or new construction, on time and on budget • Demonstrated financial capacity to provide lender and investor guarantees • Track record in securing funding sources for housing development and track record of utilizing public financing mechanisms and working with public funding • Positive track record for collaborative negotiations with public agencies • Success at gaining community support for affordable housing projects and remaining sensitive to community and neighborhood concerns throughout operations 	<i>35 points</i>
Operation and Management of Supportive Housing	<ul style="list-style-type: none"> • Reasonableness of operating costs for project market area and type of project • Track record of positive cash flow and compliance with regulatory agreements, property reserves, and property maintenance standards • Qualified track record of on-site management operations, including programs for conflict resolution, and highly trained on-site managers that maintain crime-free environments • Quality and depth of social services for families • Track records of coordinating supportive services and operational funding with public agencies, specifically county, state and federal 	<i>35 points</i>
Project Development Concept	<p>Development concept will successfully accomplish the City's objectives:</p> <ul style="list-style-type: none"> • Maximize available PSH units • Minimize barriers to entry • Utilize evidence-based intervention model • Leverage City's in-kind and financial contributions • Coordinate with existing and future non-profit organizations 	<i>15 points</i>
Development Staff Capacity	<ul style="list-style-type: none"> • Demonstrated adequacy of project manager experience. • Demonstrated adequacy of project manager workload. 	<i>15 points</i>

X. Right of the City to Reject Proposals

The City of Vallejo reserves the right to reject any or all proposals based on its sole discretion, or to waive any minor defects or irregularities in any proposal or in the proposal process, or to solicit new proposals on the same project or on a modified project which may include portions of the original proposed project as in the best interest of the City. The City may, in its discretion, elect to waive any requirements(s), either for all proposals or for a specific proposal which the City, in its sole discretion, deems non-material.

The City may reject or disqualify a proposal under any of the following circumstances:

- The Proposer misstates or conceals any material fact in the proposal.
- The proposal does not strictly conform to applicable laws or any requirements of this RFQ.
- The proposal does not include documents, certificates, affidavits, acknowledgements, initial deposit or other information required by the RFQ.
- The proposal has not been executed by the Proposer through or by an authorized officer or representative of the Proposer or Proposer's team.
- The Proposer fails to comply with all provisions, requirements and prohibitions binding on all Proposers as herein set forth or fails to comply with applicable law.
- The Proposer fails to acknowledge receipt of any formal addenda.
- For any other reason deemed in the best interests of the City.

XI. Selection and Negotiation Schedule

Schedule for selection and negotiation process is as follows:

<u>Activity</u>	<u>Date</u>
City issues RFQ:	February 22, 2018
Submission deadline:	March 30, 2018
Staff review:	April 13, 2018
Possible Developer Interviews (tentative date):	April 16, 2018
Selection of Developer and Approval of Agreements by Housing Authority and City Council (tentative date):	May 8, 2018

The City reserves the right to amend this schedule at its sole discretion.

XII. Award of Agreement

The City reserves the right to negotiate the terms of the Agreement for this project with one or more proposers. Upon completion of the review/evaluation, the City shall notify those proposers who will be considered for further evaluation and negotiation. All proposers so notified shall negotiate in good faith in accordance with direction from the City. Any delay caused by proposer's failure to respond to direction from the City may lead to rejection of the proposal.

No proposal shall be binding upon the City until the Agreement is signed by duly authorized representatives of the selected proposer and the City.

XIII. Cost of Preparation of Proposal

The City will not pay costs incurred by the proposer in the proposal preparation, printing or negotiation process. All such costs shall be borne by the proposer.

XIV. Notification of Withdrawal of Proposal

Proposals may be modified or withdrawn at any time prior to the date and time specified for proposal submission by an authorized representative of the proposal and by formal written notice. Proposals submitted will become the property of the City after the proposal submission deadline.

XV. Prevailing Wage

In accordance with the provisions of Section 1770 of the Labor Code of the State of California, the Director of the Department of Industrial Relations has determined the general prevailing rate of per diem wages applicable, and a current copy of said prevailing wages is on file with the City Clerk. Should the minimum Federal Wage Rate be higher than the rate determined by the Director of the

Department of Industrial Relations, then the Federal Wage Rate Determination shall govern.

In addition, the City Charter requires that use of any public funds over \$1,000 shall require prevailing wage rates paid by any contractor, partner, operator, or other entity that is party to an agreement with the City, and all his/her subcontractors shall pay their employees on said work a salary or wage at least equal to the prevailing salary or wage for work of similar character in the locality in which the public work is performed.

XVI. Public Record and Non-Disclosure Agreements

Each proposer is hereby informed that, upon submittal of its proposal to the City in accordance with this RFQ, the proposal is the property of the City.

- A. Unless otherwise compelled by a court order, the City will not disclose any proposal while the City conducts its deliberative process in accordance with the procedures identified in this RFQ. However, after the City either awards an agreement to a successful proposer, or the City rejects all proposals, the City shall consider each proposal subject to the public disclosure requirements of the California Public Records Act (California Government Code Sections 6250, *et seq.*) unless there is a legal exception to public disclosure.
- B. If a proposer believes any portion of its proposal is subject to a legal exception to public disclosure, the proposer shall: (1) clearly mark the relevant portions of its proposal “Confidential”; (2) upon request from the City, identify the legal basis for exception from disclosure under the Public Records Act; and (3) the proposer shall defend, indemnify, and hold harmless the City regarding any claim by any third party for the public disclosure of the “Confidential” portion of the proposal.
- C. Proposer and any agents, sub-consultants or subcontractors, agree to indefinitely hold confidential any sensitive information provided by the City during the proposal process such as required for a complete and accurate proposal, including maps and other data related to the City’s existing fiber network that provides communications and data links for existing City public safety services.

XVII. Term of Agreement

The term of the written agreement shall commence on the date last signed by the successful proposer and City and shall continue in accordance with the agreed-upon project timeline described in the written agreement.

XVIII. Conflict of Interest

Proposers should disclose any past, ongoing or potential conflicts of interest which the proposer may have as a result of performing the work described in this RFQ.

XIX. Insurance

The awarded Proposer shall procure and maintain for the life of this contract agreement, insurance coverage obtained and written in the State of California of the following types and amounts, with a maximum deductible of \$25,000 per occurrence:

- General Liability \$1,000,000 per occurrence / \$2,000,000 aggregate annually
- Property Damage \$1,000,000 per occurrence / \$2,000,000 aggregate annually
- Automobile Liability \$1,000,000 combined single limit per occurrence
- Worker's Compensation: Worker's Compensation and Employer's Liability Insurance with

limits as required by Chapter 440, California Statutes.

Professional Liability \$2,000,000 combined single limit, providing coverage over the life of the project plus five (5) years after completion.

A current copy of an insurance certificate, or a letter of intent to provide insurance from the issuing company (including a description of types of coverage and dollar amount limits) shall be submitted with the RFQ.

The successful proposer shall submit a Certificate of Insurance (with endorsements) that names the City and the VHA as additional insured to the City concurrently with the execution of the written agreement and prior to the commencement of any services.

XX. Indemnification

Proposer shall indemnify, hold harmless, and defend City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature operations, to be performed under this proposal and future agreement for Proposer's or contractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of the Proposer, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the City.

XXI. Business License

The successful proposer must either possess a current, valid Vallejo business license or must have submitted a Vallejo business license application and fee at the time of agreement award.

CONTACT:

Please contact Will Morat at 707-648-4109 or Will.Morat@cityofvallejo.net if you have any questions and/or to schedule a site visit.