

# ***Request For Qualifications***

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For the development of new affordable housing on the vacant property west of the intersection of San Jose Avenue and Geneva Avenue, known as:

## **Balboa Park Station Upper Yard**

(Assessor's Parcel No. Block 6973, Lot 039 and a portion of Lot 038)

Issued: April 11, 2016 by

San Francisco Mayor's Office of Housing and Community Development  
1 South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103

Responses due by 4:00 p.m. on June 27, 2016

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**ATTACHMENTS**

- Attachment 1 - Map of site
- Attachment 2 - RFQ Registration Form
- Attachment 3 - Respondent Description
- Attachment 4 - Projected Staffing Workload
- Attachment 5 - Service Provider Residential Experience
- Attachment 6 - Disclosures

## I. INTRODUCTION

The City and County of San Francisco (the “City”), acting through the Mayor's Office of Housing and Community Development (“MOHCD”) is seeking a qualified developer to work with the City to develop affordable family housing and a ground floor commercial and community-serving space on a vacant parcel currently owned by the City and public space improvements that will serve as the housing’s open space on an adjacent parcel owned by Bay Area Rapid Transit (“BART”). The City and BART parcels are located at the intersection of San Jose Avenue and Geneva Avenue and are commonly known as the Balboa Park Upper Yard (the “Upper Yard” or “the Site”). The Upper Yard consists of Parcel 6973-039 (the “MOHCD Parcel”) and a portion of Parcel 6973-038 (the “BART Parcel”). The MOHCD Parcel is approximately 30,750 square feet, with approximately 450 linear feet of frontage on San Jose Avenue and approximately 75 linear feet of frontage along Geneva Avenue. The BART Parcel is approximately 22,000 square feet of the adjacent Parcel 6973-038. BART will retain control of the remainder of Parcel 6973-038 because it is the land over its train tunnel. A map showing the location and configuration of the Site is attached as **Attachment 1**. Disposition of both parcels is described further in this Request for Qualifications.

The intent of this Request for Qualifications (“RFQ”) is to select a single corporate entity or partnership whose function will be to create a development proposal for the Site, and to carry out that proposal through community outreach, planning, design, financing, construction, ownership, and operation of the development. This RFQ describes the general type of development sought by the City on the Site, the process to transfer a leasehold interest in the Site to the developer, the criteria that will be used to select a developer, and the submission requirements for those responding to this request.

Respondents to this RFQ must be comprised of the following: a non-profit developer with experience developing affordable housing in San Francisco or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing in San Francisco (the “Developer”); a property manager with experience serving the target population; a qualified supportive service provider with experience serving the target population; and an architect with experience designing affordable housing and conducting a community design process. At least one entity of the development team must have demonstrated experience working in Supervisorial District 11 neighborhoods and conducting effective community outreach and engagement. All members of the Respondent will be evaluated according to the criteria set forth below, including experience with comparable projects, capacity, and the ability to deliver and maintain an excellent Project.

This RFQ, and the City’s plans for the Site, pursues the goals articulated in MOHCD’s Consolidated Plan (2015) and San Francisco’s Local Homeless Coordinating Board Five-Year Plan (2014). In accordance with the City’s priorities for the development of affordable housing as described in the Consolidated Plan, MOHCD has determined that the preferred use of the Site is a combination of rental housing affordable to low- and very low-income families with 20% of the units set aside for homeless families together with neighborhood-serving commercial and community-serving activities on the ground floor. MOHCD is interested in transferring the MOHCD Parcel (subject to final approval by the Board of Supervisors) to a qualified developer

for this purpose through a long-term ground lease, as further described in this RFQ. BART is interested in transferring a portion of the BART Parcel (subject to final approval by the BART Board of Directors) to MOHCD, who will assign the lease to a qualified developer for this purpose through a long-term ground lease, as further described in this RFQ.

**Hard copy and electronic responses to this RFQ must be received by the Mayor's Office of Housing and Community Development no later than 4:00 p.m., Monday, June 27, 2016. Facsimile responses will not be accepted.**

**II. IMPORTANT DATES AND SUBMISSION PROCESS**

**A. IMPORTANT DATES**

RFQ available on MOHCD website	<b>April 11, 2016</b>
Pre-submission conference at MOHCD	<b>April 22, 2016</b>
Deadline for questions and requests for additional information	<b>May 2, 2016</b>
Deadline for submitting qualifications	<b>June 27, 2016 by 4:00 p.m.</b>
Notification to developer teams who failed to meet submission requirements	<b>July 11, 2016</b>
Developer team interviews, if necessary	<b>Week of August 1, 2016</b>
Staff recommendation to MOHCD Director	<b>Week of August 15, 2016</b>

**B. PRE-SUBMISSION MEETING**

A pre-submission conference will be held at MOHCD, located at 1 South Van Ness Avenue, 5<sup>th</sup> Floor, San Francisco, on April 22, 2016 at 9:00 a.m. The purpose of the meeting is to ensure that interested developers understand the programmatic design, financing and target population requirements. Questions raised at the conference may be answered verbally at that time. If any substantive new information is provided in response to questions raised at the pre-submission conference, MOHCD will issue a written addendum to the RFQ with this information to all parties that have registered for the RFQ. No questions or requests for interpretation will be accepted after May 2, 2016 at 12:00 p.m. Attendance at the pre-submission conference is not mandatory but is highly recommended.

**C. REGISTRATION FOR RFQ REQUIRED**

In order to receive MOHCD's responses to requests for additional information and to questions about this RFQ and to submit a qualification submission, all interested parties must submit a completed RFQ Registration Form to MOHCD. The form is included with the RFQ as **Attachment 2**. Please submit registration forms to the contact person named in Section IIE.

**D. QUESTIONS AND REQUESTS FOR INFORMATION**

All questions and requests for additional information regarding this RFQ must be received in writing by MOHCD, by hand, overnight delivery, mail, fax, or e-mail by May 2, 2016, at 12:00 p.m. Questions received after the deadline may not be answered. All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIC above. MOHCD reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information. Questions and information requests should be submitted to the contact person named in Section IIE.

**E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE**

All communications about this RFQ should be directed to Teresa Yanga, Director of Housing Research, at (415) 701-5515, Fax (415) 701-5501, [teresa.yanga@sfgov.org](mailto:teresa.yanga@sfgov.org), or at the address below.

Respondents to this RFQ must submit one (1) hard original plus five (5) hard copies of their proposals, as well as one electronic copy on a flash drive, or Dropbox link, to the MOHCD receptionist no later than:

**4:00 p.m. on Monday, June 27, 2016**

at

**Mayor's Office of Housing and Community Development  
1 South Van Ness Avenue, 5th Floor  
San Francisco, California 94103  
Attn: Director of Housing Research**

**III. BACKGROUND**

**A. SITE**

The City and County of San Francisco currently owns Parcel 06793-039 at the Site and is negotiating with Bay Area Rapid Transit's Real Estate Division for approximately 22,000 square feet of the adjacent Parcel 06793-038 lot, of which a portion will be 1) dedicated open space for residents; and 2) in addition, a portion of the BART parcel will be dedicated as pedestrian access to the BART station. The Site is located at the corner of San Jose Avenue and Geneva Avenue. Currently, the site is an underutilized parking lot and vehicular lanes for a commuter "kiss-and-ride" drop-off serving the Balboa Park station. Identified in the Balboa Park Station Area Plan ("the Plan") and the adopted environmental impact report as an opportunity site, the Upper Yard is encouraged as a site for mixed-use housing under Policy Objective 4.3.1 of the Plan. Also Policy Objective 4.5 of the Plan calls for increased opportunities for affordable housing in the area.

Copies of the Balboa Park Station Area Plan, site surveys, and environmental reports to date can be found on the MOHCD website at:

<http://sfmohcd.org/nofas-rfp-rfq-bids-jobs>(Area Plan)

<http://sfmohcd.org/nofas-rfp-rfq-bids-jobs> (surveys)

<http://sfmohcd.org/nofas-rfp-rfq-bids-jobs>(reports)

## **B. COMMUNITY PRIORITY**

In addition to being identified in the Balboa Park Station Area Plan as a development opportunity, the Upper Yard has also been identified as a key development opportunity by community stakeholders for the creation of new affordable housing and community-serving uses. Dating back to 2010, community stakeholders began surveying community assets and unmet needs in the neighborhood. They conducted a community visioning session in July 2011 to create a community vision for the Upper Yard, ultimately publishing “Home is Where the Heart Is – A People-Powered Community Vision for the Balboa Park Upper Yard, Excelsior District” in July 2012. Additionally, these community stakeholders organized under the Communities United for Housing Justice (“CUHJ”) conducted community surveys and face-to-face interviews with residents of District 11 to further define that community vision for the Upper Yard. CUHJ developed specific recommendations for the Upper Yard including but not limited to tenant marketing, screening and selection; housing affordability; ground floor uses; community benefits; community benefits, and public spaces. A copy of the community recommendations can be found on MOHCD’s website at: <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs> (CUHJ Report)

## **C. SOIL CONDITIONS**

The soil at the site is mostly stable and various foundation systems are recommended as being acceptable for the planned scale of the housing development. Five feet of undocumented fill is noted in the preliminary geotechnical report which indicates increased risk of cyclical densification, which is not uncommon for the area. The soils are characterized as dune sand and the water table was encountered at 10 feet below grade surface. Review of the preliminary geotechnical investigation will be necessary to determine the need for a more intensive foundation system to accommodate potential increased height above what is allowed in zoning maps. Copies of the geotechnical report can be found at <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs> (geotech).

The site has not been remediated and testing will be required for soil characterization for disposal. The initial Phase 1 report did not indicate the presence of underground storage tanks (USTs). A copy of that report can be found at <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs>. (environmental)

## **D. ZONING, LAND USE RESTRICTIONS**

The Site is currently zoned [NCT-2](#) – Small-Scale Neighborhood Commercial Transit District (See [Planning Code Section 734](#)) with a 45-X height limit on the southern portion of the site and 85-B on the northern portion of the site at Geneva and San Jose Avenues. NCT-2 districts are mixed used districts with neighborhood-serving commercial uses on the lower floors and housing above. Housing density is not limited by lot area but by regulations on the built envelope of buildings, including height, bulk, setbacks, open space and urban design guidelines outlined in the Balboa Park Station Area Plan.

Among Planning and zoning requirements are the following:

- Lot size: conditional use required over 10,000 s.f.;
- Residential Parking: off-street residential parking is not required;

- Street Frontages, Required Ground Floor Commercial: Ground floor commercial is required on Geneva Avenue (See Planning Code Section 145.4(20)). Additionally, all ground floor uses are subject to MOHCD’s approval.
- Ground level Ceiling Height: Non-residential uses must have a floor-to-floor height of at least 14 feet;
- Streetscape and Pedestrian Improvements: Required.
- Commercial Parking: Off-street commercial parking is not required.

**APPLICABLE REGULATIONS (Special Zones)**

Type	Description
Slope of 20% or greater	CEQA Impact: an Environmental Evaluation Application may be required for some types of development.
Civic Design Review	Pursuant to Charter Section 5.103, any new construction or exterior modification to a structure on this parcel is subject to Civic Design Review. The Planning Department shall not approve any permit until this requirement is fulfilled. Advise the applicant to contact the SF Arts Commission at (415) 252-2590 with any questions regarding the design review process. More information including the Civic Design Review Committee Submission Guidelines are available on the Arts Commission website <a href="http://www.sfartscommission.org">www.sfartscommission.org</a> .
Stormwater Management Ordinance	Projects that disturb 5,000 square feet or more of the ground surface must comply with the Stormwater Design Guidelines and submit a Stormwater Control Plan to the SFPUC for review. To view the Guidelines and download instructions for preparing a Stormwater Control Plan, go to <a href="http://stormwater.sfwater.org/">http://stormwater.sfwater.org/</a> . Applicants may contact <a href="mailto:stormwaterreview@sfwater.org">stormwaterreview@sfwater.org</a> for assistance.
Health Code Article 38 Air Pollutant Exposure Zone	Site is located in an area with elevated pollutant concentrations. Sensitive use buildings, as defined in the Applicability section of the Ordinance, must comply with Health Code Article 38.
Vision Zero Program	CEQA Impact: An Environmental Evaluation Application may be required for projects that generate air pollutants.  The project is located on a 'high-injury corridor', identified through the City’s <a href="#">Vision Zero Program</a> . The Sponsor is encouraged to incorporate pedestrian safety streetscape measures into the project. If the project is required to submit a streetscape plan per <a href="#">Section 138.1</a> of the Planning Code, planners should refer the project to the Department’s Streetscape Design Advisory Team for consideration of additional pedestrian safety streetscape measures
Noise Study Required	CEQA Impact: a noise study may be required for some types of development.
Maher Ordinance (Health Code Article 22A)	Projects that are located on sites with known or suspected soil and/or groundwater contamination are subject to the provisions of Health Code Article 22A, which is administered by the Department of Public Health (DPH). Submittal of the Maher Application *

**IV. DEVELOPMENT PLAN**

**A. DEVELOPMENT PROGRAM**

**1. Development Program Objectives:**

a) HOUSING:



- To provide family rental housing affordable to low- and very low-income families.
- To provide permanent supportive housing for formerly homeless households by setting aside 20% of the units for such households. Homeless families will have at least one minor child under the age of 18 and be referred by the Human Services Agency ("HSA") or its successor homeless agency.
- To provide access to appropriate supportive services for residents of all ages and incomes in need, but particularly the formerly homeless residents to facilitate housing retention, personal and family educational, social and economic growth and to encourage the building of a safe, secure and stable community.
- Since the site and MOHCD's planned project are fairly well known, the development plan must examine and propose ways, means, and methods to demonstrate cost-control efforts while providing durability and sustainability. Additionally, the architectural firm presented as part of the team will need to demonstrate their ability to engage in a community design process and cite successful outcomes based on that engagement.
- To utilize the State or local Affordable Housing Density Program to maximize the number of affordable housing units that can be provided on Assessor's Parcel 6973-039.

b) **COMMUNITY BENEFITS:**

- To the extent they are feasible, include in the Development community-oriented amenities, such as a child care center or an after-school program open to residents and non-resident children, health clinic, or other community-serving uses identified in the Communities United for Health and Justice survey conducted in June 2015. The report can be found at <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs> (CUHJ Report)
- To the extent possible, utilize the City's First Source Hiring Program and its ties to community-based organizations to fill the project's permanent jobs with qualified local residents.

c) **COMMERCIAL USES:**

- To the extent feasible, include ground floor commercial uses along Geneva Avenue, with preference for neighborhood-serving retail. Space should be designed so as to appeal to a broad range of possible commercial tenants.

d) **PARKING:**

- To provide Car Share parking in lieu of individual residential parking given the site's proximity to mass transit.
- Construct five parking spaces on BART's parcel for BART staff, subject to BART's design approval.

**2. Housing Program Objectives:**

a) **INCOME TARGETING:**

- All residential units, except for the units for the formerly homeless households, should be targeted to households earning 60% of Unadjusted San Francisco Area Median Income and below.
- 20% of units in the must be set aside for formerly homeless families earning no more than 30% of Unadjusted San Francisco Area Median Income.
- The selected developer will be expected to offer units at a range of income levels below the maximum to the extent it is financially feasible to do so.

b) **MAXIMUM RENTS:**

- Maximum rents will be set at 30% of the targeted incomes and only households whose incomes are at or below the targeted incomes will be eligible to occupy the housing.

**3. Housing Financing:**

Respondents will be expected to adhere to the following project financing parameters:

a) **HOUSING DEVELOPMENT SOURCES:** respondents should assume for preliminary financing plans the following financing sources, including but not limited to:

- 4% low-income housing tax credits and tax-exempt bond financing (9% LIHTC proposals will not be considered).
- Federal Home Loan Bank Affordable Housing Program funds.
- Additional, non-MOHCD sources of funds that meet the City’s affordability goals and reduce to the greatest extent feasible required MOHCD gap funding, including State of California Affordable Housing and Sustainable Communities (AHSC) funding.
- MOHCD gap funds (in the form of a 55-year, residual receipts loan), minimized to the greatest extent feasible by other funding sources.
- The project budget must demonstrate the ability to adhere to a City subsidy per unit amount of \$250,000 from MOHCD.
- The development must be financially feasible, including realistic development and operating budget projections that conform to industry standards and maximize the use of available financing.

b) **1<sup>ST</sup> FULL YEAR HOUSING OPERATING BUDGETS:** respondents should assume for preliminary financing plans the following operating budget parameters, including but not limited to:

- Operating Income, including:
  - Tenant-paid rents for formerly homeless households (exclusive of utilities) currently estimated at \$200 PUPM for 1BR units and \$225 PUPM for 2BR and 3BR units. Actual tenant-paid rents for formerly homeless family units will be based on 30% of their incomes.
  - Tenant-paid rents for non-homeless households at appropriate AMI levels (see RFQ Section IV.A.2.) set according to the current MOHCD “Maximum Monthly Rent by Unit Size” schedule found on MOHCD’s website: <http://sfmohcd.org/limits-affordable-rental-projects-under-contract-mohcd>.
  - Revenue from commercial space may cross-subsidize housing operations.

- Funding from the City’s Local Operating Subsidy Program (“LOSP”), through a 15-year contract with MOHCD, to cover the difference between tenant-paid rents for the homeless family units (LOSP units) and operating expenses attributable to LOSP units. LOSP operating subsidy calculations should account for all typical costs of operations, reserves and fees on a pro-rata basis. LOSP subsidies may not be used to pay hard debt service. Developers should assume LOSP subsidies based on a pro-rata share of expenses only for the purpose of modeling their budgets; in order to control LOSP contract values, the City may require cross-subsidization from higher-income units to offset operating expenses.
- Operating Expenses, including:
  - 24-hour desk coverage every day.
  - All typical costs of operations, including annual reserves deposits, administrative and management fees, hard debt service payments, and other expenses in conformance with MOHCD’s Underwriting Guidelines.
  - The operating budget should exclude support services such as case management and counseling but may include one FTE Services Coordinator/Connector.
- A 20-Year Cash Flow Projection, including:
  - Annual income increases at 2.5%
  - Annual expense increases at 3.5%
  - Typical waterfall surplus cash distributions including, as applicable, deferred developer fee, soft lender payments, incentive management fees, and ground lease payments, all in conformance with MOHCD’s Underwriting Guidelines and Operating Fee Policy.

**4. Commercial Space Financing:**

Respondents will be expected to adhere to the following project financing parameters:

a) NON-HOUSING SOURCES AND USES:

- For development of commercial spaces to be occupied by tenants engaged in profit-making activities, such as commercial retail activities that are strictly for-profit and do not cross-subsidize the residential units (“Non-Public Benefit Spaces”), they must be wholly and separately financed, including the commercial space shell costs, pro-rated shares of foundation and podium costs, and tenant improvement costs in conformance with MOHCD’s Commercial Space Policy.
- For development of spaces to be occupied by tenants engaged in public benefit activities, such as a childcare center, or after school program or by for-profit retail activities that cross-subsidize housing operations or other public benefit activities (“Public Benefit Spaces”), the unfinished commercial shells of Public Benefit Spaces may be financed in whole or in part with housing capital financing such as low income housing tax credits and MOHCD financing to the extent such financing satisfies the conditions described in MOHCD’s Commercial Space policy and tax credit regulations.

**B. OCCUPANY PREFERENCES**

**1. Lease-Up Preferences**

The selected Respondent will retain final selection authority over all resident applicants. Nevertheless, apart from the units set aside for homeless families, the following preferences will apply to the Development’s lease-up, in the order provided below. The selected Respondent will retain final selection authority over all resident respondents.

Preference	Respondent Category
1.	Certificate of Preference Holders
2.	Displaced Persons Certificate of Preference Holders (unless State HCD funding is used)
3.	Neighborhood Preference
4.	Live or Work in San Francisco

**2. Homeless Families**

HSA will refer homeless families with children under the age of 18, and homeless pregnant women for residency in the Project. Single individuals and households without minor children are not eligible for the HSA referral units.

HSA will follow the definition of “homeless” provided in the chart below to determine eligibility. In addition, households can only be referred by HSA for occupancy at the Project if their annual household income does not exceed 30% of AMI.

The term "HOMELESS" includes individuals or families who lack a fixed, regular, and adequate nighttime residence and who have a primary nighttime residence in one or more of the following categories:	
Category	Description
Shelter	Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations. Anyone displaced from housing due to a disaster situation.
Street	Anyone staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass.
Vehicle	Anyone staying in a car, van, bus, truck, RV, or similar vehicle.
Make-Shift	Anyone staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings ("squats") or sub-standard apartments and dwellings.
Doubled-Up	Anyone staying with friends and/or extended family members ( <u>ex</u> cluding parents and children), because they are otherwise unable to obtain housing, <b>or</b> , any family with children staying in a Single Room Occupancy (SRO) hotel room - whether or not they have tenancy rights, <b>or</b> , anyone staying in temporary housing for less than 6 months, and the accommodations provided the person are substandard or inadequate, for example, garage, small room, overly crowded space.

Transitional	Anyone staying in a Single Room Occupancy (SRO) hotel room <u>without</u> tenancy rights, <b>or</b> , anyone formerly homeless (formerly in one of the above categories) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing, <b>or</b> , anyone formerly homeless (formerly in one of the above categories) who has obtained supportive housing or permanent housing for less than 30 days.
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### **3. Affirmative Marketing Plan:**

Respondents must include a draft Affirmative Marketing Plan in their responses to this RFQ. The plan should include specific outreach toward District 11 tenants, especially those tenants displaced by Ellis Act or Owner Move-In evictions, provision of all marketing and application materials in all City-recognized languages to the greatest extent possible. The selected developer will be expected to comply with MOHCD’s marketing requirements, including but not limited to requirements for language access and the Fair Chance Act integration.

### **C. RESIDENT SERVICES**

The successful provision of support services for the Upper Yard residents is critical to the overall success of the development program. On-site supportive services and associated service space should be incorporated into the Project and address the elements of this Section.

#### **1. Minimum Requirements:**

- a) An understanding of the housing and service needs of the eligible population.
- b) A clear program design that incorporates: non-mandatory, tenant-centered services; access to and coordination of mainstream community services, subcontracted and/or partner services; and a description of the minimum services to be provided.
- c) An understanding of employment issues as they relate to formerly homeless families.
- d) The inclusion of services programming specifically geared for school-age children, such as after school homework and /or tutoring help, arts and crafts, and other enrichment activities. Submissions should acknowledge the special needs of formerly homeless children.
- e) Experience providing required services in a housing setting.
- f) A commitment by the service provider to coordinate with the property management through regularly scheduled meetings to ensure sound operational and building management practices. Provision of culturally and linguistically competent services.

#### **2. Organizational Capacity:** The successful Respondent will have or provide:

- a) A track record or other demonstration of effective collaboration that illustrates the ability of the Respondent to effectively coordinate and deliver services and other resources needed by families being served within a housing program.
- b) Commitment(s) from housing and/or service providers; additional funders (public or private), describing in-kind, leveraged, or matching funds for proposed services that will complement the Respondent’s contribution, and a plan for securing additional resources

over time. Agencies will be looked upon to strengthen partnerships with other providers in their community to enhance services delivery.

- c) Demonstration of the ability to implement and maintain a client-to-staff ratio that reflects the level of case management and other services proposed. Respondents must justify their proposed ratio in their proposal pursuant to the Submittal Requirements described below, providing an overview of how full-time equivalent (“FTE”) hours will be allocated.

### **3. Services Plans:**

- a) Respondents must include a trauma-informed systems services plan (“Services Plan”) that demonstrates an understanding of the housing and services needs of low-income families, including formerly homeless households who have experienced chronic trauma.

- b) The Services Plan should include access to and coordination with mainstream community services, subcontracted and/or partner services, and a commitment by each service provider to coordinate with onsite supportive services and property management through regularly scheduled meetings to ensure sound operational and building management practices.

- c) The Services Plan must include a description of the minimum services to be provided and the estimated frequency of proposed services, indicating, as appropriate, services specifically geared for homeless households and those targeted for the non-homeless households.

Examples of the services activities the supportive services staff performs may include:

- Early intervention with Property Management in Resident Selection to conduct assessments, especially for formerly homeless families.
- Ongoing outreach and engagement of the tenant population, with specific emphasis on children, teens and seniors.
- Assistance with developing tenant leadership including support for the formation of a tenant council.
- Assistance with overcoming disorganization due to homelessness, mental health concerns and adverse childhood experiences.
- Engagement with service providers that promote safety and stability in home and in community residing within the building.
- Collaboration with other trauma-informed services providers to teach self-reliance and empowerment with adults and teens.
- Aggressive outreach to outside providers to teach, coach and mentor adults and teens on various key areas, i.e. hoarding and cluttering, domestic violence and hunger security.
- Connections with key service providers such as nursing programs, workforce development, legal aid and beauty and barber to encourage adult education, skill development, and job placement/retention opportunities.
- Connections to benefits and educational opportunities as appropriate.
- Trauma-informed, ongoing training for services staff and property management teams.
- Connections to substance abuse treatment services with a focus on harm reduction.

- Referrals and assistance with accessing primary medical care and other community services as needed and connection with neighborhood community clinics.
- Referrals and assistance with accessing basic needs such as clothing and food.
- Eviction prevention support and referrals.
- Referrals to supported pre-vocational/vocational activities appropriate for the skill level of residents of the building.
- Referral to and onsite support for mental health and substance use management and recovery.
- Parenting support and life skills coaching using trauma-informed parenting providers.
- Conflict resolution among tenants using trauma-informed principles.
- Recreation, community building, social, and/or other group programming.
- Children and youth services including academic support, after-school enrichment, recreation, youth development and counseling services.

d) The Services Plan must also include staffing information (number of FTEs or percent thereof, type of services staff, roles of services staff), for both the homeless and non-homeless units. Services for the homeless units must be provided through a case manager to unit ratio of no less than 1 case manager for every 35 units.

#### **4. Services Funding and Budgets:**

a) For the non-homeless residents: services must be funded through at least 1 FTE coordinator position in the operating budget.

b) For the formerly homeless residents: services for families will be funded separately by the Human Services Agency (“HSA”) through a direct contract with the Projects’ service provider.

c) Respondents should budget HSA’s Tier IV funding level of \$4,657 per unit per year in service funding for the formerly homeless units. For RFQ submission purposes, a Respondent can assume a minimum project size of 80 residential units of which at least 16 units would be for homeless families when preparing their draft services budget.

d) Services funding will be conditioned on continuous compliance with the terms of the Respondent’s Local Operating Subsidies Program (“LOSP”) agreements with MOHCD.

#### **D. PROPERTY MANAGEMENT/MAINTENANCE OVERSIGHT**

Respondents must provide information regarding the proposed property management team’s experience, including previous work with family rental housing. The preferred Respondent will include a property management company that has demonstrated successful approaches to managing buildings with some component of formerly homeless households, many of whom will continue to struggle with behavioral, health and medical issues.

## **E. COMMUNITY ENGAGEMENT**

This RFQ does not require respondents to submit a traditional development plan for the Site. Rather, the selected developer will be expected to work with the MOHCD and community stakeholders to formulate a development plan that includes examination of the incorporation of approximately 22,000 square feet of adjacent BART parcel as open space for the affordable housing and pedestrian access to the BART station; interaction with community groups around urban design issues; and traditional community stakeholder input for the planned project. Furthermore, the selected developer will be expected to work with BART and MOHCD staff to help develop BART's urban design vision for their station modernization efforts that will include BART's portion of the Upper Yard site. This may include collaborating and coordinating with BART on complimentary community design workshops for the housing, open space and station improvements. Prior to commencing preparation of a development plan, the selected developer must work with MOHCD staff to design and implement a community outreach program that will engage the community in construction and design parameters and process, and solicit community concerns and desires regarding community space, neighborhood amenities, and building design.

The development plan must consist of a series of community engagement activities which may include establishing a steering committee tasked with soliciting and articulating community recommendations by established deadlines and cultivating support for entitlement of the project. The selected developer must work with MOHCD and with District 11 neighborhood and community stakeholders to formulate a development plan for the Site that utilizes the State Density Bonus law or potentially the San Francisco Affordable Housing Bonus Program.

## **F. DISPOSITION OF THE SITE**

### **1. Ground Lease Option**

MOHCD will provide the selected developer a ground lease option of the MOHCD Parcel and BART will provide a ground lease option for the BART Parcel in order to provide site control for financing applications. Exercise of the options will be conditioned on satisfaction of certain conditions including the following:

- MOHCD approval of a community outreach and plan for the Site;
- Commitments of all financing necessary to construct and operate the proposed development;
- Issuance of all required permits and approvals necessary to construct and operate the proposed development
- Board of Supervisors approval of the ground lease for the MOHCD Parcel and BART Board of Director approval of the ground lease for the BART Parcel; and
- Satisfaction of any other conditions imposed by the City in a timely manner.

### **2. Ground Lease**



MOHCD intends to transfer the MOHCD Site to the selected developer through a long-term ground lease of 65 years with an option to extend of 34 years for a total of 99 years. Transfer of the MOHCD Site will be “as is” with respect to the physical and regulatory condition of the MOHCD Site. A ground lease payment equivalent to 10% of the appraised value of the Site will be due during the term of the lease. Payment shall consist of an annual Base Rent of up to \$15,000 and Residual Rent. Annual rent is re-determined on the 15<sup>th</sup> anniversary date of ground lease and every 15 years thereafter. The City’s execution of a long-term ground lease for the MOHCD Parcel is subject to approval of the City’s Board of Supervisors, in its sole and absolute discretion.

BART intends to transfer the BART Parcel to MOHCD, who will assign the lease to the selected Respondent through a long-term ground lease of 65 years with an option to extend of 34 years for a total of 99 years. Ground lease payments to BART will come in the form of MOHCD and the selected developer working with BART to help BART secure \$4.0 million in capital to fund capital improvements to the Balboa Park station. This work may include collaborating on funding applications to sources such as the Affordable Housing Sustainable Communities program. BART’s execution of a long-term ground lease for the BART Parcel is subject to approval of BART’s Board of Directors, in its sole and absolute discretion.

#### **G. UNDERWRITING GUIDELINES.**

All submissions must conform to MOHCD’s most current Underwriting Guidelines (<http://sfmohcd.org/documents-reports-and-forms>) and other published MOHCD policies, such as its Developer Fee Policy.

#### **H. PREDEVELOPMENT FUNDING.**

MOHCD will provide up to \$2,000,000 in predevelopment funding to the selected Respondent, subject to the Respondent’s demonstration of its compliance with the City’s vendor requirements and approval by the San Francisco Citywide Affordable Housing Loan Committee.

### **V. SELECTION PROCESS, SELECTION CRITERIA AND SUBMITTAL REQUIREMENTS**

#### **A. SELECTION PROCESS**

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements.

A Selection Panel will be appointed by the Director of the Mayor’s Office of Housing and Community Development composed of persons with expertise in the areas of development, affordable housing financing, property management and resident supportive services, at least one of which will represent the surrounding community. BART may also be participating in the developer selection process, or at minimum confirming the selected developer meets the qualifications required in this RFQ. The Selection Panel may interview all Respondents who meet the RFQ’s minimum qualifications, at which time Respondents will be asked to present and

explain the major characteristics of their qualifications, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel. After all interviews have been completed, the Selection Panel will meet to determine the final ranking of all responses and present this ranking to the Director.

The Selection Panel's scoring of each proposal will be done by consensus and will be final. No appeals of the scores determined by the Selection Panel will be accepted.

The MOHCD Director will then select a development team, and MOHCD will exclusively negotiate ground leases for the Site in accordance with the terms of this RFQ.

## **B. ELIGIBLE RESPONDENTS TO THIS RFQ**

### **1. Development Team Characteristics:**

Non-profit or for-profit housing development corporations and partnerships in which a non-profit or for-profit developer is the managing general partner are eligible for selection under this RFQ. Applicants must have previous affordable housing development experience in San Francisco, and, for at least one team member, experience working in or with community stakeholders in District 11, in order to be considered under this RFQ. The proposed Development Team must include:

- At least one community-based non-profit development entity as sole developer or joint-venture partner, defined as a nonprofit organization whose mission includes the development of affordable housing in low income communities, with experience developing housing for low- and very low-income families in San Francisco;
- A lead architectural firm with experience in design and construction of family housing, preferably with residential experience in San Francisco;
- A property management entity with experience managing low- and very low-income housing, preferably affordable housing in San Francisco, in a culturally competent manner;
- A community-based, service-providing entity with experience providing culturally competent services appropriate for low- and very-low income families;
- A community-based, service-providing entity with experience providing services appropriate for formerly homeless families in a supportive housing context; and
- At least one entity of the development team must have work experience in District 11 that directly relates to the development of housing and/or the provision of housing or services to low-income households.

*Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.*

### **2. Development Team Minimum Experience Qualifications**

***Minimum Developer Experience:*** The Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:

- New Construction of at least one 75-unit or larger Type V (completed or entitled) in the past 5 years;
- Past experience with each of the following:
  - New affordable housing for low-income families;
  - Supportive housing for formerly homeless families;
  - Mixed-use residential/commercial development;
  - Development of housing in San Francisco;
  - Low Income Housing Tax Credit financing.

For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the RFQ response and must be acceptable to MOHCD.

***Minimum Ownership Experience:*** The proposed Owner of the Project must have owned at least one affordable family project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFQ. In addition, the Owners must each provide evidence of experience with owning housing financed by the use of Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement.

For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed “Owner”.

***Minimum Architectural Experience:*** The proposed Lead Architectural firm must provide evidence of experience with the design and construction of at least one multifamily affordable housing development in San Francisco. In addition, the architectural team must provide evidence of the following experience:

- Design and completed construction of at least one 75-unit or larger mixed-use residential/commercial development within the past 5 years.
- Past experience with each of the following:
  - At least one additional 75-unit or larger mixed use residential/commercial development.
  - Housing designed for families
  - At least one development located in San Francisco.

***Minimum Property Manager Experience:*** The proposed property manager for the Project must have managed at least three affordable family rental projects, including at least one in San Francisco, and including at least one that is at least 75 units, each for at least 24 months.

In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed by the use of Low Income Housing Tax credits. This experience does not have to be on the same projects that are used to satisfy the minimum 72-month experience requirement.

***Minimum Service Provider Experience:*** The proposed service provider(s) for the non-homeless residents must have at least 36 months' experience providing supportive services to low-income families and to low-income seniors in San Francisco. This experience and knowledge of available services, especially services in the general vicinity of the Development, should include linking clients to the City's safety net of services and supporting their efforts to access those services. The proposed service providers for the formerly homeless families must have at least 36 months' experience providing case management and comprehensive services for homeless households in a residential setting.

The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors, as supported by the staffing plan and capacity.

For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent team.

### 3. Minimum Developer and Architect Capacity Qualifications.

The proposed Developer and Architect must document their capacity to successfully plan, design, and develop the housing they propose to develop, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. This documentation should include a description of the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. In addition, the proposed Owner(s) must provide evidence of the capacity to own and asset-manage the proposed project or provide specific plans for increasing capacity if necessary.

## C. SELECTION CRITERIA

The City will establish a selection committee to evaluate respondents' qualifications in the following areas:

1. Development Experience. Developer's experience with and capacity to undertake the planning and successful development of, their location, financing, type of construction, targeted population, design and timely completion. **(125 points)**

(a) **Development Experience:** Ten (10) points will be given up to a maximum of forty (40) points for each mixed use, multifamily housing project completed since 2010 by the applicant under similar conditions as those presented by the Site particularly with respect to the size and complexity of the development that used various complex private and public funding sources. An additional ten (10) points for a maximum of thirty (30) points will be given to each of the projects described above that were delivered on time and on budget.

(b) **Clear understanding and description of the project scope of work, target population, and the target population’s housing and physical space needs; knowledge and demonstrated experience working with target population, including families moving out of homelessness**

No or little understanding and experience:	0-5 points
Some understanding and experience:	6-10 points
4 or more completed buildings	11-15 points

(c) **Staff qualifications and staffing capacity to undertake project.**

Inexperienced staff and little staff capacity:	0-5 points
Somewhat experienced staff and some staff capacity:	6-10 points
Very experienced staff and significant staff capacity:	11-15 points

(d) **Service Provider Experience:** The proposed service provider must have at least 36 months’ experience providing supportive services to low-income families in San Francisco, preferably in the general vicinity of the Site. This experience should include linking clients to the City’s safety net of services and supporting their efforts to access those services.

Inexperienced staff and little staff capacity:	0-5 points
Somewhat experienced staff and some staff capacity:	6-10 points
Very experienced staff and significant staff capacity:	11-15 points

(e) **Property Manager Experience:** Points will be awarded only to Property Managers whose experience includes managing housing for formerly homeless persons in San Francisco (seniors, families or single persons) for at least 24 months.

Inexperienced staff and little staff capacity:	0-5 points
Somewhat experienced staff and some staff capacity:	6-10 points
Very experienced staff and significant staff capacity:	11-15 points

2. **Community Planning Experience.** Respondents' experience and capacity to implement an outreach and planning effort that involves the local community in the program setting and design development of affordable housing. **(45 points)**

- (a) Familiarity with the demographics, businesses, amenities, history, and political, social and community organizations of the District 11 neighborhoods

No or little understanding and experience:	0-5 points
Some understanding and experience:	6-10 points
Clear understanding and extensive experience:	11-15 points

- (b) Previous experience with successfully outreaching to and involving the local community in the programming and design of affordable housing projects.

Minimal experience:	0-3 points
Some experience:	4-6 points
Extensive experience:	7-10 points

- (c) Previous experience in gaining community support for their affordable housing projects.

Minimal experience:	0-3 points
Some experience:	4-6 points
Extensive experience:	7-10 points

- (e) Architect's Prior Experience with Community Planning and Design.

Minimal experience:	0-5 points
Some experience:	6-10 points
Extensive experience:	11-15 points

#### **D. SUBMISSION REQUIREMENTS**

Complete responses must include all of the following elements in the order specified below:

## **1. Development Team**

Using **Attachment 3 - Respondent Description**, provide the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Asset Manager(s)
- Lead Architect and other Architect(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer or Co-Developer, submit a current copy of the following documents:

- Certificate of good standing from California Secretary of State
- Certification of 501(c)(3) status from the Internal Revenue Service (for any nonprofit corporations).
- The latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).

## **2. Respondent's Qualifications**

Provide the following information about the development corporation and each development partner, as applicable:

- (a) Narrative description of developer or development partnership, including each organization's corporate structure, mission, history and major accomplishments.
- (b) Describe your agency's experience with and approach to serving the target population, including homeless families. Include any issues or barriers you have encountered with serving these populations.
- (c) Describe any issues or concerns your agency has with the development sought by MOHCD on the Site.

## **3. Development Team Experience and Capacity**

### **3.1. Developer Experience and Capacity.**

(a) ***Minimum Required Experience***: Describe at least one 75-unit or larger development completed or entitled in the past 5 years and provide additional evidence of experience with each of the items listed above in section V.B.2. Development Team Minimum Experience Qualifications under "***Minimum Developer Experience***".

(b) ***Development Experience Scoring***: Describe each Developer's experience in each of the following areas:

- Additional completed family or senior housing developments of at least 75 units in the past 10 years beyond the minimum requirement.

- Experience with a mixed-use development that included at least 5,000 s.f. of retail/commercial space.
- Experience as lead organizer of collaborative community outreach and planning effort for development of affordable housing or other community development plan, with two examples preferred.
- If the projects described above were not completed according to the original schedule and budget, please provide a detailed narrative as to why the original schedule and budgets were not met.
- Detailed description complex financing structures that the respondent successfully secured, including terms of the financing, number of applications required to secure financing, preferably two or more examples. The projects should include the projects listed in (c) above.
- Narrative description of the marketing and leasing of any commercial space in the developments listed above, if applicable.

(c) ***Development Capacity***: Summarize the organizational structure of each Project Development Team, including the roles of Developer, Co-Developer and Development Consultant. Identify and briefly describe the experience of key development staff. Provide an **Attachment 4 - Projected Staffing Workload** for the Project.

### 3.2 Ownership Experience and Capacity:

(a) ***Minimum Required Experience***: Describe at least one family or senior project owned for at least five (5) years by the organization that will assume ownership of the proposed Family or Senior Project including its location, non-residential uses, number of units, completion dates, capital financing and target population; and

(b) ***Ownership Capacity***: Describe the current asset management structure, staffing, and portfolio of the proposed owner, and its capacity for assuming asset management of an expanded portfolio once development is complete.

### 3.3. Architectural Experience.

(a) ***Minimum Required Experience***:

- Describe the Lead Architect’s experience with the design and construction of at least one 75-unit or larger mixed use development in the past 5 years
- Provide additional evidence of experience with each of the items listed above in section V.B.2. Development Team Minimum Experience Qualifications under “***Minimum Architectural Experience***”.

(b) ***Architectural Experience Scoring***: Describe the Architectural team’s experience in each of the following areas:

- One or more additional completed family or senior housing developments of at least 75 units in the past 10 years beyond the minimum requirement.



- Experience as lead architect of a collaborative community outreach and planning effort for development of affordable housing or other community development plan, two examples preferred.

3.4 Property Manager Experience. For each Project, describe the following:

(a) ***Minimum Required Experience:***

- Describe the property manager’s management of family housing projects, including at least one in San Francisco and at least one that is 75 units, each for at least 24 months. Describe their location, resident population, associated uses and amenities, size, capital financing sources, and relevant dates of service.
- At least one example of experience managing housing financed with low income housing tax credits.

(b) ***Property Manager Experience Scoring:*** Describe the Property Manager’s experience in each of the following areas: standardize formatting

- the total number of buildings in the property management company’s portfolio and the number years each building has been successfully managed.
- the firm’s experience with formerly homeless tenants, including its standard procedures regarding resident meetings, resident outreach and interaction with service providers.
- the firm’s experience with trauma informed systems, including knowledge, skill and ability to work with families who have been chronically traumatized and children with adverse childhood experiences and learning disabilities.
- The firm’s experience managing affordable housing projects in San Francisco in addition to the projects identified for the Minimum Required Experience.

3.5 Services Provider Experience. For each Project, describe the following:

(a) ***Minimum Required Experience:***

- Describe the service provider(s) experience of at least 36 months providing supportive services to low income families in San Francisco in a residential setting.

(b) ***Service Provider Experience Scoring:*** Describe the Service Provider(s)’ experience in each of the following areas:

- In general terms, the types of services made available to low-income families, including homeless families; where services are provided; how clients’ needs are assessed and how a plan for addressing those needs is developed; how clients are linked to the City’s safety net of services and assisted in their efforts to access those services.
- The duration of services contracts with City departments, contact information for any public agency providing funding for services, and documentation of quality of services provided such as contract monitoring reports or funding source evaluations;
- Using **Attachment 5 – Service Provider Residential Experience**, describe experience providing on-site or off-site services to residents of low income housing, highlighting (under “Population Served” and “Services Provided”) any experience serving homeless families who have been chronically traumatized and children with adverse childhood

experiences or seniors. If more than one service provider is engaged on current projects, provide one copy of Attachment 5 for each provider.

**4. Community Relations Experience** (up to 2 pages) Describe your development team's experience with developing and cultivating relationships within the communities where your affordable housing is located, specifically:

- Describe your team's knowledge and familiarity with the Balboa Park Station Area Plan, the surrounding neighborhood, local community groups and area stakeholders.
- Describe your team's participation in, or interaction with, local community groups, provision of housing and/or services to residents of the areas where your housing developments are located, and any other relevant experience in or with these communities.
- Describe any community engagement plans your team has implemented for your housing developments including the level of community engagement, the duration of the plan and community engagement, and the number of community groups or individuals involved.
- Describe any positive or negative results of your community engagement plans including any opposition to your projects that may have resulted from your engagement with the community.
- Describe any community opposition to your housing development projects and how you addressed the opposition and any changes to your development that resulted from the opposition.

**5. Services Plan and Budget.** Submit a services plan of no more than three (3) pages plus one (1) page for the services budget for the Project that meets the requirements of Section IV.D above and includes the following information:

- The service provider's overall philosophy and plan for providing services to the residents, including a listing and brief description of the services to be provided, and highlighting, if appropriate, any innovative approaches it may include;
- Staff knowledge, skills and ability of the impacts of severe to chronic trauma and the ability to identify and treat or refer for additional services.
- The plan for engaging residents and encouraging access to services;
- How services for the residents will be coordinated with the existing net of services in the neighborhood and community;
- The proposed staffing model, including staff titles, position descriptions, salaries, and FTE status, and an explanation of how FTE time will be allocated;
- A description of the organization's infrastructure to supervise, train and support on-site services staff and their supervisors, and
- A services budget that is consistent with the Services Plan.

**6. Affirmative Marketing Plan.** Submit a draft affirmative marketing plan that outlines how you plan to market the project to the general public for initial occupancy including what specific

outreach planned to be undertaken toward District 11 tenants displaced by Ellis Act and/or Owner Move-in evictions.

**7. Community Outreach Plan.** Submit a preliminary community outreach plan that outlines outreach efforts required above in Section IV.C.1 and any additional outreach the Respondent plans to undertake during the development process. The final outreach plan to be undertaken by the selected developer will be done in consultation with MOHCD.

**8. Disclosure Form.** Submit a completed and signed copy of **Attachment 6 – Disclosures**, which requires any respondent to this RFQ to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members.

**9. Evidence of Authority.** Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this RFQ and, if selected by the City, to enter into negotiations with the City for the long-term lease of the MOHCD Site and with BART for the long-term lease of the BART Site.

#### **E. SUBMITTAL DEADLINE AND OTHER IMPORTANT DATES**

Pre-Submittal Meeting: **Friday, April 22, 2016 at 9:00 a.m.** at the Mayor's Office of Housing and Community Development, 1 South Van Ness Avenue, 5th Floor, San Francisco. The meeting will include a short presentation on the RFQ. Prospective respondents will have the opportunity to ask clarifying questions at this meeting and/or by email to [teresa.yanga@sfgov.org](mailto:teresa.yanga@sfgov.org) and [kevin.kitchingham@sfgov.org](mailto:kevin.kitchingham@sfgov.org). All questions and their answers will be posted on the MOHCD website.

RFQ mailing list: All attendees at the Pre-Submittal Meeting or registered with MOHCD will be added to an Upper Yard RFQ email list along with any others who may ask to be included. This list will be used to send the RFQ itself when it is issued, to notify all interested parties of any Addenda to the RFQ, changes in the schedule, and/or RFQ-related postings on the MOHCD website that may occur prior to issuance. The same information along with the RFQ itself will be posted on the MOHCD website.

Submittal Deadline: Deliver six (6) hard copies of the Proposal including all attachments by **4:00 p.m. Monday, June 27, 2016** to MOHCD, 1 South Van Ness Avenue, 5<sup>th</sup> Floor reception, attention: Teresa Yanga. In addition, email a complete proposal including attachments to:

**Teresa Yanga** ([teresa.yanga@sfgov.org](mailto:teresa.yanga@sfgov.org)) and  
**Kevin Kitchingham** ([kevin.kitchingham@sfgov.org](mailto:kevin.kitchingham@sfgov.org))

Scoring and Ranking: All respondents will be notified by **July 11, 2016** as to whether their proposal was complete, met the minimum experience and capacity requirements and if so, how they were scored by the Selection Panel. The Selection Panel will interview qualified respondents to help determine RFQ response scoring.

Interviews: The Selection Panel will schedule interviews with qualified development teams during the **week of August 1, 2016**, unless otherwise notified by MOHCD staff.

Final Selection: Subject to approval by the Director of MOHCD, final selection is anticipated to be completed by the **week of August 15, 2016**.

## **VI. TERMS AND CONDITIONS OF REQUEST FOR QUALIFICATIONS**

### **A. DEVELOPER RESPONSIBILITIES**

The selected developer will be responsible for all aspects of development of the Site, including but not limited to the following:

- Involving local community stakeholders in the program setting and initial design of the Site.
- Conducting all appropriate due diligence, investigating and determining conditions of the Site and the suitability of the Site for the proposed Development.
- Securing all required development approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed Development, including predevelopment, construction and operation.
- Designing and building the Development in a manner that produces a high-quality, enduring living environment.
- Owning, managing, and operating the Development in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the Development, including but not limited to:
  - a. Equal Employment Opportunities – The selected developer will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential development team members to participate in the Development. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, sponsors should meet with MOHCD and San Francisco Contract Monitoring Division (CMD) staff prior to hiring their development team to develop a plan for such compliance. Although the City's Contract Monitoring Division (CMD) does not require prior approval or monitoring of procedures for selecting the architect for purposes of responding to this RFQ, the architect's Small Business Enterprise (SBE) status will be counted toward the overall Development's procurement goals which will be set at a later date.

- b. Environmental Review - Depending on conditions at the Development Site and on Development plans, the proposed Development will be subject to review under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA) and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.
- c. Accessibility Requirements - Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly-funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco. At least 50% of all units must be adaptable and a minimum of 10% of the units must be accessible, including units for the visually and hearing impaired.
- d. Prevailing Wages – This Development will be subject to applicable local, state or federal requirements with regard to labor standards. Developers should take prevailing wage requirements and labor standards into account when seeking estimates for contracted work, especially the cost of construction, and other work to which the requirements apply, and when preparing development budgets overall.
- e. Employment and Training – The selected development team will be required to work with the CityBuild initiative of the Office of Economic and Workforce Development to comply with local and federal requirements regarding the provision of employment opportunities for local and low-income residents and small businesses during both the development and operation of the Development, including complying with the City’s First Source Hiring requirements.
- f. Sustainable Design - The Mayor’s Office of Housing and Community Development seeks to maximize the overall sustainability of developments it finances through the integrated use of “green” building elements in partnership with the Green Communities Initiative established by Enterprise and Natural Resources Defense Council (NRDC) (see <http://www.greencommunitiesonline.org>). The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components. Programmatic goals focus on durability, energy efficiency, indoor air quality and recycling. Respondents may obtain more information about “green” building strategies and resources from Leadership in Energy and Environmental Design (LEED) program, described at <http://www.usgbc.org>. Additional information on “green” affordable housing initiatives can be found in Alameda County’s *Multifamily Green Building Guidelines* at <http://www.stopwaste.org/home/index.asp?page=291>, and at <http://www.greenaffordablehousing.org>.
- g. Insurance Requirements – see Exhibit A -- Insurance Requirements

**B. ERRORS AND OMISSIONS IN RFQ**

Respondents are responsible for reviewing all portions of this RFQ. Respondents are to promptly notify MOHCD, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the RFQ. Any such notification should be directed to MOHCD promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

**C. ADDENDA TO RFQ**

MOHCD may modify the RFQ, prior to the response due date, by issuing written addenda. Addenda will be sent via email to the last known address of each person or firm listed with MOHCD as having received a copy of the RFQ for proposal purposes. MOHCD will make reasonable efforts to notify Respondents in a timely manner of modifications to the RFQ. Notwithstanding this provision, the Respondent shall be responsible for ensuring that its proposal reflects any and all addenda issued by MOHCD prior to the proposal due date regardless of when the proposal is submitted.

**D. SUNSHINE ORDINANCE**

In accordance with San Francisco Administrative Code Section 67.24(e), contractors' bids, responses to RFQ's and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

**E. RESERVATIONS OF RIGHTS BY THE CITY**

1. The issuance of this RFQ and the selection of a developer pursuant to this RFQ are in no way a limitation of the discretion of any City board, commission, department, employee or official with respect to any review or approval required in connection with the proposed Development. The City's selection of a developer is in no way deemed to be the final approval of any Development proposed by the developer.

2. The information in this RFQ is provided solely for the convenience of respondents.

3. The City expressly reserves the right at any time to do waive or correct any defect or technical error in any response or procedure, as part of the RFQ or any subsequent negotiation process; reject any or all responses, without indicating the reasons for such rejection; reissue a Request for Proposals; modify or suspend any and all aspects of the selection procedure, the scope of the proposed Development or the required responses, or the processes indicated in this RFQ; request that respondents clarify, supplement or modify the information submitted; extend deadlines for accepting responses, or request amendments to responses after expiration of

deadlines; negotiate with any, all or none of the respondents to this RFQ; make a selection based directly on the proposals, or negotiate further with one or more of the respondents; during negotiation, expand or contract the scope of the proposed Development, or otherwise alter the Development concept in order to respond to new information, community or environmental issues; if at any time prior to the execution of binding agreements with the developer MOHCD, in its sole discretion, determines that the selected developer will be unable to proceed with a timely and feasible Development in accordance with this RFQ, MOHCD may terminate negotiations with the highest ranked respondent and begin negotiations with the next highest ranked respondent; or determine that no Development will be pursued.

4. The issuance of this RFQ does not obligate the City to pay any costs whatsoever incurred by any respondent, including but not limited to costs incurred in connection with the preparation or presentation of responses or negotiations with the City. Developer teams responding to this RFQ do so at their own expense.

5. The issuance of this RFQ is only an invitation to submit qualifications, and does not constitute an agreement by the City that any contract will actually be entered into by the City. This RFQ does not in any way limit the discretion of any City board, commission, employee or official with respect to any review or approval of any aspect of a proposed Development.

6. The City will not approve any ground lease for the Family Site that would allow for its development until there has been compliance with the California Environmental Quality Act (CEQA), and, as applicable, the National Environmental Protection Act (NEPA). If the proposed Development is found to cause significant adverse impacts, the City reserves absolute discretion to require additional environmental analysis, and to: (a) modify the Development to mitigate significant adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed Development; or (c) reject or proceed with the Development as proposed, depending upon a finding of whether or not the economic and social benefits of the Development outweigh otherwise unavoidable significant adverse impacts of the Development.

7. The City reserves the right to disqualify any respondent to this RFQ based on any real or apparent conflict of interest that is disclosed by the responses submitted or on the basis of other information available to the City. The City may exercise this right in its sole discretion.

## **Exhibit A: Insurance Requirements**

### 1. Developer, Contractors.

(a) to the extent Developer or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Developer is conducting any activity on, alteration or improvement to the Family Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Developer's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Developer shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Developer's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) pollution liability and/or asbestos pollution liability applicable to the work being performed with a limit no less than One Million Dollars (\$1,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Family Site coverage. This policy may be provided by the Developer's contractor, provided that the policy must be "claims made" coverage and Developer must require Developer's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

### 2. Property Insurance.



Developer must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Developer or its contractor, including coverage in transit and storage off-Family Site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Developer or its contractor, including coverage in transit and storage off-Family Site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-Development basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Developer as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Developer or its contractor. For rehabilitation/construction Developments that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the Development receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Family Site that is used by Developer for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a Developer, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space.

Developer must require that all nonresidential tenants' liability insurance policies include Developer and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Development, Developer must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) General and automobile liability policies of Developer, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective.

(c) With respect to any property insurance, Developer hereby waives all rights of subrogation against the City to the extent of any loss covered by Developer's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Developer's insurance by the City will not relieve or decrease the liability of Developer under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Developer demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Developer.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Developer must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

## **Appendices**

Attachment 1 - Map of Site

Attachment 2 - RFQ Registration Form

Attachment 3 - Respondent Description

Attachment 4 - Projected Staffing Workload

Attachment 5 - Service Provider Residential Experience

Attachment 6 - Disclosures

**Attachment 1**

**Map of the Site**

**Attachment 2**

**RFQ Registration Form**

## **Attachment 3**

### **Respondent Description**



**Attachment 4**

**Projected Staffing Workload**

**Attachment 5**

**Service Provider Residential Experience**

## **Attachment 6**

### **Disclosures**