

State of California

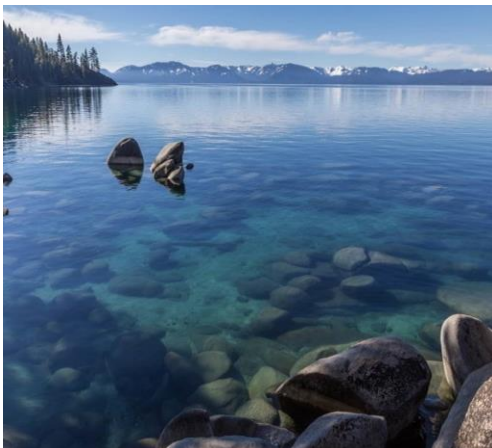
Request for Proposals

By Respondents Pre-Qualified via RFQ

Affordable Housing Development

Under Executive Order N-06-19

Location: South Lake Tahoe, CA



Released: March 30, 2020

Due: May 20, 2020



REQUEST FOR PROPOSALS

Affordable Housing Development

Proposals must be submitted to:

Department of General Services
Asset Management Branch
707 3rd Street, 5th Floor
West Sacramento, CA 95605
ATTN: Jon Heim

DEADLINE: Submit by 5:00 PM PT on May 20, 2020.

THIS REQUEST FOR PROPOSALS IS OPEN ONLY TO INVITED TEAMS THAT SUCCESSFULLY MET THE QUALIFICATIONS OUTLINED IN THE AFFORDABLE HOUSING DEVELOPMENT REQUEST FOR QUALIFICATIONS NO. 1-20, WHICH CLOSED ON FEBRUARY 21, 2020.

Respondents that successfully qualified for this opportunity during the Qualification stage have been notified of their eligibility to submit a proposal.

Note: The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the material submitted may be made available to the public.

STATE CONTACT:

Jon Heim
 Department of General Services
 Asset Management Branch
 707 3rd Street, 5th Floor
 West Sacramento, CA 95605
jonathan.heim@dgs.ca.gov

PROJECT WEBSITE:

Page: [Executive Order N-06-19 Affordable Housing](#)

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

RFP SCHEDULE:

The following timeline is provided for the Respondent's scheduling information but is subject to change at the State's discretion.

Activity	Date
Request for Proposals Released	March 30, 2020
Developer Site Orientation	TBD
RFP Final Questions and Requests for Clarification Due	April 17, 2020
2 nd Community Meeting (approximate)	Week of April 20, 2020
State Response to RFP Questions/Clarifications	April 27, 2020
RFP Submittal Deadline	5:00 PM on May 20, 2020
Interviews Conducted (approximate)	Week of June 8, 2020
Selection of Qualified Developer (approximate)	June 2020

DISCLAIMER

The State obtained the information contained in this RFP from sources deemed reliable; however, the State makes no guarantees, warranties, or representations, nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. It is furnished solely as an aid to Interested Parties. Interested Parties are responsible for undertaking all necessary investigation on and off the State Property to determine the suitability of the State Property for Interested Party's intended use.



Proposals submitted are considered part of the deliberative process until a selection has been made.

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EXHIBITS

- A. Executive Order EO N-06-19
- B. Government Code section 14671.2
- C. Tahoe Welcome Mat
- D. Conceptual Gantt Chart
- E. Site Map
- F. Assessor’s Parcel Map
- G. Site Analysis and Concept

- H. Surveys
- I. Preliminary Civil Study
- J. Preliminary Geotechnical Study
- K. Modular Analysis
- L. Parcel-Specific Permitting Information Pre-Project Planning – TRPA
- M. Conservancy Project Goals
- N. Conservancy's Community Engagement Guidance
- O. Regional and Local Plans and Studies
- P. Community Meeting notes – December 11, 2019
- Q. Title Information

ATTACHMENTS

- A. Ground Lease and Regulatory Agreement Template*
- B. Exclusive Negotiation Agreement Template*

*The Ground Lease, Regulatory Agreement, and Exclusive Negotiation Agreement included in attachments are templates and may be modified by DGS prior to signing the lease.

INTRODUCTION

Executive Order N-06-19 (EO) (see Exhibit A) was signed by Governor Gavin Newsom on January 15, 2019 to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the “State”), to identify and prioritize excess state-owned property and aggressively pursue the goals of affordable, sustainable, innovative, feasible, and cost-effective housing projects.

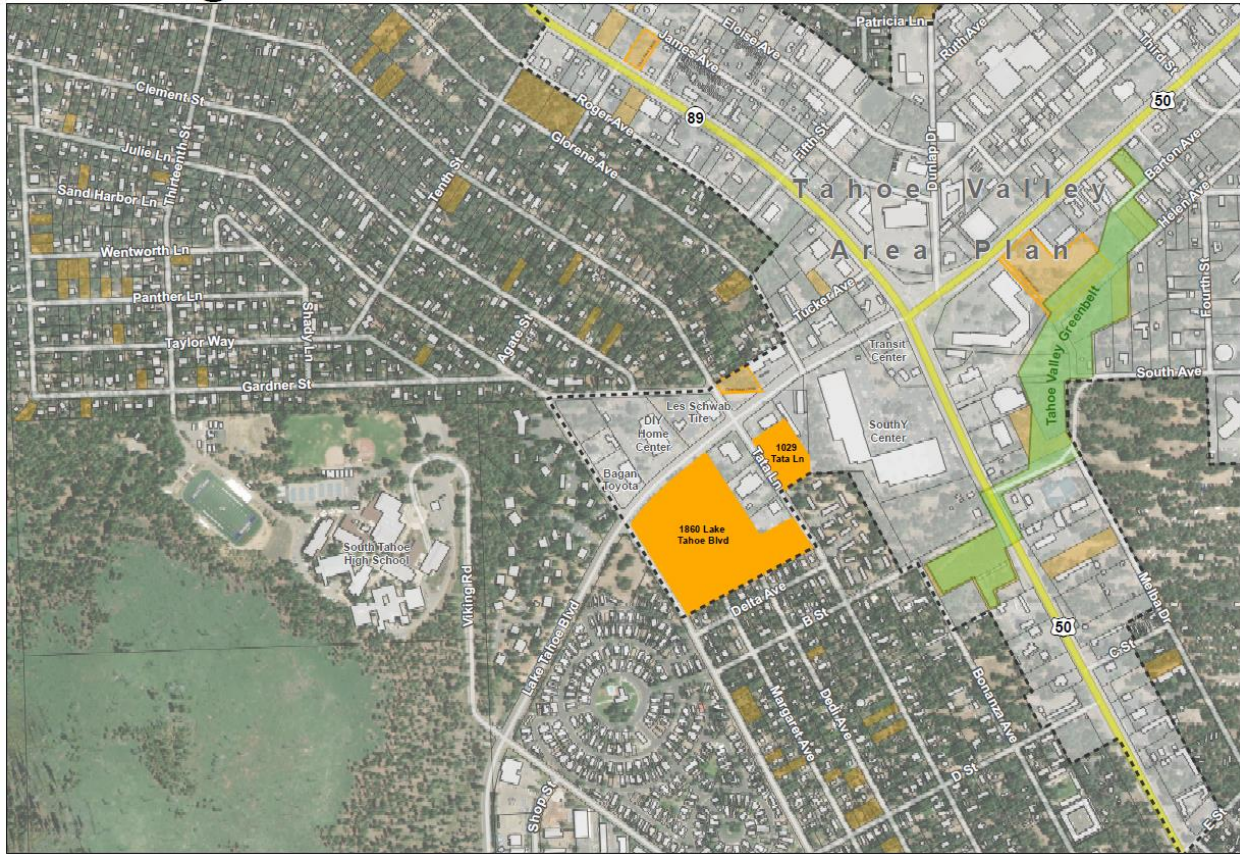
The State is pleased to issue this Request for Proposals (RFP) for respondents capable of developing affordable housing on two state-owned properties located in the City of South Lake Tahoe, California that will be consistent with and help fulfill state, regional, and city goals, including affordability and feasibility. Projects must include a minimum of 50 percent restricted affordable rental housing units, consistent with Government Code section 14671.2.

This RFP is a multi-agency collaborative effort to address housing affordability in Tahoe. DGS and HCD are partnering with the California Tahoe Conservancy (Conservancy)—a state agency established in 1985 with a mission to lead California’s efforts to restore and enhance the extraordinary natural and recreational resources of the Lake Tahoe Basin. The State and the Conservancy are also coordinating with the City of South Lake Tahoe (City) and the Tahoe Regional Planning Agency (TRPA), all of which are hereinafter referred to as “Agencies”.

At the conclusion of the RFP process, the State intends to enter into an Exclusive Negotiation Agreement (ENA) with the Respondent whose qualifications and development proposal the State deems best suited to achieve the objectives described in the RFP. Successful completion of negotiations will lead to the execution of a low-cost, long-term ground lease and regulatory agreement with a maximum term of 99 years.

1. DEVELOPMENT OPPORTUNITY OVERVIEW

The properties (the “Site”), acquired by the Conservancy in 1989, are located at 1860 Lake Tahoe Boulevard and 1029 Tata Lane in South Lake Tahoe, California. At the time of acquisition, the Conservancy and the City envisioned that the non-sensitive portions of the Site could be used for purposes consistent with the future area plan.



In contrast with most of its nearly 4,700 conservation properties in the Lake Tahoe Basin, the Conservancy Board has designated 1860 Lake Tahoe Boulevard and 1029 Tata Lane as “asset lands” that could support sustainable development consistent with local area plans.

The Site is located within the Tahoe Valley Area Plan’s Town Center Mixed Use Corridor. The Area Plan was created by the City with community members and stakeholders. This plan reflects the community’s vision for its future. Allowable uses include a rich mixture of retail, service, public facility, recreation, entertainment, and housing organized in a compact development pattern, creating an aesthetically pleasing and safe environment for pedestrians, cyclists, and automobile drivers. For an overview of regional and local goals, see the Conservancy Project Goal matrix (Exhibit M), and

links to the TRPA Regional Plan, the TRPA Sustainable Communities Strategy, and the South Shore Housing Needs Assessment in Exhibit O.

The Site is in the southerly portion of South Lake Tahoe and the most northerly portion of El Dorado County and is bounded on the north by Lake Tahoe Boulevard, local businesses and residential, on the east by Tata Lane and the “Y” shopping and transit center, on the south and west by the South Tahoe ‘Y’ residential neighborhood.

The primary roadway serving the neighborhood is U.S. Highway 50, which runs along the south and east shores of Lake Tahoe from South Lake Tahoe in El Dorado County, California, north to Spooner Summit on the crest of the Carson Range. U.S. Highway 50 is known as Lake Tahoe Boulevard and is maintained by Caltrans.

Another major roadway in the neighborhood is California State Highway 89, known as Emerald Bay Road. This is a north-south roadway extending southerly out of the Lake Tahoe basin at Echo Summit and extending northerly along the west shore of Lake Tahoe to Interstate 80 near Truckee. The intersection of Emerald Bay Road and Lake Tahoe Boulevard is known as the South Tahoe ‘Y’ intersection. To the south of the South ‘Y’ intersection, Emerald Bay Road is known as U.S. Highway 50 and California State Highway 89.

Agencies jointly recognize the importance of clearly communicating the entitlement process and have committed to work together to assist the selected Respondent to successfully navigate the approval process. Agencies have summarized relevant local and regional entities and provided links to important documents in Exhibit C, the Welcome Mat. A Gantt chart that illustrates the tasks that the selected Respondent will likely encounter is included in Exhibit D.

Agencies hosted a public meeting in December 2019 to receive resident and stakeholder input. Community feedback, including comments and concerns about a variety of quality of life issues, are included in this RFP. For detailed feedback and meeting notes, please see Exhibit P. Continued community engagement is expected of the selected Respondent throughout the predevelopment process.

2. DEVELOPMENT PRINCIPLES AND PARAMETERS

The lack of affordable housing across California is a matter of vital statewide importance and the State is working to expand housing opportunities through a new level of innovation and cooperation between the public and private sectors. To help solve the affordable housing crisis, the State is seeking knowledgeable, financially sound, and experienced providers of affordable housing.

The State is seeking proposals from Respondents who can support meeting the goals of the EO, including the provision of housing affordable to lower income households, and will creatively adhere to the following principles. For detailed guidance on local goals, please refer to the Conservancy Project Goal matrix (Exhibit M) and Community Engagement Guidance (Exhibit N).

These are not requirements but are intended to make the State's desired expectations clear and guide the project from solicitation through construction.

- **Affordability:** Maximize the affordability on the Site, including depth of affordability as well as percentage of units that are affordable, and meet local housing needs and goals outlined in the Conservancy Project Goals matrix (Exhibit M) and the South Shore Housing Needs Assessment (Exhibit O).
- **Innovative Housing and Construction Types:** Catalyze and incubate innovative models for construction (such as modular or prefabrication), financing, and workforce development—recognizing that design and construction quality should not be compromised. Innovative Housing and Construction is desirable, but *not* a strict requirement, and innovative models mentioned here are not comprehensive or prescriptive.
- **Efficiency:** Identify a strategy for delivering on the timing goals for the EO and employing several time saving measures. Efficiency of delivery also recognizes that deeper affordability may need multiple funding sources which are available through different and competitive funding cycles and Notices of Funding Availability (NOFAs).
- **Accessibility:** As part of providing accessible housing for all Californians, Respondents are encouraged to incorporate cost-effective design approaches consistent with universal design principles and/or related local ordinances.
- **Sustainability:** Reflect the state's emphasis on sustainable construction, including the use of recycled products, commitments to low energy use, building electrification, and/or the use of renewable construction materials, such as mass timber as recognized through approved guidelines by the California Building Officials (CALBO) and the California Building Standards Commission (see TRPA plans in Exhibit O).

- **Development Costs:** Pursue cost reducing measures such as impact fee program waivers or reductions, innovative housing types (e.g., modular), and other measures while maintaining a high-quality design that complements the neighborhood.
- **Outreach:** Facilitate meaningful public participation consistent with the Ralph M. Brown Act, when applicable, and other strategies to engage the community throughout the development process, including the Conservancy Community Engagement Guidance in Exhibit N.
- **Partnership and Collaboration:** Seek creative partnerships with Agencies and stakeholders, including special consideration of local housing, environmental, and community and economic development goals and existing resources and opportunities.
- **State Planning Priorities:** Maximize land resources and efficient land use patterns by developing as densely as feasible.
- **Integration:** Complement and support the goals of the Tahoe Valley Area Plan and surrounding existing developments through an integrated mixed-income, mixed-use development that provides community amenities such as shared parking or public gathering spaces, as well as transit and/or micromobility integration.
- **Connectivity:** Incorporate and maximize pedestrian and bicycle trail construction and connectivity throughout the site (integrating existing paths and trails) and provide open space enhancements for both residents and the larger community to use.

3. SITE CONDITIONS AND APPLICABLE LAND USE POLICIES

The Site is located within the Tahoe Valley Area Plan. The area is designated as Town Center mixed use, corridor district. The surrounding land uses include residential and commercial.

All utilities are available in the neighborhood. Electricity is supplied by Liberty Energy. Natural gas is supplied by the Southwest Gas Corporation. Telephone service is supplied by AT&T or Charter Communications. Cable television is supplied by Charter Communications. Sewer and water are supplied by the South Tahoe Public Utility District.

Within a quarter mile of the site, there are numerous retail and commercial options and community amenities—including groceries (Raley's), restaurants (South Lake Brewing Company, Classic Cue, Chico's Burgers, Beach Hut Deli, Round Table Pizza, Subway, McDonald's), coffee (Starbucks), schools (South Tahoe High School), shopping (Kmart, Scotty's Hardware, DIY Home Center, Enchanted Florist, Pet Supermarket), services (US Post Office, UPS, El Dorado County Department of Mental Health, City of South Lake Tahoe Development Services, Wells Fargo Bank) and pharmacies (CVS). The South Y Transit Center is a quarter of a mile from the project location served by the Tahoe Transportation District and Amtrak.

The Crossing shopping center, adjacent to the Site, was recently redeveloped and there is an open area providing access to the proposed greenbelt area of the Tahoe Valley Area Plan (see Exhibit O for more information on local planning initiatives).

1860 Lake Tahoe Blvd and 1029 Tata Lane

1860 Lake Tahoe Blvd: This parcel has reasonably good access with basically level to gently sloping topography. In December 2018, TRPA confirmed the Land Capability Verification (LCV), which indicated there is 51,225 square feet of Class 1b (stream environment zone) soils and 386,000 square feet of Class 7, high capability soils on the parcel. Base allowable coverage for the parcel is 116,312 square feet.

- Parcel Address: 1860 Lake Tahoe Boulevard, South Lake Tahoe, California
- Assessor's Parcel Number: 032-291-28
- Total Land Area: 10.04± acres (437,225 square feet)
- Zoning: Tahoe Valley Area Plan – Town Center Mixed Use, Corridor District (TC-MUC)
- Base Allowable Land Coverage: 116,312 square feet of base allowable land coverage

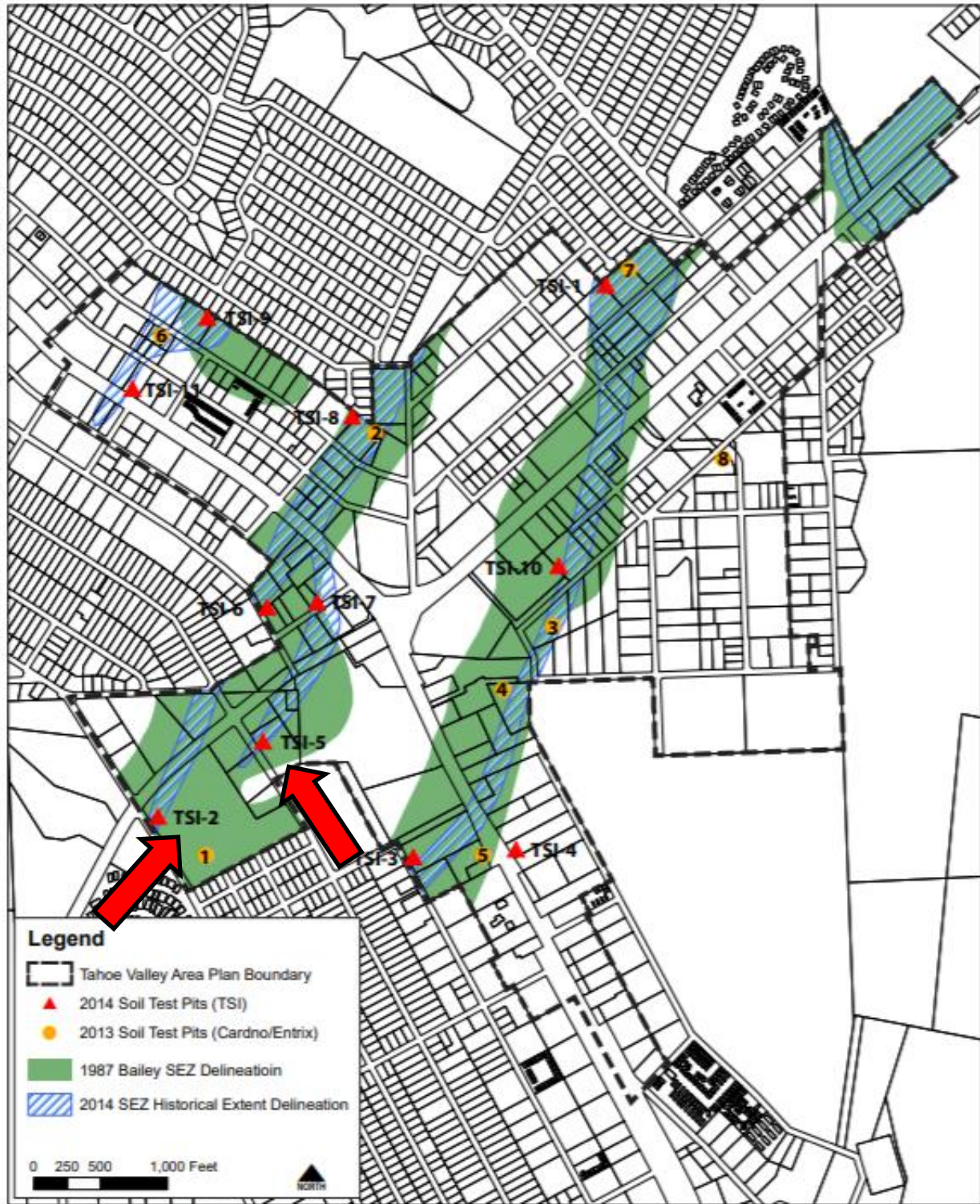
1029 Tata Lane: This parcel has reasonably good access and the topography is basically level to gently sloping. There is an asphalt paved parking lot on the parcel

which is in fair condition. In December 2018, TRPA confirmed the LCV, which indicated the parcel exhibits 100 percent Class 7, high capability, soils.

This parcel includes 20,615 square feet of base allowable land coverage and is located within the Tahoe Valley Area Plan. The surrounding development includes residential and commercial properties. The zoning is Town Center Mixed Use, Corridor District. Numerous commercial, tourist commercial, and residential uses are allowed.

- Parcel Address: 1029 Tata Lane, South Lake Tahoe, California
- Assessor's Parcel Number: 032-291-31
- Total Land Area: 1.58± acres (68,718- square feet)
- Zoning: Tahoe Valley Area Plan – Town Center Mixed Use, Corridor District (TC-MUC)
- Base Allowable Land Coverage: 20,615 square feet of base allowable land coverage

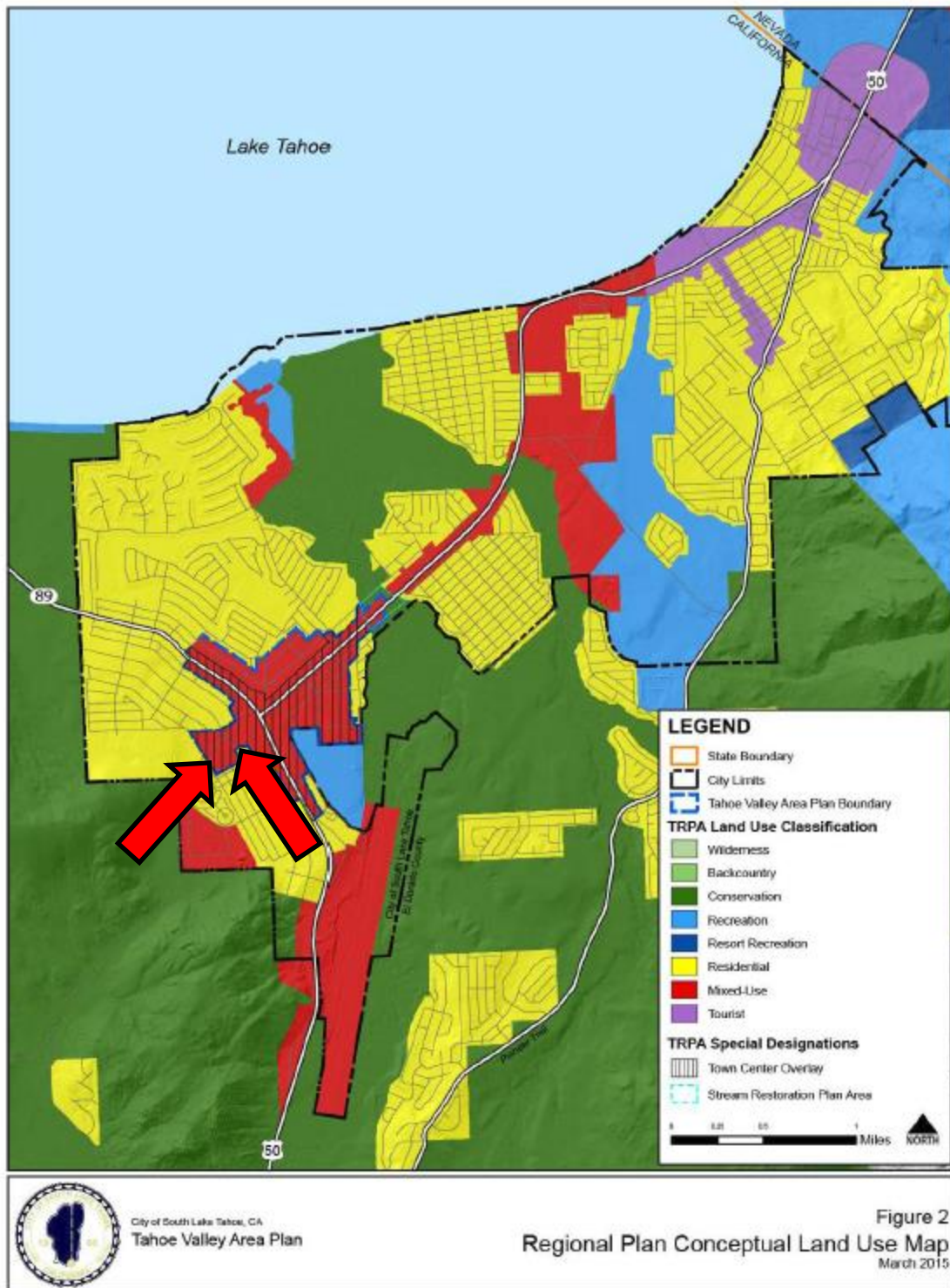
Please refer to Exhibit G for additional information on site and market conditions.



Source: Cardno/Entrix, 2013; TSI, 2014 and TRPA GIS, 2014.

Figure 4
2014 Mapping of Historic SEZ Extent
Stream Zone Report for the Tahoe Valley Area Plan

NOTE: Red arrows identify approximate location of parcels.



NOTE: Red arrows identify approximate location of parcels.

For interactive Map on the Tahoe Valley Area Plan, please visit:

<https://cslt.maps.arcgis.com/apps/View/index.html?appid=252e930b58b64bffb52f8b54da9b4554>

4. DEVELOPER'S ROLE

Upon approval and execution of an Exclusive Negotiation Agreement (ENA), the selected Respondent shall be responsible for all on-site and off-site costs and expenses associated with the development, construction, ownership, management, and operation of the proposed project, including but not limited to, planning, design, entitlement, permit fees, utility charges, operation, and management expenses, as more specifically set forth in the ENA and in accordance with the following requirements:

- A. The selected Respondent shall accept the State Property in its present state and condition, as-is, without any express or implied warranties;
- B. The selected Respondent shall enter into a low-cost, long-term ground lease and regulatory agreement, similar in form to Attachment A;
- C. The selected Respondent shall be responsible for obtaining any and all approvals such as land use entitlement, zoning and/or subdivision approvals, development rights (and/or additional coverage), and all necessary building, grading, and construction permits required for the proposed project from the Agencies;
- D. The selected Respondent shall agree to follow Chapter 11a and 11b of the California Building Code;
- E. DGS shall serve as the lead agency under the California Environmental Quality Act (CEQA). The selected Respondent shall be responsible for assisting DGS with CEQA compliance and the separate TRPA environmental review process, including exploring the applicability of streamlining and exemption provisions, and the preparation of any necessary environmental documents. The cost of all required environmental review and compliance shall be the responsibility of the selected Respondent (Note: If selected Respondent seeks any federal subsidy or funding, they shall also be responsible for facilitating compliance with the National Environmental Policy Act, NEPA);
- F. The selected Respondent shall be responsible for payment of the applicable local agency development mitigation fees and off-site facilities fees (the selected Respondent should pursue fee waivers and other streamlining opportunities where appropriate);
- G. The selected Respondent shall be responsible for efforts towards meeting expectations and milestones as outlined in this RFP and the EO;
- H. Building on the pre-selection due diligence led by the State, the selected Respondent shall submit evidence of market demand for the type of units being proposed, investigate the need for on-site and off-site improvements including infrastructure to service the proposed project, and further describe the feasibility of breaking ground and completing construction in an efficient and expedited manner;

- I. The selected Respondent shall be responsible for maintenance of the proposed project;
- J. The selected Respondent shall be responsible for ensuring that there are no inconsistencies between their response to this RFP and any existing and applicable affordable housing programs that the selected Respondent is planning to utilize for additional funding. If there are any inconsistencies between the requirements of this RFP and other program requirements, the more restrictive requirement shall control; and
- K. The selected Respondent must employ a variety of outreach methods to ensure all segments of the community are included in all stages of the development process, including on an ongoing basis. Respondents are encouraged to reach out and involve community members such as various local community organizations to gain support for the proposed affordable housing project and respond to community/neighborhood concerns where appropriate throughout the project construction and property management.

5. TRANSACTIONAL TERMS

Predevelopment process

The predevelopment process includes:

- Meeting all milestones identified in the ENA;
- Developing project management tools or trackers to share with State (with special attention to EO goal of breaking ground and completing units in an efficient and expedited manner);
- Identifying a community engagement plan to engage local stakeholders, city staff, neighborhoods, social service providers, etc. to gauge support, build relationships, and leverage existing resources;
- Refining architectural plans for entitlement submittal;
- Obtaining land use entitlements and environmental clearances;
- Developing a finance plan and applying for financing;
- Finalizing development team, including general contractor; and
- Any other investigation or due diligence to prepare for development as requested by DGS or HCD.

Land Transaction

The State Property is owned by the State and will remain under State ownership. The selected Respondent will enter into a development agreement for a low-cost, long-term ground lease transaction (e.g., \$1 annually) and agrees to accept the State Property in its present state and condition, as-is. The selected Respondent also agrees to reimburse the State for the cost of administering the lease, as provided for in Government Code section 14671.2.

For general lease terms and regulatory agreement terms, please refer to Attachment A for the ground lease and regulatory agreement template.

Basic minimum ground lease terms:

1. Subordination—The fee ownership will not be subordinated but will include standard mortgagee protection provisions.
2. Term—Long-term ground lease with a maximum term of 99 years
3. Rent—Low-cost ground lease for \$1 annually.
4. Assignment—The State will have the right to approve any assignment of the lease.
5. Performance Benchmarks— All documents, whether the Exclusive Negotiation Agreement, option to lease, or lease itself, will contain time and performance benchmarks with clear termination provisions for non-performance.

6. Assurances— The ground lease will include provisions for completion guarantees, liquidated damages, performance bonds, or other remedies to ensure completion of the project.
7. Development Program—The State seeks a Proposal that offers a development program the meets or exceeds the base entitlement for the Property.

Affordable Housing Restrictions

Project proposals must include a minimum of 50 percent restricted affordable housing units, consistent with Government Code section 14671.2. The sale of individual dwelling units within the proposed project is not permitted.

Project proposals that show a commitment to 100 percent affordable units, significantly deeper targeting, and/or special needs components with units affordable to very low- and/or extremely low-income households are encouraged. When considering affordability levels, Respondents should focus on meeting the EO goals of affordability and feasibility and meeting local housing needs (see Exhibits M and O). Per Health and Safety Code section 50093, income levels are defined using the income limits published annually by HCD for extremely low-, very low-, low-, and moderate-income households.

As long as Multifamily Housing Program (MHP) funds remain available, HCD may set aside MHP funds in a future NOFA to be determined by HCD and the selected Respondent for this project up to a maximum of \$20 million, provided the project meets all MHP threshold and feasibility requirements (refer to 2019 MHP Final Guidelines on HCD's website <https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml#guidelines>).

Projects will be scored on the least amount of MHP funding requested compared to the maximum allowable per unit MHP loan amount (for per unit loan limits by County, please refer to the 2019 Multifamily Tax Subsidy Project Income Limits pdf at <http://www.hcd.ca.gov/grants-funding/docs/2019MTSPRegularLimits.pdf>). The maximum set aside will be no more than the amount requested by the selected Respondent in their proposal.

Proposals submitted under this RFP are also encouraged to leverage other public funding, such as one or more of the following sources (NOTE: this list is not comprehensive or limiting):

- 4% Low-Income Housing Tax Credits (LIHTCs) with Tax Exempt Bonds
- State Low-Income Housing Tax Credits
- No Place Like Home Program
- Affordable Housing and Sustainable Communities Program (AHSC)
- Veterans Housing and Homelessness Prevention Program (VHHP)

- Multifamily Housing Program (MHP)
- Infill Infrastructure Grant Program (IIG)
- CalHFA Mixed Income Program
- Permanent Local Housing Allocation (PLHA)
- Opportunity Zone investments
- Project-based awards through HUD or Public Housing Authority
- City and/or Conservancy funds and programs
- Grants for energy efficiency, health outcomes, etc.
- Other funding sources available

NOTE: State law and the EO require the payment of state prevailing wages on any construction project that receives a subsidy from a government agency.

6. RFP SUBMITTAL REQUIREMENTS

The proposal must be sufficiently detailed and descriptive in the State's sole discretion to assess the viability of the proposal.

The submitted proposals must meet all requirements outlined in this RFP. Only proposals that meet all the minimum required qualifications will be scored. The State reserves the right to make its selection based on its sole and absolute discretion. In addition, the State reserves the right to reject any or all proposals at any time for any reason.

Proposal Guidelines and Format

The following guidelines are provided for standardizing the preparation and submission of proposals. The intent is to assist Respondents in the preparation of their submissions and to assist the State by simplifying the review process and providing standards for comparison of submissions.

Statements submitted in response to this RFP shall include a complete response to the requirements in this section in the order presented below. Statements should be a straightforward delineation of the Respondent's capability to satisfy the principles, parameters, and requirements of this RFP and should not contain redundancies and conflicting statements.

Respondents shall submit **an electronic copy of their proposal via email** and **one additional electronic copy** on a USB flash drive.

Proposals shall contain the following information in the order listed:

1. Cover Letter

The cover letter shall include information about the Respondent, name, and contact information of the person designated to act as the primary contact. The cover letter must include a statement of acceptance of all the requirements and conditions in this RFP, and that the signer has full authority to bind the Respondent.

2. Development Entity

The Respondent shall address the following elements regarding their capacity to develop the State Property as proposed. In addition to the requirements set forth in the Evaluation Criteria, provide concise and specific responses.

a. Organization

Identify and describe the principals, including any joint ventures or limited partners, and entity type (corporation, partnership, LLC, etc.) that would enter into the lease, regulatory agreement, and other agreements with the State.

Include descriptions of other firms relevant to the Project's development, construction and management including but not limited to the management company, engineers, contractors, and experience working together and on similar projects.

Identify the principal in charge, project manager, and legal counsel.

Identify key team members and provide an organizational chart showing roles, responsibilities, resumes, and availability to implement the project as proposed.

Identify key development team members, including the architect and engineer, their resumes, and their roles and responsibilities for the Project.

Identify any and all litigation that have settled or are ongoing, for the previous five (5) years facing the Proposer, its principals, and partners. Identify any and all investigations by the State or federal agencies that have settled or are ongoing, for the previous five (5) years facing the Proposer, its principals, and partners. This also includes identifying if Proposer has had any mortgage foreclosure proceedings, loan defaults, if Proposer has declared bankruptcy, if the Proposer or any member of the proposal has been convicted of fraud, larceny, forgery, money laundering, or tax evasion.

b. Examples of Relevant Projects

Provide details of at least three (3) comparable projects, completed or ongoing, by the principals of the development team and their roles. Comparable projects are defined as new construction affordable and/or mixed income developments comparable in size and scope to this Project. This information should include project description, location, density, population served, number of units, structure of public/private partnerships, financing, service providers, any special circumstances (i.e., phased development, specific plan, public amenities, etc.), and management issues.

Please provide references for each comparable project, including contact name, title, organization name and address, and current telephone number and email addresses.

Optional:

- *Include details about participation in public-private joint development partnerships;*
- *Include details on previous or pending development projects in Tahoe Basin or similar areas; and/or*
- *Include developer qualifications that are adherent to the Low-Income Housing Tax Credit program or other state or federal funding programs.*

c. Financial Capability

The State wants assurances that the proposed entity has the financial capability to complete the proposed transaction. Respondents shall provide the last three years of audited financial statements, including a recent balance sheet and income statement of the proposed entity.

All documents submitted in response to this RFP will become the property of the State of California and are subject to review or release to the public under the California Public Records Act, Government Code section 6250 et seq., unless the State in its sole and absolute discretion determines there is a legal basis for exemption. Any document submitted which has been marked “confidential” or “Proprietary” will not be accepted.

3. Proposed Development

a. Summary

In addition to the requirements set forth in the Evaluation Criteria, the proposal should include a detailed and cohesive description describing the proposed Project, including at a minimum and as appropriate the development concept for the site, proposed building square footage, building height, number of stories, number of units, size of units, total parking spaces, proposed rents, resident incomes, resident amenities, and any other mixed uses or features that meet the development principles and statutory authority.

b. Project Design

The proposal shall provide a site plan, building elevations, and rendering of the proposed development that are specific to the Site.

The site plan should illustrate the proposed development concept for the Site, including proposed building(s) footprint, proposed open spaces and landscape design concept(s), parking, vehicular and pedestrian access, and trail preservation and linkages that are specific to the Site.

Provide a ground floor plan showing proposed ground floor usage (e.g., common areas, management office space, apartment units, etc.). Additionally, a roof plan illustrating any rooftop amenities, or to illustrate pertinent features or anticipated screening of equipment.

Elevations should provide a comprehensive view of the entire development and illustrate proposed building massing and height, fenestration, materials and colors of finishes, and related architectural elements.

c. Schedule

Respondents shall provide a detailed project development schedule through completion that contains time and performance benchmarks. Include all predevelopment activities and any plans for phased development. The proposal shall provide a narrative and graphical schedule of all phases of development including, but not limited to, acquisition of financing, formulation of development concepts, community outreach, entitlements, design, planning reviews, construction, modular processes, marketing, and resident selection(s).

d. Additional Benefits

Include a description of any additional potential benefits offered by the proposal. Examples of additional benefits can include amount of open space, sustainability, amenities, on-site services, etc.

4. Financing Plan and Development Pro Forma

The Respondent shall include a detailed development pro forma that estimates the total development costs. The development pro forma shall include a detailed sources and uses of funds statement covering all project costs from design and construction through stabilized operations, including all hard and soft costs, and shall provide evidence of sufficient funding sources to meet project development requirements, including construction and permanent financing, and Developer's equity requirements.

The development pro forma should identify important underlying assumptions that govern the cash flows, including, but not necessarily limited to gross income, the amounts and frequency of loan repayments (all sources), annual rent increases, occupancy levels, operating costs as a percent of revenue, timing, amounts of replacement costs and the Project's anticipated cash flows over a period of 30 years from project initiation. The Respondent must confirm the cost estimates in the development pro forma includes payment of prevailing wages. The development pro

forma must include a calculation of the return on investment to the Developer and include interest rate assumptions for all sources of debt and equity.

Respondents shall include a working electronic copy(ies) of the financial model(s) for the project in Microsoft Excel format.

7. EVALUATION PROCESS

A. Developer Orientation

If possible, the State may offer a developer orientation. Date and time to be determined.

B. Submittal of Questions and Requests for Clarification

Any questions or requests for clarification regarding this solicitation should be in writing and mailed or emailed to Jon Heim, Department of General Services at 707 3rd Street, 5th Floor, West Sacramento, CA 95605 or email jonathan.heim@dgs.ca.gov. All questions must be received by April 17, 2020 by 5:00 PM in order to ensure their timely response well in advance of the RFP deadline.

C. Selection Process

The proposal must be completely responsive to the RFP. Incomplete proposals will be deemed as nonresponsive and will be rejected. DGS and HCD reserve the right to reject any or all proposals submitted, and no representation is made hereby that any contract will be awarded pursuant to this RFP or otherwise.

1. Committee

Following the submission deadline, DGS and HCD will establish a technical review committee, including the Conservancy, to evaluate the proposals. The proposals will be reviewed for completeness and responsiveness to the requirements of this RFP.

2. Interview

Following the written evaluation, the State may conduct oral interviews with one or more teams to further understand team qualifications and/or project concept, if needed.

3. Selection

Upon selecting a proposal, the State intends to issue an ENA with the selected Respondent who, at the sole discretion of the State, poses the best opportunity for the State to meet its objectives as set forth in this RFP.

Submittal Deadline & Address for Submittals

Submittal Deadline: **May 20, 2020 at 5:00 PM PT**



**Address for Submittals: Department of General Services
Asset Management Branch
707 3rd Street, 5th Floor
West Sacramento, CA 95605
ATTN: JON HEIM**

To ensure that submittals are received on time, respondents are encouraged to deliver submittals by hand to the DGS Asset Management Branch reception area, which is open between 9 a.m. and 5 p.m. on DGS business days.

8. EVALUATION CRITERIA

Proposals will be evaluated by the Respondent's ability to satisfy the development principles and parameters (see Section 2) and meet all RFP submittal requirements (see Section 6).

No.	Criterion	Maximum Points
1	Affordability and Market Context	200
	<i>Base Points</i>	150
	<i>Bonus Points</i>	50
2	Financial Offer and Feasibility	200
	<i>Base Points</i>	175
	<i>Bonus Points</i>	25
3	Development Experience	150
	<i>Base Points</i>	100
	<i>Bonus Points</i>	50
4	Development Program	275
	<i>Base Points</i>	225
	<i>Bonus Points</i>	50
5	Community Benefit	175
	<i>Base Points</i>	150
	<i>Bonus Points</i>	25
	Total Possible Points	1,000

1. Affordability and Market Context: 200 points

Project proposals must include a minimum of 50 percent restricted affordable housing units, consistent with Government Code section 14671.2 (see Exhibit A). Project proposals that show a commitment to 100 percent affordable units, significantly deeper targeting, and/or special needs components with units affordable to very low- and/or extremely low-income households are encouraged.

Respondents should identify:

- Quantity and bedroom type of affordable units to be built
- Maximization of land resources and level of affordability (e.g. density, integration, depth of affordability)

Proposals will be evaluated by the extent to which the project:

- Serves households at the lowest income levels consistent with Section 7320(b)(1)(A) of the Multifamily Housing Program guidelines, while maintaining financial feasibility;
- Aligns with the local context and housing needs as identified in the South Shore Housing Needs Assessment (see Exhibit O); and
- Maximizes social benefit by serving the greatest number of South Lake Tahoe residents.

2. Financial Offer and Feasibility: 200 points

Reasonableness Points

Proposals will be evaluated for risk in completing the proposed projects, in part, by assessing the reasonableness of the proposal's assumptions, including the reasonableness of cost, revenues, and public subsidy assumptions. Proposals will be evaluated for their ability to cost-effectively deliver affordable housing, manage transaction risk, and maximize the quantity of affordable housing and/or level of affordability.

Implementation Points

Respondents must also demonstrate implementation feasibility, including phasing and market timing, as well as feasibility to meet the goals identified in the EO—breaking ground and completing units in an efficient and expedited manner. A schedule that expands beyond the EO timing must provide substantial reasoning why breaking ground or completing units may take longer.

Multifamily Housing Program (MHP) Funding Request Points

As long as MHP funds remain available, HCD may set aside MHP funds in a future NOFA to be determined by HCD and the selected Respondent for this project up to a maximum of \$20 million, provided the project meets all MHP threshold and feasibility requirements (refer to 2019 MHP Final Guidelines on HCD's website <https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml#guidelines>). The maximum set aside will be no more than the amount requested by the selected Respondent in their proposal.

All proposals will be ranked from lowest to highest in requested MHP funds compared to the maximum allowable per unit MHP loan amount (for per unit loan limits by County, please refer to the 2019 Multifamily Tax Subsidy Project Income Limits pdf at <http://www.hcd.ca.gov/grants-funding/docs/2019MTSPRegularLimits.pdf>). The proposal with the lowest ratio will receive 50 points. Each successively ranked proposal will

receive ten fewer points. Any proposals beyond the fifth ranked proposal will receive zero points.

NOTE: This does not preclude use of other HCD programs. Proposals submitted under this RFP are encouraged to leverage other public programs and funding sources. It should also be noted that per 2019 MHP Final Guidelines, the use of multiple HCD funding sources on the same assisted units (subsidy stacking) is prohibited.

Within the Financial Offer and Feasibility's total of 200 points, 25 bonus points are available, such as for creative financing models or funding sources.

3. Development Experience: 150 points

Respondents must demonstrate, to the satisfaction of the State, experience and capacity (including an office, staff, and payroll) relevant to owning, developing, and managing high quality affordable rental housing.

Once the minimum development experience requirements are met (see Section 6), proposals will be evaluated according to Section 7320(b)(3)(D) of the 2019 MHP Final Guidelines.

Within the Development Experience's total of 150 points, 50 bonus points are available, such as for experience developing in the Tahoe Basin or similar areas or experience with multifamily modular construction.

4. Development Program: 275 points

Respondents must clearly articulate the project vision and plan, schedule, and factors for project delivery including site layout, regulation compliance, and use requirements and restrictions (see Section 4). Respondents should describe any additional accessibility measures (e.g., higher percentage ADA accessible units) and/or consistency with universal design guidelines.

Projects should identify the ability to:

- Expand housing opportunities
- Develop partnerships
- Catalyze and incubate innovative models (e.g., construction, financing, workforce development)
- Use renewable materials and implement other sustainability measures
- Meet state planning priorities
- Meet regional and local goals
- Enhance regional capacity to build and preserve affordable housing

Proposals will be evaluated for:

- The desirability and quality of the concept and design;
- How well it delivers on the EO goals, the development principles and parameters (see Section 2), and regional and local goals (see Exhibits M and O); and

Compliance with local, state, and federal codes, regulations, and guidelines. Proposals should be consistent with the Tahoe Valley Area Plan and TRPA Regional Plan and describe how project will integrate Tahoe Basin planning efforts (see Exhibit O), such as:

- Tahoe Valley Greenbelt and Stormwater Improvement Project (also refer to community feedback about stormwater/flood issues from December 2019 meeting in Exhibit P)
- Lake Tahoe Sustainable Communities Program
- Linking Tahoe: Regional Transportation Plan 2045

Within the Development Program's total of 275 points, 50 bonus points are available, such as for innovative construction models or extraordinary sustainability features.

NOTE: If project includes any supportive housing, such as housing for veterans or chronically homeless individuals, the proposal must describe on-site supportive services and/or describe coordination with nearby services. The Respondent may describe planned supportive services, even if there is no plan for formal supportive housing.

5. Community Benefit: 175 points

Proposals will be evaluated by the community engagement plan (plan to engage local stakeholders, city staff, neighborhoods, social service providers, etc. to gauge support, build relationships, and leverage existing resources) and the provision of community benefits and service connectivity, both on-site and off-site.

Within the community engagement plan, proposals should identify process, schedule, and means of engagement. Respondents are encouraged to incorporate the Conservancy Community Engagement Guidance (see Exhibit N).

Community benefits are defined as improvements benefiting the general public and/or contributing to local and regional equity and capacity building, including, but not limited to:

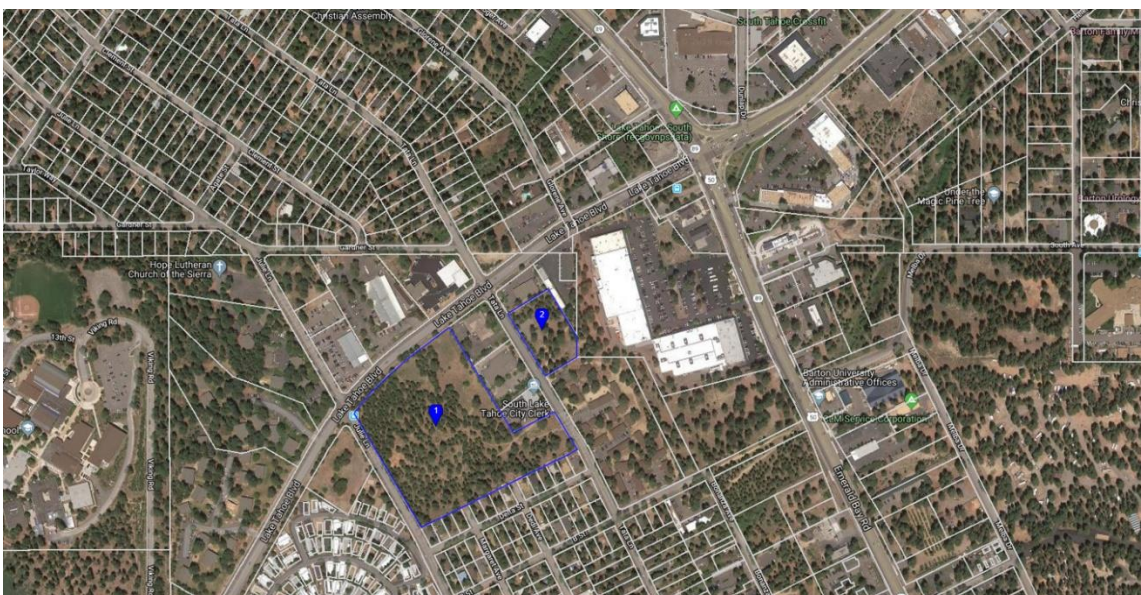
- Commercial space for non-profits and/or public entities at a discounted rent

- Gathering space/meeting rooms that can be regularly utilized by the general public at a discounted rate
- Open space or civic amenities that are accessible to the public
- Bicycle and pedestrian trail preservation and connectivity
- Programs offered by the development that are made available to the general public, not just tenants of the development
- Pop-up space for local small business incubator opportunities
- Commitment to hire and/or subcontract local or Disabled Veteran Business Enterprises, Small Businesses, Women-owned businesses, Minority-owned businesses, or LGBT-owned businesses
- Enhancement of connectivity to public transit, active transportation access, and/or reduces vehicle miles traveled
- Enhance climate resiliency strategies through smart infrastructure and design and develop climate-smart adaptation measures.

For guidance on needed local community benefits, see goals described in:

- The Conservancy Project Goal matrix (Exhibit M);
- The Tahoe Valley Area Plan, TRPA Regional Plan, TRPA Sustainable Communities Strategy, TRPA Code of Ordinances, the South Shore Housing Needs Assessment and Action Plan (Exhibit O); and
- Community input from December 11 Community Meeting (Exhibit P).

Within the Community Benefit's total of 175 points, 25 bonus points are available, such as for extraordinary improvements or creative engagement methods.



EXHIBITS

EXHIBIT A – Executive Order EO N-06-19

EXHIBIT B – Government Code section 14671.2

EXHIBIT C – Tahoe Welcome Mat

Introduction: The Agencies jointly recognize the importance of clearly communicating the entitlement process and have committed to work together to assist the selected Respondent to successfully navigate the approval process. The Welcome Mat summarizes relevant local and regional entities and links to important documents.

EXHIBIT D – Conceptual Gantt Chart

Introduction: This Gantt chart illustrates the tasks that the selected Respondent will likely encounter.

EXHIBIT E – Site Map

EXHIBIT F – Assessor's Parcel Map

EXHIBIT G – Site Analysis and Concept

Introduction: The Site Analysis and Concept were conducted for preliminary economic feasibility purposes and do not in any way constrain or limit proposals, nor do they reflect development principles or parameters as described in Section 2 of the RFP.

EXHIBIT H – Surveys

EXHIBIT I – Preliminary Civil Study

EXHIBIT J – Preliminary Geotechnical Study

EXHIBIT K – Modular Analysis

EXHIBIT L – Parcel-Specific Permitting Information Pre-Project Planning – TRPA

EXHIBIT M – Conservancy Project Goals

EXHIBIT N – Conservancy Community Engagement Guidance

EXHIBIT O – Regional and Local Plans and Studies

EXHIBIT P – Community Meeting Notes – December 11, 2019



EXHIBIT Q – Title Information

ATTACHMENTS

- A. GROUND LEASE AND REGULATORY AGREEMENT TEMPLATE
- B. EXCLUSIVE NEGOTIATION AGREEMENT TEMPLATE