

Request For Qualifications

For the development of new supportive housing at:

1064-1068 Mission Street

(Assessor's Parcels: Block 3703, Lot 040 and Block 3703, Lot 084)

Issued: October 10, 2017 by: Anne Romero

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

Responses due by 5:00 pm on November 13, 2017

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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 (the “Selected Developer”), to develop supportive housing and ground floor community-serving space on parcels that will be owned by the City (the “Project”). The parcels, 1064-1068 Mission Street (the “Site”), are adjacent to the James R. Browning Courthouse at the corner of 7th and Mission Street, which is to the west of the Site. Immediately to the east is 1036 Mission Street, an affordable housing development that is currently under construction.

The Site consists of 2 parcels:

- 1064 Mission Street - Block 3703, Lot 084, is comprised of 48,719 square feet (approximately 1.12 acres) and is currently being used as an improved 175 space parking lot with frontage on Stevenson Street and the terminus of Jessie Street alley.
- 1068 Mission Street - Block 3703, Lot 040, is comprised of 2,125 square feet and is improved with a two-story plus mezzanine and basement, reinforced concrete structure built in 1913.

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.

This RFQ further describes the unique nature of the City’s acquisition of and responsibilities for the Site. Through the U.S. Department of Housing and Urban Development’s Federal Property Assistance Program (FPAP), which allows transfers to local governments and non-profits for homeless housing and services, the City is able to offer this permanent supportive housing opportunity subject to specific development schedule restrictions. To meet the FPAP time constraints, the City will require the Selected Developer to utilize modular construction technologies that can provide efficient and accelerated delivery of the housing.

Respondents to this RFQ must be comprised of the following: a non-profit developer with experience developing affordable permanent supportive 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 permanent supportive 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. The development team must have demonstrated experience conducting effective community outreach and engagement. Furthermore, at least one entity of the development team must have experience successfully designing and/or constructing modular residential buildings. Such experience may be held by Owner/Developer, Architect, or other consultants (i.e. Construction Manager, associate Architect, etc.). 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.

In addition to fulfillment of the goals and requirements of the FPAP, this RFQ and the City's plans for the Site reflect the City's priorities for the development of affordable housing for homeless adults and seniors described in MOHCD's Consolidated Plan (2015), San Francisco's Local Homeless Coordinating Board's Strategic Plan Framework (2014-2019), and the Department of Homelessness and Supportive Housing's Five Year Strategic Framework (2017). After the City's acquisition from the federal government, MOHCD is proposing to transfer the Site (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.

As a condition of disposition from the federal government, the proposed permanent supportive housing must be operational within 3 years (36 months) of a fully executed Grant Deed between the City and the U.S. Department of Health and Human Services. As part of the Qualifications submission, respondent should demonstrate their ability to meet this timeline.

Development Program Objectives:

a) HOUSING:

- To provide two permanent supportive housing structures containing up to 250 units for formerly homeless adults and seniors.
- Building "A" would face Mission Street and provide approximately 150 units for formerly homeless adults.
- Building "B" would face Stevenson Alley and provide approximately 100 units for formerly homeless seniors age 62 and older.
- MOHCD and partner agency, Department of Homelessness and Supportive Housing (HSH), intend to target this housing to chronically homeless persons who are prioritized utilizing the newly developed Coordinated Entry System (CES).
- Up to one half of the units would include proposed financing from the State of California No Place Like Home (NPLH) program which targets adults with serious mental illness who are chronically homeless.
- The buildings are to take advantage of modular construction and related technologies to construct the buildings with the explicit goals of reducing construction costs and shortening the development timeline.

b) COMMUNITY BENEFITS:

- To the extent feasible, establish open space fronting Mission Street that is open to the public for some portion of the day.
- 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.

Hard copy and electronic responses to this RFQ must be received by the Mayor's Office of Housing and Community Development no later than 5:00 p.m., November 13, 2017. Facsimile responses will not be accepted.

II. IMPORTANT DATES AND SUBMISSION PROCESS

A. IMPORTANT DATES

RFQ available on MOHCD website	October 10, 2017
Pre-submission conference at MOHCD	October 19, 2017
Deadline for questions and requests for additional information	October 27, 2017
Deadline for submitting qualifications	November 13, 2017
Notification to developer teams who failed to meet submission requirements	November 20, 2017
Developer team interviews, if necessary	Week of November 27, 2017 or December 4, 2017
Staff recommendation to MOHCD Director	Week of December 11, 2017
Notification to developer teams	December 31, 2017

B. PRE-SUBMISSION MEETING

A pre-submission conference will be held at MOHCD, located at 1 South Van Ness Avenue, 5th Floor, San Francisco, on October 19, 2017 at 1:30 p.m. The purpose of the meeting is to ensure that interested developers understand the programmatic design, anticipated 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 October 27, 2017 at 12:00 p.m. Attendance at the pre-submission conference is not mandatory but is highly recommended. Please see below regarding **Attachment 2**, RFQ Registration Form.

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**.

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 October 27, 2017, at 12:00 p.m. Questions received after the deadline will 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.

E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE

All communications about this RFQ should be directed to Anne Romero, Senior Project Manager, at (415) 701-5525, Fax (415) 701-5501, anne.romero@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:

5:00 p.m. on Monday, November 13, 2017

at

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

III. SELECTION PROCESS, ELIGIBILITY AND SUBMISSION 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. Additionally, a member of the Arts Commission Design Review Committee may be appointed. The Selection Panel will interview the top-scoring Respondents, 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.

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. Interested parties may only object to the development team selected according to the process set forth in Section VI(D).

B. ELIGIBILITY AND MINIMUM REQUIREMENTS

1. Development Team Overview Minimum Requirements:

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 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 formerly homeless adults and/or formerly homeless seniors in San Francisco;
- A lead architectural firm with experience in design and construction of affordable housing in San Francisco, preferably with experience designing supportive housing for formerly homeless, or other populations with special needs;
- A property management entity with experience managing housing for formerly homeless adults and/or formerly homeless seniors, preferably in San Francisco;

- A community-based, service-providing entity with experience providing culturally competent services appropriate for formerly homeless adults and formerly homeless seniors in a supportive housing context and experience billing to Medi-Cal;
- At least one entity of the development team must have experience successfully designing and/or constructing modular residential buildings. Such experience may be held by Owner/Developer, Architect, or other consultants (i.e. Construction Manager, associate Architect, etc.) identified as part of the Development Team.

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. Team Member Specific Minimum Requirements

- a. **Minimum Developer Requirements** - Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:
- New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 150 units or more
 - Development of at least one supportive affordable housing development for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)
 - Use of 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.

- b. **Minimum Ownership Experience** - The proposed Owner of the Project must have owned at least one supportive formerly homeless 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 with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the

Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

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”.

- c. **Minimum Architect Requirements** - The proposed Lead Architectural firm must provide evidence of experience with the design and construction of at least one new construction high-density residential or mixed-use residential/commercial development. In addition, the architectural team must provide evidence of experience working in San Francisco, and experience designing affordable housing. Preferably the Architect will have demonstrable experience in the design of supportive housing for formerly homeless or other special needs population.
- d. **Minimum Property Manager Requirements** - The proposed property manager for the Project must have managed at least three supportive formerly homeless or supportive senior rental projects, including at least one in San Francisco, each for at least 36 months. In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed with Low Income Housing Tax credits.
- e. **Minimum Service Provision Requirements** - The proposed service provider(s) must have at least 36 months’ experience providing supportive services to formerly homeless adults and/or formerly homeless seniors including case management and comprehensive services for homeless households in a residential setting in San Francisco. The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors. The service provider must also have experience with and capacity to bill Medi-Cal.
- f. **Other Consultants** – For any Respondent team, the experience of key staff members or “other consultants” may be substituted for the experience of the organization as a whole as long as the staff member’s or consultant’s experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent’s team. Furthermore, respondent development teams must include at least one or more team member(s) with experience successfully designing and/or constructing modular residential buildings. Such experience may be held by Owner/Developer, Architect, or other consultants (i.e. Construction Manager, associate Architect, etc.) identified as part of the Development Team.

C. SUBMISSION REQUIREMENTS

Respondents must document their experience and capacity to successfully plan, design, and develop the proposed Project, manage the property efficiently once completed, and provide services appropriate to the resident population. This documentation should include narrative with examples of relevant completed projects, as well as description of the experience and

capacity of key staff, their workloads, and the organizational structure for supporting staff. In addition, Respondents must complete and submit RFQ Attachments 2 – 6.

a. **Developer**

Describe Developer(s) experience in each of the following areas (project examples may serve to demonstrate experience in more than one area):

- New construction of affordable housing in San Francisco
- Development of supportive affordable housing for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)
- Experience as lead organizer of collaborative community outreach and planning effort for development of supportive and/or affordable housing
- Description of demonstrated capacity to complete complex urban infill projects within established budget parameters and within constrained timeframes.
- Detailed description of complex financing structures that the respondent successfully secured, including terms of the financing and number of applications required to secure financing

Respondents should provide sufficient examples of completed projects to meet the minimum qualifications described above, and are encouraged to provide additional examples that communicate depth of experience relevant to the proposed Project. However, for scoring purposes under this RFQ, a maximum of six (6) projects will be considered.

Finally, respondent developers should summarize the organizational structure of each Project Development Team member, including the roles of Developer, Co-Developer and Development Consultant, as appropriate. Identify and briefly describe the experience of key development staff. Provide an **Attachment 4 - Projected Staffing Workload** for the Project.

b. **Owner**

Describe ownership experience of permanent supportive housing developments for formerly homeless adults or seniors owned for at least five (5) years by the organization that will assume ownership of the proposed Project, including its location, non-residential uses, number of units, completion dates, capital financing and target population.

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.

c. **Architect**

Provide a narrative and project description of not more than six (6) representative projects that demonstrate the Architect's capacity to develop affordable housing in San Francisco, complete projects on tight infill sites, and serve populations with special needs.

Representative projects should be chosen that most reflect the site context, program, and target population of the proposed Project under this RFQ.

Respondents should highlight experience participating in collaborative community outreach and planning efforts related to affordable housing design and development.

d. **Property Manager**

Describe experience of property management team, including previous work with permanent supportive housing for the homeless. The preferred Respondent will include a property management company that has demonstrated successful approaches to managing buildings with formerly homeless households, including utilization of a low-barrier tenant selection process and implementation of policies and practices to prevent evictions and to facilitate the implementation of reasonable accommodation policies. Respondents should provide sufficient examples of completed projects to meet the minimum qualifications described above, and are encouraged to provide additional examples that communicate depth of experience relevant to the proposed Project. Property descriptions should include the following:

- List the total number of buildings in the property management company's portfolio and the number of years each building has been successfully managed. Identify which buildings are permanent supportive housing or have a permanent supportive housing component.
- Describe the firm's experience with formerly homeless tenants, or similar population, including its standard procedures regarding resident meetings, resident outreach and interaction with service providers.
- Describe the firm's experience with trauma-informed systems, including knowledge, skill and ability to work with tenants who have been chronically traumatized.

e. **Service Provider**

The successful provision of support services for the residents is critical to the overall success of the development program. The submittal should demonstrate the service provider(s)' track record of effective collaboration, coordination and delivery of services and other resources needed by households being served within a housing program.

Provide an **Attachment 5 – Service Provider Residential Experience** for the Project

- Describe the service provider(s) experience of at least 36 months providing

supportive services to formerly homeless adults and/or formerly homeless seniors in San Francisco in a residential setting.

- The selected Development Team will be expected to pursue new No Place Like Home (NPLH) state funding that is anticipated to be available in 2018. As such, the lead service provider shall have at least 36 months' experience serving persons who qualify as members of one or more special needs populations whose service needs are similar to those of the Target Population. If this experience does not include experience serving persons in permanent supportive housing, it must include experience helping persons address barriers to housing stability. In general terms, describe the Service Provider(s)' types of services made available to formerly homeless adults and/or formerly homeless seniors; 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.
- Specify 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;
- Describe the service provider's experience with billing to Medi-Cal.

f. **Community Engagement**

- Describe the development team's experience implementing community engagement plans for housing developments, including description of the level of community engagement, the duration of the plan and community engagement, and the number of community groups or adults involved. Describe any positive or negative results of the team's community engagement plans including any opposition to the team's projects that may have resulted from the team's engagement with the community.
- Include in the description of experience examples of overcoming community opposition to a development project and how the team member(s) addressed the opposition.
- Finally, characterize the team's knowledge and familiarity with the Downtown Area Plan, the surrounding neighborhood, local community groups and area stakeholders.

g. **Modular Construction**

Describe the experience of development team or individual members of the development team in successfully designing and/or constructing modular residential buildings.

Descriptions should include role of team member in the development process (developer,

architect, consultant, etc.) as well as a summary of key project components such as program, location, scale, etc. Describe both successes of each modular project listed, as well as any challenges confronted in implementing modular construction and a description of techniques and strategies used to overcome those challenges.

D. SCORING

Teams will be scored based on the extent to which they demonstrate experience and capacity beyond conformity with the minimum requirements up to the maximum point totals listed below.

a.	Development and Ownership Experience	40 pts
b.	Architecture & Design	20 pts
c.	Property Management	20 pts
d.	Service Provision	20 pts
e.	Community Engagement	10 pts
f.	Modular Construction	5 pts

E. ADDITIONAL SUBMITTALS

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)
- Narrative description of developer and/or co-developer's corporate structure, mission, and history.
- Development Consultant (if applicable)
- Owner(s) (if applicable)
- Lead Architect and other Architect(s)
- Property Manager(s)
- Service Provider(s)
- Other consultant(s) as necessary to demonstrate experience in the design and/or construction of modular housing

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).

Using **Attachment 4 – Projected Staffing Workload Form**, list work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer and Architectural Firm.

Using **Attachment 5 – Service Provider Residential Experience**, list service provision experience in permanent supportive housing settings.

2. 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.

3. 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.

IV. BACKGROUND

A. SITE

The Site is comprised of 2 parcels located at 1064 Mission Street and 1068 Mission Street. The Site is adjacent to the James R. Browning Courthouse – 95 7th Street, at the corner of 7th and Mission Street to the west, and another affordable housing development currently under construction at 1036 Mission Street to the east.

- 1064 Mission Street - Block 3703, Lot 084, 48,719 square feet (approximately 1.12 acres). This parcel is currently being used as an improved 175-space parking lot with frontage on Stevenson Street and the terminus at Jessie Street alley.
- 1068 Mission Street - Block 3703, Lot 040, 2,125 square feet. This parcel is improved with a two-story plus mezzanine and basement, reinforced concrete structure built in 1913.
- Total land area for the combined parcels is 50,844 square feet, or 1.17 acres.

As previously stated, The City and County of San Francisco recently submitted an application to acquire the Site from the federal government. MOHCD is currently in negotiations with the Department of Health and Human Services and the General Services Administration. As a condition of disposition from the federal government, the proposed permanent supportive housing must be operational within 3 years (36 months) of a fully executed Grant Deed between the City and the U.S. Department of Health and Human Services. Respondent must demonstrate ability to complete developments quickly in order to meet this timeline. An Environmental Assessment will be completed by MOHCD by November 8, 2017.

B. SOIL CONDITIONS

A Phase I Environmental Site Assessment for the Site indicates a number of recognized environmental conditions (REC). The Phase I can be found on the MOHCD website at: <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs>

A Preliminary Geotechnical Evaluation for the Site can be found on the MOHCD website at: <http://sfmohcd.org/nofas-rfp-rfq-bids-jobs>

As part of the Selected Developer's predevelopment scope of work, a Phase II will be required to further evaluate environmental conditions.

For purposes of this RFQ, Respondents should assume that following any required mitigation, soil and subsoil conditions on the Site are sufficient to support a development that complies with the maximum allowable height, bulk and density limitations of the Site's applicable zoning requirements.

C. ZONING, LAND USE RESTRICTIONS

The parcels are currently zoned C-3-G – Downtown General Commercial District (See Planning Code Section 210.2) with a 90X height limit. The Site's zoning allows a Floor Area Ratio of 6.0 square feet of building area for every one square foot of lot area. There is no residential density limit as a ratio of units to lot area; density is regulated by the permitted height and bulk and required setbacks, exposure and open space of the development lot. Parking is not required for non-residential uses. Dwellings in a C-3-G zoned project where 100% of the units are affordable are exempt from off-street parking requirements.

The Site is located in the Downtown Area Plan. The Downtown Area Plan states "housing close to downtown contributes greatly to downtown vitality, helping to ensure that it remains active after working hours....To preserve the scale and character of outlying neighborhoods and promote the vitality of downtown, most new housing should be located adjacent to downtown in underused industrial and commercial areas. At the same time, the existing housing supply in and adjacent to downtown should be protected from demolition or conversions to nonresidential uses."

The Downtown Area Plan includes among its objectives, the following:

- Expand the supply of housing in and adjacent to downtown. (Objective 7)
- Protect residential uses in and adjacent to downtown from encroachment by commercial uses. (Objective 8)
- Provide quality open space in sufficient quantity and variety to meet the needs of downtown workers, residents and visitors. (Objective 9)

The Downtown Area Plan can be found [here](#).

Although this RFQ does not require submission of any site or architectural plans, Respondents should be aware of key zoning and land use provisions applicable to the Site, which include the following:

- Ground level Ceiling Height: Non-residential uses must have a floor-to-floor height of at least 14 feet;
- Streetscape and Pedestrian Improvements: Required
- Downtown Project Authorization is required for new construction in a C-3 District;
- The Downtown Project Authorization may be eligible for administrative approval pursuant to Planning Code Section 315;
- Maximum 90 ft building height;
- No off-street automobile parking required for residential or commercial uses; maximum limits apply (sec. 151.1);
- Bicycle parking will be required. (sec. 155.1);
- Institutional Uses, as defined in Section 102, are Permitted (*Institutional Use*. A Use Category that includes Child Care Facility, Community Facility, Private Community Facility, Hospital, Job Training, Medical Cannabis Dispensary, Philanthropic Administrative Services, Religious Institution, Residential Care Facility, Social Service or Philanthropic Facility, Post-Secondary Educational Institution, Public Facility, School, and Trade School.); and
- Public Art (Section 429).

It will be the sole responsibility of the Selected Developer to verify all planning and zoning requirements pertinent to the Site's development as housing for the formerly homeless.

V. DEVELOPMENT PLAN – Respondents are not required to submit a development plan with their submissions. The following information, in addition to the Development Program Objectives previously provided, is being provided to convey established goals and requirements imposed on the project.

A. DEVELOPMENT PROGRAM

1. Housing Program Objectives:

a) INCOME TARGETING:

- All residential units targeted to formerly homeless adults.
- At least 100 units targeted to formerly chronically homeless seniors who are 62 years of age and older.

2. Housing Financing:

A financing plan is not required with this submission, however, the Selected Developer will be expected to adhere to the following project financing parameters:

a) HOUSING DEVELOPMENT SOURCES ASSUMPTIONS:

- 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 or No Place Like Home (NPLH) 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 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) 1ST FULL YEAR HOUSING OPERATING BUDGETS ASSUMPTIONS:

- Operating Income, including:
 - Tenant-paid rents for formerly homeless households (exclusive of utilities) currently estimated at \$250 PUPM for 1BR units. Actual tenant-paid rents for formerly homeless units will be based on 30% of household incomes.
 - 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 all homeless 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, other than qualified minimal debt service payments for state financing.
 - LOSP subsidies may not be used to pay deferred developer fee.
- Operating Expenses, including:
 - 24-hour desk coverage every day.
 - All typical costs of operations, including annual reserves deposits, administrative and management fees 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, soft lender payments, and incentive management fees, all in conformance with MOHCD's Underwriting Guidelines and Operating Fee Policy.

B. OCCUPANY PREFERENCES

1. Lease-Up Preferences

The Selected Developer will retain final selection authority over all resident applicants.

HSH will refer homeless adults and seniors age 62 and older and individuals.

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

42 U.S. Code § 11302 - General definition of homeless individual:

(a) In general For purposes of this chapter, the terms “homeless”, “homeless individual”, and “homeless person” means:

- (1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;
- (2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- (3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income adults or by charitable organizations, congregate shelters, and transitional housing);
- (4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
- (5) an individual or family who—
 - (A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income adults or by charitable organizations, as evidenced by—
 - (i) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days;
 - (ii) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or
 - (iii) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause;
 - (B) has no subsequent residence identified; and
 - (C) lacks the resources or support networks needed to obtain other permanent housing; and
- (6) unaccompanied youth and homeless families with children and youth defined as

homeless under other Federal statutes who—

(A) have experienced a long term period without living independently in permanent housing,

(B) have experienced persistent instability as measured by frequent moves over such period, and

(C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

(b) Domestic violence and other dangerous or life-threatening conditions

Notwithstanding any other provision of this section, the Secretary shall consider to be homeless any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

(c) Income eligibility

(1) In general

A homeless individual shall be eligible for assistance under any program provided by this chapter, only if the individual complies with the income eligibility requirements otherwise applicable to such program.

(2) Exception

Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under title I of the Workforce Innovation and Opportunity Act [[29 U.S.C. 3111](#) et seq.].

(d) Exclusion

For purposes of this chapter, the term "homeless" or "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

(e) Persons experiencing homelessness

Any references in this chapter to homeless adults (including homeless persons) or homeless groups (including homeless persons) shall be considered to include, and to refer to, adults experiencing homelessness or groups experiencing homelessness, respectively.

2. Affirmative Marketing Plan:

No marketing plan is required as all units will be direct referrals from HSH.

C. RESIDENT SERVICES

1. Services Plans: A Services Plan is not required with this submission, however, the Selected Developer will be required to develop a services plan that includes the following:

a) A trauma-informed systems services plan (“Services Plan”) that demonstrates an understanding of the housing and services needs of 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.

- (1) For services provided off-site, the plan must describe what public or private transportation options will be available to tenants in order to provide them reasonable access to these services. Reasonable access is access that does not require walking more than ½ mile.
- (2) Description of how the supportive services are culturally and linguistically competent for persons of different races, ethnicities, sexual orientations, gender identities, and gender expressions. This includes explaining how services will be provided to tenants who do not speak English, or have other communication barriers, including sensory disabilities, and how communication among the services providers, the property manager and these tenants will be facilitated;
- (3) Description of how the supportive services staff and property management staff will work together to prevent evictions, to adopt and ensure compliance with harm reduction principles, and to facilitate the implementation of reasonable accommodation policies from rent-up to ongoing operations of the Project;
- (4) General service provider and property manager communication protocols;
- (5) Description of how the physical design of the Project fosters tenant engagement, onsite supportive services provision, safety and security, and sustainability of furnishings, equipment, and fixtures; and
- (6) Other information needed to evaluate the supportive services to be offered consistent with the Program.

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

- Early intervention with Property Management in Resident Selection to conduct assessments.

- Ongoing outreach and engagement of the tenant population, with specific emphasis 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.
- Aggressive outreach to outside providers to teach, coach and mentor residents 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.
- 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 with a focus on harm reduction.
- Conflict resolution among tenants using trauma-informed principles.
- Recreation, community building, social, and/or other group programming.
- Coordination and supervision of In Home Support Services and other housekeeping assistance.

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

2. Services Funding and Budgets:

a) For the formerly homeless residents: services for single adults and seniors will be funded separately HSH through a direct contract with the Project's service provider.

b) HSH's Tier 5 funding level of \$4,902 per unit per year in service funding for the formerly homeless units will be in place. For RFQ submission purposes, a Respondent can assume a minimum project size of 250 residential units.

c) Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD.

d) Providers will be expected to bill as many services as possible to Medi-Cal.

D. COMMUNITY ENGAGEMENT

This RFQ does not require respondents to submit a community engagement plan for the Site. Rather, the Selected Developer will be expected to work with the MOHCD and community stakeholders to formulate a plan that includes interaction with community groups around urban design issues, as well as traditional community stakeholder input for the planned project. 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, including consultation with adjacent government tenants, to solicit input on construction and design parameters and process, and community concerns and desires regarding community space and neighborhood amenities.

E. DISPOSITION OF THE SITE

1. Ground Lease Option

For demonstration of site control as required for financing applications, MOHCD will provide the Selected Developer with an Option to Ground Lease. Exercise of the option 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
- Timely satisfaction of any other conditions imposed by the City.

2. Ground Lease

MOHCD intends to transfer the Site to the Selected Developer through a long-term ground lease of 65 years with an option to extend another 34 years for a total of 99 years. Transfer of the Site will be "as is" with respect to the physical and regulatory condition of the Site. The Ground Lease will be structured to include an annual rent obligation equivalent to 10% of the appraised value of the Site for the term of the lease. Payments shall consist of an annual Base Rent of up to \$15,000 which may be reduced given that all rental units are permanent supportive housing and Residual Rent. Annual rent is re-determined on the 15th anniversary date of ground lease and

every 15 years thereafter. The City's execution of a long-term ground lease for the Site will be subject to approval of the City's Board of Supervisors, in its sole and absolute discretion.

F. UNDERWRITING GUIDELINES.

The Selected Developer's underwriting assumptions 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.

G. PREDEVELOPMENT FUNDING.

MOHCD will provide up to \$3,000,000 in predevelopment funding to the Selected Developer, subject to the Selected Developer's demonstration of its compliance with the City's vendor requirements and approval by the San Francisco Citywide Affordable Housing Loan Committee.

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 Developer 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 seeks to maximize the overall sustainability of financed projects. 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.

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. OBJECTIONS

1. RFQ Terms - Should any interested party object on any ground to any provision or legal requirement set forth in this RFQ, that party must provide written notice to MOHCD setting forth with specificity the grounds for the objection within 14 calendar days of the developer selection announcement date. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.
2. Notice of Non-Responsiveness - Should a Respondent object on any ground to a determination that its proposal is non-responsive to this RFQ, that party must provide written notice to MOHCD setting forth with specificity the grounds for the objection no more than 7 calendar days after the date of the letter notifying the Respondent of MOHCD's determination of non-responsiveness. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.
3. Selection of Respondent for Exclusive Negotiations - Should any interested party object on any ground to the MOHCD Director's authorization to proceed with exclusive negotiations with a selected Respondent, that party must provide written notice to MOHCD setting forth with specificity the grounds for the objection no more than 7 calendar days after the developer selection is made public and exclusive negotiations are authorized. If a Respondent files a timely objection, MOHCD's authorization to enter into exclusive negotiations with the selected Respondent will not be binding until the MOHCD Director denies the protest. A Mayoral decision to grant the protest will void MOHCD's prior exclusive negotiations authorization. Failure to

object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

4. Delivery of Objections - Objections must be submitted in writing, addressed to the person identified on in this RFQ and delivered to the MOHCD receptionist during business days between the hours of 8:00 a.m. and 5:00 p.m. at 1 South Van Ness Avenue, 5th Floor by the dates due in order to be considered. If an objection is mailed, the objector bears the risk of non-delivery by the deadlines specified above. Objections should be transmitted by a means that will provide written confirmation of the date MOHCD received the objections.

E. CLAIMS AGAINST MOHCD

No Respondent will obtain by its response to this RFQ, and separately by its response waives, any claim against MOHCD by reason of any or all of the following: any aspect of this RFQ, any part of the selection process, any informalities or defects in the selection process, the rejection of any or all proposals, the acceptance of any proposal, entering into exclusive negotiations, conditioning exclusive negotiations, terminating exclusive negotiations, approval or disapproval of plans or drawings, entering into any transaction documents, the failure to enter into a lease or lease disposition and development agreement, any statements, representations, acts, or omissions of MOHCD, the exercise of any discretion set forth in or concerning any of the above, and any other matters arising out of all or any of the above.

F. 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.

G. 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 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