

MOHCD Multi-Site RFQ Questions and Answers #2

Received as of 12/31/2020 at 10am

1. Can the senior housing be restricted to age 55 instead of age 62?

MOHCD will work with selected respondents to determine the minimum age for senior developments. Non-City financing requirements, from entities such as the CA Tax Credit Allocation Committee (TCAC), can affect this determination, and the financing strategy for each site hasn't been determined.

2. Can there be a senior center developed at 967 Mission?

This will need to be determined after the selection of a development team. MOHCD's preliminary analysis of the site suggests that there is not enough ground floor area to accommodate a senior center of approximately 5,000 square feet. Two of the other sites in SOMA – 71 Boardman and 725 Harrison – are expected to have the most available ground floor area for community serving non-residential uses.

3. Qualifying Project characteristics, page 36: for recent RFQs (730 Stanyan and 600 7th) MOHCD has clarified that the requirement that a Qualifying Project for families has "majority multiple-bedroom units" means "a majority 1-3-bedroom units." Please confirm this is still the case.

Yes, confirmed.

4. Qualifying Project characteristics, page 36: please confirm that the "and/or" in the requirement that a Qualifying Project be "Affordable to low- and very low-income households, formerly homeless residents, families **and/or** seniors," means that a project affordable to low- and very low-income and formerly homeless families may be used as a Qualifying Project for one of the senior sites.

Yes, confirmed. A multi-bedroom site may be used as the Qualifying Project for the Developer and the Owner entities submitting QPs for one of the senior sites.

5. Asset Management Capacity, page 38: if the proposed owner is a partnership, should we provide an REO schedule for both partners or just the partner that will be providing Asset Management services?

Please provide an REO schedule for any partner that will play a role in Asset Management.

6. Racial Equity Capacity, page 38: would you like us to document these items via a narrative? If so, what is the page limit for this narrative (assuming it is not combined with the Experience or Vision narratives regarding Racial Equity)?

Yes. The total page limits for Experience and Vision, inclusive of discussion of racial equity strategies, are 5 and 6 pages, respectively.

7. What type of demographic information would you like us to submit for Board Members and staff? Also please note that this item is not shown on the Attachment 1 - Submittal Checklist.

This information is not required for your current submission, so is not included on the checklist. If you wish to address demographics in your response, please include in your narrative.

8. Evidence of Authority, page 49: may this authorizing Board Resolution be submitted after the due date for receipt of submittals if the organization's next Board Meeting falls after 1/22/21?

Yes. Please provide evidence that the meeting has been scheduled and confirm the proposed date.

9. General: are all of these sites expected to move forward with predevelopment on the same timeline? If so, is predevelopment financing available for all of them? If not, are there different projected timelines for the sites that are predicated on funding availability, and what do those timelines look like?

We anticipate that the 9 sites will, at minimum, complete their predevelopment phases (through securing construction permit) within the same 1-2 years. With the financing climate, inclusive of factors determining the timing of payment of inclusionary fees, being relatively uncertain, it's more difficult for us to predict timing of construction starts than ever before. So we need teams to be prepared to embark on predevelopment work upon awards, and then expect some of the sites to end up on a slightly slower track.

We expect the sites included in this RFQ to move forward in two cohorts.

- Cohort 1: 772 Pacific, 1939 Market, 88 Bluxome, 160 Freelon, 1515 South Van Ness
- Cohort 2: 967 Mission, 71 Boardman/356 Harriet, 725 Harrison, Pier 70 C2A

This is intended to consider the availability of both our local funds, some of which are dependent upon receipt of inclusionary fees, as well as tax exempt bonds, which are now competitive. Over the past two years, we have closed approximately 6 new construction tax exempt bond deals per year. These nine infill sites join our pipeline that is also made up of sites in Plan Areas such as Potrero HOPE SF, Sunnydale HOPE SF, Hunters Point/Shipyards (OCII), Transbay (OCII), Mission Bay (OCII), Treasure Island, and Balboa Reservoir.

We have budgeted predevelopment funds for Cohort 1 in Fiscal Year 20-21 and for Cohort 2 in Fiscal Year 21-22. Gap funding is budgeted for Cohort 1 in FY 22-23 and for Cohort 2 in FY 23-24.

New CDLAC and TCAC regulations and the competition they prescribe may cause us to adjust the schedules as needed for all of our pipeline sites, including the 9 sites in this RFQ.

10. Why were 725 Harrison and 71 Boardman designated supportive housing sites?

Decisions about site programming by MOHCD were based on factors such as project readiness, parcel size, availability of bond funds based on target population, and alignment with Mayoral priorities.

SOMA is notable because there has been an abundance of development opportunities in recent years and also includes the OCII Transbay and Mission Bay development areas. In addition to the 5 sites included in this RFQ, there are currently one site in construction and two sites in

predevelopment (in addition to others funded by OCII and private entities) anticipated to proceed prior to the five sites included in this RFQ.

We encourage respondents to review the Research and Reports section of the Department of Homelessness and Supportive Housing's website, found here:

<https://hsh.sfgov.org/about/research-and-reports/>. Please see especially the *Strategic Framework* and the *Point in Time Count (2019)*, which (pre-pandemic) documented a total homeless count of 8,035, including 3,030 chronically homeless individuals, and amplified how institutional racism and discrimination has impacted our unsheltered San Franciscans (37% of those reporting were Black, 27% were LGBTQ+.)

11. Does MOHCD have environmental information about 71 Boardman? The Site Information folder on the website is empty.

12. No. MOHCD is still gathering information about the site pending the transfer. Because of the site's location in SOMA, it is reasonable to assume that some environmental remediation will be required. The cost of remediation is to be borne by the developer who is dedicating the land to MOHCD.

13. How are the terms within this phrase defined? "Create opportunities for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations"

12a. Does the organization have to be "smaller"

No. We assumed that qualifying organizations would be on the smaller side, but size is not a determinant.

12b. AND Black, Indigenous and people of color, (BIPOC)-led?

No.

12c. How is Smaller defined?

This is not applicable, see response above.

11d. How is Black, Indigenous and people of color, (BIPOC)-led defined?

Executive Director and 50% of Board of Directors self-identify as BIPOC.

14. What are the 3 sites fully funded with go bonds?

Three sites anticipated to be funded (not fully) with 2019 GO Bonds are 772 Pacific, 1939 Market, and 1515 South Van Ness.

15. In the Notes of the table, it looks like Pier 70 doesn't include CES units - is that right?

Correct, we do not anticipated referrals from Coordinated Entry to Pier 70 Parcel C2A.

16. For 967 Mission, are the inclusionary fees coming from the 5M project?

Yes. Funding for 967 Mission is expected to come in large part from inclusionary fees generated by the 5M development project.

17. Does the local experience for each of those categories need to come from the company/organization or can it come from an individual within the company/organization (specifically developer/property manager)?

Yes, for the Developer, Owner, Property Management and Services entities. Each entity using this provision must demonstrate how the individual's experience is transferable to the organization.

18. For developer, can mixed use include office?

Yes.

19. Would you please clarify what demographic information MOHCD is looking for (i.e. sex, age, place of residence, and/or race)?

TBD. Assume will be in accordance with other MOHCD data collection efforts, which also includes sexual orientation/gender identity (SOGI).

20. Can we include diagrams, charts, pics in Vision?

Yes. Any diagrams, charts, or pictures must be included within the narrative submitted. Please heed the six-page limit for this section.

21. Does active Board Member experience qualify for ownership and developer experience in San Francisco?

No.

22. Should we assume competitive or non-competitive NPLH for the PSH sites?

Non-competitive. Assume any NPLH funds would be loaned to the project from MOHCD, as MOHCD is an Alternative Process County. MOHCD only intends to apply NPLH funds to the 100% homeless sites in this RFQ.

23. Additionally, should we assume 100% LOSP coverage on all units or utilization of a COSR? (page 29-30)

Yes, for the 100% homeless sites. MOHCD does not intend to approve a Capitalized Operating Subsidy Reserve (COSR) for these sites.

24. There is a lot of information to be covered in a tight page count. For a Joint Venture are page limits in total or per partner?

The page limits are total per submission, regardless of the number of partners.

25. Will a list of registered applicants be posted to the MOHCD website?

Revised: The list of registered applicants is now available/posted on the MOHCD website.

We are considering this request carefully and will respond by January 4th. Sharing this information has not been our practice, pre-pandemic. However, we recognize that there is interest in business development from a variety of types of consulting companies (architects,

contractors, workforce development, for example), as well as potential for joint ventures between larger and smaller organizations, and we also see a role for ourselves in making connections.

26. When do you expect to start providing answers to the questions? Will you be able to answer in batches?

Our intention is to answer questions in writing on a rolling basis, with initial questions identified and some answers posted the week of December 21st. Subsequently, we intend to respond in batches, up until the due date for questions. The due date for questions has been extended to January 11 at 4pm.

27. Sorry if I missed this somewhere, but for the project without CES units (Pier 70), what is the presumed ratio for services staff to number of units? (You mentioned the 1:20 ratio for all of the other projects that have CES units).

MOHCD's underwriting guidelines allow for payment of services from operations at a ratio of 1:100 units/households. There is no additional presumption of services provision for Plus Housing referrals. For CES referrals, services are expected to be funded through a contract with the Department of Homelessness and Supportive Housing, per their contracting tier system.

28. Does no CES units mean no homeless set-a-side units?

Yes.

29. Are you posting the contact information for participants attending this pre-qual meeting (x3)?

Revised: The list of registered applicants is now available/posted on the MOHCD website. We are considering this request carefully and will respond by January 4th. Sharing this information has not been our practice, pre-pandemic. However, we recognize that there is interest in business development from a variety of types of consulting companies (architects, contractors, workforce development, for example), as well as potential for joint ventures between larger and smaller organizations, and we also see a role for ourselves in making connections.

30. Will the selection of the team for 1939 Market Street take into account that the site is adjacent to the offices of Openhouse, across the street from 55/95 Laguna, and the LGBTQ Center? What is the relationship between the RFQ sites and existing neighborhood resources?

Yes. For each of the sites, the existing neighborhood resources are a factor in programming the uses and also in selecting the development team.

31. Given the cohort/timing expectations, will that be considered when evaluating capacity of the development team?

We anticipate that the 9 sites will, at minimum, complete their predevelopment phases (through securing construction permit) within the same 1-2 years. With the financing climate, inclusive of factors determining the timing of payment of inclusionary fees, being relatively uncertain, it's more difficult for us to predict timing of construction starts than ever before. So

we need teams to be prepared to embark on predevelopment work upon awards, and then expect some of the sites to end up on a slightly slower track.

Development teams will need to be ready to accept awards this fiscal year or next fiscal year and proceed expeditiously with predevelopment.

32. For the qualifying project, can rehabilitation projects be substituted for new construction?

No.

33. Could you post/send around a pdf copy of the slide deck that you shared today please (x3)?

Copy of the slide deck can be found on MOHCD's website: <https://sfmohcd.org/multisite-request-qualifications>

34. Can I get a copy of the recording (x4)?

The meeting was not recorded.

35. Can multiple projects be used to qualify under the desired characteristics of the Qualifying Project or do we have to use one Qualifying Project for each experience category? For instance, if we are qualifying under Minimum Developer Experience - can we use multiple projects to comprise a Qualifying Project or just one Qualifying Project (Page 36)

You must use Qualifying Project for minimum experience for the Developer. You may submit a different Qualifying Project for the Asset Manager, Property Manager, and Services Provider, but no more than 4 total Qualifying Projects.

36. If construction is finished and TCO is achieved within 90 days for the RFQ, can it be used as a qualifying project? Can substantial completion be used as an alternative?

No, the due date of the application is the cut off for project completion for purposes of identifying a Qualifying Project. Yes, Substantial Completion may substitute for Temporary Certificate of Occupancy.

37. Can we use substantial rehabilitation projects as new construction projects if they meet all the other characteristics?

No. MOHCD believe that there are substantial enough differences between new construction and substantial rehabilitation projects that these are not interchangeable for the purposes of establishing qualifications in this RFQ.

38. Does the Qualifying Project have to be in the same housing type as the project being applied for? I.e. can we use Senior Housing as a Qualifying Project for Family Housing or Family Housing as a Qualifying Project for Senior Housing?

The Qualifying Project may be either Senior or Family.

39. For Minimum Ownership Experience, Does the key staff member have to be the owner or does the experience transfer with the key staff member?

Please see response to previous question.

40. For Minimum Ownership Experience, does the ownership have to be in SF?

Yes.

41. For Minimum Ownership Experience, does experience start from TCO or acquisition?

For establishing minimum ownership of a Qualifying Project, experience starts after Substantial Completion/TCO, when operations begin.

42. If we can use substantial rehabilitation projects, we would like to count the experience from the transfer of ownership date?

Rehab projects may not be submitted for the Qualifying Project.

43. For the Racial Equity component of Minimum Experience, does the minimum experience only apply to the submitted Qualifying Projects or can we provide additional minimum experience of Racial Equity on non Qualifying Projects?

There is no Qualifying Project to be submitted for the racial equity component of the Experience section.

44. Can we use the Qualified Project experience of Board members if we have a non fund-raising board, but a practitioner board?

No.

45. If a developer is applying for sites in separate cohorts, they would be spreading out their workload capacity for the developer. Would that be considered in MOHCD's consideration of capacity?

We encourage all parties to express interest in all sites for which they have interest. If being selected for all of the sites you've expressed interest in creates a capacity gap, please identify how you would resolve (e.g. if you need to scale up/hire new staff, indicate that.)

46. On page 40, the minimum service provision requirement states "The service provider must also have experience with and capacity to bill MediCal." Does this mean experience directly billing MediCal or will billing MediCal eligible services through DPH be sufficient experience?

For purposes of establishing minimum qualifications, ability to bill through DPH is sufficient. However, ability to bill directly is desired, and applicants should speak to any barriers that exist for them to achieve direct billing status.

47. During Friday 12/18's pre-submission conference call, you stated that the expectation for the first cohort of projects (771 Pacific, 1939 Market, 88 Bluxome, 160 Freelon, 1515 South Van Ness) is 2-3 years of predevelopment and 2 years of construction with occupancy expected around 2025. What is the expected timeline for the second cohort of projects: 967 Mission, 71 Boardman, 725 Harrison, and Pier 70 C2A?

Please see response to questions above.

48. For attachment 4 – Qualifying Project Form submission, there is conflicting information as to whether we should submit up to four projects or five projects. Page 36 of the RFQ states “no more than four (4) total Qualifying Projects should be submitted.” Page 48 of the RFQ states “no more than five (5) total Qualifying Projects should be submitted.” Which is correct?

Four is correct.

a. Also related to attachment 4. Page 36 talks about the 4 projects to submit across the 4 categories, but page 48 talks about 5 projects to submit for 5 categories, the fifth being “*Minimum experience in incorporating principles of racial equity into development, management, and service experience.*” If we are in fact filling out up to 5 attachment 4s for 5 different projects, where on the attachment do we mark that that project is the one that fulfills the racial equity experience?

Page 48 is incorrect. There should be a maximum of four projects submitted as Qualified Projects. There is no QP required to demonstrate racial equity experience.

b. Also related to attachment 4. Pages 36 and 48 of the RFQ states “*each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories.*” To clarify, this means we can submit one project that, for example, can cover up to all 4 (or 5) of these categories, and submit multiple projects that fit just one of the experience categories, as long as we submit up to 4 (or 5) and cover every category, correct?

Yes.

49. Can the demographic information, required in the Threshold section, be aggregated (i.e. "there are X Board members who identify as female")?

Yes.

50. Per Attachment 7 (Disclosures), would please provide a list of MOHCD's senior staff members?

MOHCD Senior Staff members are:

- Eric D. Shaw, Director
- Maria Benjamin, Deputy Director, Homeownership & BMR
- Brian Cheu, Deputy Director, Community Development
- Lydia Ely, Deputy Director, Housing
- Benjamin McCloskey, Deputy Director, Finance and Administration

51. Are the minimum experience requirements for the permanent supportive housing sites inclusive of the minimum experience requirements for the non-permanent supportive housing sites or completely separate? For example, page 36 states that the minimum developer experience is “New construction in either a Type V over I or Type III over I construction type...must have completed within the past ten years at least one Qualifying Project located in San Francisco. “Completed” means the Project must have received its Temporary Certificate of Occupancy by the date of the issuance of the RFQ.” Page 39’s permanent supportive housing developer experience requirements on don’t comment on the development needing to have been type V

over Type 1, or that the development needs to be have been completed in the last 10 years – so continuing the example, does the permanent supportive housing developer’s experience submission need to have received TCO in the last 10 years?

The minimum qualifications for the 100% Homeless sites are separate.

52. Page 39 states that permanent supportive housing minimum develop experience has to be "New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 75 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)." Does substantial rehabilitation also need to be approximately 75 units or can it be below 75?

75 units is the minimum size for either a new construction or rehabilitation project submitted to satisfy minimum qualifications for 100% Homeless sites.

53. I wanted to follow up to be sure I understand the covenant restrictions for 1939 Market (attached). Do you know where I could find local and/or state prevailing wage laws?

The intent was to ensure that covered contract work was done either by union labor or in compliance with prevailing wage laws. Some types of work are exempt from prevailing wage laws, but we would expect to take a conservative view of any exemptions. Please note, compliance with state and City prevailing wage laws is required under MOHCD’s standard ground lease under Administrative Code Section 23.61. Once a project sponsor is selected, we will work with them to determine if clarification is needed from the union.

For the City, see Administrative Code Sections 6.22(e) and 23.61.

For the State, see Government Code Section 1720 et seq. The Department of Industrial Relations has more information: <https://www.dir.ca.gov/public-works/prevailing-wage.html>.

Additional Questions as of 12/31/2020:

54. May we include an appendix that incorporates supplemental documents to the RFQ response?

No.

55. Is there a page limit for Racial Equity Capacity threshold requirement (Section 3-D)?

The Racial Equity Capacity requirement must be discussed within the page limit for the Vision section.

56. For 2-d. Minimum Service Provision Experience, would MOHCD accept a project that has undergone substantial rehabilitation (but is not defined as "new construction") and meets all other Qualifying criteria as a Qualifying Project?

Yes, for the two 100% Permanent Supportive Housing sites only. No for the other sites. This is intended to encourage partnerships with local organizations.

57. For 2-a. Developer's Qualifying Project, does mixed use include office, such as outside contracted services spaces?

No. Services spaces located within the confines of the residential building, whether occupied by a contracted provider or not, are considered residential in this context. If the offices were accessed from the street/were functionally separate from the residential uses, then outside contracted services space would qualify as mixed-use. The intention here is for mixed-use to refer to the planning code applied use designation.

58. Does Openhouse qualify as a SF-Based nonprofit development entity? Our mission statement includes the word "housing" but not "housing development". Is it correct to assume Openhouse would qualify given our co-development experience on 55 and 95 Laguna?

More broadly, with respect to all applicant organizations, yes, where the organization is based in San Francisco and supports housing as part of its mission. Previous experience as co-developer does count to establish experience, and the specific role played if not sole or lead developer/owner/property manager/services provider must be explained (e.g. % of developer fee received, any task where served as primary decision maker, for example.)

59. Are organizations allowed to be on multiple teams applying for the same site? In other words, could the same non-profit be a co-developer with more than one group applying for a site? Could the same non-profit be a service provider for more than one team applying for a site?

Yes. Yes. Yes.

60. Does the qualifying project have to be located in San Francisco?

Yes. This is intended to encourage partnerships with organizations with local experience.

** Reminder: All questions must be submitted by 4pm on January 11, 2021.**