



CITY OF CHULA VISTA

*Redevelopment  
& Housing*



**REQUEST FOR QUALIFIED DEVELOPMENT TEAMS  
AFFORDABLE HOUSING DEVELOPMENT  
CHULA VISTA, CALIFORNIA**



**July 16, 2010  
(amended July 29, 2010)**

**REQUEST FOR QUALIFIED DEVELOPMENT TEAMS**

**AFFORDABLE HOUSING DEVELOPMENT**

**CHULA VISTA, CALIFORNIA**

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# **REQUEST FOR QUALIFIED DEVELOPMENT TEAMS**

## **AFFORDABLE HOUSING DEVELOPMENT**

### **CHULA VISTA, CALIFORNIA**

#### **I. INTRODUCTION**

The City of Chula Vista (City) and the Chula Vista Redevelopment Agency (Agency) is searching for qualified development teams to plan, design, finance and build affordable housing in the City of Chula Vista, particularly in western Chula Vista (Exhibit A).

The City of Chula Vista has a long history of supporting the development of affordable housing. Both the community and the City Council have expressed the need for more affordable housing. The City is proactively looking to create a “short list” of development teams to work in partnership with over the next five years in creating more affordable projects.

The City and Agency have two main sources of revenue for affordable housing development. The primary source being the Redevelopment Agency's Low and Moderate Income Fund (Low/Mod). This revenue is a set aside of and generated from tax increment revenue to the Agency. There is approximately \$15 million available to use over the next 5 years. This source of revenue is expected to create affordable housing opportunities within the Redevelopment Area boundaries, shown in Exhibit A. An additional source of revenue is HOME Investment Partnership Funds (HOME) from the U.S. Department of Housing and Urban Development. This source of revenue is much smaller; the City receives about \$800,000 annually, and is only able to accumulate only 3 years worth adding to approximately \$2.4 million. There are strict requirements for timelines to commit and expend these funds. HOME funds are generally used outside of a Redevelopment Project Area.

The development site/s will be selected in collaboration with City staff and the development team. The design process will include City staff and community neighbors, within the parameters established by allowable codes, regulations and other development requirements of the site. The City/Agency will own the land and lease back the property to the developer through a long term ground lease.

## **A. City and Agency Goals**

The City/Agency expect to leverage their financial subsidy through the use of funding from the Low Income Housing Tax Credit program (Tax Credits), the Affordable Housing Program of the Federal Home Loan Bank of San Francisco (AHP), prospective State Housing Bond funds, and/or other funding sources for affordable family housing, as available. The City/Agency expect the selected team to work diligently with City staff and the community to design an appropriate, cost-effective, energy-efficient, affordable rental housing development.

The City/Agency will enter into an Exclusive Negotiating Agreement (ENA) with the selected developer/s. The ENA will stipulate all responsibilities of the developer and finalize all business terms between the City/Agency and the developer.

## **B. The Developer Role**

The City/Agency seeks an experienced and capable developer to carry out the following roles:

- Work in collaboration with City/Agency staff to identify appropriate sites for development.
- Make purchase offers for agreed upon sites. Secure site for development.
- Assemble the development team, consisting of the architect, engineer(s), general contractor, property management firm (as appropriate) and others as needed. Key members of the team will be subject to separate City/Agency review and approval, including the architect, general contractor and property management entity.
- Own and operate the development directly, or if syndicated under terms of the Tax Credit program, serve as managing general partner of a limited partnership or managing member of a limited liability corporation for the project.
- The selected developer may directly manage the properties, or contract with a professional property management firm. The City/Agency will reserve the right to approve the property management entity and management plan.
- Secure financing required to construct, syndicate if appropriate, and operate the development.

- As applicable, provide financial guarantees to construction and permanent lenders. Provide net worth, operating deficit and credit adjuster guarantees to limited partners, as appropriate. The terms and conditions of the construction and permanent loans for the development will be subject to City/Agency approval.
- If syndicated under the Tax Credit program, secure a limited partner investor. The City/Agency will approve the terms of the partnership agreement, including pricing, pay-in schedule, option agreement, general partner asset management fee, cash flow distribution, and other provisions material to the City/Agency's interests.
- Secure all City development review approvals, and other required entitlements for the development.
- Conduct all studies necessary to secure entitlements.
- Work with the community and the City/Agency to gain public support for the development. It is expected that the development team will host a series of public community design workshops to ensure that the development's design is compatible with the community and that every effort is made to mitigate areas of concern.
- Provide opportunities for appropriate resident services.
- Secure annual property tax exemptions for all qualifying units in compliance with California Revenue and Tax Code Section 214(g).

## **II. DEVELOPER SELECTION PROCESS**

Following the receipt of responses to this RFQ, the qualifications of all applicants will be reviewed to identify adequately qualified applicants. The top respondents may be interviewed by a panel established by the City. The developer candidates will be evaluated based on their submittals to this RFQ, reference checks and, if appropriate, interview with the selection panel.

Prospective developers must demonstrate their experience and resources to design, develop, and operate a project. Prior experience with affordable, mixed-use, urban infill, and energy-efficient development, financing, and construction will be critical elements in evaluating proposals. Current financial capacity or access to funding sources is necessary. Additionally, the ability to complete projects in a timely manner will be an important factor in selecting the most qualified development team. Ultimately, the City/Agency will select the developer deemed to provide the best combination of strengths and experience (See "V. Selection Criteria").

The interview panel along with City staff may establish a list of qualified respondents by geography or project type (acquisition/rehab, new construction under 50 units, new construction over 50 units, special needs, etc.). Final selection of the developer will be subject to approval by the full City Council/Agency Board.

The selected developer candidate will receive an exclusive right to negotiate an Owner Participation Agreement (OPA). These negotiations will be conducted with City staff, and brought forward to the full City Council/Agency Board for approval. Following approval of the OPA, a permanent lender, general contractor, and property management entity, as appropriate, will be selected. These other development team members will be proposed by the selected developer and then subject to final approval by City/Agency staff. If syndicated, the City/Agency will also approve the identity of the tax credit investor and terms of the limited partnership.

### III. SUBMISSION PROCEDURES

#### Additional Information

- Additional information about the City is available on-line at [www.chulavistaca.gov](http://www.chulavistaca.gov) , including mapping and parcel database.

Questions related to this RFQ must be received via e-mail no later than July 26, 2010 to:

- Amanda Mills, Housing Manager [amills@ci.chula-vista.ca.us](mailto:amills@ci.chula-vista.ca.us) (619) 409-5948

A copy of each question and its corresponding answer will be posted on our website on July 29th.

Proposals (4 bound and one unbound) must be *received* in a sealed envelope at the City office no later than **Thursday, August 19, 2010 at 4:00 p.m.**, submissions received after this date and time will be returned unopened.

Proposal packages should be submitted to:

Ms. Amanda Mills  
Housing Division  
City of Chula Vista  
276 Forth Ave.  
Chula Vista, CA 91910

The Agency reserves the right to waive any of the submission requirements for any applicant and the right to reject all of the proposals received.

#### IV. Submittal Requirements

Four (4) bound copies of entity qualifications as detailed below must be submitted. In addition, a fifth, unbound, copy of the submission package must be provided.

A complete (but concise) proposal will allow the City to identify the most qualified development team, and should be indicative of the level of commitment to adequately secure and develop a site. **All required information must be submitted. The Agency may reject any application it deems incomplete based on the information required by this RFQ.** At a minimum, proposals shall include the following, organized by tabs in order as listed:

1. Contact Information

- The name of the entity proposing to act as developer and Contact information (Mailing address, telephone, facsimile, e-mail address) for all principals

2. Development Experience/Qualifications

- General Information: Company fact sheet or profile, including the entity's corporate or partnership structure.
- Development Team Member Qualifications: Resumes/biographies of principals and project management staff to remain available throughout the course of the project's development.
- Joint Venture Descriptions: A joint venture agreement (as applicable) stipulating the roles, responsibilities, time of performance, fee sharing, compensation, and other material responsibilities between the joint venture partners, if applicable. A letter of intent may suffice for a joint venture plan, as long as it stipulates the items specified in this paragraph, and is signed by authorized signatories of each joint venture partner.
- Current Capacity: A listing of current projects in the entity's development pipeline, including pre-development, construction, and lease-up activities underway. These developments should include the location, size, timeline and financial guarantees expected to be required of the developer.
- Financial Strength: The most recent audited financial statement for the developer, and all proposed affiliated organizations. If an individual person or persons is/are proposed to offer financial guarantees, audited financial statements or personally signed financial statements are required in addition to that of the developer.

- Comparable Development: A list of up to 7 affordable rental housing developments completed, under construction and/or planned by the developer within the last 7 years. Only those projects where the developer served as owner or general partner will be considered. For each project, provide project descriptions that include the location, number of units, housing type, green building features, affordability levels, site amenities, bedroom distribution (mix of units by bedroom count), financing sources, development budget, property management agent (name, address and telephone number) and other information deemed relevant by the developer. For each project, applicants must submit the development budget, and sources/uses.
- References: The names and telephone numbers of lenders, Limited Equity Investors, local government contacts, and General Partners for three of the 7 projects listed above which have been in operation for at least two years.

### 3. Operation/Management experience

- Project Operations: For each of the 3 projects referred to in References above provide a current operating budget for each project, and the most recent audited financial statement. These statements should clearly account for operating costs, debt service payments, deposits and withdrawals from replacement, operating and other project reserves, as well as balances for all project reserve accounts, tenant security deposit accounts, deferred developer fees, if any, and distribution of residual receipts to public lenders and to the developer, if any.
- Lease-up/Occupancy: For each of the 3 projects referred to in References above, provide information on the number of months needed to obtain lease-up. Provide a statement of current occupancy levels, stated as a percentage of total units, for each development currently owned and/or operated by the developer candidate. State the degree to which lease-up, rents and occupancy levels meet, exceed or fall short of original projections.
- Resident Services: For each of the 3 projects referred to in References above, provide a description of resident service programs offered. This description should be provided for each development, as applicable, indicating the duration and funding source for each program.

### 4. Development Fees

- Compensation Proposal: Compensation proposal identifying proposed forms of developer compensation, including

predevelopment expenses requested to be reimbursed by the City/Agency, if any, prior to closing the construction loan, developer fee, residual receipts cash flow share/percentage, general partner asset management fee (annual), property management fee, if developer is proposing to serve as property manager, stated as \$/unit/month.

5. Disclosure Statement (Exhibit B)
6. Signed Certifications Form (Exhibit C) signed by *duly authorized* signatories representing each member of the proposed development team.

## V. SELECTION PROCESS AND CRITERIA

Selection of a proposal and development team will be based on professional qualifications, quality of conceptual development proposal, interviews, past project experience and performance, and other pertinent factors. The selected development team will be required to enter into an Exclusive Negotiation Agreement (ENA) with the City/Redevelopment Agency.

### Conceptual Timeline

Release of RFQ:	Friday, July 16, 2010
<u>Submittal deadline:</u>	<b>Thursday, August 19, 2010, 4 p.m. PST</b>
Review of proposals:	3 weeks (approx.)
Interview most qualified:	Second Week of September (approx.)
Select Development teams:	1 week (approx.)
Propose selection to Council/Agency:	8 weeks (approx.)

As noted above, selection of the Developer pursuant to this RFQ will be conducted in a two-step process:

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

#### **A. Minimum Developer Qualifications**

Developers must demonstrate that they (or if a joint venture, at least one part of the joint venture) qualify for maximum general partner experience points under the California Tax Credit Allocation Committee (CTCAC) Regulations.

The judgment as to whether applicants satisfactorily meet the minimum qualifications will be at the sole and absolute discretion of the City/Agency.

#### **B. Scoring of Qualified Applications**

Applicants meeting minimum developer qualifications as defined above will be scored according to the criteria below. Top-scoring candidates may be selected for an interview with the Selection Committee. The City/Agency in its sole discretion may select a developer based on submissions only.

**1. Completeness of Application**

Applicants must submit all required elements. Failure to submit any of the required information is grounds for rejection of any RFQ response. The Agency reserves the right to reject incomplete applications.

**2. Development Track Record**

**55 Points**

- a. Track record in completing construction and lease-up on time and on budget. 10 Points
- b. Demonstrated financial capacity to provide financial guarantees. 5 Points
- c. Track record in securing 9% Tax Credits/Bonds. 10 Points
- d. Positive track record for collaborative negotiations with public agency (as demonstrated by referrals). 10 Points
- e. Experience in implementing green building techniques and sustainable features 10 points
- f. Success at gaining community support for affordable projects and remaining sensitive to concerns throughout operations. 10 Points

**3. Operation and Management of Affordable Rental Housing**

**30 Points**

- a. Reasonableness of operating costs for project market areas. 5 Points
- b. Track record of positive cash flow and compliance with regulatory agreements, and property maintenance standards. 15 Points
- c. Quality and depth of resident services for families. 10 Points

**4. Developer Compensation (lowest proposed fees will receive highest score)**

**15 Points**

- a. Developer Fee 5 Points
- b. General Partner Asset Management Fee 5 Points
- c. Residual receipt cash flow percent share 5 Points

**TOTAL**

**100 Points**

## **VI. RFQ GENERAL INFORMATION**

### Exceptions to this RFQ

The Developer shall certify that it takes no exceptions to this RFQ. If the Developer does take exception(s) to any portion of the RFQ, the specific portion of the RFQ to which exception is taken shall be identified and explained.

### City's Rights

Issuance of this RFQ does not commit the City to award a contract, enter into an ENA, or pay any costs incurred in the preparation of a response to this RFQ. City retains the right to reject any and all submittals. The execution of any contract or ENA pursuant to this RFQ is dependent upon the approval of the City Council and/or Redevelopment Agency in its sole and unfettered discretion. Any contract or ENA shall be prepared in a form acceptable to the City Attorney.

By its issuance of the RFQ, City/Agency is continuing its planning efforts for the area. The Agency is not committing itself or agreeing to undertake any activity requiring the subsequent exercise of discretion by Agency, or any department thereof including, but not limited to, the approval and execution of an ENA or OPA; the proposal, amendment, or approval of any land use regulation governing the Property; the provision of financial assistance for the development of any public or private interest in real property; or, any other such activity.

### Collusion

By submitting a proposal, each Respondent represents and warrants that its proposal is genuine and not false or collusive or made in the interest of, or on behalf of any person not named therein; that the Respondent has not directly or indirectly induced or solicited any other person to submit a false proposal, or any other person to refrain from submitting a proposal; and that the Respondent has not, in any manner, sought collusion to secure any improper advantage over any other person submitting a proposal.

### Indemnification

Respondent shall be required to indemnify the City pursuant to the following language:

#### A. Indemnification and Hold Harmless Agreement

To the fullest extent provided by law with respect to all liability except liability for Professional Services, covered under Section B, the Service Provider agrees to defend, indemnify, protect and hold harmless the City, its agents, officers and

employees, from and against any claim, demand, action, proceeding, suit or liability for damages, costs (including reasonable attorneys' fees) or expenses for damages to property or the loss of use thereof or injuries or death to any person (including Respondent's employees), caused by, arising out of or related to the performance of, Service Provider as provided in the Scope of Services, or failure to act by Respondent, its officers, agents and employees. The Respondent's duty to defend, indemnify, protect, and hold harmless shall not include any claims or liabilities arising from the active negligence, sole negligence or willful misconduct of the City, its agents, officers, or employees.

The Respondent further agrees that the indemnification, including the duty to defend the City, requires the Respondent to pay reasonable attorneys' fees and costs the City incurs that are associated with enforcing the indemnification provision, and defending any claims, demands, or liabilities arising from the services of the Respondent performed pursuant to this Agreement.

The City may, at its own election, conduct its defense, or participate in the defense of any claim demand related in any way to the Agreement. If the City chooses as its own election to conduct its own defense, participate in its own defense or obtain independent legal counsel in defense of any claim, demand or liability related to Respondent's Scope of Services, the Respondent agrees to pay the reasonable value of attorneys' fees and all of the City's costs.

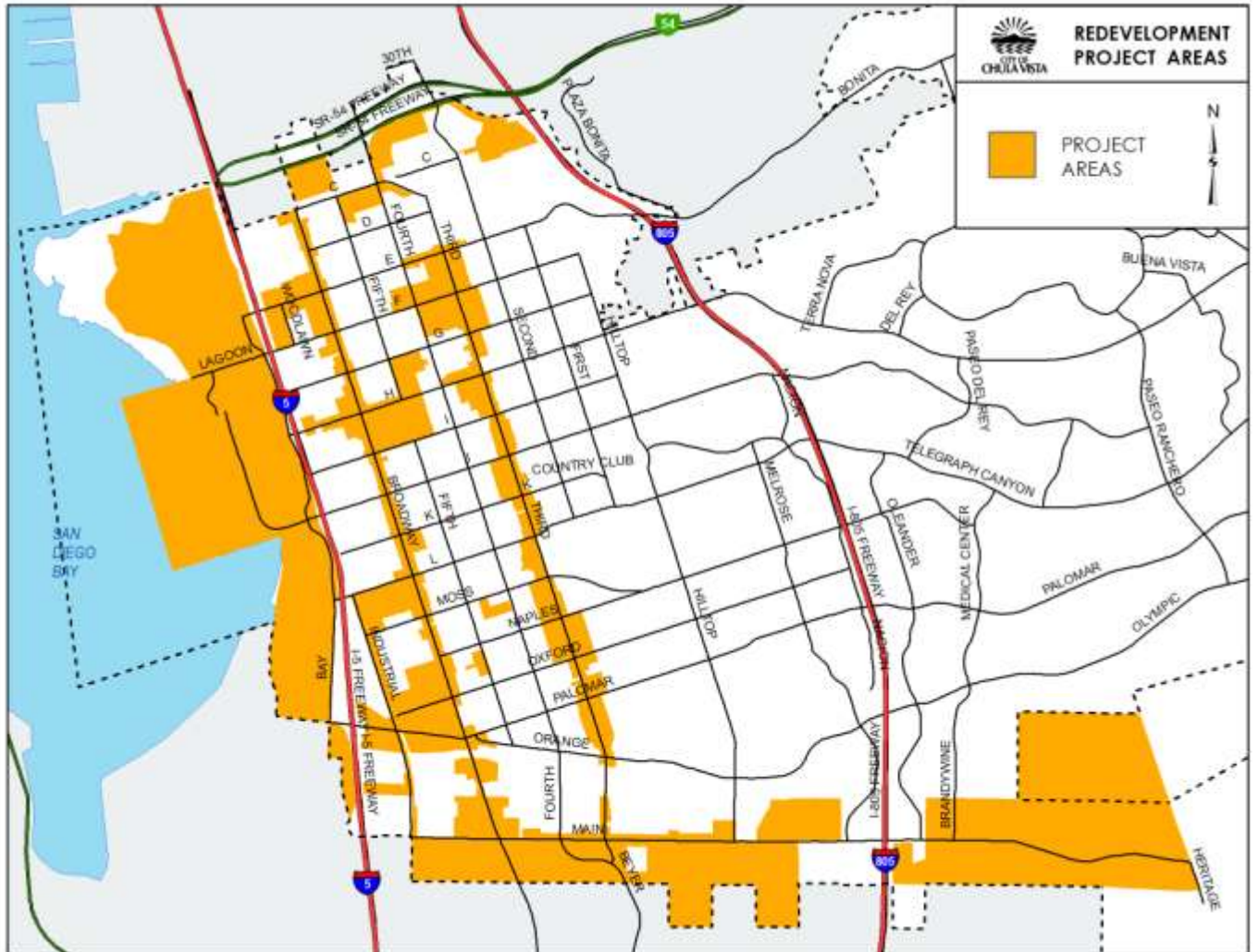
#### B. Indemnification for Professional Services:

As to the Respondent's professional obligation, work or services involving this Project, the Respondent agrees to indemnify, defend and hold harmless the City, its agents, officers and employees from and against any and all liability, claims, costs, and damages, including but not limited to, attorneys fees, that arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of Respondent and its agents in the performance of services under this agreement, but this indemnity does not apply liability for damages for death or bodily injury to persons, injury to property, or other loss, arising from the sole negligence, willful misconduct or defects in design by City or the agents, servants, or independent contractors who are directly responsible to City, or arising from the active negligence of City.

#### Confidential Information

Any information deemed confidential or proprietary should be clearly identified by the Respondent as such. It may then be protected and treated with confidentiality only to the extent permitted by state law. Otherwise the information shall be considered a public record. Information or data submitted will not be returned.

Exhibit A



**Exhibit B**  
**Disclosure Statement**

Pursuant to City Council Policy 101-01, prior to any action on a matter that requires discretionary action by the City Council, Planning Commission or other official legislative body of the City, a statement of disclosure of certain ownerships, financial interests, payments, and campaign contributions must be filed. The following information must be disclosed:

1. List the names of all persons having a financial interest in the project that is the subject of the application, project or contract (e.g., owner, applicant, contractor, subcontractor, material supplier).

_____	_____
_____	_____
_____	_____

2. If any person\* identified in section 1 above is a corporation or partnership, list the names of all individuals with an investment of \$2000 or more in the business (corporation/partnership) entity.

_____	_____
_____	_____
_____	_____

3. If any person\* identified in section 1 above is a non-profit organization or trust, list the names of any person who is the director of the non-profit organization or the names of the trustee, beneficiary and trustor of the trust.

_____	_____
_____	_____
_____	_____

4. Please identify every person, including any agents, employees, consultants, or independent contractors, whom you have authorized to represent you before the City in this matter.

_____	_____
_____	_____
_____	_____

5. Has any person\* identified in 1, 2, 3, or 4, above, or otherwise associated with this contract, project or application, had any financial dealings with an official\*\* of the City of Chula Vista as it relates to this contract, project or application within the past 12 months? Yes\_\_\_ No\_\_\_

_____	_____
_____	_____
_____	_____

If yes, briefly describe the nature of the financial interest the official\*\* may have in this contract.

\_\_\_\_\_

\_\_\_\_\_

6. Has any person\* anyone identified in 1, 2, 3, or 4, above, or otherwise associated with this contract, project or application, made a campaign contribution of more than \$250 within the past twelve (12) months to a current member of the Chula Vista City Council?  
Yes\_\_\_\_No\_\_\_\_

If yes, which Council member(s)?

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7. Has any person\* identified in 1, 2, 3, or 4, above, or otherwise associated with this contract, project or application, provided more than \$420 (or an item of equivalent value) to an official\*\* of the City of Chula Vista in the past twelve (12) months? (This includes any payment that confers a personal benefit on the recipient, a rebate or discount in the price of anything of value, money to retire a legal debt, gift, loan, etc.)  
Yes\_\_\_\_\_ No\_\_\_\_\_

If Yes, which official\*\* and what was the nature of item provided?

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8. Has any person\* identified in 1, 2, 3, or 4, above, or otherwise associated with this contract, project or application, been a source of income of \$500 or more to an official\*\* of the City of Chula Vista in the past twelve (12) months? Yes\_\_\_\_\_ No\_\_\_\_\_

If Yes, identify the official\*\* and the nature of the income provided?

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Date:\_\_\_\_\_

\_\_\_\_\_  
Signature of Contractor/Applicant

\_\_\_\_\_  
Print or type name of Contractor/Applicant

\* Person is defined as: any individual, firm, co-partnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, receiver, syndicate, any other county, city, municipality, district, or other political subdivision, or any other group or combination acting as a unit.

\*\* Official includes, but is not limited to: Mayor, Council member, Planning Commissioner, Member of a board, commission, or committee of the City, and City employees or staff members.

\*\*\* This Disclosure Statement must be completed at the time the project application, or contract, is submitted to City staff for processing, and updated within one week prior to consideration by the legislative body.

**Exhibit C**  
**Candidate's Certification Form**

All Candidates must complete this Candidate's Certification Form. It must be signed by individuals duly authorized to execute such documents by their respective organizations.

**Outstanding Judgments:** The undersigned has/have never had any unfavorable judgments or bankruptcies and are not currently involved in any pending lawsuits or judgment or bankruptcy involving themselves or any entity in which they have been or are now involved

or

The undersigned have attached to this Certification Form a complete description of any and all bankruptcies, unfavorable judgments and/or pending lawsuits involving themselves or any entity in which they have been or are now involved.

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Organization

**Availability of Principal Staff:** The undersigned will make the following principal staff available through the entire course of development and construction of the development.

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Organization

**Financial Guarantees:** The undersigned certify that Candidate is willing and able to provide all required financing guarantees required by construction lenders, and tax credit investors.

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Organization

**City and Agency Policies:** The undersigned certify that the Candidate is prepared to abide by all applicable City and Agency policies with respect to the zoning code, design guidelines, Specific Plan requirements, if any, and Agency objectives for local contracting.

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Name, Title, Date

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Organization