

CITY
OF

PASADENA



Request for Preliminary Proposals

State Local Housing Trust Funds

FOR THE

Department of Housing

NOTICE REGARDING DISCLOSURE
OF
CONTENTS OF DOCUMENT

All responses to this Request for Preliminary Proposals (RFPP) accepted by the City of Pasadena (City) shall become the exclusive property of the City. At such time as the City Manager recommends a contractor to the City Council, and such recommendation, with any recommended contract appears on the Council agenda, all applications accepted by the City shall become a matter of public record and shall be regarded as public, with the exception of those elements of each application which are defined by the contractor as business or trade secrets and plainly marked as "Trade Secret", "Confidential" or "Proprietary". Each element of an application which a contractor desires not to be considered a public record must be clearly marked as set forth above, and any blanket statement (i.e. regarding entire pages, documents or other non-specific designations) shall not be sufficient and shall not bind the City in any way whatsoever. If disclosure is required or permitted under the California Public Records Act or otherwise by law, the City shall not in any way be liable or responsible for the disclosure of any such records or part thereof.

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City of Pasadena
REQUEST FOR PRELIMINARY PROPOSALS

for

State of California Local Housing Trust Funds

June 30, 2021

1. REQUEST FOR APPLICATIONS

This Request for Preliminary Proposals (RFPP), announces the potential availability of State of California Local Housing Trust Funds (LHTF) provided by the City of Pasadena (City). The City is seeking preliminary proposals for the development of affordable rental housing projects from qualified and experienced affordable housing developers. The solicitation of preliminary proposals through this RFPP is the first step of a two-step application process. The second step, which will be contingent on the City receiving an LHTF award from the State, will require the proposer selected by the City under this RFPP to submit a comprehensive and detailed application package on their proposed project.

In order to be eligible to be selected under this RFPP, all proposals must meet threshold requirements, which can be found in Section 8 of this RFPP.

2. DEADLINE FOR SUBMISSIONS

Parties interested in responding to the RFPP are asked to submit one (1) electronic copy in PDF format of the proposal package by **4:30 p.m. on Friday, July 23, 2021** to James Wong, Senior Project Manager, Department of Housing by email at jwong@cityofpasadena.net. No hard copy submissions are required in response to this RFPP. All documents in the proposal package can be submitted with electronic signatures.

Proposals received after the deadline or incomplete proposals may not be accepted by the City or considered for the second step of the application process.

3. DEADLINE FOR RFPP QUESTIONS

City Housing Department staff are available to answer questions from proposers wishing to submit a proposal. All questions must be submitted on or before **Friday, July 9, 2021**. Any questions submitted after the date and time specified above may not be considered.

Questions should be directed only to:

James Wong, Senior Project Manager
Department of Housing
E-mail: jwong@cityofpasadena.net

Do not contact any other City employee or official regarding this RFPP. Questions shall be in written format and be submitted ONLY via e-mail.

4. DEFINITIONS

The words (A) "City", (B) "Department", (C) "Director", or (D) "Contractor", as used in this RFA, shall be understood to refer respectively to (A) the City of Pasadena, California; (B) the several departments therein; (C) the directors of the several City departments; or any of their properly authorized assistants; and (D) the person, firm or corporation with whom the contract is made by said City or the agent or legal representative who may be appointed to represent such person, firm or corporation in the signing and performance of said contract.

5. ADDENDA

If any person contemplating submitting a proposal is in doubt as to the true meaning of any part of this RFPP, he/she may submit to the City representative(s) identified in Section 3, above, a written request for an interpretation or correction thereof.

Any interpretation or correction of City specifications will be made only by addendum, duly issued by the City representative(s) identified in Section 3, above. Addenda shall be made available to each proposer. A proposer's failure to address the requirements of the addenda may result in the proposal not being considered. If the City determines that a time extension is required for the proposal, the addenda will give the new submission date.

The City reserves the right to change any part of these instructions to proposers and specifications any time prior to Deadline for Submissions. Any changes shall be in the form of addenda and will become a part of the proposal documents and of the contract, should one be awarded.

6. BACKGROUND

6.1 CITY OF PASADENA

Pasadena is an ethnically diverse community that is home to approximately 137,122 people making it the 183rd-largest city in the United States. Pasadena is the ninth-largest city in Los Angeles County. It is one of the primary cultural centers of the San Gabriel Valley. The City covers approximately 22.5 square miles, with an average of ten residents

per acre. The median age of its residents is approximately 36.9 years. There are over 100,000 jobs in a wide variety of industries in the City of Pasadena.

6.2 LOCAL HOUSING TRUST FUNDS

The State of California Housing and Community Development Department (HCD) released a Notice of Funding Availability (NOFA) on May 3, 2021, pursuant to the Veterans and Affordable Housing Bond Act of 2018, for the provision of approximately \$57 million statewide in Local Housing Trust Funds (LHTF) for the construction or rehabilitation of affordable rental housing, emergency shelters and transitional housing, affordable homeowner projects, acquisition of homes by eligible homebuyers, and the construction of accessory dwelling units. The City intends to submit a funding application under the NOFA by August 3, 2021. HCD is expected to make announcements of LHTF awards in October 2021.

6.3 CITY HOUSING MATCHING FUNDS

HCD requires that awarded LHTF program funds must be matched by local jurisdictions dollar-for-dollar with funding sources that are dedicated to affordable housing. However, State or Federally restricted housing funds (such as Housing Successor, HOME and CDBG) are not eligible as local matches. Potential City matching sources include Inclusionary funds and the value of City-owned land that is dedicated to affordable housing development.

7. OBJECTIVE

The City of Pasadena Department of Housing invites qualified and experienced affordable housing developers to submit preliminary proposals for affordable rental housing projects in need of funding under this RFPP. The primary objective of this RFPP is to implement the first step of a two-step application process. The second step, which will be contingent on the City receiving an award from the State of LHTF monies, will require the proposer selected by the City under this RFPP to submit a detailed and comprehensive application package on their proposed project.

8. ELIGIBLE PROPOSERS AND THRESHOLD CRITERIA

This RFPP is open to proposers who are housing developers that meet the following threshold criteria:

- a. Nonprofit 501(c)(3) in current good standing with the Secretary of State with no history of debarment within the past ten (10) years.
- b. Has operated in California continuously for the past ten (10) years.

- c. Has successfully completed the construction of at least 200 units of affordable housing in California since 2001, targeted to persons or households of Extremely Low, Very Low and Low income.

Proposals submitted by proposers that are not eligible or do not meet the threshold criteria will not be reviewed.

9. PROJECTED TIMELINE

- RFPP released: June 30, 2021
- Deadline to submit preliminary proposal: July 23, 2021
- Selection of preliminary proposal: July 30, 2021
- Notification to selected proposer: August 2, 2021

This projected timeline is subject to change at the discretion of the City.

10. ELIGIBLE PROJECTS

Only multifamily rental projects meeting the following criteria are eligible for consideration under this RFPP:

- New construction only.
- At least 30% of the project units are restricted for Extremely Low income households (30% of AMI) and the remaining project units are restricted for Low income households (60% AMI).
- Commitment of City-owned land and/or funding to the project which will satisfy the State’s LHTF match requirement.

11. EVALUATION PROCEDURES AND CRITERIA

This RFPP has been structured to provide specific requirements which function as a standardized framework for the evaluation of the preliminary proposals. The City reserves the right to reject any and all proposals.

The City will evaluate and rank responsive proposals based on the following criteria and weights:

| Evaluation Criteria | Outcome |
|--|----------------|
| Administrative capacity | 15 pts max |
| Qualifications, experience, track record | 20 pts max |
| Project proposal | 60 pts max |
| Project development budget | 30 pts max |

11.1 DESCRIPTION OF EACH EVALUATION CRITERIA

Successful proposals will demonstrate the ability to meet and exceed the following evaluation criteria:

- a) **Proposer Eligibility and Threshold Criteria; Project Eligibility** – Proposers must provide documentation that it meets the requirements and threshold criteria for eligibility as detailed above. Also, proposed projects must meet the project eligibility requirements as detailed above. If either are not clearly demonstrated, the proposal will not be evaluated and will not be considered for funding.
- b) **Administrative Capacity** – Points scoring will be based on the proposer demonstrating that it has the organizational structure and administrative capacity need to support the successful implementation of the proposed project. Submission materials must include a written narrative (up to two pages), an organizational chart, and a list of the names/titles of personnel that will be assigned to the proposed project.
- c) **Qualifications, Experience, Track Record** – Points scoring will be based on the proposer demonstrating that it has the qualifications, experience, and track record as a developer of new construction, affordable rental housing. More points will be given for proposers that exceed the track record threshold criteria in 8.c, above. Submission materials must include a written narrative (up to two pages), resumes of key personnel assigned to the proposed project, and a listing of projects to demonstrate the proposer's track record of new construction, affordable rental housing projects. The track record listing should include for each project the following information: project name/address, number of units (total/affordable), % AMI of affordable units, total project cost, sources/amounts of public subsidies, and year completed.
- d) **Project Proposal** – Points scoring will be based on the quality and thoroughness of information provided in the written narrative (up to three pages) for the proposed project. The project information must include site address, number of units (total/affordable), type of population served, and income targeting (% AMI) of affordable units. More points will be given for projects: a) which target more than 30% of project units for extremely-low income (30% AMI) households; b) with a percentage of units restricted for persons experiencing chronic homelessness (up to 10 points); c) that have site control; and d) that are ready to move forward as evidenced by having submitted a Master Application to the City for entitlements.
- e) **Project Budget and Analysis** – Documents to be submitted shall include a project budget, proposed funding sources and uses, first-year operating budget with a 30-year cash flow analysis. The budget and funding sources should include LHFT requested. Points scoring will be based on: a) the level of detail provided in the budget documents; b) the degree to which the budget is feasible, realistic, accurate, and cost effective; and c) evidence of any funding committed to the proposed project at the time of proposal submittal (up to 15 points).

11.2 REVIEW PROCESS; TIE-BREAKER

An evaluation panel comprised of at least three (3) qualified and non-conflicted City staff will review each proposal and assign a score out of 125 points based on the evaluation criteria. In the event that the scoring results in two or more proposals with equal number of points, the tie-breaker will be awarded to the proposal that has secured City land use entitlement. Should a second tie-breaker be necessary, the selection shall be awarded to the proposal that has submitted at least one pending non-City funding application for development of the proposed project.

The panel will review and evaluate each application that is deemed eligible and complete. Each application will be evaluated on its own merits and independently of each other. The City reserves the right to fund all or a portion of a proposal and reserves the right to request individual proposers submit additional information as needed to make final determinations. The City reserves the right to select the proposal which, in its sole judgment, best meets the needs of the City. Ineligible and incomplete proposals may not be considered and proposals that receive a score of less than 65 points may not receive further consideration in the process.

After the evaluation panel has reached a decision as to the highest scoring proposal, the Housing Department will notify the proposer. Should the City receive an award of LHTF funds from the State, the selected proposer will be invited to proceed to the second step of the LHTF application process and submit a detailed, comprehensive project application package for review and underwriting by the Housing Department which may result in a contract award of LHTF funds for the proposed project which contract shall be subject to City Council approval.

12. MANDATORY CONTENTS OF PROPOSAL

The response to this RFPP must be made according to the requirements set forth in this Section 12, both for content and for sequence. Noncompliance with these requirements or the inclusion of conditions, limitations, or misrepresentations, may be cause for rejection of the proposal. "Proposal" shall include the following required items comprising the final submission:

- 1) Proposer's cover transmittal letter** on company letterhead, signed (not to exceed two pages). The letter should include the amount of LHTF requested.
- 2) Proposer Administrative Capacity.** Submission materials shall include a written narrative (up to two pages), an organizational chart, and a list of the names/titles of personnel that will be assigned to the proposed project.
- 3) Proposer Qualifications, Experience, Track Record.** Submission materials shall include a written narrative (up to two pages), resumes of key personnel assigned to the proposed project, and a listing of projects to demonstrate the proposer's track record of new construction, affordable rental housing projects. The track record listing should include for each project: project name/address, number of units (total/affordable), % AMI of affordable units, total project cost, sources/amounts of public subsidies, and year completed.
- 4) Project Proposal.** Submission materials shall include a written narrative (up to three pages) for the proposed project. The information in the narrative must

include the project address, number of units (total/affordable), type of population served, and income targeting (% AMI) of affordable units.

- 5) Project Budget and Financial Analysis** – Documents to be submitted shall include a project budget, proposed funding sources and uses, evidence of funding committed to the project (if any), first-year operating budget, and a 30-year cash flow analysis.

If the proposal does not include all of the above items, it may be deemed non-responsive.

13. GENERAL REQUIREMENTS

13.1 STANDARD TERMS AND CONDITIONS

Prior to the award of any project funding, City and proposer shall enter into a written, binding contract.

13.2 WITHDRAWAL OF PROPOSAL

Any proposer may withdraw its proposal, by written request at any time prior to the time set for the City's opening of proposal packages.

13.3 RESERVATIONS

The City reserves the right to reject any or all proposals and any item or items therein, and to waive any non-conformity of proposals with this RFPP, whether of a technical or substantive nature, as the interest of the City may require.

13.4 DOCUMENTS TO BE CONSTRUED TOGETHER

This RFPP, the documents comprising the proposal package as referred to in the complete specifications, and all modifications of said documents, shall be construed together as one document.

13.5 ERRORS AND OMISSIONS

Proposer shall not be allowed to take advantage of any errors in or omissions from in the RFPP. Full instructions will be given if such error or omission is discovered and timely called to the attention of the City.

13.6 RFPP NOT CONTRACTUAL

Nothing contained in this RFPP shall create any contractual relationship between the proposer and the City. The City accepts no financial responsibility for costs incurred by any proposer regarding this RFPP.

13.7 PROTEST PROCEDURE

There is no provision under this RFPP for proposers to protest the City's selection or non-selection of preliminary proposals.

14. PROPOSER'S CHECKLIST

The following list is provided for the convenience of the proposer and to help eliminate errors and omissions which may render a proposal unacceptable. Please ensure that all items are submitted with the proposal package:

- COVER TRANSMITTAL LETTER
- PROPOSER ADMINISTRATIVE CAPACITY
- PROPOSER QUALIFICATIONS, EXPERIENCE, TRACK RECORD
- PROJECT PROPOSAL
- PROJECT BUDGET AND FINANCIAL ANALYSIS