

Bay Meadows Affordable Housing Site RFQ





City of San Mateo Request for Qualifications (RFQ) Bay Meadows Affordable Housing Site

Summary of Request for Qualifications

The City of San Mateo ("City") is seeking qualified and experienced developers to develop the City-owned 1 acre property ("Property") located at the northeastern corner of Delaware Street and 28th Avenue, as affordable multi-family rental housing units. The property is located in the Bay Meadows Phase II Specific Plan Amendment area, which consists of 83 acres master planned to include a mixed use transit oriented development including approximately 1,066 residential units, 750,000 square feet of class A office space, and 93,000 square feet other commercial/retail, as well as 15 acres of new public parks and three acres of other privately owned open space consisting of pedestrian corridors and a town square. The City seeks a developer who is experienced, financially creative and capable of developing and managing quality affordable family rental housing.

This Request for Qualifications ("RFQ") contains the City's objectives for the property and development parameters, instructions governing the submittals, the requirements to be eligible for consideration, general evaluation criteria, and other requirements to be met by each submittal. This RFQ is a solicitation of competitive submittals that best serves the public good.

Project Objectives

The purpose of this comprehensive RFQ is to provide qualified developers the opportunity to propose a housing development for the property that will:

- Be a transit-oriented family housing development
- Utilize environmentally-friendly principles in project design and construction
- Be highly attractive and compatible with the character of the Bay Meadows transit village neighborhood, both aesthetically and functionally
- Utilize State Density Bonus to maximize the number of units on the site
- Target the units to be affordable to households whose income households do not exceed 50 % of area median income
- Provide ongoing supportive services and/or programming to enrich resident quality of life and transit usage
- Involve the community during design development process
- Be well integrated with the surrounding uses, including a private school located on the same block as the housing, directly to the east of the property.
- Pay prevailing wages and incorporate union labor.

Selection Process

This RFQ invites prospective developers to submit their qualifications as well as their vision and implementation strategy for the project. The submittals will be analyzed based on the criteria described in this RFQ based primarily on:

- Proposal Concept
- Developer Experience and Qualifications of Developer Team Members
- Developer Financial Capacity

Once the submittals are reviewed by staff, a short list of one or more developers will be invited for an interview and further discussion. The top ranked respondent will then be asked to agree to a term sheet that will be considered by City Council in a study session. The agreed upon terms will then become the basis for a Development and Disposition Agreement between the City and the selected developer.

The tentative schedule is as follows:

•	Issuance of the Request for Qualifications	April 5, 2016
•	Qualification Submittals Due	May 2, 2016
•	Evaluation and Developer Interviews	May, 2016
•	Recommendation of Qualified Developer to City Council	July 18, 2016

All submittals must be received by <u>Monday May 2, 2016.</u> All submittals are subject to approval of the City of San Mateo, and the City reserves the right to reject any and all submittals.

I. Developer Role

The City seeks an experienced and capable developer to carry out the following roles in the development of the site (for details see Section V. Development Review Process:

- Work in collaboration with City Planning staff to develop site layout and project design in accordance with the Development Review Process described below, including the community participation process.
- Assemble and coordinate the development team members to perform due diligence, site planning and engineering or other professional studies in order to secure planning entitlements.
- Negotiate and record access easement at north end of site with Nueva School.
- Secure financing to develop, construct and operate the property, working with City staff on applications as appropriate.
- Coordinate with City staff for marketing and lease up of the development.
- Own, operate and manage the property in accordance with all regulatory agreements.

II. Property Information

Location

The Property is located at the northeastern corner of Delaware Street and 28th Avenue, consisting of a one acre parcel, on block "MU 1" in the Bay Meadows Specific Plan Amendment area. To the north of the site is the County of San Mateo Event Center parking lot, and to the east is The Nueva School. Across the street to the south is planned for mixed use office, retail and residential known as block "MU 2" and to the east is planned for office/ retail known as block STA 1. (*Attachment 1 "Bay Meadows Phase II Development Program Map"*) The site is located within 1/4 mile from the Hillsdale Caltrain station, which is proposed to be relocated to within 1000 ft of the site.

Characteristics

- Area: The site is irregularly shaped, approximately 43,566 square feet site (1.0 acre) which measures 266.1 feet along South Delaware Street, 173.6 feet along the northerly side, 329.9 feet along the easterly edge, and a depth of 109.5 feet on the southerly side of the property.
- The site has been substantially excavated. There is a difference in grade between the street level and base of the site that changes from the south side travelling toward the north side of the site. (See Attachment 2 "Site Photos")

- Access: The site has one frontage that is available for vehicular access on Delaware Street, with the location specified in Figure II-125 (Attachment 3 "MU 1 Frontage and Easements") of the Bay Meadows II Design Guidelines and Development Standards. Along the entire 28th Avenue frontage there is a class I bicycle/pedestrian pathway and a public access easement located on this site.
- Floodplain Status: The site is in "Zone X", an area that is determined to be outside the 100-500 year flood plains.
- Utilities: All public utilities including water, sewer, natural gas, and electricity are within proximity.

Zoning And Land Use Requirements

The General Plan designation for the property is Transit Oriented Development. The site is located in the "Bay Meadows Racetrack and San Mateo County Expo Center" zone of the San Mateo Rail Corridor Transit-Oriented Development Plan ("Rail Corridor Plan"), and MU-1 of the Bay Meadows Phase II Specific Plan Amendment ("Specific Plan"), which allows multi-family residential mixed-used development with a minimum net density of 35 units and a maximum of 50 units per acre (without a State Density Bonus) with a maximum aggregate net floor area ratio (FAR) of 2.0. The height limit for the site is 55 feet.

Specific development standards are included in the Bay Meadows II Design Guidelines and Development Standards ("Design Guidelines"). These standards vary from those of a normal zoning code in that they address massing requirements, design requirements such as vertical expression devices and roof design, stepbacks of upper floors to create articulation of the facades, minimum and maximum heights (expressed as the number of stories, which ranges from three to five), build-to-zones and allowable encroachments into the setbacks. There is a ten-foot setback along South Delaware Street and an 18-foot setback (which consists of the public access easement for the bicycle/pedestrian path) along East 28th Avenue.

III. Site Vicinity

Bay Meadows Phase II Project Background

In the mid 1990s the City began planning efforts to establish a foundation for encouraging and guiding transit-oriented development, and adopted several related planning documents including the Rail Corridor Plan, Specific Plan and Design Guidelines. The Bay Meadows Phase II project is an 83-acre transit-oriented development with a range of land uses, including housing, commercial, retail, parks, and open spaces uses, located adjacent to the Hillsdale Caltrain station. The Bay Meadows II project is a multi-phased development project that may take up to 5-10 more years to fully implement.

The City owned Property was donated the by the master developer, Wilson Meany (WM) as part of the Bay Meadows Development Agreement ("Development Agreement") executed in 2005. This property was explicitly dedicated to the City for development by the City or a designated public or non-profit agency solely for low, very low, or moderate income housing and designed in accordance with the Specific Plan and the Design Guidelines.

A total of four Site Plan and Architectural Review (SPAR) planning applications have been approved by the City for the entire development area except for the City owned Property. WM has completed construction of all of the streets and utilities infrastructure, as well as two public parks. Several of the residential blocks have been completed or are under construction, as well as a major office building that will be occupied by Survey Monkey corporate headquarters.

The Nueva School

The Nueva School High School campus and the Property share the same block referred to as MU-1. This site was subdivided to provide one acre for the housing site along Delaware Street and the interior 2.75 acres for The Nueva School. A 12-acre community park is directly east of the school.

The Nueva School opened in 2014 with Phase I and will ultimately accommodate 450 students. The main building is divided into a series of smaller sections that include classrooms, gym, library, cafeteria and other space. Phase II of the project will include a theatre and one small classroom building. An outdoor amphitheater is located on the site of the theater as an interim use. On-site circulation has been designed as a one-way driveway with an entrance on 28th Avenue and exit on Delaware St. to allow drop-off and pick-up queuing and bus loading in such a way as to contain the vehicles on site without spillback onto surrounding city streets or a backup of vehicles onsite. This two-way exit/entrance onto Delaware borders the northern boundary of the housing site. The school has agreed to negotiate an access easement in this strip for purposes of garbage/recycling pickup and possibly an on-site loading zone for the housing project. It will be the responsibility of the selected developer to complete the final negotiation and recordation of the easement area. (Attachment 4 "Nueva School Site Plan" and Attachment 5 "Nueva School Property Line Elevation")

As part of the development approval process for Nueva School, the City contracted with the Brookwood Group to analyze the affordable housing site to ensure it was viable for the future housing project, particularly with respect to parking. See *Attachment 6- "Parking Concept Plan"* for a parking concept that was developed in coordination with the architectural team for Nueva School. This is an illustrative concept that is based on the assumption that the parking

structure would be underground and would also accommodate mechanical, elevator and loading areas, as well as garbage/recycle pickups. A parking ratio of 1.7 spaces per unit was assumed for planning purposes, which includes 1.5 resident spaces per unit and 0.2 visitor spaces per unit. The resident spaces must be separated from the visitor spaces by a security gate. Another site requirement that impacts the building location and site layout is a 10-foot by 25-foot loading zone space that must be on site at grade with a turnaround area on the site, as well as a staging area (for placement of bins for service) and turnaround area for garbage/recycling service.

Rail Grade Separation/Transit Station

The Bay Meadows II project includes plans for grade separations for two new railway crossings at 28th and 31st Avenues, as well as the existing crossing at 25th Avenue. The City is currently working on the design and funding plan with the intent to put the project out to bid in late 2016.

The Hillsdale Station Area Plan was adopted in 2011 and is a comprehensive, advanced planning document for the area to the west of the existing CalTrain station. Taking its cue from local planning efforts such as the General Plan, Rail Corridor Plan, and the Specific Plan, this Plan provides the regulatory framework for compact and sustainable development in the area to the west of the Railway and the Hillsdale Caltrain Station. The Station Area Plan proposes the relocation of the Hillsdale Caltrain Station further north, to be located just north of 31st Avenue and to include numerous passenger upgrades including intermodal transfers to other transit and improved connectivity for pedestrians and bicyclists. The City has initiated a strategy to fund this project to tie in closely with the grade separations project. (Attachment 7 "Proposed CalTrain Station and Grade Separation Locations")

IV. Development Parameters

Transit-Oriented Development

Since the site is located within the Rail Corridor Plan, all proposed projects are required to incorporate various elements of vehicle trip-reducing Transportation Demand Measures (TDM). Appendix A of the Rail Corridor Plan provides guidance on transportation measures. A TDM plan will be required as part of the normal development planning approval process.

Project Size

The City is seeking a project that provides the maximum allowable number of units consistent with the land use policies, objectives, and guidelines set forth by the Rail Corridor Plan and the goals of this RFQ. Based on the current zoning, up to 50 units could be developed at the site

without utilizing State density bonus. Utilizing the State Density Bonus, the maximum number of housing units is 68 units.

Unit Size and Tenure

The City is seeking a rental housing project for families. A senior citizen housing project will not be considered. At least 40% of the project units should be two (2) bedroom units and 30% three (3) bedroom units.

Affordability Requirements

Except for one unrestricted manager's unit, all units shall be rent restricted for occupancy of households whose income does not exceed 50% of the area median income for a period not less than 55 years.

- Income Levels: Income levels are based on California Housing and Community Development Department's published figures. Very Low-Income households are those that earn up to 50% of the published area median income for the County of San Mateo, California, based upon family size.
- Affordable Monthly Rents: Affordable monthly rents for Very Low-Income Households are calculated by multiplying 50% of the area median monthly income by 30%, adjusted for household size and adjusted for a utility allowance

Design

Several developments are planned and/or have been approved for the areas within or immediately adjacent to the Property, and therefore should be considered during the planning process. Submittals are expected to promote the use of high quality and compatible architectural design. It is recommended that active uses of the complex such as office, community and exercise rooms, bicycle storage, etc. be located on the ground level on the Delaware Street frontage rather than private living spaces.

Green Building and Energy Efficiency Requirements

The City of San Mateo has adopted the 2013 CalGreen Codes for green building requirements. Submittals shall incorporate green building measures into design, construction and future maintenance of the housing project to the greatest extent possible.

Prevailing Wage

A Project Labor Agreement to utilize union contractors has been executed that covers the entire Bay Meadows Phase II development and therefore includes the Property.

V. Development Review Process

The City of San Mateo planning application approval process includes the following key milestones:

Preliminary Planning Application

This consists of a Neighborhood Meeting (organized and hosted by the developer) and a Planning Commission Study Session to obtain preliminary input on the site plan, conceptual design including elevations and massing, and overall design approach.

Formal Site Plan and Architectural Review (SPAR) Planning Application

The formal planning application consists of a SPAR application to review the site plan and architectural plans (elevations, floor plans, parking layout, landscaping, etc). The plans will be reviewed by the City's design review consultant and City staff for compliance with applicable codes and the Specific Plan and the Design. The required meetings include a Planning Commission public hearing and a City Council public hearing. The Planning Commission will make a recommendation to the City Council, who has the final approval authority for this application.

Existing Studies and Plans

This project will rely on the previously-approved EIR. The findings for approval for approval of the SPAR planning application are anticipated to include environmental findings for reliance on the previously certified Final Environmental Impact Report (certified on April 18, 2005 and recertified on June 6, 2005 and November 7, 2005) and Addendums #1-3 to the EIR. The findings are anticipated to document that no additional environmental documentation is necessary pursuant to California CEQA Guidelines Section 15162 since there are no substantial changes in the project; new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified; or substantial evidence in the record revealing that there have been substantial changes with respect to the circumstances under which the project is undertaken. If these findings cannot be made, an EIR Addendum may be required to be prepared, which must be fully funded by the developer. The special studies as listed below will be required to completed and/or updated (if previous versions have already been approved, as is the case with the Parking and Traffic Management Plans) to determine that there are no new significant environmental impacts.

Required Items to be Prepared by Developer

- Interior Noise Analysis (see EIR Mitigation Measure Noise-BM3a and Noise-BM7) and Vibration Analysis
- Indoor Air Quality Analysis
- Revisions to Traffic Management Plan prepared by Kimley-Horn Associates (December 2012)- must contract with Kimley-Horn for revisions. Specific TDM measures to ensure compliance with the applicable vehicular trip cap for the project site will be required to be implemented at this site, which will likely include A Samtrans bus pass for all residents of the property over age 5. There is also a trip cap in effect, with ongoing monitoring of vehicle trips during the PM peak hour (4-6pm). Peer review will be required by the City's transportation consultants.
- Revisions to Parking Management Plan prepared by Kimley-Horn Associates (December 2012)- must contract with Kimley-Horn (contact: Jim West) for revisions. Peer review will be required by the City's transportation consultants.

Impact Fees and Community Facilities District Taxes

Per the Bay Meadows Development Agreement, individual residential builders are responsible for all City fees associated with the Bay Meadows Development. However, the Development Agreement does include some specific provisions for impact and in lieu fees, consisting of the following:

- The developer is not required to pay the Park and Recreation Tax and In Lieu Fees or the US 101 Sanitary Sewer Undercrossing Fee, the Public Art fee, tree in lieu planting fees, and the Sanitary Sewer Connection Fee.
- The developer is required to pay the Wastewater Treatment Plant Expansion Fee and the Transportation Impact Fee, but pursuant to Development Agreement Section 3.8 "No Further Exactions" these fees were established in Exhibit D of the Development Agreement and from and after the 6th anniversary of the effective date of the Development Agreement (which was December 21, 2011), the fees are calculated by multiplying the amount or rate in effect of as of the Effective Date by the CPI Factor.

A Community Facilities District was formed for the Bay Meadows Phase II, however the affordable housing site is specifically excluded from this tax so long as it remains affordable rental housing.

Other ongoing financial requirements

This property is required to participate in the City of San Mateo Rail Corridor Transportation Management Associate (TMA) pursuant to the Rail Corridor Plan and the Specific Plan Conditions of Approval for the life of the project. The property owners will be required to pay the annual membership dues which are identified in the TMA Bylaws and the Bay Meadows

Project CC&Rs. Specific TDM measures to ensure compliance with the applicable vehicular trip cap for the project site will be required to be implemented at this site, which will likely include a Samtrans bus pass for all residents of the property over age 5, as well as a number of other TDM measures. These TDM measures will require funding on an annual basis, and the funding may need to increase based on annual vehicle trip monitoring and compliance with the vehicle trip cap.

VI. Financial Terms and Assumptions

Land Transfer

The City will transfer the site to the selected developer and prefers a Long Term Ground Lease with an anticipated term of 99 years for \$1 per year.

City Subsidy

The City may be willing to provide additional financial subsidy in addition to the land. The funding source would likely be federal HOME funds, Low Mod Affordable Housing Funds (former RDA Housing Program), or a combination of both, at the City's discretion based on available funds at the time of execution of a Disposition and Development Agreement. Typical loan terms in the past have been 3% residual receipt loan for 55 years.

VII.Submission Instructions and Requirements

Instructions

Printed submittals should be organized in the same order as the submission requirements below. Submittals must include one (1) unbounded original (with no binding or staples) and three (3) copies.

Submittal Requirements

1. Statement of Interest

Include a cover letter providing a statement of interest in development of the project; highlights of the developer's qualifications; understanding of the objectives of the project; and identify the point of contact for the entity, signed by the Executive Director or Development Director of the firm.

2. Project Concept

Describe your concept of a development that will meet the Project Objectives of the City. Include descriptions of proposed sustainability and transportation measures. The proposed site plan and/or building design is <u>not</u> requested.

3. Developer Experience

Describe the developer's overall experience and describe three most relevant projects including the following information for each:

- Project Description including construction commencement and completion dates, location, and size.
- Brief description of construction costs and financing sources to complete the project.
- Brief description of the development team and specific role of the developer.
- Local government reference (name, title, telephone number, email) for each project cited
- Provide photographs of projects

4. Developer Financial Capacity

Describe how you propose to finance the project including assumptions of funding sources and terms. Also specify your financial capacity for predevelopment costs.

Within 7 days upon selection, a successful proposer may be required to submit last three years of year-end audited financial statements. Financial statements should include income statements, balance sheets and cash-flow statements, along with accompanying notes. The information will be held in confidence and will be used only for evaluating the financial stability of the proposer.

5. Qualifications of Developer Team members

To the extent that a comprehensive set of team members can be identified, provide the following information for each development team member.

- Name, contact information and role of each member
- Short bio or resume to demonstrate experience, including number of years in the business
- Describe team members yet to be identified and their roles

Due Date

All submittals will be accepted at the City Housing Division office:

Attn: Danielle Thoe
City of San Mateo
Housing Division
330 West 20th Avenue
San Mateo, CA 94403-1388

All submittals must be received by Monday May 2, 2016.

Criteria for Selection

Submittals will be reviewed and evaluated by qualified personnel selected by the City, who will recommend for selection the submittal that most closely meets the requirements of the RFQ and satisfies the City needs and objectives. Finalists will likely be invited for interviews.

The following areas of consideration will be used in making the selection:

- Nature of Proposed Project: The City will consider the development concept and its compatibility with the City's objectives.
- Experience and capacity: The City will consider the prior experience and technical competence of the proposer in completing and managing high-quality design and development projects of similar scope, complexity, and magnitude. The City will also consider the developer's experience in partnering with City and utilization of other public funding resources.
- Financial Capability/Economics: The City will consider the financial capability of the proposer, the proposer's financial references, and the proposer's planned financing of the development.

Negotiations

The City may, at its discretion, request that the developer modify or supplement their submittal with additional information. Once a developer is selected, a Disposition and Development Agreement will be negotiated. The City reserves the right to reject any or all submittals submitted, to cancel this solicitation, and to re-advertise for submittals.

VIII. Resources

For information about this RFQ and the proposed housing, contact:

Sandy Council, Neighborhood Improvement and Housing Mgr, (650) 522-7223, scouncil@cityofsanmateo.org

For information about zoning, planning approval process, TOD or sustainability, contact: Darcy Forsell, Senior Planner, (650) 522-7209, dforsell@cityofsanmateo.org

For information about the Bay Meadows II development, contact:

Janice Thacher, Wilson Meany, (415) 905-5359, ithacher@wilsonmeany.com

For information about Nueva School, contact:

Terry Lee, Associate Head of School, (650) 350-4529, tlee@nuevaschool.org

Download other Reference Materials from our website:

This RFQ and attachments
 http://www.cityofsanmateo.org/bids.aspx

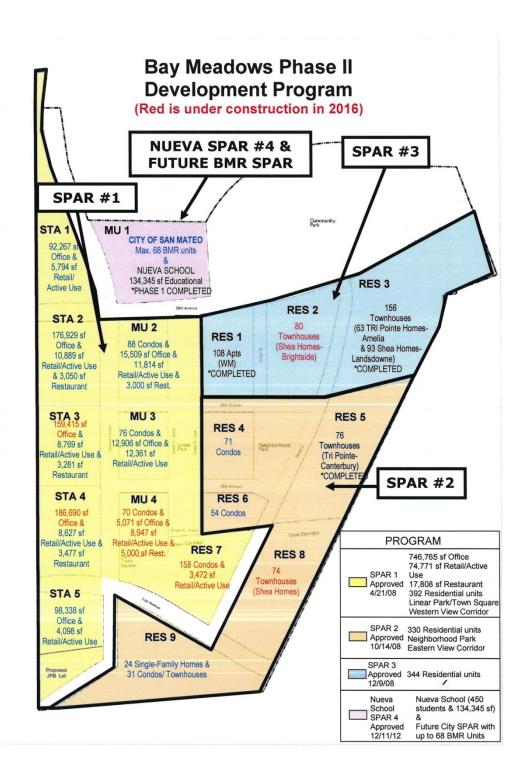
 Bay Meadows Phase II Specific Plan Amendment and other background documents, including the Bay Meadows Phase II Design Guidelines and Development Standards, Draft and Final EIR, etc.

http://www.cityofsanmateo.org/index.aspx?NID=1041

• San Mateo Rail Corridor TOD Plan http://www.cityofsanmateo.org/DocumentCenterii.asp?FID=204

IX. Attachments

- 1. Bay Meadows Phase II Development Program Map
- 2. Site Photos
- 3. MU 1 Frontage and Easements
- 4. Nueva School Site Plan A
- 5. Nueva School Property Line Elevation
- 6. Parking Concept Plan
- 7. Proposed CalTrain Station and Grade Separation Locations



Site Photos



Photo A. This photo was taken from the southeast corner of the site.

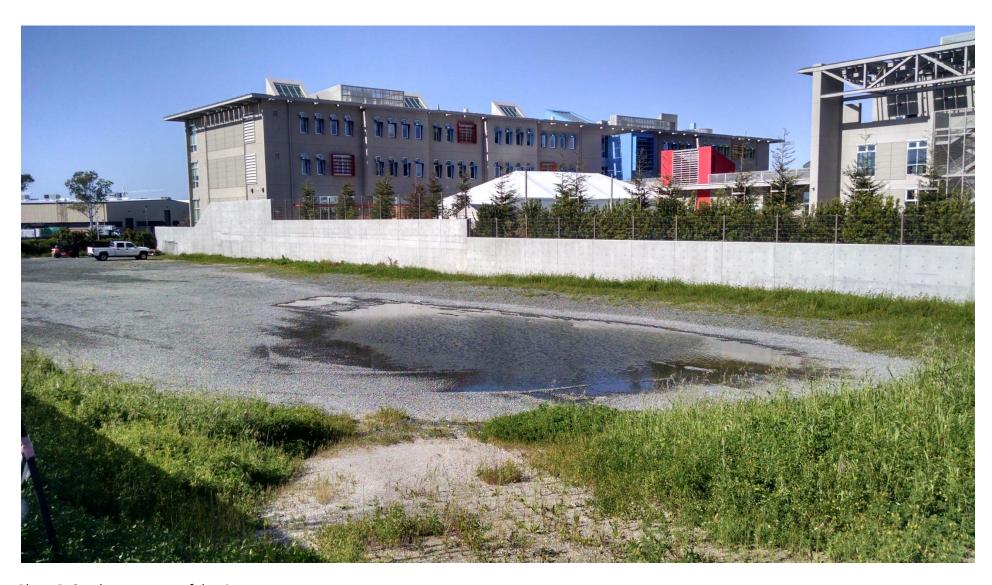


Photo B. Southwest corner of the site.



Photo C. View from the north/northeast side of the site.



Photo D. Panorama from the north/northeast side of the site.

Bay Meadows Phase II Design Guidelines and Development Standards

28th Avenue Frontage Criteria

 An Architectural Feature should be located along the centerline of the Linear Neighborhood Park. This Architectural Feature is encouraged to be located along the 28th Avenue Setback, but may be located further from 28th Avenue to accommodate an off-street vehicular turn-around and drop-off between 28th Avenue and the Architectural Feature.

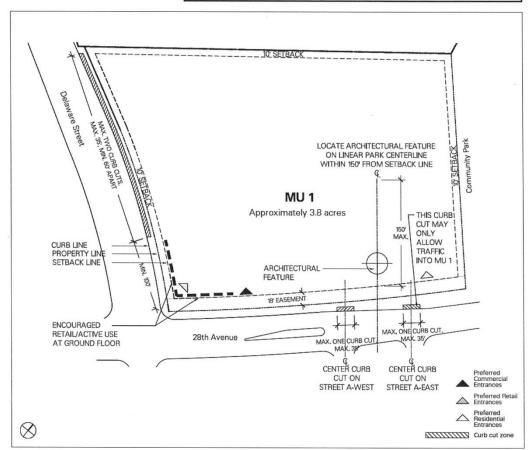
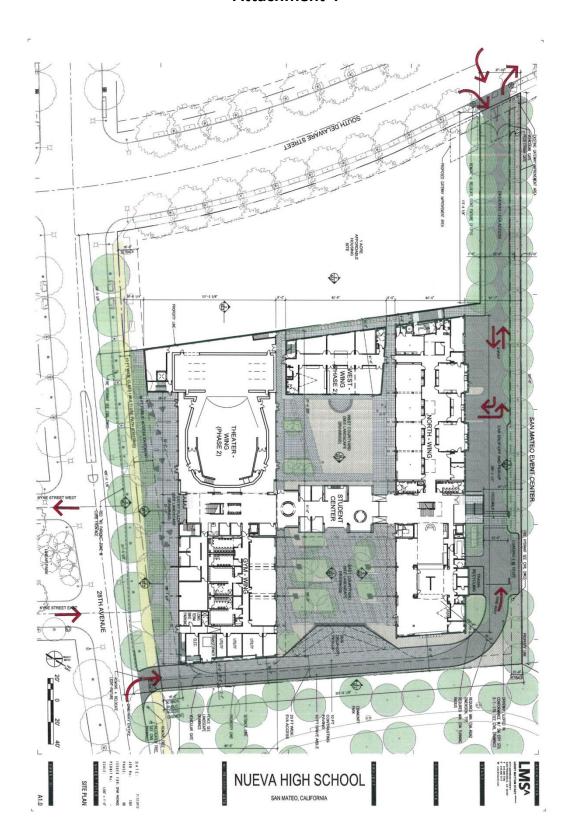
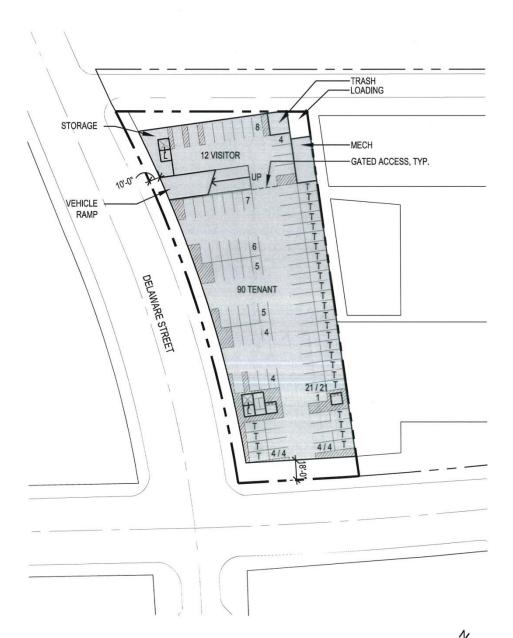


Figure II-125 MU 1 Building Placement







STUDY 1 - BASEMENT



Brookwood Group

www.brookwoodgroup.com



SOUTH DELAWARE AT BAY MEADOWS

Bay Meadows Phase II Design Guidelines and Development Standards

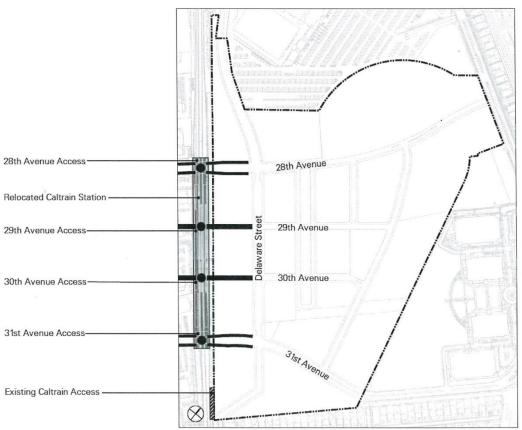


Figure II-71 Train station access diagram