

REQUEST FOR QUALIFICATIONS



Seeking Qualified Development Partners for Prospective Project Homekey Properties

County of San Mateo
Department of Housing

Release Date:
September 9, 2021

Responses must be Received
by 4:00 p.m. Pacific Daylight Time on
September 27, 2021

REQUEST FOR QUALIFICATIONS
for
Seeking Qualified Development Partners for
Project Homekey Properties

Applications must be emailed electronically to
housing@smchousing.org

**By 4:00 pm Pacific Daylight Time September 27,
2021**

RESPONSES WILL NOT BE ACCEPTED AFTER THIS DATE AND TIME

Note regarding the Public Records Act:

Government Code Section 6250, *et seq.*, the California Public Records Act, defines a public record as any writing containing information relating to the conduct of the public business. The Public Records Act provides that public records shall be disclosed upon written request and that any citizen has a right to inspect any public record unless the document is exempted from disclosure.

Be advised that any contract that eventually arises from this Request For Qualifications is a public record in its entirety. Also, all information submitted in response to this Request For Qualifications is itself a public record **without exception**. Submission of any materials in response to this Request For Qualifications constitutes a waiver by the submitting party of any claim that the information is protected from disclosure. By submitting materials, (1) you are consenting to release of such materials by the County if requested under the Public Records Act without further notice to you, and (2) you agree to indemnify and hold harmless the County for release of such information.

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SECTION I – GENERAL INFORMATION AND PROJECT SCOPE

A. INTRODUCTION

The State of California Department of Housing and Community Development (the “State”) will make funding available through a second round of the Homekey Program in 2021. The County of San Mateo (the “County”) received funding from the Homekey Program in 2020, and anticipates submitting one or more applications for funding in response to the 2021 Homekey NOFA. The County anticipates that Homekey awards will support the acquisition of a hotel property or properties to be determined at the time of Homekey application (the “Property”). In order to ensure a timely and competitive application during this second round, the County is seeking to establish a Pool of Qualified Operators (the “Pool”) who can partner with the County to own and/or operate, manage, and maintain a property or properties that will be acquired in the event of a successful Homekey application. Properties subject to this RFQ will be acquired for the purpose of providing permanent affordable housing to the County’s extremely low-income residents, and may include populations with specific service needs such as seniors or county clients, some of whom have experienced homelessness, are at risk of homelessness, and/or would benefit from wrap-around supportive services that can be best provided in connection with permanent affordable housing.

This Request for Qualifications (the “RFQ”) contains the information needed by all entities responding to this invitation (“Applicant[s]”) and sets forth the process, submission requirements, and criteria the County will use when selecting an Applicant to own and/or operate, manage, and maintain a Homekey Property and provide resident and supportive services. All submissions in response to this RFQ will become the property of the County and will be considered public records. As such, they may be subject to public review.

In its efforts to provide permanent supportive housing for some of the County’s most vulnerable residents; extremely low-income (“ELI”) households, extremely low-income seniors, County clients, and those experiencing homelessness, the County is soliciting Statements of Qualification (“SOQ”) from entities with broad experience owning, operating, managing, and maintaining affordable housing and providing high-quality resident services and supportive services. The County anticipates residents at the Property will include persons and households with ELI or LI incomes (defined as up to 30% and 60% of the Area Median Income respectively), and may include senior citizens, 62+ years in age, individuals and households who may have experienced homelessness or be at risk, which may include individuals currently housed independently in hotel rooms leased by the County, individuals receiving wrap-around services through programs like the County’s Whole Person Care program, medically-frail seniors enrolled in the County’s Community Care Settings program, and other vulnerable persons. A primary focus of the SOQ reviews will be on the quality of resident and supportive services that Applicants provide to residents in the

properties they currently manage and their experience coordinating enriched services with County agencies and contracted providers.

In order to support any prospective Homekey application, a qualified Operator may be selected from the Pool. The County shall enter into a simple Exclusive Negotiating Agreement with the Operator and immediately begin negotiating terms of an operating agreement, joint venture agreement, Lease, or other master agreement between Operator and County, operating and maintenance plans, plans for target populations, and resident and supportive services plans

B. PROPERTY DESCRIPTION

The specific property or properties to be acquired is to be determined based on total Homekey funds awarded and the availability of properties at that time. Past properties acquired with Project Homekey have been 75 and 95 units over multiple floors and included parking and common areas.

Property condition reports will be made available to applicants before any final agreements will be executed. Applicants will be strongly encouraged to review this report as well as an appraisal, environmental site assessment, and floor plans that will be available upon request..

C. IMMEDIATE COUNTY COMMITMENTS

Applicants are **strongly encouraged** to familiarize themselves with the guidelines and requirements of the State's past Homekey program as compliance with applicable state guidelines will be required in connection with the Property's operation as permanent affordable housing.

County expects to work closely with the selected Operator to identify additional sources of funding deemed necessary to support operations and/or capital needs, as further described in Section I(D).

D. OPERATOR'S ROLE

Applicants and the Operator may be one entity or may be made up of a team of entities as described in Section II. The County and the Operator will explore an appropriate relationship structure in advance of preparing a Homekey Application, or upon award of Homekey funding and may enter into a joint venture agreement or lease agreement or other possible ownership and management structures based on a joint evaluations of various options.

The County anticipates that the Operator will be fully, actively, and monetarily responsible for all Property operations including maintaining a balanced budget and forward-looking projections; all property management activities including lease-up, administering a preference for San Mateo County residents, working with County referral agencies, collection of rent, enforcement of house rules and tenant lease requirements, accounting, bookkeeping, and reporting as applicable; all maintenance and upkeep of the Property; and provision of robust resident and supportive services appropriate for extremely low income individuals and households and those who have experienced homelessness which shall include coordination with residents, County service agencies, and contracted nonprofit service providers to all ensure residents are provided access to the services they need to live independently at the Property with dignity and in compliance with tenant lease terms and the Operator's rules for residency. The Operator will be expected to indemnify, defend, and hold the County harmless from and against any and all liabilities, losses, costs, claims, judgments, settlements, damages, liens, fines, penalties and expenses in a manner typical arrangements for affordable housing development and operation.

E. INITIAL OPERATIONS

Initial Tenure: After selection of the Operator, the County may propose entering into a lease, joint venture, limited partnership, or other agreement with the Operator. Any initial agreement is expected to be approximately ten (10) years in length with option to extend upon the mutual consent of County and Operator. Any initial agreement would require only a nominal lease or occupancy payment. The County anticipates that the Property will be acquired by the County free of any debt service requirements, and the County will not assign any responsibility for debt service to Operator without consent.

Regulatory Agreement: At or near the time of Lease execution and in compliance with the requirements of the Homekey program, the County shall record a 55-year regulatory agreement on the Property restricting its use as affordable housing.

Lease-Up: Upon signing the Lease, the Operator may begin lease-up of the Property to meet the anticipated Homekey deadline to achieve 50% occupancy 120 days after acquisition and 100% occupancy 180 days post-acquisition. The Operator and the County shall work together closely to include targeted populations including those currently housed independently in hotel rooms leased by the County, those receiving wrap-around services through programs like the County's Whole Person Care program, medically-frail seniors enrolled in the County's Community Care Settings program, and other vulnerable persons referred by the County.

Tenant Rents: As noted, all tenants will be ELI or LI with maximum income of 60% AMI, including formerly homeless and at-risk seniors. The County expects many, if not most residents are likely to have only fixed SSI/SSD incomes or no income. The County expects the Operator to underwrite the project assuming tenants will pay only 30% of their income toward rent and will work with the Operator to appropriately describe and document the rent structure.

Funds for Operations: The County and the Operator will work together closely to plan and finance an operating plan which may involve various short and long term strategies. The County is committed to ensuring that the Property can be operated and maintained at a high level throughout the 55-year regulatory period and beyond. While the Operator will have no debt service responsibilities in connection with the County's acquisition of the Property, the County is aware of the financial challenge of operating a permanent supportive housing property and providing robust services while leasing it exclusively to LI and ELI households.

At or shortly after the time of an initial lease or agreement execution, the Operator will be expected to demonstrate a sufficient operating and services reserve for the initial period (the "Capitalized Operating and Services Reserve" or "COSR"). DOH will consider novel or innovated strategies to meet this requirement. Due to a high utilization rate, housing vouchers of any type are not expected to be available from the Housing Authority of the County of San Mateo. the Department of Housing .

During an initial operating period, the County and the Operator shall work together to pursue and structure financing for the full 10-year initial operating period. Opportunities for consideration may include rental assistance from the Housing Authority of the County of San Mateo (HACSM), additional capitalized County funds from the County's Affordable Housing Fund, State or Federal rental assistance, State, Federal, philanthropic, or privately financed reserves, and other resources.

F. LONG-TERM OPERATIONS

The County expects that the selected Operator will be interested in refinancing and recapitalizing the Property and pursuing Low Income Housing Tax Credits (LIHTC) and/or other resources in the future, particularly after expiration of the 10-year hold period, to generate revenue for any necessary renovations and ensure adequate funding of reserves for ongoing operations. The County would expect to support the Operator in such efforts, assuming high-quality operations and service provision by the Operator prior to refinancing.

G. RESERVATIONS OF RIGHTS BY THE COUNTY

The issuance of this RFQ does not constitute an agreement by the County that any contract will actually be entered into by the County. The County expressly reserves the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- Reject any or all qualifications;
- Reissue a Request for Qualifications;
- Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFQ, or

the requirements for contents or format of the proposals;

- Procure any materials, equipment or services specified in this RFQ by any other means;
- or
- Determine that no project will be pursued.

SECTION II – ELIGIBLE APPLICANTS

The County is seeking an Operator capable of providing the full-service management, operations, maintenance, and services scope of work described in Section I(D). Applicants may be a single nonprofit or for-profit entity or a team of such entities and must present experience managing, operating, and maintaining affordable properties and providing services to extremely low-income households and individuals who have experienced homelessness who would benefit from supportive services in connection with permanent affordable housing. Applicants may be one entity capable of evidencing the full range of required expertise or may include a team of entities that together provide the required experience. Applicant teams must designate one lead organization and a primary contact person from the lead organization to receive communications from the County.

To be considered eligible, Applicants will be expected to evidence deep experience and familiarity with the following subject areas through their SOQ submissions.

A. RESIDENT AND SUPPORTIVE SERVICES

Applicants must have documented experience providing successful on-site resident and supportive services to LI and ELI households, LI and ELI seniors, persons that have experienced homelessness, and other vulnerable populations. Such experience might typically include, but is not limited to:

- Preparing and fulfilling comprehensive person-centered resident services plans,
- Preparing and fulfilling supportive services and service coordination plans,
- Hiring, training, and managing staff that provide high-quality resident services and thoughtfully coordinate supportive services with providers,
- Staying abreast of opportunities to partner with nearby service providers and amenities, and ensuring residents are linked with services they need to thrive,
- Providing onsite care coordination services to help residents maintain independent housing (e.g., caregiving, rep payee, social security, transportation, etc.),
- Providing financial literacy and related programs, including for seniors,
- Providing safe and supportive environments for persons who identify as LGBTQ+,
- Working with individuals and seniors who may have multiple types of service needs (health + mental health, etc.),
- Offering regular community engagement programs for seniors,
- Providing move-in assistance including help with PG&E and other services, and

- Working closely with community advisory committees and engaging volunteers.

B. SPECIAL PROCESS GOALS

Applicants should demonstrate experience and thoughtfulness with the following special goals in connection with providing housing for ELI households and households who have experienced homelessness or are at risk:

- Eliminating or reducing barriers to accessing housing that may present challenges for ELI persons, like eliminating aggressive credit checks, providing a significant number of accessible and adaptable units, etc., and
- Working closely with County referral agencies to “screen in” residents who might typically be screened out of housing opportunities that do not directly connect housing and supportive services

C. PROPERTY MANAGEMENT AND MAINTENANCE SERVICES

Applicants should demonstrate significant experience with the following property management and maintenance issues and tasks:

- Marketing and tenant recruitment for affordable housing,
- Administering a county preference,
- Cultural competency for working with tenants of diverse backgrounds, sexual orientation, etc.,
- Property upkeep and on-going maintenance,
- Asset management and budget development,
- Accounting and bookkeeping,
- Enforcement of house rules and lease terms,
- Property insurance,
- Financial and performance reporting,
- Hiring, training, and managing staff, and
- Working closely and cooperatively with a governmental entity owner and tenant referral agencies.

D. COMMUNITY ENGAGEMENT

Applicants must evidence significant and successful stakeholder outreach and engagement experience, including:

- Collaborating with neighbors and community groups, including community advisory committees, both prior to occupancy and during ongoing project operations,
- Preparing and implementing thoughtful community engagement plans, and
- Demonstrating a commitment to long-term maintenance of community relationships and a track record doing so.

E. AFFORDABLE HOUSING FINANCE AND DEVELOPMENT

Applicants should demonstrate significant experience acquiring, financing, developing, and renovating affordable housing, including:

- Working closely with government entities to craft financial plans and creative solutions to underwriting challenges,
- Pursuing sources of city, County, State, Federal, philanthropic, and private leveraged financing,
- Designing, constructing, and renovating high-quality affordable housing, and
- Operating affordable housing under various forms of ownership/control (deed ownership, ground lease, building lease, etc.).

SECTION III – SUBMISSION REQUIREMENTS / STATEMENT OF QUALIFICATIONS

A Statement of Qualifications (RFQ application) must include the following information in sufficient detail to demonstrate Applicant's experience and skill operating, managing, and maintaining properties with extremely low-income households residents including individuals who have experienced homelessness, are at risk of homelessness, and/or other vulnerable populations, and providing resident and supportive services to the residents. Each SOQ must contain the information discussed below. For the purposes of this application, consider the Property to be a 1-building containing 60 units.

Please note that applications must be submitted to the Department of Housing via email as described in Section VIII.

A. APPLICANT INFORMATION

1) Identification. Business name and principal contact person, including office location, address, telephone number, website and email. In the case of applications submitted by an Applicant team, the team must submit this information for each involved entity and designate one lead organization and a primary contact person from the lead organization.

2) History. Briefly describe the Applicant's history, the names of the Board of Directors if any, number of years in business, and description of services the entity provides. In the case of applications submitted by an Applicant team, each organization included as a member of the applicant team must provide this information.

3) Team Organization and Roles. Describe proposed team organization and staffing plan for the project indicating the roles and responsibilities of each team member entity and involved staff member.

B. QUALIFICATIONS AND EXPERIENCE

1) Ownership and Development. Describe the Applicant's qualifications and experience developing, acquiring, owning, or long-term leasing affordable multi-family

rental properties whose primary resident population is low-income, especially ELI households who had experienced homelessness, were at risk, seniors, persons who identify as LGBTQ+, and other vulnerable populations. (Up to one page, single-spaced, 11-point font.)

2) Property Management. Describe the Applicant's qualifications and experience leasing-up and managing affordable multi-family rental properties whose primary resident population is low-income, especially ELI households who had experienced homelessness, were at risk, seniors, persons who identify as LGBTQ+, and other vulnerable populations. (Up to one page, single-spaced, 11-point font.)

3) Resident and Senior Services. Describe the Applicant's qualifications and experience providing resident services and supportive services for low-income households, especially ELI households, senior households, and/or households who had experienced homelessness, were at risk, who identify as LGBTQ+, and other vulnerable populations and coordinating such services with County case managers and contracted providers. (Up to one page, single-spaced, 11-point font.)

4) Comparable Projects List. Include a list of comparable projects, including, at a minimum, the project name, address, number of units, target populations, and targeted incomes by AMI and bedroom count.

5) Comparable Projects Narrative. Choose up to three comparable projects from the list above and provide a narrative description of the project(s), describing similarities to the current proposal and the Applicant's experience and success at the project(s) that best demonstrate the background necessary to successfully operate the Property. (Up to one page, single-spaced, 11-point font.)

6) Comparable Projects Performance. Complete and include the form "Three Project RE Performance" to summarize the last two years' financial performance of the projects described in the "Comparable Projects Narrative" above. The form can be found on the RFQ landing page on the DOH webpage.

C. STATEMENT OF INTEREST

Provide a maximum one-page narrative, single spaced, 11-point font, describing what the Applicant believes are the biggest opportunities to be pursued through the conversion of a hotel property to permanent affordable housing for formerly homeless, ELI, and LI households, and what will be the biggest challenges to bringing these opportunities to fruition. Please describe the preferred ownership and partnership structure for the project, any such structures that the Applicant would exclude, and any relevant contingencies thereof. Please also describe any promising leads for addressing those challenges.

D. COMMUNITY ENGAGEMENT

Neighboring communities may be invested in ensuring the Property is successfully operated as affordable housing for LI and ELI households, and may have a well-organized community association to help coordinate communications. Please describe Applicant's experience and skill collaborating with neighbors and community groups, including community advisory committees, and discuss how Applicant would propose engaging community stakeholders in the planning and ongoing operations of the Property (up to one page, single-spaced, 11-point font).

E. SCREENING AND PROTECTIONS

On a maximum of one page, single spaced, 11-point font, describe the Applicant’s plans for screening tenants for occupancy at the Property including opportunities for “screening in” potential residents who may have previously been “screened out” of other housing opportunities due to histories of homelessness; discrimination based on race, ethnicity, disability, sexual orientation, gender identification, and other protected distinctions; and/or extremely low incomes and credit history. Include a statement about the Applicant’s commitment to adopting the County’s Housing First policies. Describe the Applicant’s processes for handling violations of lease requirements and house rules and how the Applicant would intend to apply them at the Property. Please also describe the Applicant’s experience implementing precautions to protect vulnerable residents and ensure seniors with a heightened risk for COVID-19 complications are protected at properties under their management and control.

F. PROFESSIONAL REFERENCES

Please provide contact information for at least three (3) references that can attest to the Applicant’s experience and ability to successfully operate, manage, maintain and provide services at a similarly sized property with comparable resident populations.

SECTION IV – SELECTION PROCESS

A selection committee consisting of, at a minimum, County Housing and Human Services, staff will review the submitted applications. Based upon a review of the SOQs, qualified Applicants will be invited for interviews and to further discuss their qualifications and proposals. Applicants who submit competitive proposals and are determined to be qualified by the selection committee will enter the Pool. In advance of preparing a Homekey Application, the County and a Qualified Operator will explore an appropriate ownership relationship. Upon the success of a County Homekey application, The County and the selected qualified Applicant will need to negotiate a master agreement or Lease and likely other agreements that will require approval by the Board.

The table below provides a summary of the factors upon which Applicants will be evaluated and scored in this RFQ.

<u>EVALUATION FACTORS</u>	<u>POSSIBLE POINTS</u>
Experience operating, managing, and maintaining 40-100 unit multifamily affordable housing properties in the nine (9) county Bay Area, with special attention given to San Mateo County experience and to experience with properties housing ELL households, senior households, individuals who have experienced homelessness, were at risk, and/or other vulnerable populations.	40
Experience financing, developing, renovating, and refinancing multifamily affordable housing properties, including obtaining LIHTC, in the nine (9) county Bay Area, with special attention given	10

to San Mateo County experience.	
Experience engaging with neighbors, community organizations, and other stakeholders; and strength and thoughtfulness of Community Engagement Plan.	10
Experience working with County of San Mateo Dept. of Housing.	5
Applicant’s experience providing resident services and coordination of supportive services in the nine (9) county Bay Area with special attention given to San Mateo County experience and to experience providing services to ELI households, senior households, individuals who have experienced homelessness, were at risk, and/or other vulnerable populations.	15
Quality, strength and thoughtfulness of Applicant’s plans for resident screening, enforcement of rules, and resident protections.	10
Overall quality and effort reflected in the Statement of Qualifications submittal.	10
Total Points	100

SECTION V – RFO TECHNICAL ASSISTANCE

Questions Regarding the RFQ. Questions may be sent to County staff via email at HK2 Questions@smchousing.org. Questions posed via email along with responses from County staff will be posted on the County Department of Housing website at housing.smcgov.org under the “NOFAs, bids & proposals” dropdown menu until one week prior to the submission deadline.

MS Teams Assistance Session. The County will provide technical assistance and respond to questions during a Zoom session On September 25th, 2021. The date and time along with information to access the technical assistance session will be posted on the County Department of Housing website at housing.smcgov.org under the “NOFAs, bids & proposals” dropdown menu. The County will endeavor to post written responses to all questions and answers discussed at the technical assistance session at the same web location.

SECTION VI – GENERAL TERMS AND CONDITIONS

If changes to the RFQ are warranted, they will be posted to the Department’s website at housing.smcgov.org. It is the responsibility of each Applicant to check the website for changes and/or clarifications to the RFQ prior to submitting a response.

Read all Instructions. Read the entire RFQ and all attachments before preparing your response.

Miscellaneous. This RFQ is not a commitment or contract of any kind. The County reserves the right to negotiate with the selected Applicant as recommended by the selection committee, neighborhood panel, and Board of Supervisors. The County reserves the right to accept and award a recommended Applicant as described in this RFQ or to reject all applications. All submissions in response to this RFQ will become the property of the County and will be considered public records. As such, they may be subject to public review.

SECTION VII – RFQ TIMELINE

This section describes the RFQ and project timeline in keeping with Homekey program deadlines. Please note the timeline is subject to change at any time at the County’s discretion, and the County will post any such changes at the RFQ landing page on the DOH website. Please further note that any adjustments the State may provide regarding Homekey deadlines are not included in this table.

EVENT	TARGET DATE
1. RFQ Release	September 9, 2021
2. MS Teams Technical Assistance (Times will be posted on DOH website)	September 15 2021 (check DOH website)
3. Panel Pre-proposal Q&A Session (Times will be posted on DOH website)	September 22 2021 (check DOH website)
4. RFQ Response Deadline (Responses Must be Submitted by 1:00 p.m.)	September 27
5. Selection Panel Presentations & Interviews 10:00am Microst Team link here	October 1, 2021
6. Operator Pool Selection and Award letters	October 4, 2021
7. Project Homekey Applications	TBD

SECTION VII – SOQ SUBMISSION

Statements of Qualifications must be submitted **by email** to housing@smchousing.org by **4:00 p.m. PDT on September 27, 2021**.

Please note the County highly recommends applicants send multiple email messages, if necessary, to keep each email below 10MB in size in order to ensure delivery.

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